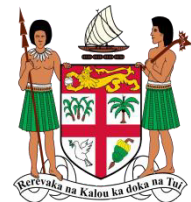




---

# STANDING COMMITTEE ON PUBLIC ACCOUNTS

## Review of the Audit Report on Provincial Councils, Volume 1



**PARLIAMENT OF THE REPUBLIC OF FIJI**  
**Parliamentary Paper No. 07 of 2020**

*February, 2020*

---

*Published and printed by the Department of Legislature, Parliament House, Government Buildings, Suva*

# TABLE OF CONTENT

CHAIRPERSON'S FOREWORD.....	2
COMMITTEE MEMBERS.....	3
INTRODUCTION .....	4
Witnesses.....	5
Resource Persons .....	6
COMMITTEE AUDIT FINDINGS .....	7
SUSTAINABLE DEVELOPMENT GOALS .....	11
GENDER ANALYSIS.....	11
COMMITTEE RECOMMENDATIONS.....	12
CONCLUSION .....	14
APPENDICES .....	16

## CHAIRPERSON'S FOREWORD



This report follows the Report of the Auditor General of the Republic of Fiji – Provincial Councils Volume 1 for the period 2000 – 2007. It is important to note that this is the first of the two volumes of reports for Provincial Councils Reports tabled by the Auditor General in Parliament.

The Committee noted that between 2015 and 2018, the Office of the Auditor General received from the iTaukei Affairs Board, 114 draft financial statements for the 14 Provincial Councils. The audit of the Provincial Councils have been extensively delayed and is primarily due to the non-submission of the financial statements annually to the Office of the Auditor General thus resulting in the backlog of 14 years of preparation, timely preparation and quality submission of the annual accounts.

This report contains the audited financial statements for six (6) Provincial Councils for the years ranging from 2000 – 2007 financial years namely:

1. Tailevu (2002 – 2007);
2. Naitasiri (2000 – 2007);
3. Lau (2003 – 2007);
4. Macuata (2005- 2007);
5. Rewa (2002 – 2005); and
6. Serua Provincial Councils (2002 – 2005)

It was found that there were **126 significant matters on the audits of the 30 financial statements of the six (6) Provincial Councils** which is not a good reflection of the iTaukei Affairs Board.

In this regard, the Committee strongly recommends that immediate actions needs to be drawn towards the timely submission of the Provincial Councils financial statements for auditing, compliance with accounting standards and international best practices, provision of resources to ensure compliance and confirmation of investments with Provincial Companies and resolution on whether Provincial Councils are subject to VAT.

The Committee is of the strong view that the Provincial Councils need to strengthen its internal controls over cash management, journals & reconciliation, purchases & payments and payroll pursuant to the Audit Act 1969, iTaukei Affairs Act 1994 and the iTaukei Affairs (Provincial Council) Regulation 1996.

Overall, I would like to thank the Chief Executive Officer for iTaukei Affairs Board (TAB) for appeared before the Committee and the work done so far in trying to improve its systems and processes for the PCs to address those audit issues. Also commend the work of the Office of the Auditor General for the audit and the support provided in terms of clarifications on those audit issues that were reported.

I also wish to extend my appreciation to all the Honourable Members of the Committee for their valuable contribution in the successful compilation of this bipartisan report, namely Hon. Joseph Nand (Deputy Chairperson, Hon. Vijendra Prakash, Hon. Aseri Radrodoro and Hon. Ratu Naiqama Lalabalavu. Additionally, pursuant to Standing Order 115 (5) Hon. Adi Litia Qionibaravi who stood in as alternate Member to Hon. Aseri Radrodoro.

On behalf of the Committee, I also extend my appreciation to the Secretariat Staff for their timely support in the compilation and preparation of this report. With those few words, I now commend this report to the Parliament.

A handwritten signature in blue ink, appearing to read 'Alvick', with a horizontal line underneath it.

