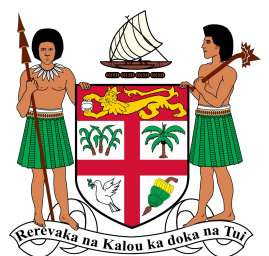




OFFICE *of the* AUDITOR GENERAL
Republic of Fiji

REPORT OF THE AUDITOR-GENERAL OF THE REPUBLIC OF FIJI

Provincial Councils Volume 2



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 146 OF 2019



OFFICE *of the* AUDITOR GENERAL
Republic of Fiji

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File: 102

15 November 2019

The Honorable Ratu Epeli Nailatikau
Speaker of the Parliament of the Republic of Fiji
Parliament Complex
Gladstone Road
SUVA.

Dear Sir

AUDIT REPORT ON PROVINCIAL COUNCILS – VOLUME 2

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on Provincial Councils – Volume 2.

A copy of the report has been submitted to the Minister for Economy who as required under section 152(14) of the Constitution shall lay the report before Parliament within 30 days of receipt, or if Parliament is not sitting, on the first day after the end of that period.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL



Encl.

The Auditor-General and Office of the Auditor-General – Republic of Fiji

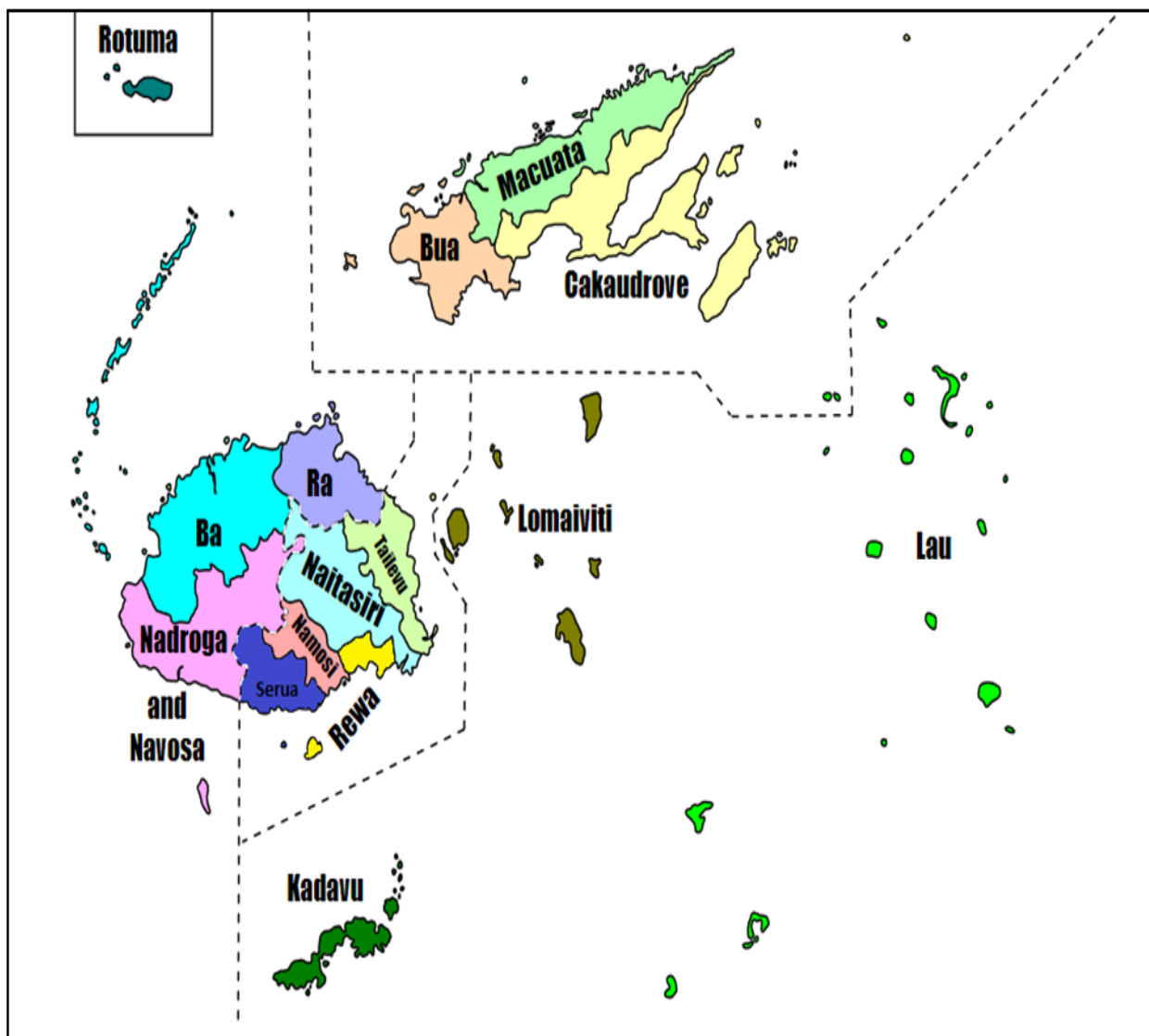
The roles and responsibilities of the Auditor-General include expressing an opinion on the financial statements of the 14 Provincial Councils. The Auditor-General has the mandate under the *iTaukei Affairs (Provincial Councils) Regulations 1996* to audit the Provincial Councils. Sections 33(2) and 33(3) state that “*the accounts of every Council shall be audited by the Auditor-General*” and that financial statements are to be submitted to the Auditor-General by 1 April each year.

The Office of the Auditor-General is established as an Independent Office by the Constitution of Republic of Fiji and assist the Auditor-General carry out the audits on behalf of Parliament.

At least once every year, the Auditor-General must report to Parliament on the audits conducted and on *other significant matters* the Auditor-General wishes to bring to the attention of Parliament.

This report satisfies these requirements.

The Office of the Auditor-General notes the impact of its reports to Parliament on the ordinary citizens and strives for accuracy and high quality reporting including recommendations which are not only value-adding to the entity subject to audit but its customers, the general public as well.



(Source - https://wikivisually.com/wiki/Provinces_of_Fiji)

There are 14 Provinces in Fiji comprising of 190 districts and 1172 *iTaukei* villages. A Provincial Council promotes the health, peace, order, welfare and good government of the *iTaukei* residing in that Province.

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AUDITOR-GENERAL'S FOREWORD



I am pleased to present Volume 2 – Report of the Auditor-General on Provincial Councils. This is the second of three reports on the backlog audits for Provincial Councils planned to be submitted to Parliament in 2019. The third volume though completed in 2019 will be ready for tabling in Parliament in February 2020.

Section 33 of the *iTaukei* Affairs (Provincial Councils) Regulations 1996 mandate the Auditor-General to audit the accounts of the Provincial Councils. As stressed in Volume 1, financial accountability by the Provincial Councils in terms of financial reporting and making available to the members of the Provinces and public audited financial statements is seriously lacking. The financial audits of all 14 Provincial Councils are substantially behind by 10 years or less as financial statements were not submitted annually to the Auditor-General.

Between 2015 and 31 October 2019, the Office of the Auditor-General received from the *iTaukei* Affairs Board 148 draft financial statements for Provincial Councils. Except Lau Provincial Council, all Provincial Councils have submitted for audit financial statements up to the year ended 31 December 2012. I am expecting to receive an additional 87 draft financial statements up to the financial year ended 2018 by 2020. The enormous responsibility of resourcing the audits of this huge number of draft financial statements is a challenge that my Office has embraced for the past 2 ½ years. From 1 August 2017, a Financial Audit Group was established to undertake the task of auditing the financial statements of Provincial Councils.

Status of the Audits

I am pleased to report that we have completed the audits of 79 of the 143 financial statements and have been reported in this report and in Volume 1. The audits of 43 financial statements are currently in progress or are being finalized to be issued for signing. The financial audits for the years 2011 to 2012 for all Provincial Councils will commence from April 2020.

Report

This report contains summaries and my analysis of the audit findings, the quality and timeliness of financial reporting by Provincial Councils, the audit opinions issued on the financial statements and the key reasons for such opinions, internal control assessments, other significant issues identified from the audits and high level recommendations aimed to strengthen financial reporting, governance and internal controls.

The issues discussed in this report require the immediate attention and prompt actions by the *iTaukei* Affairs Board, Provincial Councils and the Ministry of *iTaukei* Affairs to improve financial accountability by the Provincial Councils. On the same note, I would like to acknowledge the efforts already made by the *iTaukei* Affairs Board to improve financial reporting by the Provincial Councils.

My Office is committed to fulfilling the immense task of updating the audits of Provincial Councils and will continue to work with the *iTaukei* Affairs Board and the Provincial Councils to ensure that this is achieved.

Ajay Nand
AUDITOR-GENERAL

EXECUTIVE SUMMARY

1. Introduction

Provincial Councils

There are 14 Provincial Councils which the Auditor-General has the mandate to audit under Section 33 of the *iTaukei* Affairs (Provincial Councils) Regulations 1996.

Status of Audits

The audits for all Provincial Councils are in backlog by 10 years. The delay in the audits is due primarily to the non-submission of draft financial statements to the Auditor-General for audit, by the legislated date of 1 April annually.

Of the 148 draft financial statements received by the Auditor-General, the audits of 79 financial statements for the 14 Provincial Councils have been completed, audits of 23 financial statements are currently being finalized, audits of 20 financial statements are in progress and 26 financial statements will be audited from April 2020. From the 79 financial statements that have been audited, the result of the audits for 30 financial statements have already been reported in Volume 1.

2. Financial Reporting

Quality of Financial Reporting

The overall quality of financial reporting has been assessed ineffective and require improvements:

- We issued modified (Disclaimer of Opinion) audit opinions on all 49 financial statements audited.
- We reported to the *iTaukei* Affairs Board 123 significant matters concerning material accounting issues and deficiencies in internal controls.

Timeliness of Financial Reporting

Timeliness of financial reporting has been assessed ineffective and require substantial improvements. The audits for Provincial Councils are in backlog by 10 years.

3. Internal Controls

Assessment

Internal controls for the nine Provincial Councils have been assessed as ineffective. The Provincial Councils need to strengthen controls over cash management, journals & reconciliation, purchases & payments and payroll.

4. Other Significant Matters

Common Findings

Other areas that require immediate attention by the *iTaukei* Affairs Board and the Provincial Councils for priority and prompt actions for resolutions include:

- timely submission of financial statements for audit, non-compliance with the accounting standards, limitation of scope due to insufficient supporting documents, poor records management, poor asset management, lack of documentation for loans and advances to staff and public, review and update of policies & procedures, collection and recording of provincial rates, confirmations of investment with Provincial Companies, maintaining proper and updated records of relating to transactions with Provincial Companies and resolution on whether Provincial Councils are subject to VAT.

5. Audit Conclusion

Disclaimer of Opinions (Modified audit opinion) were issued on all the 49 financial statements audited which reflected negatively on the *iTaukei* Affairs Board and the Provincial Councils. Urgent and close attention should be given to address matters highlighted in the Auditors' Reports including the significant matters raised in Sections 3 & 4.

1.0 Introduction

The Provincial Councils (“Councils”) are established under Section 7 of the *iTaukei* Affairs Act 1944 and Section 3 of the *iTaukei* Affairs (Provincial Council) Regulation 1996. Each Provincial Council is a body corporate.

The functions of the Councils are:

- To formulate and implement policies for promoting the health, peace, order, welfare and good government of *iTaukei* residing in the Province;
- To formulate and implement policies for promoting the economic, cultural and social developments of the Province; and
- To carry out such other duties and functions, which the Minister for *iTaukei* Affairs or the Board may see fit to delegate to the Council.

The operations of the Councils are funded by Government Subventions disbursed through the Ministry of *iTaukei* Affairs and the *iTaukei* Affairs Board. Other operational costs not covered by Government Subvention are funded through the collection, on communal basis, of provincial rates.

The Auditor-General has the mandate under the *iTaukei* Affairs (Provincial Councils) Regulations 1996 to audit the Provincial Councils. Sections 33(2) and 33(3) state that “*the accounts of every Council shall be audited by the Auditor-General*” and that financial statements are to be submitted to the Auditor-General by 1 April each year.

This report includes the audit results of 49 financial statements for nine Provincial Councils as follows:

Provincial Council	Year
Ba	2001 – 2007
Bua	2003 – 2007
Namosi	2001 – 2007
Ra	2000 – 2007
Rewa	2006 – 2007
Serua	2006 – 2007
Cakaudrove	2002 – 2007
Kadavu	2002 – 2007
Nadroga/Navosa	2002 – 2007

The audits of Provincial Councils have been extensively delayed and is due primarily to the non-submission of financial statements annually to the Auditor-General. The audits of Provincial Councils are behind by 10 years.

An update on the progress of the Provincial Councils’ audits is provided under Section 1.4.

1.1 Legislative Framework

The following legislation establishes the financial accountability frameworks and legislative time frames to complete financial statements audits for the Provincial Councils:

1. *iTaukei* Affairs Act 1944
2. *iTaukei* Affairs (Provincial Councils) Regulations 1996
3. Audit Act 1969

The respective legislative frameworks indicate the minimum requirements for financial accountability and reporting such as:

- Good governance
- Financial management and performance
- Entity's performance against corporate intent or plan
- Financial reporting
- Annual reports

1.2 Accountability and Audit Requirements

The Auditor-General has the mandate under the *iTaukei Affairs (Provincial Councils) Regulations 1996* to audit the Provincial Councils. Sections 33stateAuditor-Generalthat financial statements are to be submitted to the Auditor-General by 1 April each year. Therefore, all Provincial Councils come under the provision of the Audit Act 1969.

The management of Provincial Councils and the *iTaukei Affairs Board* are responsible for the preparation and fair presentation of financial statements in accordance with applicable accounting standards, which is the Fiji Accounting Standards¹ for the financial statements reported and requirements of applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Auditor-General may conduct audits in the manner considered appropriate but must ensure that they are conducted in a competent manner having regard to assessment of effectiveness of any relevant internal control system. The Auditor-General must carry out the audit in accordance with the relevant provisions of the standards on auditing determined by the Fiji Institute of Accountants or other relevant standards considered appropriate.

Following completion of an audit, the Auditor-General must give an opinion on each set of financial statements audited. In addition, an audit memorandum or management letter should be issued to the responsible authority for each entity audited.

The Auditor-General's responsibility is to express an opinion on these financial statements based on his or her audit in accordance with the International Standards on Auditing (ISA). Those standards require the Auditor-General to 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 the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation 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.

¹ Although withdrawn, the Fiji Accounting Standards still apply until 2010

1.3 Types of Audit Opinions

In accordance with International Standards on Auditing, the Auditor-General expresses an **unmodified opinion** when the financial statements are prepared in accordance with the relevant financial reporting framework and legislative requirements. This type of opinion indicates that material misstatements, individually or in the aggregate, were not noted in our audit, which would affect the financial statements of an entity.

Modified Opinions:

A **qualified opinion** is issued when having obtained sufficient appropriate audit evidence, we conclude that misstatements, individually or in the aggregate, are material, but not pervasive, to the financial statements; or we are unable to obtain sufficient appropriate audit evidence on which to base the opinion, but the auditor concludes that the possible effects on the financial statements of undetected misstatements, if any, could be material but not pervasive.

An **adverse opinion** is expressed when, having obtained sufficient appropriate audit evidence, conclude that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements.

A **disclaimer of opinion** is issued when sufficient appropriate audit evidence is unable to be obtained on which to base the opinion, and we conclude that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.

1.4 Status of Audits – Update

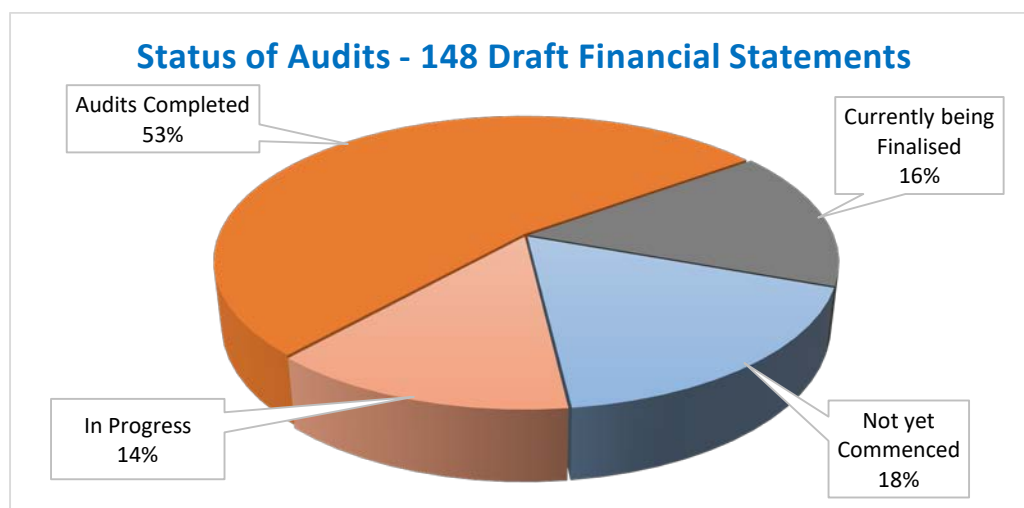
As at 31 October 2019, a total of 148 draft financial statements for Provincial Councils were submitted to the Auditor-General for audit. Due to the significant number, resourcing to promptly complete these audits continued to be a challenge. In response to this challenge, a Financial Audit Group was established from 1 August 2017 to undertake the backlog audits for the 14 Provincial Councils.

Below is a summary of the status of audits as at 31 October 2019:

Provincial Council	Draft Financials Statements Received	Audits Completed	Audits currently being finalized	Audits in Progress	Audits not yet commenced	Draft Financial Statements not yet received for audit
Ba	2001 – 2012	2001 – 2007	2008 – 2010		2011 – 2012	2013 – 2018
Bua	2003 – 2012	2003 – 2007		2008 – 2010	2011 – 2012	2013 – 2018
Cakaudrove	2002 – 2012	2002 – 2007	2008 – 2010		2011 – 2012	2013 – 2018
Kadavu	2002 – 2012	2002 – 2007		2008 – 2010	2011 – 2012	2013 – 2018
Lau	2003 – 2009	2003 – 2007		2008 – 2009		2010 – 2018
Lomaiviti	2006 – 2012		2006 – 2007	2008 – 2010	2011 – 2012	2013 – 2018
Macuata	2005 – 2012	2005 – 2007		2008 – 2010	2011 – 2012	2013 – 2018
Nadroga	2002 – 2012	2002 – 2007	2008 – 2010		2011 – 2012	2013 – 2018
Naitasiri	2000 – 2012	2000 – 2007	2008 – 2010		2011 – 2012	2013 – 2018
Namosi	2001 – 2012	2001 – 2007		2008 – 2010	2011 – 2012	2013 – 2018
Ra	2000 – 2012	2000 – 2007		2008 – 2010	2011 – 2012	2013 – 2018
Rewa	2002 – 2012	2002 – 2007	2008 – 2010		2011 – 2012	2013 – 2018
Serua	2002 – 2012	2002 – 2007	2008 – 2010		2011 – 2012	2013 – 2018
Tailevu	2002 – 2012	2002 – 2007	2008 – 2010		2011 – 2012	2013 – 2018
Total	148	79	23	20	26	87

Of the 148 draft financial statements submitted to the Auditor-General:

- Audits of 30 financial statements have been completed and reported in Volume 1;
- Audits of 49 financial statements have been completed and reported in this report;
- Audits of 43 financial statements are currently being finalized or in progress; and
- Audits of 26 financial statements will commence from April 2020.



Efforts are being made to complete in 2019 the audits of financial statements up to the year ended 31 December 2010, for all fourteen Provincial Councils.

It is expected that an additional 87 draft financial statements will be submitted to the Auditor-General in 2020.

As the Auditor-General is mandated to audit the Provincial Councils, the Office of the Auditor-General is strongly committed to fulfilling this mandate and will continue to work closely with the *iTaukei* Affairs Board and the Provincial Councils to update the audits of all Provincial Councils by 2021.

1.5 Reference to Comments

The draft financial statements for the Provincial Councils were submitted to the Auditor-General by the *iTaukei* Affairs Board, as such all audited financial statements and management letters were issued to the Board.

As at 31 October 2019, we received responses from the *iTaukei* Affairs Board on the audits of 49 financial statements for nine Provincial Councils reported in this report. The comments provided by the *iTaukei* Affairs Board are summarized on **Appendix E**. Comments received subsequently will be provided to the Parliament Standing Committee on Public Accounts when this report is tabled for discussion.

It is important to note that the deficiencies detailed in this report were identified during our audit and may have been subsequently resolved by the *iTaukei* Affairs Board and the Provincial Councils.

2.0 Financial Reporting

Sound financial management require the important elements of accurate and timely financial statements. They bring accountability and transparency to the way public resources are utilized by the Provincial Councils. We have assessed financial reporting for the Provincial Councils by the following aspects:



- quality of financial reporting
- timeliness of financial reporting

2.1 Quality of financial reporting

The following two indicators assisted us in assessing the quality of the Councils' financial statements:

- modified and unmodified audit opinions; and
- significant matters reported to management and those responsible for governance, in this case the *iTaukei* Affairs Board.

As shown in the Table below, we assessed the quality of financial reporting by the type of audit opinion issued on the financial statements and the impact and number of significant issues reported to management and those charged with the governance of the Provincial Councils:

Rating	Quality of financial reporting assessment
 Effective	Unmodified opinions with minimal issues reported to the Provincial Council through the <i>iTaukei</i> Affairs Board
 Ineffective	Modified opinions with more than five significant issues reported to the Provincial Council through the <i>iTaukei</i> Affairs Board

The modified audit opinions issued on all 31 financial statements and the prevalence of the significant matters reported across the Provincial Councils indicated that the overall quality of financial reporting is ineffective and require substantial improvements.

Audit opinions

The main outcome of our audits are independent auditors' reports on the financial statements of the Provincial Councils that were produced and submitted to the Auditor-General by the *iTaukei* Affairs Board.

We issued 49 modified audit opinions on all the financial statements of the nine Provincial Councils reported in this report. The modified audit opinions were all Disclaimer of Opinions as shown in the Table below:

Provincial Council	Year	Unmodified Opinion	Modified Opinion
			Disclaimer of Opinion
Ba	2001 – 2007		✓
Bua	2003 – 2007		✓

Provincial Council	Year	Unmodified Opinion	Modified Opinion
			Disclaimer of Opinion
Namosi	2001 – 2007		✓
Ra	2000 – 2007		✓
Rewa	2006 – 2007		✓
Serua	2006 – 2007		✓
Cakaudrove	2002 – 2007		✓
Kadavu	2002 - 2007		✓
Nadroga/Navosa	2002 - 2007		✓

Key Reasons for Disclaimed Audit Opinions

Provincial Council	Year	Limitation of Scope	Non-Compliance with relevant Accounting Standards	Significant Breakdown in internal controls
Ba	2001 – 2007	✓	✓	✓
Bua	2003 – 2007	✓	✓	✓
Namosi	2001 – 2007	✓	✓	✓
Ra	2000 – 2007	✓	✓	✓
Rewa	2006 – 2007	✓	✓	✓
Serua	2006 – 2007	✓	✓	✓
Cakaudrove	2002 – 2007	✓	✓	✓
Kadavu	2002 – 2007	✓	✓	✓
Nadroga/Navosa	2002 – 2007	✓	✓	✓

Audit opinions were disclaimed due to the following major reasons:

- Limitation of scope – we were unable to obtain sufficient appropriate audit evidences to substantiate major components of the financial statements. The absence of accounting and other records created significant limitations on the scope of the audits and restricted the performing of necessary audit procedures. The limitations were pervasive and material to understanding the financial information disclosed in the financial statements.

Appendix A lists the percentage of unsubstantiated balances due to unavailability of accounting and related records, which also affected the ability to quantify the financial effects to adjust and correct the financial statements.

- Statements of Cash Flow were not prepared and presented as components of the financial statements submitted for audit, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
- Significant breakdowns in financial internal controls affected the reliability of financial reporting of the Provincial Councils.

Appendix B contains the qualification issues raised in the Auditors' Reports issued to the nine Provincial Councils.

The abridged financial statements are presented as **Appendix C**.

Significant Matters Reported

The Audit Act 1969 requires that the Auditor-General report on significant matters identified during the audit to those responsible for the governance of the Provincial Councils. This includes the *iTaukei* Affairs Board and the Roko Tui.

As the audits for several years were conducted at the same time, the issues that were identified from the audit as significant for the individual Provincial Councils for those years were rated medium to high risks and were communicated to the *iTaukei* Affairs Board in one report or Management Letter.

Issues that are classified as medium to high risks are control and compliance weaknesses of such fundamental significance or substantial importance to the Provincial Councils that they require immediate attention by the *iTaukei* Affairs Board for priority and prompt actions for resolutions.



We reported to the Provincial Councils through the *iTaukei* Affairs Board 123 significant matters on the audits of the 49 financial statements for the nine Provincial Councils.

Provincial Council	Year	No. of Significant Matters Reported
Ba	2001 – 2007	12
Bua	2003 – 2007	12
Namosi	2001 – 2007	14
Ra	2000 – 2007	10
Rewa	2006 – 2007	17
Serua	2006 – 2007	21
Cakaudrove	2002 – 2007	11
Kadavu	2002 - 2007	10
Nadroga	2002 - 2007	16

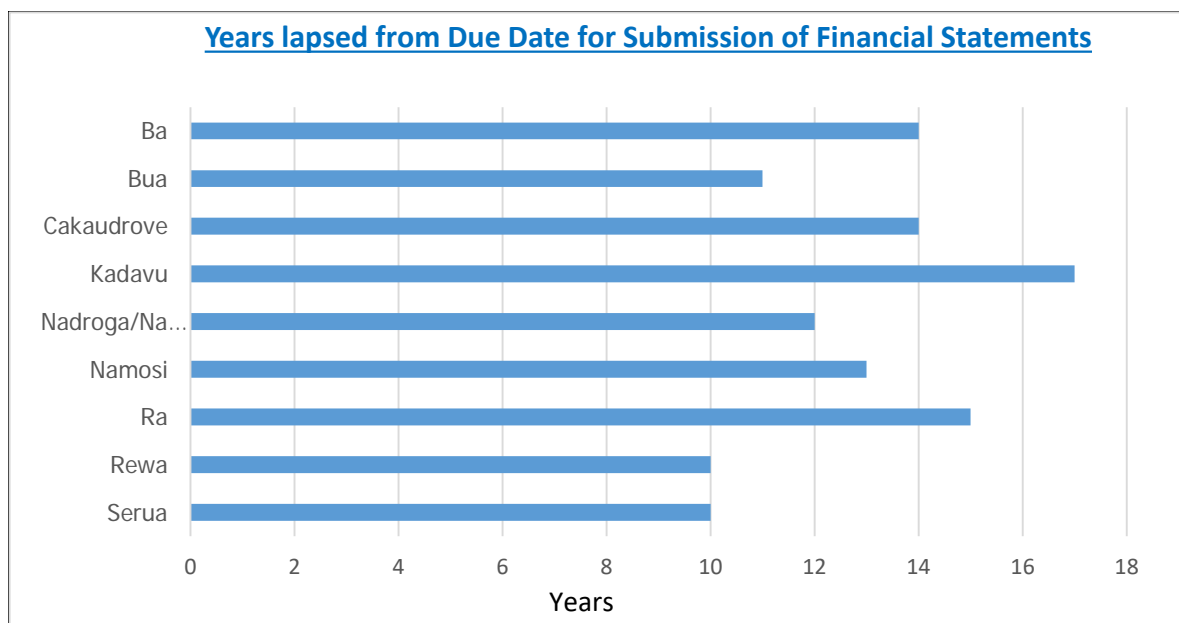
An analysis and common significant issues across the Provincial Councils are discussed further on Sections 3 & 4 of the report.

2.2 Timeliness of financial reporting

To assess the timeliness of acceptable draft financial statements, we have compared the date the draft financial statements were received for audit after allowing for at least 30 days before the legislative deadlines for our audit.

Rating	Timeliness of financial reporting assessment
 Effective	Acceptable draft financial statements received by 1 April each year
 Ineffective	Acceptable draft financial statements received more than 30 days after 1 April each year

The diagram below shows the length of time for the submissions of financial statements to the Auditor-General:



All nine Provincial Councils did not comply with the statutory requirements to submit to the Auditor-General financial statements for audit by 1 April each year.

The submissions of financial statements to the Auditor-General were more than 10 years behind the statutory deadlines. In some cases, multiples versions of the financial statements were presented for audit, which further delayed the audits for certain Councils.

The 2013 draft financial statements (refer to Section 1.4) which have yet to be submitted to the Auditor-General for audit, are already 5 years behind as at 31 October 2019.

The timeliness of financial reporting is ineffective due to the length of time it took the *iTaukei* Affairs Board and the Provincial Councils to prepare and present the financial statements and submit them to the Auditor-General for audit.

2.3 Results Summary

Both the quality and timeliness of financial reporting for the nine Provincial Councils have been assessed as ineffective and therefore require the immediate attention of the *iTaukei* Affairs Board for prompt resolutions.

The following Table summarizes our assessment of financial reporting processes:

Provincial Council	Year	Financial Reporting	
		Q	T
Ba	2001 – 2007	✖	✖
Bua	2003 – 2007	✖	✖
Namosi	2001 – 2007	✖	✖
Ra	2000 – 2007	✖	✖
Rewa	2006 – 2007	✖	✖
Serua	2006 – 2007	✖	✖
Cakaudrove	2002 - 2007	✖	✖
Kadavu	2002 - 2007	✖	✖
Nadroga/Navosa	2002 - 2007	✖	✖
T=Timeliness of financial reporting		Q=Quality of financial reporting	

3.0 Internal Controls

3.1 Internal Controls Assessments

Good internal controls provide reasonable assurance that an entity is achieving its objectives relating to operations and reporting and support the production of effective financial statements.

We assess the financial controls used by the Provincial Councils using the following five key elements:

- (i) Control Environment (CE) – actions, attitudes and values that influence daily operations
- (ii) Risk Assessment (RA) – processes for identifying, assessing and managing risk
- (iii) Monitoring Activities (MA) – oversight of internal controls for existence and effectiveness
- (iv) Control activities (CA) – policies, procedures, and actions taken to prevent or detect errors
- (v) Information and Communication (IC) – systems to inform staff about control responsibilities

The five key elements are explained in detail on **Appendix D**.

When we identify that internal controls in any of these elements are missing or are not operating as intended, we refer to them as *control deficiencies (audit finding)*. If we identify that a control deficiency, either alone or in combination with other deficiencies, may lead to a material misstatement in the entity's financial statements, we refer to this as a *significant audit finding*. If we identify a deficiency (audit finding) with any of these internal controls as part of our audits, we report the finding to the entity's management.



A deficiency occurs when internal controls are unable to prevent, detect or correct errors in the financial statements or where controls are missing. A significant deficiency is a deficiency that either or alone or in combination with multiple deficiencies may lead to a material misstatement in the financial statements. It requires immediate management action.

The Results Summary in Section 3.3 shows the strength of controls in key elements for the nine Provincial Councils for which 49 financial statements were audited.

Our audit indicated that all five components were areas where significant deficiencies were identified.

In 2015, the iTaukei Affairs Board issued a Financial Manual to supplement the existing Accounting Manual. However, we have yet to determine whether the supplementary Finance Manual has assisted the Provincial Councils to operate reliably and to produce effective financial statements.

The following Table outlines the rating we have used to assess internal controls:

Rating	Internal Control Assessment
 Effective	No deficiencies identified in internal controls
 Ineffective	Significant deficiencies identified in internal controls

It is important to note that the deficiencies detailed below were identified during our audit and may have been subsequently resolved by the iTaukei Affairs Board and the Provincial Councils. These have

been included in this report as they impacted on the overall system of control of the Provincial Councils as at the dates of the financial statements.

3.2 Common findings

Internal control deficiencies identified were communicated to the *iTaukei* Affairs Board through our Management Letters. Common internal control weaknesses relate to the following main areas:

- Cash management
- Journals and reconciliation
- Purchases and payments
- Payroll

Our audits found the following internal control weaknesses to be prevalent with the Provincial Councils:

Cash management

- Monthly bank reconciliations were either not prepared or if performed were untimely and inaccurate. As a result, there were unreconciled variances between the Bank Reconciliation Statements and the General Ledger with neither balances reconciled to the confirmations provided by the banks.
- Receipts were not banked intact as deposits could not be traced to the bank statements. This indicated that receipts may have been utilized for cash payments, however, could not be properly substantiated due to missing records.
- Daily or regular banking of receipts were not done.
- Accurate and timely cash flow analysis were not performed.
- Stale cheques were not appropriately dealt with.
- Cash records such as lodgment books, cheque books and cashbooks were not properly maintained resulting in the records not being able to be located for audit.

The various internal control weaknesses identified indicated that cash management for Provincial Councils is a high risk area that is susceptible to fraud and mismanagement.

Journals and Reconciliations

- Inadequate supporting documents for journals posted to the General Ledger.
- Reconciliations for other key account balances were not prepared. Reconciliations were not reviewed or if reviewed, were not done independently and in a timely manner.
- Salary reconciliations were not performed.

Journals without appropriate controls and oversight increases the risk of error and fraud. The Provincial Councils need to improve the process in preparing and reviewing account reconciliations by performing timely reconciliations that are independently reviewed.

Purchases and payments

Purchases and payments processes were not complied with as follows:

- Local Purchase Orders were not issued for purchases.
- Competitive quotations were not obtained.
- Payment vouchers and supporting documents were not stamped "PAID".
- Payments were not always supported with proper and appropriate documentations.

As records such as payment vouchers and supporting documentations have been misplaced, some payments made during the years could not be substantiated during the audit.

Improving internal controls for the purchases and payments functions for Provincial Councils are crucial to minimizing the risks of unauthorized purchases and fraud.

Payroll

- Payments of wages were not supported with timesheets/timecards.
- Employee details were not updated in the Personnel Files such as Employment Agreements, salary rates and positions, and leave schedules.
- Personnel Files and Pay Run Reports were not provided for audit verification.
- Salary reconciliations were not performed.

Weaknesses in payroll controls could result in incorrect payments to employees due to either error or fraud. As employee salaries/wages and related costs represents the largest portion of total expenditures for Provincial Councils, effective payroll controls is crucial.

Appendix E provides a summary of the management comments received from the iTaukei Affairs Board.

3.3 Results Summary

For the years audited, we have assessed the internal controls for the Provincial Councils as ineffective. The common significant findings discussed in Sections 3 & 4 have contributed to this assessment.

The Table below summarizes our assessment of internal controls across the Provincial Councils which were audited:

Provincial Council	Year	Internal Controls				
		CE	RA	CA	IC	MA
Ba	2001 - 2007	✖	✖	✖	✖	✖
Bua	2003 - 2007	✖	✖	✖	✖	✖
Namosi	2001 - 2007	✖	✖	✖	✖	✖
Ra	2000 - 2007	✖	✖	✖	✖	✖
Rewa	2006 - 2007	✖	✖	✖	✖	✖
Serua	2006 - 2007	✖	✖	✖	✖	✖
Cakaudrove	2002 - 2007	✖	✖	✖	✖	✖
Kadavu	2002 - 2007	✖	✖	✖	✖	✖
Nadroga/Navosa	2002 - 2007	✖	✖	✖	✖	✖

CE=Control Environment

RA=Risk Assessment

CA=Control Activities

IC=Information and Communication Control

MA=Monitoring Activities

4.0 Other Significant Matters

The Audit Act 1969 requires, amongst other things, that the Auditor-General must report on other significant matters which the Auditor-General wishes to bring to the attention of Parliament.

Other significant matters highlighted in this report, include control weaknesses which *could cause or is causing* severe disruption to the process or on the ability of the Provincial Councils to achieve process objectives and comply with relevant legislation, which are in addition to those discussed in Section 3.

It is likely that these issues may have an impact on the operations of the Provincial Councils in future, if necessary action is not taken to address them.

It is important to note that the deficiencies detailed in this report were identified during our audit and may have been subsequently resolved by the iTaukei Affairs Board and the Provincial Councils. These have been included in this report as they impacted on the overall system of control of the Provincial Councils as at the dates of the financial statements.

4.1 Common Findings

Other significant matters identified during the audit were communicated to the iTaukei Affairs Board through Management Letters and they relate to the following areas:

- **Submission of financial statements for audit** – Significant delays in the submission of draft financial statements for audit, which is discussed in detail in Section 2 of this report. Lack of capacity has been identified as a contributing factor to preparing appropriate, timely and accurate draft financial statements.
- **Compliance with the accounting standards** – Non-compliance with the requirements of the applicable financial reporting framework used. A significant non-compliance relate to the non-disclosure of Statement of Cash Flows in all the draft financial statements submitted for audit.
- **Limitation of scope** – Lack of sufficient appropriate supporting documentations to substantiate the account balances reported in the financial statements. Refer to **Appendix A**. The absence of records created a significant limitation on the scope of the audits and restricted the performing of necessary audit procedures.
- **Records management** – Records management for the Provincial Councils were generally poor resulting in missing financial and related records to support most of the balances reflected in the financial statements.
- **Asset management** - The Provincial Councils have not reviewed the valuation of property, plant and equipment since 1999. In addition, the accuracy and completeness of the Fixed Assets Registers/Schedules could not be determined as the balances in the General Ledger and the Fixed Assets Schedule did not reconcile.

There was no capitalisation policy to set the threshold for recording expenditures related to fixed assets.

- **Loans and advances to staff and public** – Loans and advances to staff and public were not supported with appropriate documentations. The Provincial Councils were not effective in the

recovery process of loans and advances resulting in substantial provisions for doubtful debts for the years audited.

- **Policies and procedures** - Absence of clear policies that requires the development of strategic and operational plans. These include but not limited to strategic and corporate plans, business plans, risk management plans, disaster recovery plans.

We also looked at whether policies and procedures for various aspects of the Provincial Councils' operations exist and were updated. For the years audited, we noted that policies and procedures were not reviewed and updated.

- **Provincial rates** – The Provincial Councils did not maintain Rates Collection Registers. As such detailed listing of rates due and payable could not be determined. Consistent over projection of revenue from provincial rates over the years.
- **Confirmations of investments with Provincial Companies** – Some Provincial Councils hold various investments with the Provincial Holding Companies. For five of the nine Provincial Councils audited, investment confirmations were not provided by the Provincial Companies as such the audits were unable to determine the authenticity of the investments.
- **Lack of available information on Provincial Companies** –The financial statements of five of the six Provincial Councils audited indicated that various transactions were made with the Provincial Companies through investments and loans & advances including the Provincial Councils obtaining loans for the companies. The lack of available and updated information and records on Provincial Companies also contributed to the scope limitations in the audits.
- **VAT** - Government grant and expenses related to government grants were not charged with VAT. The issue on whether the Provincial Councils are subject to VAT is long outstanding and has remained unresolved.

Appendix E provides a summary of the management comments received from the iTaukei Affairs Board.

5.0 Audit Conclusion and Recommendations

5.1 Audit Conclusion

Modified audit opinions (Disclaimer of Opinion) were issued on all the 49 financial statements audited which reflected negatively on the *iTaukei* Affairs Board and the Provincial Councils. Urgent and close attention should be given to address matters which have been highlighted in the Auditors' Reports including the significant matters raised in Management Letters.

Quality and timely financial reporting is a major concern that needs to be addressed by those charged with governance of the Provincial Councils. Delays in submission of financial statements for audit prevents the Auditor-General from giving an opinion on them on a timely basis and informing Parliament and other stakeholders of the outcome of such audits.

Good governance and internal controls is lacking because regulations, formal policies and procedures to govern all aspects of the Provincial Councils' operations were not reviewed and updated for a long period time or that they do not exist. This has not been given due considerations over the years. In addition, records management is poor resulting in missing financial records. There is no policy currently existing that is directed towards effective records management.

Majority of Provincial Councils had made large investments and/or provided loans & advances to Provincial Companies. However, it was difficult to obtain confirmations and information on the establishment and the current operations of most Provincial Companies as information/records were not available.

The monitoring role of the Ministry of the *iTaukei* Affairs and *iTaukei* Affairs Board on the operations of the Provincial Councils should be strengthened to improve financial accountability. It has been noted that it becomes challenging for entities to prepare annual financial statements when these have not been done for some time resulting in backlog.

5.2 Recommendations

1. Management of the *iTaukei* Affairs Board and the Provincial Councils should urgently address all the issues that give rise to the audit qualifications, internal control deficiencies and other significant issues discussed identified on Sections 3 & 4 of this report.
2. Improving the quality and timeliness of financial statements should be given the utmost priority. Quality of financial reporting can be improved by involving suitably qualified Accountants in the Provincial Councils that are capable of preparing and presenting draft financial statements on time and in accordance with the requirements of the applicable financial reporting framework.
3. The *iTaukei* Affairs Board should consider the establishment of a robust and capable audit, risk and improvement committee to specifically look at the quality and timeliness of financial reporting by the Provincial Councils and formulate action plans to resolve governance and internal control deficiencies and significant audit findings reported by the Auditor-General.
4. The *iTaukei* Affairs Board should consider reviewing and strengthening the capability of its internal audit function to assist in reviewing the systems and processes for the Provincial Councils and develop recommendations for improvements to those charged with governance.