Hon. Alvick Avhikrit Maharaj  
Chairperson

## **COMMITTEE MEMBERS**

The substantive members of the Standing Committee on Public Accounts are as follow:



**Hon. Alvick Avikirit Maharaj  
(Chairperson)**



**Hon. Joseph Nitya Nand  
(Deputy Chairperson)**



**Hon. Aseri Masivou Radrodro  
(Opposition Member)**



**Hon. Ratu Naiqama Lalabalavu  
(Opposition Member)**



**Hon. Vijendra Prakash  
(Government Member)**

## INTRODUCTION

The Audit Report on Provincial Councils Volume 1 was tabled in Parliament during the May 2019 sitting and referred to the Standing Committee on Public Accounts, for its scrutiny.

Standing Order (SO) 109 (2) (d) allows Standing Committee on Public Accounts to examine the accounts of the Government of the Republic of Fiji in respect of each financial year and reports of the Auditor-General, and for any other matter relating to the expenditures of the Government of the Republic of Fiji or any related body or activity (whether directly or indirectly) that the committee sees fit to review.

Standing Order 110 (1) (c) authorises the Standing Committee to *scrutinise the government departments with responsibility within the committee's subject area, including by investigating, inquiring into, and making recommendations relating to any aspect of such a department's administration, legislation or proposed legislative program, budget, rationalisation, restructuring, functioning, organisation, structure and policy formulation.*"

## Background

This PAC Report looks at the Report of the Auditor General – Provincial Councils, Volume 1, Parliamentary Paper 64 of 2019.

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 corporate body.

The functions of the Councils are:

- To formulate and implement policies for promoting the health, peace and 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. In section 33 (2) (3) states 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 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 Auditor General has issued Disclaimer of Opinion on all the six provincial council due to the insufficient audit evidences to substantiate the key figures of the financial statements. The absence of records created significant limitations on the scope of the audits and restricted the performance of necessary audit procedures.

The Committee was informed that the six (6) Provincial Councils did not prepare their statement of cash flows as required under the following standards:–

- Fiji Accounting Standard 1 – Presentation of Financial Statements; and
- Fiji Accounting Standard 7 – Cash Flow Statements

Accordingly, the Office of the Auditor General has also highlighted other significant matters which had affected the operations of the Provincial Councils. These are:

- **Poor Cash Management** – the audit has indicated that poor cash management for Provincial Councils is a high risk area that is susceptible to fraud and mismanagement.
- **Improper Journals and Reconciliations** – journals without appropriate controls and oversight increases the risk of fraud and errors. The audit has highlighted that the Provincial Councils need to improve the process in preparing and reviewing its accounts in a timely manner and to be reviewed independently.
- **Unauthorized Purchases and Payments** – records such as payment vouchers and supporting documentations have been misplaced and some payments have been committed over the years which could be substantiated during the audit. Therefore, purchases and payments for Provincial Councils are crucial to minimizing the risks of unauthorized purchases and fraud.
- **Weak Payroll System** – weaknesses in payroll controls can result in incorrect payments to employees due to either errors or fraud. Since employee/wages and related costs represents the largest portion of the total expenditures for Provincial Councils, effective payroll controls is crucial.

The Committee conducted hearing sessions with the Permanent Secretary for the Ministry of iTaukei Affairs, who is the Chief Accounting Officer and Senior Officials of the iTaukei Affairs Board on Tuesday 15 October 2019 in the Big Committee Room 2 – Parliament Complex.

The Members of the Public Accounts Committee raised questions on the deficiencies identified by the Auditor General for 2000 - 2007 financial years. These resulted in the overall deficiency in the financial and internal control of the provincial councils. The Committee resolved that the six (6) Provincial Councils should address all issues that resulted to the audit qualifications, address all weaknesses in internal control and other significant issues.

## COMMITTEE MEMBERSHIP

The Standing Committee on Public Accounts comprises of the following Members of Parliament:

Hon. Alvick Maharaj, Chairperson  
Hon. Hon. Joseph Nand, Deputy Chairperson  
Hon. Hon. Vijendra Prakash, Member  
Hon. Aseri Radrodoro, Member  
Hon. Ratu Naiqama Lalabalavu, Member

Pursuant to Standing Order 115 (5), the Hon. Adi Litia Qionibaravi stood in as an alternative Member.