5. Formulation of strategic plans and corporate plans including risk management plans for the Provincial Councils should be given due consideration. Regulations and formal policies and procedures to support effective governance and internal controls should be regularly reviewed and kept up to date or established for those that do not exist.
6. The *iTaukei* Affairs Board and the Provincial Councils need to ensure that plans, policies, standards and guidelines are available to all staff and that staff are aware of them. These should provide direction for the day-to-day operations of the Provincial Councils, promote consistency across the 14 Provincial Councils, clarify accountability and support compliance with laws and regulations by staff and management of the Councils.
7. Maintaining accurate and complete fixed assets records is important to ensure effective management of property, plant and equipment and accurate financial reporting. In addition, there should be a clear plan on asset valuations to ensure that the process is appropriately managed and documented.
8. The Provincial Councils and the *iTaukei* Affairs Board should maintain accurate and updated records/information on the Provincial Companies.
9. The monitoring role of the Ministry of the *iTaukei* Affairs and *iTaukei* Affairs Board on the operations of the Provincial Councils should be strengthened to improve financial accountability.

6.0 Appendices

Appendix A: Limitation of Scope – Unsubstantiated Balances

The audit was not provided with sufficient appropriate supporting documents to substantiate the balances reported in the financial statements:

Provincial Council	Account Areas	Balance as per financial statements	Balance unsubstantiated	Percentage Unsubstantiated
Ba:				
2001	Assets	2,974,230	2,741,236	92%
	Liabilities	555,097	311,943	56%
	Equity	2,419,133	496,626	21%
	Prior Year Adjustments	229,802	229,802	100%
	Revenue	554,934	257,553	46%
	Expenditure	564,042	329,943	58%
2002	Assets	2,887,216	2,659,307	92%
	Liabilities	435,193	136,088	31%
	Equity	2,452,023	496,626	20%
	Prior Year Adjustments	(4,165)	(4,165)	100%
	Revenue	622,523	232,325	37%
2003	Assets	2,793,835	2,645,768	95%
	Liabilities	396,738	48,677	12%
	Equity	2,397,097	496,626	21%
	Prior Year Adjustments	(23,179)	(23,179)	100%
	Revenue	601,877	279,421	46%
2004	Assets	2,971,627	2,832,293	95%
	Liabilities	383,554	71,411	19%
	Equity	2,588,073	496,626	19%
	Prior Year Adjustments	(15,782)	(15,782)	100%
	Revenue	892,593	288,999	32%
2005	Assets	2,974,222	2,854,619	96%
	Liabilities	344,666	67,595	20%
	Equity	2,629,556	496,626	19%
	Revenue	704,739	162,676	23%
2006	Assets	3,044,157	2,897,777	95%
	Equity	2,602,295	496,626	19%
	Prior Year Adjustments	15,232	15,232	100%
	Revenue	701,912	260,435	37%
2007	Assets	2,956,954	2,790,414	94%
	Liabilities	372,737	27,548	7%
	Equity	2,584,217	496,626	19%
	Prior Year Adjustments	5,570	5,570	100%
	Revenue	656,154	271,003	41%
Bua:				
2003	Assets	1,398,291	868,494	62%
	Liabilities	830,698	512,906	62%
	Asset Revaluation Reserve	654,613	654,613	100%
	Revenue	328,906	31,385	10%
2004	Assets	1,423,997	1,063,459	75%

Provincial Council	Account Areas	Balance as per financial statements	Balance unsubstantiated	Percentage Unsubstantiated
	Liabilities	722,404	540,569	75%
	Equity	701,593	654,613	93%
	Prior Year Adjustments	(6,469)	(6,469)	100%
	Revenue	419,779	32,748	8%
2005	Assets	1,493,409	1,233,021	83%
	Liabilities	621,410	602,443	97%
	Equity	654,613	654,613	100%
	Prior Year Adjustments	19,281	19,281	100%
	Revenue	472,387	151,418	32%
2006	Assets	1,553,027	1,382,298	89%
	Liabilities	570,305	570,305	100%
	Equity	982,722	654,613	67%
	Prior Year Adjustments	41,401	41,401	100%
	Revenue	468,888	86,395	18%
2007	Assets	1,720,234	1,556,567	90%
	Liabilities	678,154	678,154	100%
	Equity	1,042,080	654,613	63%
	Prior Year Adjustments	(50,712)	(50,712)	100%
	Revenue	445,694	184,866	41%
Namosi:				
2001	Assets	1,123,628	1,103,770	98%
	Liabilities	950,670	176,360	19%
	Equity	172,958	76,112	44%
	Prior Year Adjustments	341,176	341,176	100%
	Revenue	246,303	22,637	9%
2002	Assets	1,216,546	984,690	81%
	Liabilities	899,003	358,885	40%
	Equity	317,543	65,254	21%
	Revenue	332,046	205,665	62%
	Expenditure	176,603	116,004	66%
2003	Assets	1,242,014	1,219,554	98%
	Liabilities	883,962	357,401	40%
	Equity	358,052	68,979	19%
	Revenue	231,432	229,999	99%
	Expenditure	194,648	157,672	81%
2004	Assets	1,293,018	1,190,300	92%
	Liabilities	838,530	275,000	33%
	Equity	454,488	72,704	16%
	Revenue	289,710	141,976	49%
	Expenditure	205,999	107,326	52%
2005	Assets	1,230,178	1,192,737	97%
	Liabilities	748,158	357,851	48%
	Equity	482,020	76,429	16%
	Revenue	215,788	25,459	12%
	Expenditure	195,865	93,498	48%
2006	Assets	1,271,184	1,189,126	94%
	Liabilities	769,754	769,754	0%
	Equity	501,430	80,154	16%
	Prior Year Adjustments	(46,600)	(46,600)	100%
	Revenue	294,616	32,139	11%

Provincial Council	Account Areas	Balance as per financial statements	Balance unsubstantiated	Percentage Unsubstantiated
	Expenditure	231,936	137,943	59%
2007	Assets	1,288,510	1,159,819	90%
	Liabilities	749,524	344,424	46%
	Equity	538,986	82,079	15%
	Revenue	250,621	42,170	17%
Ra:				
2000	Assets	592,592	443,421	75%
	Liabilities	44,329	32,228	73%
	Prior Year Adjustments	1,968	1,968	100%
	Revenue	268,412	22,450	8%
2001	Assets	745,105	595,626	80%
	Liabilities	201,645	134,224	67%
	Revenue	248,833	12,407	5%
2002	Assets	730,649	521,409	71%
	Liabilities	80,275	26,971	34%
	Revenue	398,590	4,973	1%
2003	Assets	667,793	446,051	67%
	Liabilities	67,078	29,851	45%
	Revenue	297,986	38,742	13%
2004	Assets	651,584	428,006	66%
	Liabilities	71,648	47,971	67%
	Revenue	375,976	15,736	4%
2005	Assets	766,302	539,603	70%
	Liabilities	84,508	76,559	91%
	Revenue	420,259	26,778	6%
2006	Assets	751,931	132,929	18%
	Liabilities	130,192	84,816	65%
	Prior Year Adjustments	(73,059)	(73,059)	100%
	Revenue	430,949	14,644	3%
2007	Assets	694,881	447,261	64%
	Liabilities	115,366	85,733	74%
	Revenue	333,160	13,984	4%
Rewa:				
2006	Assets	1,202,727	461,029	38%
	Liabilities	807,230	154,929	19%
	Equity	395,497	220,936	56%
	Revenue	315,187	147,777	47%
2007	Assets	1,235,751	496,758	40%
	Liabilities	832,210	123,363	15%
	Equity	403,541	140,936	35%
	Revenue	310,864	32,935	11%
Serua:				
2006	Assets	1,467,095	1,345,890	92%
	Liabilities	329,612	93,608	28%
	Equity	1,137,483	100,000	9%
	Revenue	199,314	6,823	3%
2007	Assets	1,636,407	1,126,613	69%
	Liabilities	314,745	89,961	29%
	Equity	1,321,662	100,000	8%

Provincial Council	Account Areas	Balance as per financial statements	Balance unsubstantiated	Percentage Unsubstantiated
	Revenue	260,018	13,782	5%
Cakaudrove:				
2002	Assets	1,459,974	1,025,307	70%
	Liabilities	470,208	238,657	51%
	Equity	989,766	56,774	6%
	Prior Year Adjustments	(340,477)	(340,477)	100%
	Revenue	412,008	43,830	11%
2003	Assets	1,559,690	1,031,986	66%
	Liabilities	416,505	233,525	56%
	Equity	1,143,185	159,619	14%
	Revenue	393,097	22,414	6%
	Expenditure	342,523	342,523	100%
2004	Assets	1,397,544	868,586	62%
	Liabilities	373,807	238,661	64%
	Equity	1,023,737	440,511	43%
	Revenue	503,149	26,163	5%
	Expenditure	381,575	224,241	59%
2005	Assets	1,529,849	999,599	65%
	Liabilities	330,697	250,219	76%
	Equity	1,199,152	169,645	14%
	Revenue	633,311	95,169	15%
	Expenditure	463,017	105,368	23%
2006	Assets	1,587,404	1,048,584	66%
	Liabilities	264,275	155,535	59%
	Equity	1,323,129	175,488	13%
	Revenue	585,355	45,909	8%
	Expenditure	467,221	223,210	48%
2007	Assets	1,702,316	1,557,515	91%
	Liabilities	193,363	133,299	69%
	Equity	1,508,953	181,166	12%
	Prior Year Adjustments	27,522	27,522	100%
	Revenue	565,487	242,917	43%
	Expenditure	412,863	190,592	46%
Kadavu:				
2002	Assets	947,361	584,325	62%
	Liabilities	250,319	91,835	37%
	Equity	697,042	187,380	27%
	Revenue	335,257	277,873	83%
	Expenditure	345,446	345,446	100%
2003	Assets	1,093,803	716,584	66%
	Liabilities	334,534	176,050	53%
	Equity	759,269	187,380	25%
	Revenue	345,601	286,088	83%
	Expenditure	290,443	290,443	100%
2004	Assets	1,004,617	626,746	62%
	Liabilities	220,678	87,908	40%
	Equity	783,939	187,380	24%
	Revenue	381,645	48,711	13%
	Expenditure	377,895	124,563	33%
2005	Assets	985,804	739,592	75%

Provincial Council	Account Areas	Balance as per financial statements	Balance unsubstantiated	Percentage Unsubstantiated
	Liabilities	160,147	98,805	62%
	Equity	825,657	187,380	23%
	Revenue	422,939	58,386	14%
	Expenditure	364,891	126,338	35%
2006	Assets	1,041,632	772,563	74%
	Liabilities	173,252	131,087	76%
	Equity	868,380	187,380	22%
	Revenue	472,265	100,956	21%
	Expenditure	428,794	146,549	34%
2007	Assets	1,193,714	854,031	72%
	Liabilities	236,115	193,950	82%
	Equity	957,599	187,380	20%
	Revenue	486,976	50,620	10%
	Expenditure	397,757	133,816	34%
Nadroga:				
2002	Assets	652,758	585,976	90%
	Liabilities	345,676	116,510	34%
	Equity	307,082	108,664	35%
	Prior Year Adjustments	87,863	87,863	100%
	Revenue	322,229	321,599	100%
	Expenditure	325,368	161,025	49%
2003	Assets	703,945	625,917	89%
	Liabilities	409,232	193,762	47%
	Equity	294,713	108,644	37%
	Prior Year Adjustments	3,768	3,768	100%
	Revenue	320,310	319,565	100%
	Expenditure	331,125	170,932	52%
2004	Assets	622,487	538,491	87%
	Liabilities	285,740	133,082	47%
	Equity	336,747	112,958	34%
	Prior Year Adjustments	6,598	6,598	100%
	Revenue	431,311	430,640	100%
	Expenditure	393,870	163,077	41%
2005	Assets	608,146	486,899	80%
	Liabilities	202,375	125,126	62%
	Equity	405,771	108,644	27%
	Prior Year Adjustments	1,680	1,680	100%
	Revenue	508,753	164,418	32%
2006	Assets	620,231	464,390	75%
	Liabilities	166,282	90,063	54%
	Equity	453,949	108,664	24%
	Prior Year Adjustments	3,194	3,194	100%
	Revenue	508,753	67,851	13%
2007	Assets	633,558	531,344	84%
	Liabilities	149,322	74,133	50%
	Equity	484,236	108,664	22%
	Revenue	438,760	81,084	18%

Appendix B: Qualification Issues

Due to the absence of documentations to appropriately support the balances reflected in the financial statements, we were unable to determine the necessary adjustments to correct the financial statements:

Provincial Council	Qualification Issues
Ba:	
2001	<ol style="list-style-type: none"> 1. The Council recorded cash of \$14,946 in the statement of financial position as at 31 December 2001. Included in the balance were \$20,635 under current account and negative cash on hand of \$5,689. The Council was unable to provide appropriate supporting documents for cash at bank and on hand. A bank audit confirmation was obtained for the cash at bank balance, however, did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded loans and advances of \$48,286, Inter Fijian Affairs/Provincial Council current account of \$4,104, current liabilities of \$181,486, deposit (Adi Salusalu for operation costs) of \$110,045, Ba Provincial Council advance (TAB) of \$20,412, salary, wages & related payments of \$171,023, personal cost of \$55,997, other expenses of \$61,965 and rates refund of \$40,958 in the statement of financial position and statement of income and expenditure as at 31 December 2001. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded investments of \$1,987,644 with Ba Provincial Holdings Limited in the statement of financial position as at 31 December 2001. The audit was not provided with investment confirmation necessary to substantiate the existence and completeness of the balances. 4. The Council recorded property, plant and equipment at a net value of \$686,256 which included land of \$143,104, building of \$352,237 and motor vehicle of \$76,967 in the statement of financial position as at 31 December 2001. The audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$496,626, which had been carried forward from previous year, and prior year adjustment of \$229,802 in the statement of changes in equity for the year ended 31 December 2001. The Council was unable to provide appropriate documentations to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$257,553 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2001. 7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2001, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.

Provincial Council	Qualification Issues
2002	<ol style="list-style-type: none"> <li data-bbox="432 253 1428 443">1. The Council recorded negative cash of \$4,129 in the statement of financial position as at 31 December 2002. Included in the balance were \$4,031 under current account and negative cash on hand of \$8,160. The Council was unable to provide me with appropriate supporting documents for cash at bank and on hand. A bank audit confirmation was obtained for the cash at bank balance, however, did not reconcile to the balance in the General Ledger and the financial statements. <li data-bbox="432 477 1428 667">2. The Council recorded negative loans and advances of \$9,936, Inter Fijian Affairs/Provincial Council current account of \$4,158, current liabilities of \$5,631, deposit (Adi Salusalu for operation costs) of \$110,045 and Ba Provincial Council advance (TAB) of \$20,412 in the statement of financial position as at 31 December 2002. The Council was unable to provide appropriate documentations to support the above balances. <li data-bbox="432 701 1428 824">3. The Council recorded investments of \$1,987,644 with Ba Provincial Holdings Limited in the statement of financial position as at 31 December 2002. The audit was not provided with investment confirmation necessary to substantiate the existence and completeness of the balances. <li data-bbox="432 857 1428 1025">4. The Council recorded property, plant and equipment at a net value of \$681,570 which included land of \$141,317, building of \$343,809 and motor vehicle of \$148,332 in the statement of financial position as at 31 December 2002. The audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. <li data-bbox="432 1059 1428 1227">5. The Council recorded an asset revaluation reserve of \$496,626 which had been carried forward from previous years and negative prior year adjustment of \$4,165 in the statement of changes in equity for the year ended 31 December 2002, which had been carried forward from previous years. The Council was unable to provide appropriate documentations to support the asset revaluation balance. <li data-bbox="432 1261 1428 1485">6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$232,325 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2002. <li data-bbox="432 1518 1428 1641">7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2002, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2003	<ol style="list-style-type: none"> <li data-bbox="432 1686 1428 1877">1. The Council recorded negative cash of \$28,215 in the statement of financial position as at 31 December 2003. Included in the balance were negative \$17,894 under current account and negative cash on hand of \$10,321. The Council was unable to provide me with appropriate supporting documents for cash at bank and on hand. A bank audit confirmation was obtained for the cash at bank balance, however, did not reconcile to the balance in the General Ledger and the financial statements. <li data-bbox="432 1910 1428 1998">2. The Council recorded loans and advances of \$24,415, Inter Fijian Affairs/Provincial Council current account of \$7,352, other deposits of \$22,068, current liabilities of \$28,265 and Ba Provincial Council advance (TAB) of \$20,412 in the statement of

Provincial Council	Qualification Issues
	<p>financial position as at 31 December 2003. The Council was unable to provide appropriate documentations to support the above balances.</p> <ol style="list-style-type: none"> 3. The Council recorded investments of \$1,987,644 with Ba Provincial Holdings Limited in the statement of financial position as at 31 December 2003. The audit was not provided with investment confirmation necessary to substantiate the existence and completeness of the balances. 4. The Council recorded property, plant and equipment at a net value of \$632,504 which included land of \$139,530, building of \$335,382 and motor vehicle of \$112,352 in the statement of financial position as at 31 December 2003. The audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$496,626, which had been carried forward from previous years, and negative prior year adjustment of \$23,179 in the statement of changes in equity for the year ended 31 December 2003. The Council was unable to provide appropriate documentations to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$279,421 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2003. 7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2003, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2004	<ol style="list-style-type: none"> 1. The Council recorded cash of \$202,792 in the statement of financial position as at 31 December 2004. Included in the balance were \$80,383 under current account, \$135,436 under Adi Salusalu festival account and negative cash on hand of \$13,027. The Council was unable to provide me with appropriate supporting documents for cash at bank and on hand. A bank audit confirmation was obtained for the cash at bank balance, however, did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded loans and advances of \$45,131, Inter Fijian Affairs/Provincial Council current account of \$7,501, current liabilities of \$50,999 and Ba Provincial Council advance (TAB) of \$20,412 in the statement of financial position as at 31 December 2004. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded investments of \$1,987,644 with Ba Provincial Holdings Limited in the statement of financial position as at 31 December 2004. The audit was not provided with investment confirmation necessary to substantiate the existence and completeness of the balances. 4. The Council recorded property, plant and equipment at a net value of \$589,225 which included land of \$137,743, building of \$326,954 and motor vehicle of \$76,372 in the statement of financial position as at 31 December 2004. The audit was not provided

Provincial Council	Qualification Issues
	<p>with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances.</p> <ol style="list-style-type: none"> 5. The Council recorded an asset revaluation reserve of \$496,626, which had been carried forward from previous years, and prior year adjustment of (\$15,782) in the statement of changes in equity for the year ended 31 December 2004. The Council was unable to provide appropriate documentations to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$288,999 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2004. 7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2004, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2005	<ol style="list-style-type: none"> 1. The Council recorded cash of \$180,266 in the statement of financial position as at 31 December 2005. Included in the balance were \$98,160 under current account, \$104,697 under Adi Salusalu festival account and negative cash on hand of \$22,591. The Council was unable to provide me with appropriate supporting documents for cash at bank and on hand. A bank audit confirmation was obtained for the cash at bank balance, however, did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded loans and advances of \$52,564, Inter Fijian Affairs/Provincial Council current account of \$7,501, subvention claimed not received of \$22,819, current liabilities of \$47,183 and Ba Provincial Council advance (TAB) of \$20,412 in the statement of financial position as at 31 December 2005. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded investments of \$1,987,644 with Ba Provincial Holdings Limited in the statement of financial position as at 31 December 2005. The audit was not provided with investment confirmation necessary to substantiate the existence and completeness of the balances. 4. The Council recorded property, plant and equipment at a net value of \$603,825 which included land of \$135,957, building of \$318,527 and motor vehicle of \$93,325 in the statement of financial position as at 31 December 2005. The audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$496,626, which had been carried forward from previous years in the statement of changes in equity for the year ended 31 December 2005. The Council was unable to provide appropriate documentations to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial

Provincial Council	Qualification Issues
	<p>rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$162,676 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2005.</p> <p>7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2005, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p>
2006	<p>1. The Council recorded cash of \$240,042 in the statement of financial position as at 31 December 2006. Included in the balance were \$135,125 under current account, \$104,697 under Adi Salusalu festival account and cash on hand of \$220. The Council was unable to provide me with appropriate supporting documents for cash at bank and on hand. A bank audit confirmation was obtained for the cash at bank balance, however, did not reconcile to the balance in the General Ledger and the financial statements.</p> <p>2. The Council recorded negative loans and advances of \$18,849, Inter Fijian Affairs/Provincial Council current account of \$7,501, subvention claimed not received of \$22,819, current liabilities of \$23,767 and Ba Provincial Council advance (TAB) of \$20,412 in the statement of financial position as at 31 December 2006. The Council was unable to provide appropriate documentations to support the above balances.</p> <p>3. The Council recorded investments of \$1,987,644 with Ba Provincial Holdings Limited in the statement of financial position as at 31 December 2006. The audit was not provided with investment confirmation necessary to substantiate the existence and completeness of the balances.</p> <p>4. The Council recorded property, plant and equipment at a net value of \$658,620 which included land of \$134,170, building of \$310,099 and motor vehicle of \$162,478 in the statement of financial position as at 31 December 2006. The audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances.</p> <p>5. The Council recorded an asset revaluation reserve of \$496,626, which had been carried forward from previous years, and prior year adjustment of \$15,232 in the statement of changes in equity for the year ended 31 December 2006. The Council was unable to provide appropriate documentations to support the asset revaluation balance.</p> <p>6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$260,435 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2006.</p> <p>7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2006, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p>

Provincial Council	Qualification Issues
2007	<ol style="list-style-type: none"> 1. The Council recorded cash of \$182,136 in the statement of financial position as at 31 December 2007. Included in the balance were \$48,653 under current account, \$133,476 under Adi Salusalu festival account and cash on hand of \$7. The Council was unable to provide me with appropriate supporting documents for cash at bank and on hand. A bank audit confirmation was obtained for the cash at bank balance, however, did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded negative loans and advances of \$11,886, Inter Fijian Affairs/Provincial Council current account of \$7,601, subvention claimed not received of \$13,892, negative current liabilities of \$62,864 and Ba Provincial Council advance (TAB) of \$90,412 in the statement of financial position as at 31 December 2007. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded investments of \$1,987,644 with Ba Provincial Holdings Limited in the statement of financial position as at 31 December 2007. The audit was not provided with investment confirmation necessary to substantiate the existence and completeness of the balances. 4. The Council recorded property, plant and equipment at a net value of \$611,027 which included land of \$132,383, building of \$301,672 and motor vehicle of \$123,478 in the statement of financial position as at 31 December 2007. The audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$496,626, which had been carried forward from previous years, and prior year adjustment of \$5,570 in the statement of changes in equity for the year ended 31 December 2007. The Council was unable to provide appropriate documentations to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$271,003 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2007. 7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2007, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
Bua:	
2003	<ol style="list-style-type: none"> 1. The Council recorded loans and advances of \$15,702, provision for doubtful debts of \$14,565, other assets of \$14,422, creditors and accruals of \$68,156, Deposits of \$34,848, deferred income of \$402,314 and an undisbursed subvention balance of (\$192,412) in the statement of financial position as at 31 December 2003. The Provincial Council was unable to provide appropriate documentations to support the above balances. 2. The Council recorded property, plant and equipment at a net value of \$955,208 for which included in the balance were land of \$30,000, buildings of \$764,018 and motor

Provincial Council	Qualification Issues
	<p>vehicle of \$36,417. The audit was not provided with the title deeds for land and buildings and registration details of motor vehicle to confirm the existence and completeness of the balances.</p> <ol style="list-style-type: none"> 3. The Council recorded investments of \$259,602 in the statement of financial position as at 31 December 2003. Included in the balance were investments with Bulacakau Limited for \$22,500. I was not provided with investment confirmation from the company which was necessary to confirm the existence and completeness of the balances. 4. The Council recorded an asset revaluation reserve of \$654,613, which had been carried forward from previous years, and prior year adjustment of \$375,937 in the statement of changes in equity for the year ended 31 December 2007. The Council was unable to provide appropriate documentations to support the journal entries for asset revaluation reserve and prior year adjustments in the general ledger. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Provincial Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$31,385 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2003. 6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2003, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2004	<ol style="list-style-type: none"> 1. The Council recorded cash of \$124,441 which included cash at bank of \$116,000 and cash on hand of \$8,441 in the statement of financial position as at 31 December 2004. The Council was unable to provide me appropriate supporting documentations for cash at bank – current account of \$113,478 and cash on hand. A bank audit confirmation was obtained for the cash at bank – current account, however, did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded loans and advances of \$15,221, provision for doubtful debts of \$14,565, other assets of \$14,422, creditors and accruals of \$81,168, Deposits of \$51,928, and undisbursed subvention of (\$294,992) in the statement of financial position as at 31 December 2004. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded property, plant and equipment at a net value of \$924,876 for which included in the balance were land of \$30,000, buildings of \$746,524, motor vehicle of \$24,917 and a work in progress balance of \$100,000. The audit was not provided with the title deeds for land and buildings, registration details of motor vehicle and appropriate supporting documentations to confirm the existence and completeness of the balances. 4. The Council recorded investments of \$359,602 in the statement of financial position as at 31 December 2004. Included in the balance was investment with Bulacakau Limited for \$22,500. The audit was not provided with investment confirmation necessary to substantiate the existence and completeness of the investment balance with Bulacakau Limited.

Provincial Council	Qualification Issues
	<p>5. The Council recorded an asset revaluation reserve of \$654,613, which had been carried forward from previous years, and prior year adjustment of \$6,469 in the statement of changes in equity for the year ended 31 December 2004. The Council was unable to provide appropriate documentations to support the journal entries for asset revaluation reserve and prior year adjustments in the general ledger.</p> <p>6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$32,748 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2004.</p> <p>7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2004, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p>
2005	<p>1. The Council recorded cash of \$225,015 which included cash at bank of \$216,059 and cash on hand of \$18,956 in the statement of financial position as at 31 December 2005. The Council was unable to provide me appropriate supporting documentations for cash at bank-current account of \$135,425 and cash on hand. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements.</p> <p>2. The Council recorded loans and advances of \$16,988, provision for doubtful debts of \$14,565, other assets of \$10,637, net trade & other payables \$94,898, net interest bearing borrowing of \$7,768 and deferred income of \$199,777 in the statement of financial position as at 31 December 2005. The Council was unable to provide appropriate documentations to support the above balances.</p> <p>3. The Council recorded property, plant and equipment at a net value of \$895,732 for which included in the balance were land \$30,000, buildings \$729,029, motor vehicle \$13,417 and a work in progress balance of \$100,000. The audit was not provided with the title deeds for land and buildings, registration details of motor vehicle and supporting documentations to confirm the existence and completeness of the balances.</p> <p>4. The Council recorded investments of \$359,602 in the statement of financial position as at 31 December 2005. Included in the balance were investments with Bulacakau Limited for \$22,500 and Unit Trust of Fiji for \$100,000. The audit was not provided with investment confirmations necessary to verify the existence and completeness of the balances.</p> <p>5. The Council recorded an asset revaluation reserve of \$654,613, which had been carried forward from previous years, and prior year adjustment of \$19,281 in the statement of changes in equity for the year ended 31 December 2005. The Council was unable to provide appropriate documentations to support the asset revaluation reserve balance and prior year adjustments.</p> <p>6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial</p>

Provincial Council	Qualification Issues
	<p>rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$28,382 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2005.</p> <p>7. The Council recorded income from rental of \$51,802 and other income of \$71,234 in the statement of income and expenditure for the year ended 31 December 2005. The Council was unable to provide appropriate documentations to support the above balances. As a result, the audit was unable to verify the completeness and accuracy of the balances and also unable to determine whether any adjustment might have been necessary in respect of the income from investment at the end of the financial year and any corresponding adjustments to the elements making up the statement of income and expenditure and statement of financial position.</p> <p>8. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2005, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p>
2006	<p>1. The Council recorded cash of \$260,369 which included cash at bank of \$251,958 and cash on hand of \$8,411 in the statement of financial position as at 31 December 2006. The Council was unable to provide me appropriate supporting documentations for cash at bank - current account of \$169,047 and cash on hand. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements.</p> <p>2. The Council recorded loans and advances of \$18,309, provision for doubtful debts of \$14,565, other assets of \$14,422, net trade & other payables \$66,316, net interest bearing borrowing of \$6,899 and deferred income of \$197,090 in the statement of financial position as at 31 December 2006. The Council was unable to provide appropriate documentations to support the above balances.</p> <p>3. The Council recorded property, plant and equipment at a net value of \$914,890 for which included in the balance were land \$30,000, buildings \$711,535, motor vehicle \$39,728 and a work in progress balance of \$100,000. The audit was not provided with the title deeds for land and buildings, registration details of motor vehicle and supporting documentations to confirm the existence and completeness of the balances.</p> <p>4. The Council recorded investments of \$359,602 in the statement of financial position as at 31 December 2006. Included in the balance were investments with Bulacakau Limited for \$22,500 and Unit Trust of Fiji for \$200,000. The audit was not provided with investment confirmations necessary to verify the existence and completeness of the balances.</p> <p>5. The Council recorded an asset revaluation reserve of \$654,613, which had been carried forward from previous years, and prior year adjustment of \$41,401 in the statement of changes in equity for the year ended 31 December 2006. The Council was unable to provide appropriate documentations to support the asset revaluation reserve balance and prior year adjustments.</p> <p>6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from</p>

Provincial Council	Qualification Issues
	<p>provincial rates of \$31,125 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2006.</p> <p>7. The Council recorded income from rental of \$28,405 and other income of \$26,865 in the statement of income and expenditure for the year ended 31 December 2006. The Council was unable to provide appropriate documentations to support the above balances.</p> <p>8. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2006, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p>
2007	<p>1. The Council recorded cash of \$218,577 which included cash at bank of \$210,252 and cash on hand of \$8,325 in the statement of financial position as at 31 December 2007. The Council was unable to provide me appropriate supporting documentations for cash at bank - Naulumatua account of \$62,123, Bua Primary School Development account of \$4,979, Scholarship Fund account of \$4,979 and cash on hand. Bank audit confirmations were obtained for the cash at bank accounts, however did not reconcile to the balance in the General Ledger and the financial statements.</p> <p>2. The Council recorded loans and advances of \$19,260, provision for doubtful debts of \$14,565, other assets of \$130,877, net trade & other payables \$176,249, net interest bearing borrowing of (\$2,092) and deferred income of \$194,403 in the statement of financial position as at 31 December 2007. The Council was unable to provide appropriate documentations to support the above balances.</p> <p>3. The Council recorded property, plant and equipment at a net value of \$896,806 for which included in the balance were land \$30,000, buildings \$694,041, motor vehicle \$46,200 and a work in progress balance of \$100,000. The audit was not provided with the title deeds for land and buildings, registration details of motor vehicle and supporting documentations to confirm the existence and completeness of the balances.</p> <p>4. The Council recorded investments of \$469,279 in the statement of financial position as at 31 December 2007. Included in the balance were investments with Bulacakau Limited for \$22,500, Unit Trust of Fiji for \$200,000 and term deposits of \$109,677. The audit was not provided with investment confirmations necessary to verify the existence and completeness of the balances.</p> <p>5. The Council recorded an asset revaluation reserve of \$654,613, which had been carried forward from previous years, and net prior year adjustment of \$50,712 in the statement of changes in equity for the year ended 31 December 2007. The Council was unable to provide appropriate documentations to support the asset revaluation reserve balance and prior year adjustments.</p> <p>6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$32,044 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2007.</p>

Provincial Council	Qualification Issues
	<p>7. The Council recorded income from rental of \$62,251 and other income of \$90,571 in the statement of income and expenditure for the year ended 31 December 2007. The Council was unable to provide appropriate documentations to support the above balances.</p> <p>8. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2007, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p>
Namosi:	
2001	<p>1. The Council recorded cash at bank and on hand of \$82,836 in the statement of financial position as at 31 December 2001. Included in the balance were \$82,836 cash at bank and negative cash on hand of \$550. The Council was unable to provide me with bank reconciliation statements, bank audit certificates and supporting documents to the journal entries made to cash general ledger.</p> <p>2. The Council recorded gross receivables - loans and advances of \$908,546, provision for doubtful debts of \$100,859, other assets of \$21,365, payables of \$176,360 and special funds of \$24,475 in the statement of financial position as at 31 December 2001. The Council was unable to provide appropriate documentations to support the above balances.</p> <p>3. The Council recorded property, plant and equipment at a net value of \$193,014 in the statement of financial position as at 31 December 2001. Included in the balance were land of \$25,000, building of \$42,234 and motor vehicle of \$15,000. The audit was not provided with the title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances.</p> <p>4. The Council recorded asset revaluation reserve of \$51,637 which had been carried forward from previous years, and prior year adjustments of \$341,176 in the statement of changes in equity for the year ended 31 December 2002. The Council was unable to provide any documentations to support the asset revaluation balance and prior year adjustments.</p> <p>5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$22,637 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2001.</p> <p>6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2001, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p>
2002	<p>1. The Council recorded cash of \$50,559 which included cash at bank of \$51,739 and cash on hand credit balance of \$1,830 in the statement of financial position as at 31 December 2002. The Council was unable to provide me with appropriate supporting documents for the cash at bank, cash on hand and for the journal entries made to cash General Ledger. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements.</p>

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> 2. The Council recorded gross receivables - loans and advances of \$904,946, provision for doubtful debts of \$100,859, other assets of \$19,029, payables of \$83,885 and special funds of \$28,200 in the statement of financial position as at 31 December 2002. The Council was unable to provide any documentations to support the above balances. 3. The Council recorded interest bearing borrowings of \$815,118 in the statement of financial position as at 31 December 2002. Included in the balance was a loan from the iTaukei Affairs Board of \$275,000. The Council was unable to provide any documentations to support the loan balance. 4. The Council recorded property, plant and equipment at a net value of \$324,145 in the statement of financial position as at 31 December 2002. Included in the balance were land of \$25,000, building of \$41,098 and motor vehicle of \$44,917. In addition, the audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$37,054 in the statement of changes in equity for the year ended 31 December 2002, which had been carried forward from previous years. The Council was unable to provide any documentations to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$41,799 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2002. 7. The Council recorded income of \$332,046 in the statement of income and expenditure for the year ended 31 December 2002. Included in the balance were income from investment of \$47,171 and other income of \$116,695. The Council was unable to provide supporting documentations to support the above balances. 8. The Council recorded expenditure of \$176,603 in the statement of income and expenditure for the year ended 31 December 2002. Included in the balance were personal costs of \$81,892, special events of \$13,324, 'ka vakavakanua' of \$5,334, rates refund of \$12,250, and youth and sports of \$3,204. The Council was unable to provide supporting documentations to support the above balances. 9. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2002, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2003	<ol style="list-style-type: none"> 1. The Council recorded cash of \$26,330 in the statement of financial position as at 31 December 2003. Included in the balance were cash at bank of \$24,500 cash on hand of \$1,830. The Council was unable to provide me with bank reconciliation statements, bank audit certificates and supporting documents to the journal entries made to cash general ledger. 2. The Council recorded gross receivables - loans and advances of \$920,959, provision for doubtful debts of \$100,859, other assets of \$51,142, payables of \$82,401 and special funds of \$31,925 in the statement of financial position as at 31 December 2003.

Provincial Council	Qualification Issues
	<p>The Council was unable to provide any documentations to support the above balances.</p> <ol style="list-style-type: none"> 3. The Council recorded interest bearing borrowings of \$801,401 in the statement of financial position as at 31 December 2003. Included in the balance was a loan from the iTaukei Affairs Board of \$275,000. The Council was unable to provide any documentations to support the loan balance. 4. The Council recorded property, plant and equipment at a net value of \$325,716 in the statement of financial position as at 31 December 2003. Included in the balance were land of \$25,000, building of \$263,065 and motor vehicle of \$33,917. In addition, the audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$37,054 in the statement of changes in equity for the year ended 31 December 2003, which had been carried forward from previous years. The Council was unable to provide any documentations to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$36,110 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2003. 7. The Council recorded income of \$231,432 in the statement of income and expenditure for the year ended 31 December 2003. Included in the balance were government subvention for operating income of \$158,155 and income from investment of \$35,734. The Council was unable to provide supporting documentations to support the above balances. 8. The Council recorded expenses of \$194,648 in the statement of income and expenditure for the year ended 31 December 2003. Included in the balance were personal costs of \$91,878, repairs and maintenance of \$3,795, travel, subsistence and accommodation of \$3,306, special events of \$19,419, motor vehicle cost of \$6,808, 'turaga ni koro' allowance of \$4,870, occupancy of \$2,519, 'ka vakavanua' of \$4,382, youth and sports of \$3,469, and rates refund of \$17,226. The Council was unable to provide supporting documentations to support the above balance. 9. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2003, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2004	<ol style="list-style-type: none"> 1. The Council recorded cash of \$80,854 which included cash at bank of \$78,669 and cash on hand of \$2,185 in the statement of financial position as at 31 December 2004. The Council was unable to provide me with appropriate supporting documents for cash at bank, cash on hand and for the journal entries made to cash General Ledger. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements.

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> 2. The Council recorded gross receivables - loans and advances of \$927,710, provision for doubtful debts of \$100,859, payables of \$84,104 and special funds of \$35,650 in the statement of financial position as at 31 December 2004. The Council was unable to provide any documentations to support the above balances. 3. The Council recorded interest bearing borrowings of \$754,426 in the statement of financial position as at 31 December 2004. Included in the balance was a loan from the iTaukei Affairs Board of \$275,000. The Council was unable to provide any documentations to support the loan balance. 4. The Council recorded property, plant and equipment at a net value of \$307,595 in the statement of financial position as at 31 December 2004. Included in the balance were land of \$25,000, building of \$256,352 and motor vehicle of \$22,917. In addition, the audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$37,054 in the statement of changes in equity for the year ended 31 December 2004, which had been carried forward from previous years. The Council was unable to provide any documentations to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$43,990 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2004. 7. The Council recorded income of \$298,710 in the statement of income and expenditure for the year ended 31 December 2004. Included in the balance was income from investment of \$97,986. The Council was unable to provide supporting documentations to support the above balance. 8. The Council recorded expenditure of \$205,999 in the statement of income and expenditure for the year ended 31 December 2004. Included in the balance were personal costs of \$86,673, youth and sports of \$2,863 and rates refund of \$17,790. The Council was unable to provide supporting documentations to support the above balance. 9. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2004, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2005	<ol style="list-style-type: none"> 1. The Council recorded cash of \$68,924 which included cash at bank of \$65,752 and cash on hand of \$3,172 in the statement of financial position as at 31 December 2005. The Council was unable to provide me with appropriate supporting documents for cash at bank, cash on hand and for the journal entries made to cash General Ledger. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded gross receivables - loans and advances of \$938,116, provision for doubtful debts of \$100,859, payables of \$82,851 and special funds of \$39,375 in

Provincial Council	Qualification Issues
	<p>the statement of financial position as at 31 December 2005. The Provincial Council was unable to provide any documentations to support the above balances.</p> <ol style="list-style-type: none"> 3. The Council recorded interest bearing borrowings of \$665,307 in the statement of financial position as at 31 December 2005. Included in the balance was a loan from the iTaukei Affairs Board of \$275,000. The Council was unable to provide appropriate documentations to support the loan balance. 4. The Council recorded property, plant and equipment at a net value of \$293,357 in the statement of financial position as at 31 December 2005. Included in the balance were land of \$25,000, building of \$249,639 and motor vehicle of \$11,917. In addition, the audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$37,054 in the statement of changes in equity for the year ended 31 December 2005, which had been carried forward from previous years. The Council was unable to provide any documentations to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$25,459 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2005. 7. The Council recorded expenditure of \$195,865 in the statement of income and expenditure for the year ended 31 December 2005. Included in the balance were personal costs of \$90,115 and 'ka vakavanua' of \$3,383. The Council was unable to provide supporting documentations to support the above balances. 8. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2005, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2006	<ol style="list-style-type: none"> 1. The Council recorded cash at bank of \$33,174 in the statement of financial position as at 31 December 2006. The Council was unable to provide me with appropriate supporting documents for cash at bank and for the journal entries made to cash General Ledger. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded gross receivables - loans and advances of \$948,178, provision for doubtful debts of \$100,859, payables of \$77,790 and special funds of \$43,100 in the statement of financial position as at 31 December 2006. The Council was unable to provide any documentations to support the above balances. 3. The Council recorded interest bearing borrowings of \$691,964 in the statement of financial position as at 31 December 2006. Included in the balance was a loan from the iTaukei Affairs Board of \$275,000. The Council was unable to provide any documentations to support the loan balance.