## Witnesses

### ITAUKEI AFFAIRS BOARD:

Mr Meleti Bainimarama, Chief Executive Officer

Mr Josefa Toganivalu, Deputy Chief Executive Officer  
Ms Sereana Matakibau, Director Finance

### **Resource Persons**

The Committee together with the officials from the Office of the Auditor General was present to the Committee hearing held on Wednesday 15 October 2019. The officials that assisted the Committee in its inquiry were:

### **OFFICE OF THE AUDITOR GENERAL:**

1. Ms Finau Nagera - Director Audit

## COMMITTEE AUDIT FINDINGS

The Office of the Auditor General has the mandate to audit the 14 Provincial Councils as stipulated under Section 33 of the iTaukei Affairs (Provincial Councils) Regulations 1996.

The Committee noted that out of the 114 draft financial statements that were received by the Office of the Auditor General, the audits for the 30 financial statements for 6 Provincial Councils are completed, while the audits of 51 financial statements are currently being finalised by OAG, audits of 12 financial statements are in progress and 21 financial statements audits should have commenced from 1 July 2019.

The audit report includes the audit results of the 30 financial statements for the six (6) Provincial Councils. The Committee noted in the audit report that **30 modified audit opinions were issued on all financial statements of the six (6) Provincial Councils**. The questions that were sent to these six (6) Provincial Councils through the Ministry of Itaukei Affairs in relation to the audit issues that are identified as matters of concern to the Committee and this has been attached as **Appendix 1**.

**Tabulated below are the Audit Results of the 30 financial statements for the Six (6) Provincial Councils with Audit Opinions**

Provincial Council	Year	Unmodified Opinion	Modified Opinion
			Disclaimer
Tailevu	2002 - 2007		✓
Naitasiri	2002 - 2007		✓
Lau	2002 - 2007		✓
Macuata	2002 - 2007		✓
Rewa	2002 - 2007		✓
Serua	2002 - 2007		✓

### Reasons for Disclaimed Audit Opinions

Provincial Council	Year	Limitation of Scope	Non -Compliance with relevant Accounting Standards	Significant Breakdown in internal controls
Tailevu	2002 - 2007	✓	✓	✓
Naitasiri	2002 - 2007	✓	✓	✓
Lau	2002 - 2007	✓	✓	✓
Macuata	2002 - 2007	✓	✓	✓
Rewa	2002 - 2007	✓	✓	✓
Serua	2002 - 2007	✓	✓	✓

The Committee were informed that audit opinions were disclaimed due to the following major reasons:

- (i) **Limitation of Scope** – the auditors were unable to obtain sufficient appropriate audit evidences to substantiate major components of the financial statements. The absence of records created significant limitations on the scope of the audits and restricted the auditors to perform audit procedures.



- (ii) **Statement of Cash Flow** – the Committee also noted that the statements of cash flow were not prepared and presented as components of the financial statements submitted for audit. This was noted as it was requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flow Statements.
- (iii) The Committee also noted that there were **significant breakdowns in financial statement internal controls** affected the reliability of financial reporting of these Provincial Councils.

The written responses from the Ministry of iTaukei Affairs to the Committee which provides clarification on the issues raised is attached as **Appendix 2**.

### Significant Matters Reported

Provincial Council	Year	No. of Significant Matters Reported
Tailevu	2002 - 2007	18
Naitasiri	2002 - 2007	15
Lau	2002 - 2007	27
Macuata	2002 - 2007	10
Rewa	2002 - 2007	27
Serua	2002 - 2007	29

The Committee noted that under the Audit Act 1969, the Auditor General is required to 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.

The Committee noted that the audits were conducted together for several years financial statements and issues identified from the audit as significant for the individual Provincial Councils for those years were rated medium to high risks and these were communicated to the iTaukei Affairs Board in one report or Management Letter.

The Committee was informed that issues that are classified as medium – high risks are control and compliance weaknesses of such fundamental significance or substantial importance to the Provincial Councils and it requires immediate attention by the iTaukei Affairs Board for priority and actions for resolutions.

It was found in the audit report that the Office of the Auditor General reported, there were **126 significant matters on the audits of the 30 financial statements of the 6 Provincial Councils** submitted to the iTaukei Affairs Board.

### Timelines of Financial Reporting

Provincial Council	Year	Due Date for submission	Date submitted
Tailevu	2002	01/04/03	19/01/17
	2003	01/04/04	19/01/17
	2004	01/04/05	07/02/17
	2005	01/04/06	24/02/17
	2006	01/04/07	28/03/17
	2007	01/04/08	09/10/17
Naitasiri	2000	01/04/01	06/08/15
	2001	01/04/02	06/08/15
	2002	01/04/03	06/08/15
	2003	01/04/04	06/08/15
	2004	01/04/05	06/08/15
	2005	01/04/06	06/08/15
	2006 – R	01/04/07	03/11/17

Provincial Council	Year	Due Date for submission	Date submitted
	2007 – R	01/04/08	03/11/17
Lau	2003 – R	01/04/04	22/05/18
	2004 – R	01/04/05	22/05/18
	2005 – R	01/04/06	28/06/18
	2006 – R	01/04/07	28/06/18
	2007 – R	01/04/08	28/06/18
Macuata	2005 – R	01/04/06	13/07/17
	2006	01/04/07	22/10/15
	2007	01/04/08	01/05/15
Rewa	2002	01/04/03	24/01/17
	2003	01/04/04	24/02/17
	2004	01/04/05	09/03/17
	2005	01/04/06	18/03/17
Serua	2002	01/04/03	13/01/17
	2003	01/04/04	13/01/17
	2004	01/04/05	13/03/17
	2005	01/04/06	13/03/17

It was recorded that all six (6) provincial councils did not comply with the statutory requirements to submit to the Auditor General financial statements for audit 1 April each year.

The Committee noted in other significant matters identified during the audit which was communicated to the *iTaukei* Affairs Board through the Auditor General's Management Letters was related to the following areas:

- **Submission of financial statements for audit** – The Committee noted that 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 timely and accurate draft financial statements.
- **Compliance with the accounting standards** – Also noted that non-compliance with the requirements of the applicable financial reporting framework used. It was also noted that a significant non-compliance which were related to the non- disclosure of Statement of Cash Flows in all the draft financial statements submitted for audit.
- **Records management** – The records management of the Provincial Councils were generally poor resulting in missing financial and related records to support most of the balances reflected in the financial statements as stated in the audit report.
- **Asset management** – The Committee was informed that the six (6) 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.
- It was also noted that there was no capitalization policy to set the threshold for recording expenditures related to fixed assets.
- **Loans and advances to staff and public** – The Committee noted that loans and advances issued to staff and public were not supported with appropriate documentations and further, the PCs were not also effective in the recovery process of loans and advances resulted in substantial provisions of doubtful debts for those years.
- **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.

- The Committee also noted that OAG 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 Committee noted that Provincial Councils did not maintain Rates Collection Registers. As such the detailed listing of rates which were due and payable could not be determined. This was consistent over projection of revenue from the provincial rates over the years. In Section 47 of the iTaukei Affairs PC and TC Regulations gives the Provincial Councils powers by way of resolutions to impose the Provincial Rates at the rate, method and time the PC determines. Every male from 21 – 60 (who is not exempted through S49) is considered as a rate payer of the province.

The Provincial Council is given the Option in section 34 to levy Province members by way of Land Rate System, Provincial Rate system or the Soli Vakavanua System.

- **Confirmations for Investment with Provincial Companies** – It was also noted that Provincial Councils hold various investments with the Provincial Companies. For 5 of the 6 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.
- **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.

The six (6) Provincial Councils **qualification issues (Appendix 3)** were captured on yearly basis dated back from 2000 until 2013 with detail explanation of each Provincial Council. The Committee noted that qualification issues was the reflection of the absence of documentations to appropriately support the balances reflected in the financial statements and during the period of the audit in which the Auditors were unable to determine the necessary adjustments to correct the financial statements.

In this regard, the **Abridged Statement of Financial Performance and the Abridged Statement of Financial Position** are also attached as **Appendix 4**, this is to provide the whole financials of each PC's as per those audited period and will also show the variances found on the financial statements for each year as also highlighted in the qualification issues.