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> 4. The Council recorded property, plant and equipment at a net value of \$314,631 in the statement of financial position as at 31 December 2006. Included in the balance were land of \$25,000, building of \$242,925 and motor vehicle of \$40,708. In addition, the audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$37,054 in the statement of changes in equity for the year ended 31 December 2006, which had been carried forward from previous years. The Council was unable to provide any documentations to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$32,139 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2006. 7. The Council recorded expenditure of \$231,936 in the statement of income and expenditure for the year ended 31 December 2006. Included in the balance were personal costs of \$114,831, 'ka vakavanua' of \$2,665, rates refund of \$20,447 and adjustments of \$46,600. The Council was unable to provide supporting documentations to support the above balances. 8. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2006, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2007	<ol style="list-style-type: none"> 1. The Council recorded cash at bank of \$11,158 in the statement of financial position as at 31 December 2007. The Council was unable to provide me with appropriate supporting documents for cash at bank and for the journal entries made to cash General Ledger. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded gross receivables - loans and advances of \$956,994, provision for doubtful debts of \$100,859, payables of \$69,424 and special funds of \$45,025 in the statement of financial position as at 31 December 2007. The Council was unable to provide any documentations to support the above balances. 3. The Council recorded interest bearing borrowings of \$680,100 in the statement of financial position as at 31 December 2007. Included in the balance was a loan from the iTaukei Affairs Board of \$275,000. The Council was unable to provide any documentations to support the loan balance. 4. The Council recorded property, plant and equipment at a net value of \$297,721 in the statement of financial position as at 31 December 2007. Included in the balance were land of \$25,000, building of \$236,212 and motor vehicle of \$31,314. In addition, the audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$37,054 in the statement of changes in equity for the year ended 31 December 2007, which had been carried

Provincial Council	Qualification Issues
	<p>forward from previous years. The Council was unable to provide any documentations to support the asset revaluation balance.</p> <p>6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$42,170 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2007.</p> <p>7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2007, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p>
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2000	<p>1. The Council recorded cash at bank and on hand of \$ 3,967 in the Statement of Financial Position as at 31 December 2000. The Council was unable to provide me with bank reconciliation statements and supporting documentations to the journal entries made in the cash General Ledger. A bank audit confirmation was obtained for the cash at bank – savings account, however did not reconcile to the balance reflected in the General Ledger and the financial statements.</p> <p>2. The Council recorded loans and advances of \$50,111, provision for doubtful debts of \$16,526, other assets of \$18,092, current liabilities of \$25,839 and special funds of \$6,389 in the Statement of Financial Position as at 31 December 2000. The Council was unable to provide appropriate documentations to support the above balances.</p> <p>3. The Council recorded property, plant and equipment at a net value of \$387,777 as at 31 December 2000. Included in the balance were land of \$22,400, building of \$268,121 and motor vehicle of \$56,000 for which I was not provided with the title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances.</p> <p>4. The Council recorded an asset revaluation reserve of \$209,274, which had been carried forward from previous years, and prior year adjustment of \$1,968 in the statement of changes in equity for the year ended 31 December 2000. There was an unreconciled variance of \$28,829 between the valuation report and the amount reflected in the financial statement. The Council was unable to provide appropriate documentations to support the above balances.</p> <p>5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$22,450 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2000.</p> <p>6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2000, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p>

Provincial Council	Qualification Issues
2001	<ol style="list-style-type: none"> <li data-bbox="432 282 1433 472">1. The Council recorded cash at bank and on hand of \$ 88,677 in the statement of financial position as at 31 December 2001. The Council was unable to provide me with bank reconciliation statements and supporting documentations to the journal entries made in the cash General Ledger. A bank audit confirmation was obtained for the cash at bank – savings account, however did not reconcile to the balance reflected in the General Ledger and the financial statements. <li data-bbox="432 506 1433 640">2. The Council recorded loans and advances of \$55,616, provision for doubtful debts of \$16,526, other assets of \$47,154, current liabilities of \$127,835 and special funds of \$6,389 in the statement of financial position as at 31 December 2001. The Council was unable to provide appropriate documentations to support the above balances. <li data-bbox="432 674 1433 864">3. The Council recorded property, plant and equipment at a net value of \$420,705 in the statement of financial position as at 31 December 2001. Included in the balance were land of \$22,400, building of \$263,221 and motor vehicle of \$95,166 for which the audit was not provided with the title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances. <li data-bbox="432 898 1433 1032">4. The Council had recorded an asset revaluation reserve of \$209,274 in the statement of changes in equity for the year ended 31 December 2001, which had been carried forward from previous years. There was an unreconciled variance of \$28,829 between the valuation report and the amount reflected in the financial statement. <li data-bbox="432 1066 1433 1290">5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$12,407 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2001. <li data-bbox="432 1323 1433 1458">6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2001, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2002	<ol style="list-style-type: none"> <li data-bbox="432 1491 1433 1682">1. The Council recorded cash at bank and on hand of \$ 30,082 in the Statement of Financial Position as at 31 December 2002. The Council was unable to provide me with bank reconciliation statements and supporting documentations to the journal entries made in the cash General Ledger. A bank audit confirmation was obtained for the cash at bank – savings account, however did not reconcile to the balance reflected in the General Ledger and the financial statements. <li data-bbox="432 1715 1433 1850">2. The Council recorded loans and advances of \$41,777, provision for doubtful debts of \$16,526, other assets of \$28,301, current liabilities of \$20,582 and special funds of \$6,389 in the statement of financial position as at 31 December 2002. The Council was unable to provide appropriate documentations to support the above balances. <li data-bbox="432 1883 1433 1998">3. The Council recorded property, plant and equipment at a net value of \$437,775 in the statement of financial position as at 31 December 2002. Included in the balance were land of \$22,400, building of \$314,071 and motor vehicle of \$7,741 for which the audit was not provided with the title deeds for land and building and the registration

Provincial Council	Qualification Issues
	<p>details of the motor vehicle to confirm the existence and completeness of the balances.</p> <ol style="list-style-type: none"> 4. The Council had recorded an asset revaluation reserve of \$209,274 in the statement of changes in equity for the year ended 31 December 2002, which had been carried forward from previous years. There was an unreconciled variance of \$28,829 between the valuation report and the amount reflected in the financial statement. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$4,973 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2002. 6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2002, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2003	<ol style="list-style-type: none"> 1. The Council recorded negative cash at bank and on hand of \$2,079 in the statement of financial position as at 31 December 2003. The Council was unable to provide me with bank reconciliation statements and supporting documentations to the journal entries made in the cash General Ledger. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance reflected in the General Ledger and the financial statements. 2. The Council recorded loans and advances of \$43,095, provision for doubtful debts of \$16,526, other assets of \$18,092 current liabilities of \$23,462 and special funds of \$6,389 in the statement of financial position as at 31 December 2003. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded property, plant and equipment at a net value of \$403,469 as at 31 December 2003. Included in the balance were land of \$22,400, building of \$308,474 and motor vehicle of \$45,167 for which the audit was not provided with the title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances. 4. The Council had recorded an asset revaluation reserve of \$209,274 in the statement of changes in equity for the year ended 31 December 2003, which had been carried forward from previous years. There was an unreconciled variance of \$28,829 between the valuation report and the amount reflected in the financial statement. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$38,742 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2003. 6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2003, which is a

Provincial Council	Qualification Issues
	departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2004	<ol style="list-style-type: none"> <li data-bbox="432 353 1428 539">1. The Council recorded cash at bank and on hand of \$ 6,113 in the statement of financial position as at 31 December 2004. The Council was unable to provide me with bank reconciliation statements and supporting documentations to the journal entries made in the cash General Ledger. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance reflected in the General Ledger and the financial statements. <li data-bbox="432 577 1428 703">2. The Council recorded loans and advances of \$46,981, provision for doubtful debts of \$16,526, other assets of \$23,792 current liabilities of \$41,582 and special funds of \$6,389 in the statement of financial position as at 31 December 2004. The Council was unable to provide appropriate documentations to support the above balances. <li data-bbox="432 741 1428 898">3. The Council recorded property, plant and equipment at a net value of \$367,646 as at 31 December 2004. Included in the balance were land of \$22,400, building of \$302,877 and motor vehicle of \$20,167 for which the audit was not provided with the title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances. <li data-bbox="432 936 1428 1061">4. The Council had recorded an asset revaluation reserve of \$209,274 in the statement of changes in equity for the year ended 31 December 2004, which had been carried forward from previous years. There was an unreconciled variance of \$28,829 between the valuation report and the amount reflected in the financial statement. <li data-bbox="432 1099 1428 1317">5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$15,736 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2004. <li data-bbox="432 1355 1428 1480">6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2004, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2005	<ol style="list-style-type: none"> <li data-bbox="432 1523 1428 1709">1. The Council recorded cash at bank and on hand of \$ 119,097 in the statement of financial position as at 31 December 2005. The Council was unable to provide me with bank reconciliation statements and supporting documentations to the journal entries made in the cash General Ledger. A bank audit confirmation was obtained for the cash at bank – savings account, however did not reconcile to the balance reflected in the General Ledger and the financial statements. <li data-bbox="432 1747 1428 1872">2. The Council recorded loans and advances of \$49,019, provision for doubtful debts of \$16,526, other assets of \$34,298 current liabilities of \$70,170 and special funds of \$6,389 in the statement of financial position as at 31 December 2005. The Council was unable to provide appropriate documentations to support the above balances. <li data-bbox="432 1910 1428 1998">3. The Council recorded property, plant and equipment at a net value of \$353,715 as at 31 December 2005. Included in the balance were land of \$22,400, building of \$297,280 and motor vehicle of \$9,167 for which the audit was not provided with the title deeds

Provincial Council	Qualification Issues
	<p>for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances.</p> <ol style="list-style-type: none"> 4. The Council had recorded an asset revaluation reserve of \$209,274 in the statement of changes in equity for the year ended 31 December 2005, which had been carried forward from previous years. There was an unreconciled variance of \$28,829 between the valuation report and the amount reflected in the financial statement. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$26,778 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2005. 6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2005, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2006	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$ 77,466 in the Statement of Financial Position as at 31 December 2006. The Council was unable to provide me with bank reconciliation statements and supporting documentations to the journal entries made in the cash General Ledger. A bank audit confirmation was obtained for the cash at bank – savings account, however did not reconcile to the balance reflected in the General Ledger and the financial statements. 2. The Council recorded loans and advances of \$49,823, provision for doubtful debts of \$16,526, other assets of \$22,166 current liabilities of \$78,427 and special funds of \$6,389 in the Statement of Financial Position as at 31 December 2006. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded property, plant and equipment at a net value of \$375,022 as at 31 December 2006. Included in the balance were land of \$22,400, building of \$291,684 and motor vehicle of \$40,656 for which the audit was not provided with the title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances. 4. The Council had recorded an asset revaluation reserve of \$209,274 in the statement of changes in equity for the year ended 31 December 2006, which had been carried forward from previous years. There was an unreconciled variance of \$28,829 between the valuation report and the amount reflected in the financial statement. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$14,644 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2006. 6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2006, which is a

Provincial Council	Qualification Issues
	departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2007	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$32,131 in the statement of financial position as at 31 December 2007. The Council was unable to provide me with bank reconciliation statements and supporting documentations to the journal entries made in the cash General Ledger. A bank audit confirmation was obtained for the cash at bank – savings account, however did not reconcile to the balance reflected in the General ledger and the financial statements. 2. The Council recorded loans and advances of \$51,632, provision for doubtful debts of \$16,526, other assets of \$26,485, current liabilities of \$79,344 and special funds of \$6,389 in the statement of financial position as at 31 December 2007. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded property, plant and equipment at a net value of \$353,539 as at 31 December 2007. Included in the balance were land of \$22,400, building of \$286,087 and motor vehicle of \$30,699 for which the audit was not provided with the title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances. 4. The Council had recorded an asset revaluation reserve of \$209,274 in the statement of changes in equity for the year ended 31 December 2007, which had been carried forward from previous years. There was an unreconciled variance of \$28,829 between the valuation report and the amount reflected in the financial statement. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$13,984 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2007. 6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2007, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
Rewa:	
2006	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$177,555 in the statement of financial position as at 31 December 2006. The Council was unable to provide me with documentations to support the cash at bank and on hand balance of \$177,555. 2. The Council recorded loans and advances of \$144,915, provision for doubtful debt of \$41,444, other assets of \$34,676, current liabilities of \$154,929 and special funds of \$80,000 in the statement of financial position as at 31 December 2006. The Council was unable to provide any documentations to support the above balances. 3. The Council recorded property, plant and equipment at a net value of \$172,949 in the statement of financial position as at 31 December 2006. Included in the balance were building of \$113,167, plant and machinery of \$2,360 and motor vehicle of \$34,800. The audit was not provided with the title deeds for building and the registration details of the plant and machinery and motor vehicle to confirm the existence and completeness of the balances.

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> 4. The Council recorded an asset revaluation reserve of \$140,936 in the statement of changes in equity for the year ended 31 December 2006, which had been carried forward from previous years. The Council was unable to provide any documentations to support the asset revaluation balance. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$69,921 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2006. 6. The Council recorded income from investment of \$77,856 in the statement of income and expenditure for the year ended 31 December 2006. The Council was unable to provide any documentations to support the above balances. 7. The Council did not prepare and present a Statement of Cash Flow as a component of the financial statements for the year ended 31 December 2006, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2007	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$146,486 in the statement of financial position as at 31 December 2007. The Council was unable to provide me with documentations to support the cash at bank and on hand balance of \$146,486. 2. The Council recorded loans and advances of \$146,772, provision for doubtful debt of \$41,444, other assets of \$108,517, current liabilities of \$123,363 and special funds of \$80,000 in the statement of financial position as at 31 December 2007. The Council was unable to provide any documentations to support the above balances. 3. The Council recorded property, plant and equipment at a net value of \$156,344 in the statement of financial position as at 31 December 2007. Included in the balance were building of \$109,667, plant and machinery of \$3,560 and motor vehicle of \$23,200. The audit was not provided with the title deeds for building and the registration details of the plant and machinery and motor vehicle to confirm the existence and completeness of the balances. 4. The Council recorded an asset revaluation reserve of \$140,936 in the statement of changes in equity for the year ended 31 December 2007, which had been carried forward from previous years. The Council was unable to provide any documentations to support the asset revaluation balance. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$32,935 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2007. 6. The Council did not prepare and present a Statement of Cash Flow as a component of the financial statements for the year ended 31 December 2007, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.

Provincial Council	Qualification Issues
Serua:	
2006	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$7,823 in the statement of financial position as at 31 December 2006. Included in the balance were \$15,094 for the bank current account, \$112 under bank savings account, and overdrawn cash on hand of \$7,383. There was an unreconciled variance of \$24,703 between the bank reconciliation statement for the current account and the amount reflected in the financial statements. In addition, the Council was unable to provide me with documentations to support the \$91 and \$(7,383) under the savings and cash on hand accounts. 2. The Council recorded loans and advances of \$21,185, provision for doubtful debt of \$8,334, other assets of \$460,643, current liabilities of \$93,608 and special funds of \$100,000 in the statement of financial position as at 31 December 2006. The Council was unable to provide any documentations to support the above balances. 3. The Council recorded investments of \$883,507 in the statement of financial position as at 31 December 2006. Included in the balance were investments with Unit Trust of Fiji and Serua Provincial Investment Company Limited for \$17,258 and \$762,665 respectively. The audit was not provided with investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances. 4. The Council recorded property, plant and equipment at a net value of \$102,271 in the Statement of Financial Position as at 31 December 2006. Included in the balance were land of \$45,000, building of \$4,850 and motor vehicle of \$34,800. Title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances were not provided for audit. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$6,823 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2006. 6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2006, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2007	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$64,994 in the statement of financial position as at 31 December 2007. The Council was unable to provide me with documentations to support the cash at bank and on hand balance of \$64,994. 2. The Council recorded loans and advances of \$23,366, provision for doubtful debt of \$8,334, other assets of \$131,140, current liabilities of \$89,961 and special funds of \$100,000 in the statement of financial position as at 31 December 2007. The Council was unable to provide any documentations to support the above balances. 3. The Council recorded investments of \$946,131 in the statement of financial position as at 31 December 2007. Included in the balance were investments with Unit Trust of Fiji and Serua Provincial Investment Company Limited for \$17,258 and \$825,289 respectively. The audit was not provided with investment confirmations from the

Provincial Council	Qualification Issues
	<p>companies which was necessary to confirm the existence and completeness of the balances.</p> <ol style="list-style-type: none"> 4. The Council recorded property, plant and equipment at a net value of \$87,122 in the Statement of Financial Position as at 31 December 2007. Included in the balance were land of \$45,000, building of \$4,700 and motor vehicle of \$23,200. I was not provided with the title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$13,782 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2007. 6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2007, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
Cakaudrove:	
2002	<ol style="list-style-type: none"> 1. The Council recorded cash of \$147,907 which included cash at bank of \$159,021 and a negative cash on hand balance of \$11,114 in the statement of financial position as at 31 December 2002. The Council was unable to provide me with appropriate supporting documents for cash at bank and cash on hand. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded other assets of \$39,550, current liabilities of \$238,657, deferred income of \$47,592 and special funds of \$9,182 in the statement of financial position as at 31 December 2002. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded property, plant and equipment at a net value of \$858,555 which included land of \$277,646, building of \$506,154 and motor vehicle of \$54,050 in the statement of financial position as at 31 December 2002. The audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 4. The Council recorded previous year adjustments of \$340,477 in the statement of changes in equity for the year ended 31 December 2002. The Council was unable to provide appropriate documentations to support the journal entries for prior year adjustments. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$36,750 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2002.

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> 6. The Council recorded gain on sale of motor vehicle of \$7,080 in the statement of income and expenditure for the year ended 31 December 2002. The Council was unable to provide appropriate documentations to support the balance. 7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2002, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2003	<ol style="list-style-type: none"> 1. The Council recorded cash of \$129,122 which included cash at bank of \$141,733 and a negative cash on hand balance of \$12,611 in the statement of financial position as at 31 December 2003. The Council was unable to provide me with appropriate supporting documents for cash at bank and cash on hand. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded gross receivables – loans and advances of \$56,155, provision for doubtful debts of \$28,033, other assets of \$65,904, current liabilities of \$233,525, deferred income of \$47,592 and special funds of \$112,027 in the statement of financial position as at 31 December 2003. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded property, plant and equipment at a net value of \$833,679 which included land of \$277,646, buildings of \$493,242 and motor vehicle of \$37,950 in the statement of financial position as at 31 December 2007. The audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 4. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$21,692 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2003. 5. The Council recorded other income of \$722 and total expenditure of \$342,523 in the statement of income and expenditure for the year ended 31 December 2003. The Council was unable to provide appropriate documentations to support the above balances. 6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2003, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2004	<ol style="list-style-type: none"> 1. The Council recorded cash of \$188,771 which included cash at bank of \$196,858 and a negative cash on hand balance of \$8,087 in the statement of financial position as at 31 December 2004. The Council was unable to provide me with appropriate supporting documents for cash at bank and cash on hand. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded gross receivables – loans and advances of \$74,157, provision for doubtful debts of \$28,033, other assets of \$97,258, current liabilities of \$238,661,

Provincial Council	Qualification Issues
	<p>deferred income of \$47,592 and special funds of \$116,932 in the statement of financial position as at 31 December 2004. The Council was unable to provide appropriate documentations to support the above balances.</p> <ol style="list-style-type: none"> 3. The Council recorded property, plant and equipment at a net value of \$557,641 which included land of \$33,585, buildings of \$477,931 and motor vehicle of \$24,917 in the statement of financial position as at 31 December 2004. The audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 4. The Council recorded accumulated funds of \$275,987 in the statement of changes in equity for the year ended 31 December 2004. There is an unreconciled variance of \$245,927 between the closing balance from the previous year and the opening balance as at 1 January 2004. Due to the unavailability of appropriate documentations, the audit was unable to verify the completeness and accuracy of the accumulated fund balance. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$23,557 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2004. 6. The Council recorded other income of \$2,606 and expenses from travelling, subsistence and accommodation of \$20,235, occupancy of \$2,320, insurance of \$1,539, motor vehicle cost of \$9,108, repairs and maintenance of \$11,121, administration cost of \$16,021, special events of \$29,766, 'turaga ni koro' allowance of \$79,800, 'mata ni tikina' allowance of \$4,559, depreciation of \$30,128, 'soqosoqo vakamarama' of \$20, interest and financial cost of \$15,790, 'ka vakavanua' of \$3,534 and youth and sports of \$300 in the statement of income and expenditure for the year ended 31 December 2004. The Council was unable to provide appropriate documentations to support the above balances. 7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2004, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2005	<ol style="list-style-type: none"> 1. The Council recorded cash of \$272,374 which included cash at bank of \$309,961 and a negative cash on hand balance of \$37,587 in the statement of financial position as at 31 December 2005. The Council was unable to provide me with appropriate supporting documents for cash at bank and cash on hand. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded gross receivables – loans and advances of \$80,638, provision for doubtful debts of \$28,033, other assets of \$162,952, current liabilities of \$250,219, deferred income of \$47,592 and special funds of \$122,053 in the statement of financial position as at 31 December 2005. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded property, plant and equipment at a net value of \$529,047 which included land of \$33,232, buildings of \$465,019 and motor vehicle of \$13,417 in the

Provincial Council	Qualification Issues
	<p>statement of financial position as at 31 December 2006. The audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances.</p> <ol style="list-style-type: none"> 4. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$95,169 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2005. 5. The Council recorded expenses from occupancy of \$5,395, motor vehicle cost of \$14,625, repairs and maintenance of \$13,894, administration cost of \$33,040, interest and financial cost of \$13,443, 'ka vakavanua' of \$ 4,971 and scholarship of \$20,000 in the statement of income and expenditure for the year ended 31 December 2005. The Council was unable to provide appropriate documentations to support the above balances. 6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2005, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2006	<ol style="list-style-type: none"> 1. The Council recorded cash of \$232,803 which included cash at bank of \$270,667 and a negative cash on hand balance of \$37,864 in the statement of financial position as at 31 December 2006. The Council was unable to provide me with appropriate supporting documents for cash at bank and cash on hand. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded gross receivables – loans and advances of \$84,013, provision for doubtful debts of \$28,033, other assets of \$233,337, current liabilities of \$155,535, deferred income of \$47,592 and special funds of \$127,896 in the statement of financial position as at 31 December 2006. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded property, plant and equipment at a net value of \$546,570 which included land of \$32,878, building of \$452,106 and motor vehicle of \$41,480 in the statement of financial position as at 31 December 2006. The audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances. 4. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$34,971 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2006. 5. The Council recorded other income of \$10,938, salary, wages allowances and related payments of \$187,496 and development funds of \$35,714 in the statement of income and expenditure for the year ended 31 December 2006. The Council was unable to provide appropriate documentations to support the above balances.