## **SUSTAINABLE DEVELOPMENT GOALS**

The Committee was informed that relevant 17 SDGs Agenda and Fiji's National Development Plan have been considered and inculcated into each PC's Strategic Plan and Operational Plan in line with the Council's mandated functions as outlined under Section 7 of the iTaukei Affairs Act 1994 and the iTaukei Affairs (Provincial Council) Regulation 1996.

## **GENDER ANALYSIS**

Gender mainstreaming is a critical dimension to parliamentary scrutiny. Pursuant to SO 110 (2) where a committee conducts an activity listed in clause (1), the committee shall ensure that full consideration will be given to the principles of gender equality to ensure all matters are considered with regard to the impact and benefit of both men and women equally.

All PC's that were consulted are aware of the importance of gender balance within its workforce and the Committee also considers the fact that currently all recruitment processes are based on merit.

## COMMITTEE RECOMMENDATIONS

The Committee endorses the following Auditor-General's recommendations on the six (6) provincial councils and will monitor the implementation of these recommendations through future Auditor General's Reports on Provincial Councils.

- 1. The Committee is aware that the Provincial Councils are now recruiting suitably qualified Accountants but still endorses the recommendation of the OAG that they should have the capability to prepare and present draft financial statements on time and in accordance with the requirements of the applicable financial reporting framework.***
- 2. 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 timelines of financial reporting by the Provincial Councils and formulate actions plans to resolve governance and internal control deficiencies and significant audit findings reported by the Auditor General.***
- 3. The iTaukei Affairs 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 operations of the Councils. The Committee recommends that the internal audit should conduct periodic review of all Provincial Councils i.e. quarterly basis.***
- 4. The Committee noted that the Provincial Councils have commenced formulation of its Strategic Plans and corporate plans including risk management plans for the Provincial Councils. The Committee recommends that 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.***
- 5. The iTaukei Affairs Board and the Provincial Councils need to ensure that plans, policies, standards and guidelines are available to all staff and 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. The Committee further recommends that orientation should be conducted for new employees of the Provincial Councils.***
- 6. The Committee notes the recent installation of the new HR/FMIS system at the iTaukei Affairs Board and agrees with the recommendation that it must ensure it maintains 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. The Committee recommends that asset valuation must also be conducted for Provincial Companies properties regularly.***

***7. The monitoring role of the Ministry of iTaukei Affairs and the iTaukei Affairs Board on the operations of the Provincial Councils should be strengthened to improve financial accountability.***

The Public Accounts Committee strongly encourages the six (6) Provincial Councils to implement the recommendations as a matter of priority, as the Committee will recall councils in future that fail to implement for further investigation.

## CONCLUSION

The Committee is seriously concerned with the 'disclaimer audit opinions' issued to all the 30 financial statements of the 6 Provincial Councils that were audited. This is a negative reflection on the Ministry of iTaukei Affairs, iTaukei Affairs Board and the Provincial Councils.

To the Committee's knowledge, there are a total of 254 pending accounts of the Provincial Council's and the Annual Accounts of the iTaukei Affairs Board. Currently, 156 accounts have been submitted for audit and the internal taskforce is now focusing on completing the remaining 98 annual accounts.


General improvements are expected from 2013 onwards, however the iTaukei Affairs Board and the Provincial Councils are expected to update its accounts by end of the financial year 2019/2020 to allow completion of all outstanding audit for Provincial Councils and the iTaukei Affairs Board Accounts.

The Auditor-General is mandated to audit the Provincial Councils and the Committee noted that the Office of the Auditor-General is strongly committed to fulfilling its 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.

We, the undersigned Members of the Standing Committee on Public Accounts agree with the contents of this report:



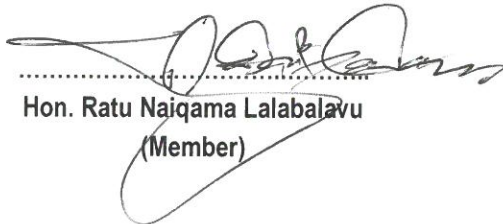
Hon. Alvick Maharaj  
(Chairperson)



Hon. Joseph Nand  
(Deputy Chairperson)



Hon. Vijendra Prakash  
(Member)



Hon. Ratu Naiqama Lalabalavu  
(Member)



Hon. Aseri Radrodoro  
(Member)



# **APPENDICES**

## 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"> <li>capital renewal of existing assets that returns the service potential or the life of the asset to that which it had originally</li> <li>capital expansion which extends an existing asset at the same standard to a new group of users.</li> </ul>
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.
Governing bodies/ Charged with governance	A body of persons or officers having ultimate control. They are mainly constituted for the purpose of administration.