Provincial Council	Qualification Issues
	<p>6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2006, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p>
2007	<p>1. The Council recorded cash of \$234,938 which included cash at bank of \$231,856 and cash on hand balance of \$3,082 in the statement of financial position as at 31 December 2007. The Council was unable to provide me with appropriate supporting documents for cash at bank and cash on hand. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements.</p> <p>2. The Council recorded gross receivables – loans and advances of \$83,000, provision for doubtful debts of \$28,033, other assets of \$673,723, current liabilities of \$133,299, deferred income of \$47,592 and special funds of \$133,574 in the statement of financial position as at 31 December 2007. The Council was unable to provide appropriate documentations to support the above balances.</p> <p>3. The Council recorded property, plant and equipment at a net value of \$614,296 which included land of \$35,524, building of \$479,429 and motor vehicle of \$78,934 in the statement of financial position as at 31 December 2007. The audit was not provided with the title deeds for land and building and registration details of motor vehicle to confirm the existence and completeness of the balances.</p> <p>4. The Council recorded previous year adjustments of \$27,522 in the statement of changes in equity for the year ended 31 December 2007. The Council was unable to provide appropriate documentations to support the journal entries for prior year adjustments.</p> <p>5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$83,834 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2007.</p> <p>6. The Council recorded income from investment of \$152,027, other income of \$7,056, salary, wages and related payments of \$150,416 and development funds of \$40,176 in the statement of income and expenditure for the year ended 31 December 2007. The Council was unable to provide appropriate documentations to support the above balances.</p> <p>7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2007, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p>
Kadavu:	
2002	<p>1. The Council recorded cash of \$58,285 which included cash at bank of \$56,090 and cash on hand of \$2,195 in the statement of financial position as at 31 December 2002. There was an unreconciled variance of \$4,213 between the bank reconciliation statement and the amount reflected in the financial statements. In addition, the</p>

Provincial Council	Qualification Issues
	<p>Council was unable to provide with supporting documentation to support the cash on hand balance of \$2,195.</p> <ol style="list-style-type: none"> 2. The Council recorded gross receivables - loans and advances of \$40,919, provision for doubtful debts of \$47,556, other assets of \$2,660, current liabilities of \$54,957, deferred income of \$13,476 and special funds of \$23,402 in the statement of financial position as at 31 December 2002. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded investments of \$372,663 in the statement of financial position as at 31 December 2002. Included in the balance were investments with Kadavu Shipping Company and Kadavu Development Company for \$150,000 and \$64,000 respectively. The audit was not provided with investment confirmation from the companies which were necessary to confirm the existence and completeness of the balances. 4. The Council recorded property, plant and equipment at a net value of \$361,906 which included building of \$271,934 and motor vehicle of \$44,083 in the statement of financial Position as at 31 December 2002. The audit was not provided with the title deeds for building and motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$187,380 in the statement of changes in equity for the year ended 31 December 2002, which had been carried forward from previous years. The Council was unable to provide appropriate documentations to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$52,259 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2002. 7. The Council recorded income from government subvention for operating expenses of \$222,646 and other income of \$2,968 in the Statement of Income and Expenditure for the year ended 31 December 2002. The Council was unable to provide appropriate documentations to support the above balances. 8. The Council recorded total expenditure of \$345,446 in the statement of income and expenditure for the year ended 31 December 2002. The Council was unable to provide various other records such as the supporting documentations for journal entries, some payment vouchers and documents to support the payments made during the year, documents to support the current salary rate and pay run reports. The missing records have provided limitation to the scope of my audit. 9. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2002, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2003	<ol style="list-style-type: none"> 1. The Council recorded cash of \$200,369 which included cash at bank of \$200,054 and cash on hand of \$315 in the statement of financial position as at 31 December 2003. There was an unreconciled variance of \$55,456 between the bank reconciliation

Provincial Council	Qualification Issues
	<p>statement and the amount reflected in the financial statements. In addition, the Council was unable to provide me with supporting documentation to support the cash on hand balance of \$315.</p> <ol style="list-style-type: none"> 2. The Council recorded gross receivables - loans and advances of \$40,886, provision for doubtful debts of \$54,293, other assets of \$16,003, current liabilities of \$137,288, deferred income of \$13,476 and special funds of \$25,286 in the statement of financial position as at 31 December 2003. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded investments of \$380,675 in the statement of financial position as at 31 December 2003. Included in the balance were investments with Kadavu Shipping Company and Kadavu Development Company for \$150,000 and \$64,000 respectively. I was not provided with investment confirmation from the companies which were necessary to confirm the existence and completeness of the balances. 4. The Council recorded property, plant and equipment at a net value of \$351,679 which included building of \$267,036 and motor vehicle of \$32,583 in the statement of financial Position as at 31 December 2003. The audit was not provided with the title deeds for building and motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$187,380 in the statement of changes in equity for the year ended 31 December 2003, which had been carried forward from previous years. The Council was unable to provide appropriate documentations to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$33,782 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2003. 7. The Council recorded income from government subvention for operating expenses of \$250,580 and other income of \$1,726 in the Statement of Income and Expenditure for the year ended 31 December 2003. The Council was unable to provide appropriate documentations to support the above balances. 8. The Council recorded total expenditure of \$290,443 in the statement of income and expenditure for the year ended 31 December 2003. The Council was unable to provide various other records such as the supporting documentations for journal entries, some payment vouchers and documents to support the payments made during the year, documents to support the current salary rate and pay run reports. The missing records have provided limitation to the scope of my audit. 9. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2003, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2004	<ol style="list-style-type: none"> 1. The Council recorded cash of \$135,834 which included cash at bank of \$135,348 and cash on hand of \$486 in the statement of financial position as at 31 December 2004. There was an unreconciled variance of \$57,538 between the bank reconciliation

Provincial Council	Qualification Issues
	<p>statement and the amount reflected in the financial statements. In addition, the Council was unable to provide me with supporting documentation to support the cash on hand balance of \$486.</p> <ol style="list-style-type: none"> 2. The Council recorded gross receivables - loans and advances of \$37,010, provision for doubtful debts of \$45,978, other assets of \$2,660, current liabilities of \$49,146, deferred income of \$13,476 and special funds of \$25,286 in the statement of financial position as at 31 December 2004. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded investments of \$383,334 in the statement of financial position as at 31 December 2004. Included in the balance were investments with Kadavu Shipping Company and Kadavu Development Company for \$150,000 and \$64,000 respectively. The audit was not provided with investment confirmation from the companies which were necessary to confirm the existence and completeness of the balances. 4. The Council recorded property, plant and equipment at a net value of \$333,273 which included building of \$262,137 and motor vehicle of \$21,083 in the statement of financial position as at 31 December 2004. I was not provided with the title deeds for building and motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$187,380 in the statement of changes in equity for the year ended 31 December 2004, which had been carried forward from previous years. The Council was unable to provide appropriate documentation to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$48,711 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2004. 7. The Council recorded personal cost - salaries of \$124,563 in the statement of income and expenditure for the year ended 31 December 2004. The Council was unable to provide appropriate documentation to support the current salary rate. 8. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2004, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2005	<ol style="list-style-type: none"> 1. The Council recorded cash of \$153,048 which included cash at bank of \$152,222 and cash on hand of \$826 in the statement of financial position as at 31 December 2005. There was an unreconciled variance of \$53,442 between the bank reconciliation statement and the amount reflected in the financial statements. In addition, the Council was unable to provide me with supporting documentation to support the cash on hand balance of \$826. 2. The Council recorded gross receivables - loans and advances of \$38,671, provision for doubtful debts of \$64,391, other assets of \$2,660, current liabilities of \$58,628, deferred income of \$13,476 and special funds of \$26,701 in the statement of financial

Provincial Council	Qualification Issues
	<p>position as at 31 December 2005. The Council was unable to provide appropriate documentations to support the above balances.</p> <ol style="list-style-type: none"> 3. The Council recorded investments of \$387,225 in the statement of financial position as at 31 December 2005. Included in the balance were investments with Kadavu Shipping Company and Kadavu Development Company for \$150,000 and \$64,000 respectively. The audit was not provided with investment confirmation from the companies which were necessary to confirm the existence and completeness of the balances. 4. The Council recorded property, plant and equipment at a net value of \$310,107 which included building of \$257,239, and motor vehicle of \$9,583 in the statement of financial position as at 31 December 2005. The audit was not provided with the title deeds for building and motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$187,380 which had been carried forward from previous years and prior year adjustment of \$3,224 in the statement of changes in equity for the year ended 31 December 2005,. The Council was unable to provide appropriate documentations to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$58,386 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2005. 7. The Council recorded personal cost - salaries of \$126,338 in the statement of income and expenditure for the year ended 31 December 2005. The Council was unable to provide documents to support the current salary rate. 8. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2005, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2006	<ol style="list-style-type: none"> 1. The Council recorded cash of \$186,624 which included cash at bank of \$193,422 and a negative cash on hand of \$6,798 in the statement of financial position as at 31 December 2006. There was an unreconciled variance of \$71,627 between the bank reconciliation statement and the amount reflected in the financial statements. In addition, the Council was unable to provide me with supporting documentation to support the negative cash on hand balance of \$6,798. 2. The Council recorded gross receivables - loans and advances of \$54,208, provision for doubtful debts of \$64,391, current liabilities of \$88,593, deferred income of \$13,476 and special funds of \$29,018 in the statement of financial position as at 31 December 2006. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded investments of \$391,812 in the statement of financial position as at 31 December 2006. Included in the balance were investments with Kadavu Shipping Company and Kadavu Development Company for \$150,000 and \$64,000

Provincial Council	Qualification Issues
	<p>respectively. The audit was not provided with investment confirmation from the companies which were necessary to confirm the existence and completeness of the balances</p> <ol style="list-style-type: none"> 4. The Council recorded property, plant and equipment at a net value of \$294,746 which included building of \$253,340 in the statement of financial position as at 31 December 2006. The audit was not provided with the title deeds for the building to confirm the existence and completeness of the balances. 5. The Council recorded an asset revaluation reserve of \$187,380 which had been carried forward from previous years in the statement of changes in equity for the year ended 31 December 2006. The Council was unable to provide appropriate documentation to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$100,956 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2006. 7. The Council recorded personal cost - salaries of \$146,549 in the statement of income and expenditure for the year ended 31 December 2006. The Council was unable to provide documents to support the current salary rate. 8. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2006, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2007	<ol style="list-style-type: none"> 1. The Council recorded cash of \$145,724 which included cash at bank of \$153,222 and a negative cash on hand of \$7,498 in the statement of financial position as at 31 December 2007. The Council was unable to provide me with appropriate supporting documents for cash at bank and cash on hand. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements. 2. The Council recorded gross receivables - loans and advances of \$50,953, provision for doubtful debts of \$64,391, subvention claimed not received of \$87,748, current liabilities of \$153,291, deferred income of \$13,476 and special funds of \$29,844 in the statement of financial position as at 31 December 2007. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded investments of \$395,093 in the statement of financial position as at 31 December 2007. Included in the balance were investments with Kadavu Shipping Company and Kadavu Development Company for \$150,000 and \$64,000 respectively. The audit was not provided with investment confirmation from the companies which were necessary to confirm the existence and completeness of the balances. 4. The Council recorded property, plant and equipment at a net value of \$327,248 which included building of \$247,441 and motor vehicle of \$43,775 in the statement of financial position as at 31 December 2007. The audit was not provided with the title

Provincial Council	Qualification Issues
	<p>deeds for building and motor vehicle to confirm the existence and completeness of the balances.</p> <ol style="list-style-type: none"> 5. The Council recorded an asset revaluation reserve of \$187,380 in the statement of changes in equity for the year ended 31 December 2007, which had been carried forward from previous years. The Council was unable to provide appropriate documentation to support the asset revaluation balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$50,620 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2007. 7. The Council recorded personal cost - salaries of \$133,816 in the statement of income and expenditure for the year ended 31 December 2007. The Council was unable to provide documents to support the current salary rate. 8. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2007, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
Nadroga/Navosa:	
2002	<ol style="list-style-type: none"> 7. The Council recorded cash at bank of \$4,930 in the statement of financial position as at 31 December 2002. The Council was unable to provide me with bank reconciliation statements and supporting documents to entries made to the General Ledger. 8. The Council recorded gross receivables - loans and advances of \$97,420, provision for doubtful debts of \$15,811, other assets of \$215,644, current liabilities of \$116,510 in the statement of financial position as at 31 December 2002. The Council was unable to provide appropriate documentations to support the above balances. 9. The Council recorded an asset revaluation reserve of \$108,664 which had been carried forward from previous years, deferred income of \$4,085 and prior year adjustment of \$87,863 in the statement of changes in equity for the year ended 31 December 2002. The Council was unable to provide any documentations to support the above balance. 10. The Council recorded property, plant and equipment at a net value of \$247,875 which included freehold land of \$12,259, building of \$184,367 and motor vehicle of \$42,167 in the statement of financial position as at 31 December 2002. The audit was not provided with the title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances. 11. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2002, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements. 12. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial

Provincial Council	Qualification Issues
	<p>rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$66,238 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2002.</p> <p>13. The Council recorded income of \$322,229 which included income from government subvention for operating expenses of \$238,328 and other income of \$17,033 in the statement of income and expenditure for the year ended 31 December 2002. The Council was unable to provide me with appropriate documentations to support the above balances.</p> <p>14. The Council recorded expenditure of \$325,368 which included salary, wages allowances and related payments of \$161,025 in the statement of income and expenditure for the year ended 2002. The Council was unable to provide appropriate documentations to support the above balances.</p>
2003	<p>1. The Council recorded cash at bank of \$80,268 in the statement of financial position as at 31 December 2003. The Council was unable to provide me with bank reconciliation statements and supporting documents to entries made to the General Ledger.</p> <p>2. The Council recorded gross receivables - loans and advances of \$92,325, provision for doubtful debts of \$15,811, other assets of \$247,242, current liabilities of \$195,443 in the statement of financial position as at 31 December 2003. The Council was unable to provide appropriate documentations to support the above balances.</p> <p>3. The Council recorded an asset revaluation reserve of \$108,664 which had been carried forward from previous years and prior year adjustment of \$3,768 in the statement of changes in equity for the year ended 31 December 2003. The Council was unable to provide any documentations to support the above balance.</p> <p>4. The Council recorded property, plant and equipment at a net value of \$232,421 which included freehold land of \$12,259, building of \$178,467 and motor vehicle of \$31,167 in the statement of financial position as at 31 December 2003. The audit was not provided with the title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances.</p> <p>5. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2003, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p> <p>6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$70,105 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2003.</p> <p>7. The Council recorded income of \$320,310 which included income from government subvention for operating expenses of \$249,460 in the statement of income and expenditure for the year ended 31 December 2003. The Council was unable to provide me with appropriate documentations to support the above balances.</p>

Provincial Council	Qualification Issues
	<p>8. The Council recorded expenditure of \$331,125 which included salary, wages allowances and related payments of \$170,932 in the statement of income and expenditure for the year ended 2003. The Council was unable to provide appropriate documentations to support the above balances.</p>
2004	<p>1. The Council recorded cash at bank of \$10,957 in the statement of financial position as at 31 December 2004. The Council was unable to provide me with bank reconciliation statements and supporting documents to entries made to the General Ledger.</p> <p>2. The Council recorded gross receivables - loans and advances of \$94,713, provision for doubtful debts of \$15,811, other assets of \$243,638, current liabilities of \$133,083 in the statement of financial position as at 31 December 2004. The Council was unable to provide appropriate documentations to support the above balances.</p> <p>3. The Council recorded an asset revaluation reserve of \$108,664 which had been carried forward from previous years, deferred income of \$4,294 and prior year adjustment of \$6,597 in the statement of changes in equity for the year ended 31 December 2004. The Council was unable to provide any documentations to support the above balance.</p> <p>4. The Council recorded property, plant and equipment at a net value of \$221,489 which included freehold land of \$12,259, building of \$178,567 and motor vehicle of \$20,167 in the statement of financial position as at 31 December 2004. The audit was not provided with the title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances.</p> <p>5. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2004, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p> <p>6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$76,443 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2004.</p> <p>7. The Council recorded income of \$431,311 which included income from government subvention for operating expenses of \$249,460 and other income of \$49,057 in the statement of income and expenditure for the year ended 31 December 2004. The Council was unable to provide me with appropriate documentations to support the above balances.</p> <p>8. The Council recorded expenditure of \$393,870 which included salary, wages allowances and related payments of \$163,077 in the statement of income and expenditure for the year ended 2004. The Council was unable to provide appropriate documentations to support the above balances.</p>
2005	<p>1. The Council recorded a negative cash balance of \$16,891, which included a negative cash at bank – current account balance of \$18,228 and cash on hand of \$1,397 in the statement of financial position as at 31 December 2005. There was an unreconciled variance of \$18,394 between the bank reconciliation statement for the current</p>

Provincial Council	Qualification Issues
	<p>account and the amount reflected in the financial statements. A bank audit confirmation was obtained for the cash at bank – current account, however did not reconcile to the balance in the General Ledger and the financial statements. In addition, the Council was also unable to provide me appropriate documentations to support the cash on hand balance of \$1,397.</p> <ol style="list-style-type: none"> 2. The Council recorded gross receivables - loans and advances of \$99,920, provision for doubtful debts of \$15,811, other assets of \$232,218, current liabilities of \$125,126 in the statement of financial position as at 31 December 2005. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded property, plant and equipment at a net value of \$209,931 which included freehold land of \$12,259, building of \$166,667 and motor vehicle of \$9,167 in the statement of financial position as at 31 December 2005. The audit was not provided with the title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances. 4. The Council recorded an asset revaluation reserve of \$108,664 which had been carried forward from previous years and prior year adjustment of \$1,680 in the statement of changes in equity for the year ended 31 December 2005. The Council was unable to provide any documentations to support the balance. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$73,814 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2005. 6. The Council recorded other income of \$100,399 which included dividend from Fijian Holdings Limited of \$71,428 and dividend from Yasana Holdings Limited of \$28,754 in the statement of income and expenditure for the year ended 31 December 2005. The Council was unable to provide me with appropriate documentations to support the dividend income. 7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2006, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements. 8. The Council was unable to provide various other records such as the payment vouchers, supporting documentations for journal entries taken up in the general ledger and documents to support the current salary rate and pay-run reports. The missing records have provided limitation to the scope of my audit.
2006	<ol style="list-style-type: none"> 1. The Council recorded gross receivables - loans and advances of \$101,739, provision for doubtful debts of \$15,811, other assets of \$205,436, current liabilities of \$90,063 in the statement of financial position as at 31 December 2006. The Council was unable to provide appropriate documentations to support the above balances. 2. The Council recorded property, plant and equipment at a net value of \$193,227 which included freehold land of \$12,259 and building of \$160,767 in the statement of financial position as at 31 December 2006. The audit was not provided with the title

Provincial Council	Qualification Issues
	<p>deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances.</p> <ol style="list-style-type: none"> 3. The Council recorded an asset revaluation reserve of \$108,664 which had been carried forward from previous years and prior year adjustment of \$3,194 in the statement of changes in equity for the year ended 31 December 2006. The Council was unable to provide any documentations to support the balance. 4. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$67,851 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2006. 5. The Council was unable to provide various other records such as the payment vouchers, supporting documentations for journal entries taken up in the general ledger and documents to support the current salary rate and pay-run reports. The missing records have provided limitation to the scope of my audit. 6. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2006, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
2007	<ol style="list-style-type: none"> 1. The Council recorded cash at bank of \$29,759 which included cash at bank – current account of \$29,659 and cash on hand of \$100 in the statement of financial position as at 31 December 2007. There was an unreconciled variance of \$3,273 between the bank reconciliation statement and the financial statement for the current account. In addition, the Council was unable to provide me with appropriate documentations to support the cash on hand balance. 2. The Council recorded gross receivables - loans and advances of \$109,834, provision for doubtful debts of \$15,811, other assets of \$205,436, current liabilities of \$74,133 in the statement of financial position as at 31 December 2007. The Council was unable to provide appropriate documentations to support the above balances. 3. The Council recorded property, plant and equipment at a net value of \$184,498 which included freehold land of \$12,259 and building of \$154,867 in the statement of financial position as at 31 December 2007. The audit was not provided with the title deeds for land and building and the registration details of the motor vehicle to confirm the existence and completeness of the balances. 4. The Council recorded investment of \$121,676 which included a balance of \$35,000 with Nadroga/Navosa Festival account in the statement of financial position as at 31 December 2007. The Council was unable to provide the investment confirmation which was necessary to confirm the existence and completeness of the balance. 5. The Council recorded an asset revaluation reserve of \$108,664 which had been carried forward from previous years in the statement of changes in equity for the year ended 31 December 2007. The Council was unable to provide any documentations to support the balance.