Term	Definition
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.
Other significant matters	Include control weaknesses which could cause or is causing severe disruption of the process or severe adverse effect on the ability of an

Term	Definition
	auditee to achieve process objectives and comply with relevant legislation.  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.
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.

**APPENDIX 1:**  
**PUBLIC ACCOUNTS COMMITTEE QUESTIONS**

# **PUBLIC ACCOUNTS COMMITTEE**

## **QUESTIONS**

### **Report of the Auditor General of Republic of Fiji Provincial Councils, Volume 1 (PP No. 64 of 2019)**

#### **1.0 INTRODUCTION**

- 1.1. In looking at the Status of the Audits for the 14 Provincial Councils, there has been a backlog of over 14 years. What action has been taken by the Ministry of iTaukei Affairs and the iTaukei Affairs Board (TAB) to address the backlogs from 2011 - 2018?
- 1.2. It was noted in the report that although there is a mandated timeline under the *iTaukei Affairs (Provincial Councils) Regulations 1996* which is on 1<sup>st</sup> April, every year for each Provincial Council to submit their Financial Report, yet PCs continue to delay their submissions of FS.
  - 1.2.1. *What were the reasons of the delay?*
  - 1.2.2. *How has the Ministry/TAB intending to address these issues?*
  - 1.2.3. *What is the current progress?*

#### **2.0 FINANCIAL REPORTING**

- 2.1. Is there any Finance Manual in place by the Ministry/TAB for Provincial Councils to use as a reference guide while preparing financial statements?
- 2.2. As stated by the Office of the Auditor General (OAG) that the Financial Statement of the Provincial Councils was ineffective and requires improvement. Why is the overall quality of financial reporting ineffective and requires improvement?
- 2.3. Are there any plans by the TAB to improve the capacity of staff and the financial systems in the PCs, in terms of personnel who are looking after Accounts of each PC, particularly on the recruitment of experience and qualified staff for this area and the relevant Accounting system? Could you advice on whether any Accounting System acquired by TAB?
- 2.4. Is there any provision to separately audit sources of annual income received by the PCs, apart from Government grants, and how they have been utilized e.g. Provincial levies, investments in FHL, investments in Unit Trust, investments in Cooperative Ltd, investments in Provincial Holdings, investments in Fijian Trust Fund etc. & etc.?
- 2.5. For PCs investment in Cooperative Ltd, Provincial Holdings usually the Roko Tui are one of the Shareholders of these investment entities? Can the Committee be advice of the approval process of such arrangements and the accounting of dividend returns in the PCs

records?

- 2.6. Can you provide the dividend returns from FHL, YHL and iTLTB for the 14 PCs since its inception?
- 2.7. Can you explain to the Committee how has the PCs accounted for its fixed assets e.g. land, buildings, vehicles etc.?
- 2.8. Does PCs carry out Annual Board of Survey, Valuation, and Stocktaking etc.?
- 2.9. Please provide the breakdown of liabilities for the respective PCs, for example Loans and other Creditors?
- 2.10. Does the Ministry control the borrowings done by the PCs?
- 2.11. Can you provide the formula for calculating Provincial Rates based on Land Rates as per the Regulation 1996, Section 35?
- 2.12. What are the basis of the determination of the amount of the Soli Vakavanua levied to the Provincial Members?
- 2.13. Does PCs have the records of their Provincial Members and how often do they reconcile with their rates collection register?
- 2.14. Does TAB and PCs consider Gender balance (SDG 5) within each Council's operations?