Provincial Council	Qualification Issues
	<p>6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$281,084 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2007.</p> <p>7. The Council did not prepare and present a statement of cash flow as a component of the financial statements for the year ended 31 December 2007, which is a departure from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p>

Appendix C: Abridged Financial Statements

Ba Provincial Council

Abridged Statement of Financial Performance

	2001 \$	2002 \$	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Govt subvention for operating expenses	291,073	306,227	291,119	343,320	376,827	330,875	321,412
Provincial rates	257,553	232,325	279,421	288,999	162,676	260,435	271,003
Income from investment	-	47,724	25,000	140,947	134,772	89,176	54,890
Other income	6,308	36,247	6,337	119,327	30,464	21,426	8,519
TOTAL INCOME	554,934	622,523	601,877	892,593	704,739	701,912	655,824
Personal cost – salaries	171,023	181,681	184,426	182,856	174,771	179,009	156,001
Administration	21,471	22,395	22,676	21,073	20,415	21,306	25,070
Motor vehicle insurance & fuel	12,336	18,640	23,051	19,522	19,855	12,682	7,860
Special events	21,931	41,191	44,503	35,904	19,062	21,176	47,019
Turaga ni Koro allowance	25,690	25,680	25,650	64,750	64,200	66,000	64,200
Mata ni Tikina allowance	-	-	-	13,865	28,941	31,428	3,960
Other expenses	11,572	15,649	16,647	18,296	17,784	10,797	21,328
Total Expenses covered by subvention	264,023	305,236	316,953	356,266	345,028	342,398	325,438
Personal cost	55,997	46,464	53,848	66,065	72,516	81,004	76,701
Administration	11,729	3,390	3,691	4,874	5,640	3,848	7,293
Depreciation expenses	27,486	48,154	52,964	53,092	55,642	47,187	59,258
Education	-	48,853	55,355	53,426	19,659	31,783	41,260
General education/interest on loans	37,855	9,002	24,004	10,801	12,435	12,734	15,658
Motor vehicle insurance & fuel	19,532	1,354	1,205	2,323	5,265	2,521	7,793
Rates refund	40,958	2,000	44,350	24,500	12,550	14,354	48,935
Special events	17,800	4,013	4,685	3,855	15,313	34,585	29,346
Other expenses	88,662	114,002	76,569	110,633	119,208	173,990	68,120
Total Expenses not covered by subvention	300,019	277,232	316,671	329,569	318,228	402,006	354,364
TOTAL EXPENDITURE	564,042	585,468	633,624	685,835	663,256	744,404	679,802
Net profit/(deficit)	(9,108)	37,055	(31,747)	206,758	41,183	(42,492)	(23,648)

Abridged Statement of Financial Position

	2001 \$	2002 \$	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Cash at bank and on hand	14,946	(4,129)	(28,215)	202,792	180,266	240,042	182,136
Other current assets	285,384	222,131	201,902	191,966	202,487	157,851	176,147
Property, plant and equipment	686,256	681,570	632,504	589,225	603,825	658,620	611,027
Investment	1,987,644	1,987,644	1,987,644	1,987,644	1,987,644	1,987,644	1,987,644
TOTAL ASSETS	2,974,230	2,887,216	2,793,835	2,971,627	2,974,222	3,044,157	2,956,954
Other creditors	181,486	5,631	28,265	50,999	47,183	(23,767)	(62,864)
Loans	-	-	363,736	192,915	189,114	357,793	299,518
Special funds	373,611	427,242	-	135,436	104,697	104,697	133,476
Deferred income	-	2,320	4,737	4,204	3,672	3,139	2,607
TOTAL LIABILITIES	555,097	435,193	396,738	383,554	344,666	441,862	372,737
NET ASSETS	2,419,133	2,452,023	2,397,097	2,588,073	2,629,556	2,602,295	2,584,217
Accumulated funds	1,922,507	1,955,397	1,900,471	2,091,447	2,132,930	2,105,669	2,087,591
Assets revaluation reserve	496,626	496,626	496,626	496,626	496,626	496,626	496,626
TOTAL FUNDS EMPLOYED	2,419,133	2,452,023	2,397,097	2,588,073	2,629,556	2,602,295	2,584,217

Bua Provincial Council

Abridged Statement of Financial Performance

	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Government Subvention for operating expenses	199,681	215,647	219,434	241,270	238,965
Provincial Rates	31,385	32,749	28,382	31,125	32,044
Income from Investment	35,714	82,311	98,848	138,536	19,176
Other Income	62,126	89,072	125,723	57,957	155,509
Total Income	328,906	419,779	472,387	468,888	445,694
Personal Cost	142,452	141,793	140,930	158,250	133,824
Travelling and Subsistence	6,140	4,548	6,314	5,910	5,119
Fuel, repair and maintenance motor vehicle	4,268	6,732	6,847	10,437	11,957
Administration	-	9,651	9,701	7,657	3,086
Special Events	6,810	6,683	5,897	14,294	10,765
Turaga ni Koro allowance	12,960	32,400	32,100	32,400	28,161
Mata ni Tikina allowance	-	3,618	12,795	6,983	32,400
Other Expenses	15,060	12,448	12,031	16,641	16,339
Total Expenses covered by subvention	187,690	217,873	226,616	252,573	241,651
Personal cost-salaries	7,134	5,269	5,704	6,779	6,363
Depreciation-expenses	30,482	30,482	30,482	40,461	25,829
Other Expenses	35,742	25,686	58,459	99,752	61,781
Total Expenses not covered by subvention	73,358	61,437	94,646	146,993	93,973
TOTAL EXPENDITURE	261,048	279,310	321,262	399,566	335,624
Net profit	67,858	140,469	151,125	69,322	110,070

Abridged Statement of Financial Position

	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Cash at bank and on hand	167,922	124,440	225,015	260,369	218,577
Other current assets	15,559	15,079	13,060	18,166	135,572
Property, plant and equipment	955,208	924,876	895,732	914,890	896,806
Investments	259,602	359,602	359,602	359,602	469,279
TOTAL ASSETS	1,398,291	1,423,997	1,493,409	1,553,027	1,720,234
Other creditors	(89,408)	(161,896)	94,898	66,316	176,249
Interest bearing borrowings	317,793	181,835	26,735	6,899	(2,092)
Deferred Income	402,313	402,465	199,777	197,090	194,403
Special funds	200,000	300,000	300,000	300,000	309,594
TOTAL LIABILITIES	830,698	722,404	621,410	570,305	678,154
NET ASSETS	567,593	701,593	871,999	982,722	1,042,080
Accumulated Funds	(87,020)	46,980	217,386	328,109	387,467
Asset revaluation reserve	654,613	654,613	654,613	654,613	654,613
TOTAL FUNDS EMPLOYED	567,593	701,593	871,999	982,722	1,042,080

Namosi Provincial Council

Abridged Statement of Financial Performance

	2001 \$	2002 \$	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Govt Subvention for operating expenses	221,085	126,381	158,155	153,901	147,300	155,353	156,711
Provincial Rates	22,637	41,799	36,110	43,990	25,459	32,139	42,170
Income from Investment	20	47,171	35,734	97,986	40,969	101,036	50,020
Other Income	2,561	116,695	1,433	2,833	2,060	6,088	1,720
Total Income	246,303	332,046	231,432	298,710	215,788	294,616	250,621
Personal Cost	75,115	74,644	88,883	86,673	86,946	109,601	95,687
Travelling and Subsistence	5,864	5,038	3,306	5,721	2,899	5,475	4,052
Fuel, repair and maintenance motor vehicle	8,589	8,642	10,603	11,865	12,363	6,172	9,348
Administration	9,704	10,326	8,105	4,488	5,880	11,018	8,325
Special Events	6,862	13,324	17,126	10,941	14,577	16,264	15,312
Turaga ni Koro allowance	6,300	6,040	4,870	15,445	13,960	16,050	15,450
Mata ni Tikina allowance	-	-	-	2,090	4,318	3,335	4,537
Other Expenses	3,026	5,278	5,162	10,775	6,829	4,477	6753
Total Expenses covered by subvention	115,460	123,292	138,055	147,998	147,772	172,392	159,464
Personal cost-salaries	1,610	7,248	2,995	-	3,169	5,230	6,437
Depreciation-expenses	6,239	11,759	12,260	18,122	18,122	17,051	16,516
Other Expenses	20,064	34,304	41,338	39,879	26,802	37,263	32,178
Total Expenses not covered by subvention	27,913	53,311	56,593	58,001	48,093	59,544	55,131
TOTAL EXPENDITURE	143,373	176,603	194,648	205,999	195,865	231,936	214,595
Net Profit	102,930	155,443	36,784	92,711	19,923	62,680	36,026

Abridged Statement of Financial Position

	2001 \$	2002 \$	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Cash at bank and on hand	82,836	50,559	26,330	80,854	68,924	33,174	11,158
Other current assets	829,052	823,116	871,242	885,843	849,171	904,653	960,905
Property, plant and equipment	193,014	324,145	325,716	307,595	293,357	314,631	297,721
Investments	18,726	18,726	18,726	18,726	18,726	18,726	18,726
TOTAL ASSETS	1,123,628	1,216,546	1,242,014	1,293,018	1,230,178	1,271,184	1,288,510
Other creditors	176,360	83,885	82,401	84,104	82,851	77,790	69,424
Interest bearing borrowings	774,310	815,118	801,561	754,426	665,307	691,964	680,100
TOTAL LIABILITIES	950,670	899,003	883,962	838,530	748,158	769,754	749,524
NET ASSETS	172,958	317,543	358,052	454,488	482,020	501,430	538,986
Accumulated Funds	96,846	252,289	289,073	381,784	401,707	417,787	453,813
Asset revaluation reserve	51,637	37,054	37,054	37,054	37,054	37,054	37,054
Deferred Income	-	-	-	-	3,884	3,489	3,094
Special funds	24,475	28,200	31,925	35,650	39,375	43,100	45,025
TOTAL FUNDS EMPLOYED	172,958	317,543	358,052	454,488	482,020	501,430	538,986

Ra Provincial Council

Abridged Statement of Financial Performance

	2000 \$	2001 \$	2002 \$	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Govt subvention for operating expenses	216,859	210,803	219,912	243,269	290,221	256,006	296,808	270,541
Provincial rates	22,450	12,407	4,973	38,742	15,736	26,778	14,644	13,984
Income from investment	2,537	16,068	65,888	13,307	56,025	124,940	101,295	42,558
Other income	26,566	9,555	107,817	2,668	13,994	12,535	18,202	6,077
TOTAL INCOME	268,412	248,833	398,590	297,986	457,328	420,259	430,949	333,160
Personal cost – Salaries	154,866	141,263	152,045	171,855	156,178	151,781	188,513	167,083
Travelling and subsistence	3,273	6,306	9,717	6,051	11,703	8,894	8,900	7,897
Motor vehicle cost	11,183	8,480	8,171	10,839	7,196	10,908	13,012	14,065
Repairs and maintenance	6,278	4,210	750	425	24,339	3,039	371	3,125
Administration	5,729	9,019	8,731	10,708	8,004	5,480	5,420	7,259
Special events	8,494	8,664	17,629	26,404	27,744	17,402	16,974	24,206
Turaga ni Koro allowance	22,320	22,320	22,260	11,160	55,040	28,134	55,800	55,800
Mata ni Tikina allowance	-	-	-	-	10,620	5,374	10,854	13,120
Other expenses	4,716	5,620	9,559	10,054	13,615	5,256	6,315	6,210
Total expenses covered by subvention	216,859	205,882	228,862	247,496	314,439	236,268	306,159	298,765
Personal cost	70	2,280	-	335	-	-	311	990
Depreciation expenses	22,146	23,979	33,145	33,921	34,048	20,294	27,651	19,308
Rates refund	10,725	5,030	1,824	17,355	10,288	11,873	-	-
Expenses from other operations (savings account)	34,382	7,526	20,694	3,170	14,119	27,444	58,823	5,469
Other expenses	9,464	8,939	7,151	45,367	23,862	22,522	25,001	50,852
Total expenses not covered by subvention	76,787	84,733	98,058	123,389	119,086	84,706	65,702	60,494
TOTAL EXPENDITURE	293,646	253,636	291,676	347,644	396,756	318,401	417,945	375,384
Net profit/(deficit)	(25,234)	(4,803)	106,914	(49,658)	(20,780)	101,858	13,004	(42,224)

Abridged Statement of Financial Position

	2000 \$	2001 \$	2002 \$	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Cash at bank and on hand	3,967	88,677	30,082	(2,079)	6,113	119,097	77,466	32,131
Other current assets	51,677	86,244	53,552	51,267	57,249	66,791	65,681	68,494
Property, plant and equipment	381,777	420,705	437,775	403,469	367,646	353,715	375,022	353,539
Investment	155,171	149,479	209,240	215,136	220,576	226,699	233,762	240,717
TOTAL ASSETS	592,592	745,105	730,649	667,793	651,584	766,302	751,931	694,881
Other creditors	25,839	127,835	20,582	23,462	41,582	70,170	78,428	79,344
Deferred income	12,101	13,008	14,473	12,299	10,124	7,949	5,773	3,598
Interest bearing borrowings	-	54,413	38,831	24,928	13,553	-	39,602	26,035
Special funds	6,389	6,389	6,389	6,389	6,389	6,389	6,389	6,389
TOTAL LIABILITIES	44,329	201,645	80,275	67,078	71,648	84,508	130,192	115,366
NET ASSETS								
Accumulated funds	338,989	334,186	441,100	391,442	370,662	472,520	412,465	370,241
Assets revaluation reserve	209,274	209,274	209,274	209,274	209,274	209,274	209,274	209,274
TOTAL FUNDS EMPLOYED	548,263	543,460	650,374	600,716	579,936	681,794	621,739	579,515

Rewa Provincial Council

Abridged Statement of Financial Performance

	2006 \$	2007 \$
Government Subvention for operating expenses	167,410	190,853
Provincial Rates	69,921	32,935
Income from Investment	93,570	79,268
Other Income	-	7,808
Total Income	330,901	310,864
Personal Cost	131,042	89,393
Travelling and Subsistence	4,004	7,458
Fuel, repair and maintenance motor vehicle	14,091	21,569
Administration	9,319	10,431
Special Events	5,069	26,450
Turaga ni Koro allowance	7,220	5,120
Other Expenses	46,106	37,924
Total Expenses covered by subvention	216,851	198,345
Personal cost-salaries	3,555	5,767
Depreciation-expenses	17,015	17,186
Other Expenses	59,118	54,191
Total Expenses not covered by subvention	79,688	77,144
TOTAL EXPENDITURE	296,539	275,489
Net profit	34,362	35,375

Abridged Statement of Financial Position

	2006 \$	2007 \$
Cash at bank and on hand	172,555	146,486
Other current assets	191,004	213,845
Property, plant and equipment	172,948	156,344
Investments	719,076	719,076
TOTAL ASSETS	1,255,583	1,235,751
Other creditors	154,929	123,363
Interest bearing borrowings	652,301	622,343
Deferred Income	7,965	6,504
Special funds	80,000	80,000
TOTAL LIABILITIES	895,195	832,210
NET ASSETS	360,388	403,541
Accumulated Funds	219,452	262,605
Asset revaluation reserve	140,936	140,936
TOTAL FUNDS EMPLOYED	360,388	403,541

Serua Provincial Council

Abridged Statement of Financial Performance

	2006 \$	2007 \$
Government Subvention for operating expenses	167,410	190,853
Provincial Rates	69,921	32,935
Income from Investment	93,570	79,268
Other Income	-	7,808
Total Income	330,901	310,864
Personal Cost	131,042	89,393
Travelling and Subsistence	4,004	7,458
Fuel, repair and maintenance motor vehicle	14,091	21,569
Administration	9,319	10,431
Special Events	5,069	26,450
Turaga ni Koro allowance	7,220	5,120
Other Expenses	46,106	37,924
Total Expenses covered by subvention	216,851	198,345
Personal cost-salaries	3,555	5,767
Depreciation-expenses	17,015	17,186
Other Expenses	59,118	54,191
Total Expenses not covered by subvention	79,688	77,144
TOTAL EXPENDITURE	296,539	275,489
Net profit	34,362	35,375

Abridged Statement of Financial Position

	2006 \$	2007 \$
Cash at bank and on hand	7,823	64,994
Other current assets	473,494	538,160
Property, plant and equipment	102,271	87,122
Investments	883,507	946,131
TOTAL ASSETS	1,467,095	1,636,407
Other creditors	93,608	89,961
Interest bearing borrowings	236,004	224,784
TOTAL LIABILITIES	329,612	314,745
NET ASSETS	1,137,483	1,321,662
Accumulated Funds	960,483	1,144,662
Asset revaluation reserve	77,000	77,000
Special funds	100,000	100,000
TOTAL FUNDS EMPLOYED	1,137,483	1,321,662

Cakaudrove Provincial Council

Abridged Statement of Financial Performance

	2002 \$	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Govt Subvention for operating expenses	288,178	290,683	347,929	385,926	378,430	322,570
Provincial Rates	36,750	21,692	23,557	95,169	34,971	83,834
Income from Investment	80,000	80,000	129,057	151,428	161,016	152,027
Other Income	7,080	722	2,606	788	10,938	7,056
Total Income	412,008	393,097	503,149	633,311	585,355	565,487
Personal Cost	157,182	164,523	152,722	178,305	187,946	150,416
Travelling and Subsistence	22,403	12,623	20,235	21,118	17,309	12,145
Fuel, repair and maintenance motor vehicle	19,047	25,057	20,229	28,519	20,045	20,469
Administration	22,879	18,853	16,021	33,040	21,784	17,782
Special Events	25,371	24,336	29,766	32,189	22,879	37,426
Turaga ni Koro allowance	31,060	25,220	79,800	79,800	79,800	66,450
Mata ni Tikina allowance	-	-	4,559	8,929	5,383	6,495
Other Expenses	11,575	7,517	3,859	7,223	8,885	11,387
Total Expenses covered by subvention	289,517	278,129	327,191	389,123	364,031	322,570
Personal cost-salaries	4,492	4,227	4,612	3,129	7,135	8,848
Depreciation-expenses	30,789	32,467	30,128	28,595	35,061	29,586
Other Expenses	75,788	27,700	19,644	42,170	60,994	51,859
Total Expenses not covered by subvention	111,069	64,394	54,384	73,894	103,190	90,293
TOTAL EXPENDITURE	400,586	342,523	381,575	463,017	467,221	412,863
Net profit	11,422	50,574	121,574	170,294	118,134	152,624

Abridged Statement of Financial Position

	2002 \$	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Cash at bank and on hand	147,907	129,122	188,771	272,374	232,803	234,938
Other current assets	53,512	94,026	143,382	215,557	289,317	728,690
Property, plant and equipment	858,555	833,697	557,641	529,047	546,570	614,296
Investments	400,000	502,845	507,750	512,871	518,714	124,392
TOTAL ASSETS	1,459,974	1,559,690	1,397,544	1,529,849	1,587,404	1,702,316
Other creditors	238,657	233,525	238,661	250,219	155,535	133,299
Interest bearing borrowings	231,551	182,980	135,146	80,478	108,740	60,064
TOTAL LIABILITIES	470,208	416,505	373,807	330,697	264,275	193,363
NET ASSETS	989,766	1,143,185	1,023,737	1,199,152	1,323,129	1,508,953
Accumulated Funds	349,766	400,340	275,987	446,281	564,415	744,561
Asset revaluation reserve	583,226	583,226	583,226	583,226	583,226	583,226
Deferred Income	47,592	47,592	47,592	47,592	47,592	47,592
Special funds	9,182	112,027	116,932	122,053	127,896	133,574
TOTAL FUNDS EMPLOYED	989,766	1,143,185	1,023,737	1,199,152	1,323,129	1,508,953

Kadavu Provincial Council

Abridged Statement of Financial Performance

	2002 \$	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Govt subvention for operating expenses	222,646	250,580	266,139	277,000	263,995	313,213
Provincial rates	52,259	33,782	48,711	58,386	100,955	50,620
Income from investment	57,139	59,513	65,346	83,743	103,799	103,513
Other income	3,213	1,726	1,449	3,810	3,516	19,630
TOTAL INCOME	335,257	345,601	381,645	422,939	472,265	486,976
Personal cost-salaries	112,433	125,024	124,563	126,338	146,549	133,816
Administration cost	15,537	12,444	10,564	15,443	12,384	12,349
Repairs and maintenance	12,454	12,780	10,924	12,250	11,929	9,017
Travelling and subsistence, meals	23,517	22,915	22,272	19,136	20,554	22,461
Special events	29,353	28,780	35,614	45,560	30,353	26,965
Turaga ni Koro allowance	18,000	18,000	44,939	46,200	46,050	45,000
Other expenses	11,168	6,805	17,364	12,071	12,596	63,604
Total expenses covered by subvention	222,462	226,748	266,240	276,998	280,415	313,212
Personal cost	5,932	2,882	3,228	11,572	10,347	11,385
Depreciation	22,121	23,383	24,403	24,717	23,600	22,173
Travelling and subsistence	12,855	13,856	16,480	16,571	15,374	14,427
Ka vakavanua	15,892	9,997	6,757	2,836	6,355	3,472
Other expenses	66,184	13,577	60,787	32,197	92,703	33,088
Total expenses not covered by subvention	122,984	63,695	111,655	87,893	148,379	84,545
TOTAL EXPENDITURE	345,446	290,443	377,895	364,891	428,794	397,757
Net profit/(deficit)	(10,189)	55,158	3,750	58,048	43,471	89,219

Abridged Statement of Financial Position

	2002 \$	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Cash at bank and on hand	58,285	200,369	135,834	153,048	186,624	145,724
Other current assets	(3,977)	21,059	(6,308)	(23,060)	9,966	167,165
Loans to public	158,484	158,484	158,484	158,484	158,484	158,484
Property, plant and equipment	361,906	351,679	333,273	310,107	294,746	327,248
Investments	372,663	380,675	383,334	387,225	391,812	395,093
TOTAL ASSETS	947,361	1,112,266	1,004,617	985,804	1,041,632	1,193,714
Other creditors	54,957	136,198	49,146	58,628	88,593	150,630
Non-current liabilities	158,484	158,484	132,770	61,342	42,165	42,165
Special funds	23,402	25,286	25,286	26,701	29,018	29,844
Deferred income	13,476	13,476	13,476	13,476	13,476	13,476
TOTAL LIABILITIES	250,319	333,444	220,678	160,147	173,252	236,115
NET ASSETS	697,042	778,822	783,939	825,657	868,380	957,599
Accumulated Funds	509,662	591,442	596,559	638,277	681,000	770,219
Asset revaluation reserve	187,380	187,380	187,380	187,380	187,380	187,380
TOTAL FUNDS EMPLOYED	697,042	778,822	783,939	825,657	868,380	957,599

Nadroga/Navosa Provincial Council

	2002 \$	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Govt Subvention for operating expenses	238,328	249,460	305,140	333,750	330,687	337,379
Govt Subvention for fixed assets	630	635	671	790	1,030	1,030
Provincial Rates	66,238	70,105	76,443	73,814	67,851	81,084
Other Income	17,033	110	49,057	100,399	66,388	19,267
Total Income	322,229	320,310	431,311	508,753	465,956	438,760
Personal Cost	166,633	177,519	168,703	195,493	201,312	189,899
Travelling and Subsistence	5,225	5,812	6,253	6,148	3,928	3,371
Administration	23,907	33,719	35,889	38,377	24,212	38,901
Special Events	7,616	9,424	12,927	9,736	6,910	4,913
Turaga ni Koro allowance	29,040	29,040	72,600	72,600	72,600	72,600
Mata ni Tikina allowance	-	-	17,689	13,585	17,384	19,007
Other Expenses	6,536	6,020	7,444	9,286	5,371	7,988
Total Expenses covered by subvention	238,957	261,534	321,505	345,225	331,717	336,679
Personal cost-salaries	38,143	37,727	37,158	34,329	31,568	31,919
Depreciation-expenses	17,633	17,667	18,647	18,792	17,367	12,199
Other Expenses	30,635	14,197	16,560	35,397	40,320	27,676
Total Expenses not covered by subvention	86,411	69,591	72,365	88,518	89,255	71,794
TOTAL EXPENDITURE	325,368	331,125	393,870	433,743	420,972	408,473
Net Profit/(deficit)	(3,139)	(10,815)	37,441	75,010	44,984	30,287

Abridged Statement of Financial Position

	2002 \$	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Cash at bank and on hand	4,930	80,268	10,957	(16,891)	65,951	29,759
Other current assets	332,453	323,756	322,541	347,606	293,553	297,625
Property, plant and equipment	247,875	232,421	221,489	209,931	193,227	184,498
Investments	67,500	67,500	67,500	67,500	67,500	121,676
TOTAL ASSETS	652,758	703,945	622,487	608,146	620,231	633,558
Other creditors	116,510	193,762	133,082	125,126	90,063	74,133
Interest bearing borrowings	229,166	215,470	152,658	70,145	70,145	70,145
Deferred income	-	-	-	7,104	6,074	5,044
TOTAL LIABILITIES	345,676	409,232	285,740	202,375	166,282	149,322
NET ASSETS	307,082	294,713	336,747	405,771	453,949	484,236
Accumulated Funds	194,333	179,750	223,789	297,107	345,285	375,572
Asset revaluation reserve	108,664	108,664	108,664	108,664	108,664	108,664
Deferred Income	1,085	6,299	4,294	-	-	-
TOTAL FUNDS EMPLOYED	304,082	294,713	336,747	405,771	453,949	484,236

Appendix D: Key Elements of Internal Control Assessments

Internal controls are categorized against the following five components of internal control:

<p>Control Environment</p> <p>The set of standards, processes and structures that provide the basis for carrying out internal controls across the Provincial Council. These include commitment to integrity and ethical values, independence of management to exercise oversight for the development and performance of internal control, documented structures, reporting lines and appropriate authorities such as delegated levels of authority and responsibilities in the pursuit of the entity's objectives. It also includes commitment to attract, develop and retain competent individuals, and holding them accountable for their internal control responsibilities.</p> <p><i>Examples of issues which fall under this category are ethical breaches, gaps in internal controls or controls are non-existent, individuals are not held accountable for breaches in control or entities code of ethics, staff recruitment, and training and professional development, performance assessment and succession planning matters.</i></p>
<p>Risk Assessment</p> <p>This involves a dynamic process for identifying and analyzing risks to achieve the entity's objectives, forming a basis for determining how risks should be managed.</p> <p><i>Examples of issues which would fall under this category are absence of risk management framework, operational including fraud and enterprise risks not identified, assessed and mitigated and impact of changes in business processes on controls not identified and assessed.</i></p>
<p>Control Activities</p> <p>These are established by policies and procedures to help ensure that management's directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of an entity and at various stages within business processes, and over the technology environment.</p> <p><i>Examples of issues which would fall under this category are general controls relating to information technology, documentation of procedures which have in-built checks and balances which are aligned to the policies of the entity. Specific control activities include those relating to authorization, performance reviews, information processing, physical controls, and segregation of duties.</i></p>
<p>Information and Communication Control</p> <p>Information is necessary for the entity to carry out internal control responsibilities in support of achievement of its objectives. Communication occurs both internally and externally and provides the entity with the information needed to carry out day-to-day controls. Communication enables personnel to understand internal control responsibilities and their importance for the achievement of objectives.</p> <p><i>Examples of issues which would fall under this category are reporting to the Council and the iTaukei Affairs Board and Ministry of iTaukei Affairs on matters relating to internal controls.</i></p>
<p>Monitoring Activities</p> <p>On-going evaluations, separate evaluations or some combination of the two are used to ascertain whether controls are present and functioning. Findings are evaluated and deficiencies are communicated in a timely manner.</p> <p><i>Examples of issues which would fall under this category are self-assessment by entities to determine whether internal controls are present and function. This may include the establishment of independent internal audit functions within entities which would assist in identifying any gaps in controls.</i></p>

Appendix E: Responses from iTaukei Affairs Board

We provided the Final Management Letters for the 6 Provincial Councils to the Chief Executive Officer of the iTaukei Affairs Board. The iTaukei Affairs Board is responsible for the accuracy, fairness, and balance of the comments for the Provincial Councils.

The Table below provides a summary of management comments received from the iTaukei Affairs Board on the significant issues highlighted in Sections 3 & 4.

Section 3: Internal Controls

Cash Management:
<p>Internal controls have been strengthened including cash count, preparation of monthly bank reconciliations. The Senior Assistant Roko Tui has been tasked to conduct surprise checks and this process is verified by the internal audit function. This is an ongoing process</p> <p>Due to the unavailability of documents, we were unable to prepare Cash – flow statements. Cash flow statements will be prepared from 2008 onwards.</p> <p>Daily banking is now strengthened and is now enforced. Monthly bank reconciliations commenced in 2008 and continue to be done till to date. Unpresented Cheques have been cleared.</p> <p>Finance Manual has been reviewed to reflect that the Senior Assistant Roko are tasked on these necessary checks:</p> <ul style="list-style-type: none"> • Internal Control have been strengthened on receipting and banking. • Appointment of Assistant Treasurer to ensure segregation of duties. • Spots checks on cash counts and daily banking reinforced. • Establishment of the internal queries process at the PCA unit, where we have desk officers that run through and examine financial returns submitted from the Provincial offices to ensure proper documentation. <p>Recruitments of unqualified officers to the finance unit was a contributing factor to poor financial management. The manual system used in 2005-2007 provided no proper controls. Now the Board is recruiting qualified Accountants and with the acquisition of the new financial system, major improvements are expected.</p>
Journals & Reconciliations
<p>This is primarily due to missing records. Some old journals passed did not have supporting documents. Unavailability of old records were the main cause and some journals could not be located.</p> <p>We have now maintained a Journal Register to record all journals passed and filed in journal files. Record management has been improved.</p>
Purchases & Payments
<p>There has been workshops organized for Provincial Treasurers where re-fresher training are provided on procurement and payment procedures.</p> <p>Unavailability of records in these years have become a drawback. The Board now has proper storage for Provincial Councils records to ensure that they are accessible for audit when required. Filing and record management at the Council have been improved</p> <p>Proper check and balances now in place for all financial returns received from the Councils.</p>

Finance Manual and Standing Operating Procedures have been developed and compliance is strictly monitored by Supervisors and by the Internal Audit Function. Finance staff are instructed to strictly comply. Quality Assurance Check is conducted in – house on financial returns received from Provincial Councils on a bi-monthly basis. This is to ensure that anomalies are identified and addressed in a timely manner.

Payroll

Improvements now made in the payroll department. Salary files are now regularly updated. Currently salary reconciliations are carried out weekly for wage processing and fortnightly when processing salary.

Filing and record management systems have been improved for ease of reference. TAB has acquired a new HR system which is expected to go-live in November 2018. The new HR manual is expected to improve a lot of HR processes

Section 4: Other Significant Matters

Submission of financial statements for audit

The Board is also concerned with the above. The iTaukei Affairs Board in its efforts to update audit of the Provincial Councils accounts has set up a taskforce primarily to reconcile and prepare annual accounts and have them ready for audit. Targets are tracked on a monthly basis. The Board is committed towards clearing this backlog and has acquired a new financial system that will integrate with the 14 provincial offices. Go Live date is set for August 2018. The change management in-house coupled with the adoption of OMRS has resulted in the recruitment of qualified accountants as Provincial Treasurers.

IFRS Training was organized for officers and Board will continue to build capacity of existing resources and ensure that qualified personnel is recruited for the Taskforce. Relevant trainings will be provided on financial reporting standards during Treasurers workshops in the 2018/2019 financial year.

Compliance with the accounting standards

Due to unavailability of documents, team were unable to prepare cash flow statements. Cash flow statements have been submitted for 2008 – 2010 accounts and will continued to be prepared for the remaining accounts. Recommendations noted and improvement made in the recent submission made for the audit.

IFRS Training was organized for officers and Board will continue to build capacity of existing resources and ensure that qualified personnel is recruited for the Taskforce. Relevant trainings will be provided on financial reporting standards during Treasurers workshops in the 2018/2019 financial year.

Limitation of scope

Unavailability of supporting documents for the FY 2002 is a major drawback. Treasurers were operating manually while data entry was centralised at Head office. The auditors were provided with the records that were available at the time of the audit. Presently data entry has been decentralised and treasurers are able to post financial data from their respective stations. Bi-monthly returns are sent to Head office for verification. Going forward record keeping methods have been improved and supervision strengthened.

In 2013, the Board managed to install an improved version of WINIZ systems where posting of financial transactions were de-centralized to the Council offices. Improvement in the reconciliation were noted however due to the non-integration of the financial system, the Board will now soon introduce an integrated software connecting the 14 Councils and HQ. More robust checks and reconciliations are expected to be carried out.

Records management

A 40'ft container has been purchased to store all financial records received from Provincial Councils. Going forward proper records management has been reemphasized to all Treasurers and supervision strengthened.

Asset Management

A recent valuation exercise is scheduled to be undertaken in the new financial year 2018/2019.

Loans and advances to staff and public

The Provincial Councils have ceased loans to staff and public. The 2015 Finance Manual has clear provision on staff advances including a surcharge of 10% for late retirements. List of all staff imprest issued and retirements is reported during the monthly Senior Management Board meeting.

Internal control has been strengthened such as all advances issued to Roko Tui requires Head Office assessment and approval. Strict measures now put in place for advances to staff. Retirement must be made within 7 days of return to station. No new advances issued to officers with outstanding imprest.

Policies & Procedures

SDP for the next 4 years and Operations Plan now developed for the current financial period. Finance Manual has been developed and reviewed in 2015 that included asset capitalization criteria and will be again reviewed in 2018 following the installation of the new financial system.

Internal Audit function has been strengthened to ensure compliance and strengthen internal controls.

Provincial Rates

This is primarily due to missing records. Going forward rates reports are now maintained and are now submitted to the iTaukei Affairs Board for better tracking and monitoring. Provincial rate budget and utilisation awareness is ongoing during the Tikina Council / Village Council meeting. Rates collection has improved overall and revenue drive has been strengthened.

Confirmations for Investment with Provincial Companies

Request for audit confirmations were sent, however, no confirmation received till to date. We will continue to liaise with them on these confirmations.

VAT

Currently awaiting responses from the Fiji Revenue Customs Services on our VAT stand.

Appendix F: Glossary

Term	Definition
Accountability	Responsibility of public sector entities to achieve their objectives in reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws.
Audit evidence	A difference between the amounts, classification, presentation, or disclosure of a reported financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework.
Audit memorandum	Management Letter highlighting areas where improvements can be made by an entity following an audit.
Audit strategy	The strategy that sets the scope, timing and direction of the audit, and guides the development of the more detailed audit plan
Business continuity risk	Business interruption can result from natural occurrences and accidental or deliberate criminal acts. Those interruptions can have significant financial and operational ramifications. Over time, an organization will experience an event that will result in the loss of information, access to properties (tangible or intangible), or the services of personnel. Exposure to those types of risks and the planning for business continuity is an integral part of an organization's risk management process.
Capital works	Amount capitalized to the balance sheet for contributions by an entity to major assets owned by the entity, including expenditure on: <ul style="list-style-type: none"> capital renewal of existing assets that returns the service potential or the life of the asset to that which it had originally capital expansion which extends an existing asset at the same standard to a new group of users.
Deficiencies	Failing, weakness or shortcoming
Deposits from public	Deposits received from the public for specific purpose.
Depreciation	The systematic allocation of a fixed asset's capital value as an expense over its expected useful life to take account of normal usage, obsolescence, or the passage of time.
Development Assistance Scheme	Funds provided for capital assistance for the villages within the boundaries of the respective Provincial Councils.
Express an opinion	A written expression of the auditor's overall conclusion on the financial report based on audit evidence obtained.
Fraud	An intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.
Governance	Governance is defined as the manner in which those in vested authority uses its powers to achieve the institution's objectives, including its powers to design, implement and innovate the organization's policies, rules, systems and processes and to engage and involve its stakeholders.

Term	Definition
Governing bodies/ Charged with governance	A body of persons or officers having ultimate control. They are mainly constituted for the purpose of administration.
Government subvention for operating expenses	This is financial assistance provided by the Government to the Provincial Councils for the operational expenditures.
Impairment	When an asset's carrying amount exceeds the amount that can be recovered through use or sale of the asset.
"i-Taukei"	Includes every member of an aboriginal race indigenous to the Fiji. Also included every member of aboriginal race indigenous to Melanesia, Micronesia and Polynesia living in Fiji who has elected to live in an <i>iTaukei</i> village.
Fiji Accounting Standards	Standards adopted by Fiji Institute of Accountants for financial reporting by large and medium entities in Fiji.
"Ka Vakavanua"	A customary thing or way of the land. Expenses related to "Ka Vakavanua" includes kava, mats, whales tooth, etc.
"Koro"	A village.
Management	Those with the executive responsibility for conducting an entity's operations.
"Mata ni Tikina" (MNT)	Elected person from a <i>Tikina</i> who is appointed by the Minister of <i>iTaukei</i> Affairs to link the traditional structure (or Vanua) for his or her <i>Tikina</i> and the Provincial Council. He or she represents the <i>Tikina</i> at Provincial Council meetings. The MNT submit a monthly report on the physical development such as schools, hospitals and roads in the villages, and, outside of the periphery of the villages to the Provincial Council. The report is analyzed by the Provincial Council and is used to justify the payment of the allowance.
Material misstatement	A significant difference between the amounts, classification, presentation, or disclosure of a reported financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework.
Materiality	This relates to the size or nature of the item or error judged in the particular circumstances of its omission or misstatement. Information is material if its omission or misstatement could influence the economic decisions of users, taken on the basis of the financial statements.
Misstatement	A difference between the amounts, classification, presentation, or disclosure of a reported financial report item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework. Misstatements can arise from error or fraud.
Non-government subvention expenditures	Generally refers to as non-operating expenses. The expenses incurred that are unrelated to the Council's core operations.

Term	Definition
Other significant matters	<p>Include control weaknesses which could cause or is causing severe disruption of the process or severe adverse effect on the ability of an auditee to achieve process objectives and comply with relevant legislation.</p> <p>It is likely that these issues may have an impact on the operations of the entities in future, if necessary action is not taken to address them.</p>
Provincial rates	A rate imposed by the Council upon every <i>iTaukei</i> male of a Province between the ages of twenty one and sixty years. The rates are collected on communal basis and used to fund expenditures not covered by Government Subvention.
Valuation/Revaluation	The action of assessing the value of something again.
Risks	The probability or threat of quantifiable damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action.
“Roko Tui”	Chief Executive Officer, Chief Accounting Officer and Secretarial to the Council. The <i>Roko Tui</i> is the main communication link between the modern and traditional government systems.
“Soqosoqo Vakamarama”	This refers to the <i>iTaukei</i> women’s organization that operates at a village level. Expenses related to <i>Soqosoqo Vakamarama</i> includes contribution of the Council to the women’s project
Standards on auditing	International Standards on Auditing adopted by Fiji Institute of Accountants and applied by Office of the Auditor-General for audits carried out.
“Tikina”	A District – established under the <i>iTaukei</i> Affairs Act 1944 or By-Laws.
“Turaga-ni-Koro”(TNK)	A village member elected by the village council and approved by the <i>Tikina</i> council or appointed in such manner as may be prescribed by the Board, to see to the carrying out of social services or to undertake such duties as may be prescribed. The TNK submits a monthly report on all issues including environmental, political and social at village level to the Provincial Council. The report is analyzed by the Council and is used to justify the payment of the allowances.
Valuation	The process of determining the fair value of an asset.
Value-adding	Financial or non-financial gains arising from improved compliance or mitigation of risks.
“Yasana”	A Province – established under the <i>iTaukei</i> Affairs Act 1944 or By-Laws.



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