### **3.0 INTERNAL CONTROLS**

- 3.1. What are the internal controls in place for the Provincial Councils for its cash management, journals & reconciliation, purchases & payments and payroll which were mentioned by OAG as ineffective? And what has TAB done to improve its internal controls?
- 3.2. Are the Provincial Councils Staffs being provided with needed training on the internal controls through specialize HR personnel?
- 3.3. What is the status of the ITC connectivity upgrade from the 14 PCs to the Head Quarters and other relevant functions of the Ministry e.g. Veitarogi Vanua (VKB)?
- 3.4. Can the Ministry advice how effectively does it monitor the PCs carrying out its mandated functions e.g. maintaining health, order and welfare on a iTaukei residing in the Province, promoting economic and cultural development in the Province?
- 3.5. Can the Ministry advice how it engages Members of a Province living in urban centers, other Provinces and abroad?

### **4.0 OTHER SIGNIFICANT MATTERS**

- 4.1. Given the OAG findings, please explain what has the iTaukei Affairs Board with the Provincial Councils plan of action to address the following key priority areas with timelines, take into account that these issues has been recurring for more than 14 years now:
1. *Delay of submissions of financial statements for audit;*
  2. *Compliance with the accounting standards;*
  3. *Limitation of scope due to insufficient supporting documents;*
  4. *Records management;*
  5. *Asset management;*
  6. *Documentation for loans to staff and public;*
  7. *Review and Update of Policies & Procedures;*
  8. *Collection and recording of provincial rates;*
  9. *Confirmation of investments with Provincial Companies; and*
  10. *Resolution on whether Provincial Councils are subject to VAT.*

## **5.0 AUDIT CONCLUSION AND RECOMMENDATIONS**

Looking at the audit opinion issued by the OAG which is a Modified audit opinion (Disclaimer of Opinion) and this reflects poorly on the Board and the Provincial Councils. How would the TAB and the PCs ensure that all issues highlighted in the Auditors' Reports including the significant matters raised in Section 3 and 4 are seriously addressed in a timely manner?



**APPENDIX 2:**  
**İTAUKEI AFFAIRS BOARD WRITTEN**  
**RESPONSE**



## "A Transformed iTaukei Family for a Better Fiji"

TTFB Complex, Queen Elizabeth Drive, Suva | P.O.Box 2100, Government Building Suva  
Telephone: 773 0909 | Facsimile: 330 5115 | Email: tab@govnet.gov.fj

Ref:

Date: 4<sup>th</sup> October 2019

Hon. Alvick Maharaj  
The Chairperson  
Public Accounts Committee  
Parliament of Fiji  
Government Buildings  
**SUVA**

Dear Sir,

**RE: CLARIFICATION OF ISSUES – REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF FIJI**

I refer to your correspondence dated 24<sup>th</sup> September, 2019 on the above reference.  
Please find attached responses and clarifications to the issues raised in accordance with Standing Orders 112 (1) (a) of the Parliament of the Republic of Fiji.

We also note the hearing date on the 15<sup>th</sup> of October and our attendance is hereby confirmed.

We look forward to your kind consideration and the undersigned can be contacted for further clarifications on [josefa.toganivalu@govnet.gov.fj](mailto:josefa.toganivalu@govnet.gov.fj) or on Mobile: 9904158.

Vinaka.

Josefa Toganivalu  
**DEPUTY CHIEF EXECUTIVE OFFICER,**  
For **THE CHIEF EXECUTIVE OFFICER, ITAUKEI AFFAIRS BOARD**



**“A Transformed iTaukei Family for a  
Better Fiji”**

---

TTFB Complex, Queen Elizabeth Drive, Suva | P.O.Box 2100, Government Building Suva  
Telephone: 773 0909 | Facsimile: 330 5115 | Email: tab@govnet.gov.fj

# ITAUKEI AFFAIRS BOARD RESPONSE TO PUBLIC ACCOUNTS COMMITTEE QUESTIONS

AUDITOR GENERAL’S REPORT ON PROVINCIAL COUNCILS ACCOUNT – VOLUME 1

**TAB RESPONSES TO QUESTIONS RAISED BY THE STANDING COMMITTEE ON PUBLIC ACCOUNTS ON THE REPORT OF THE AUDITOR GENERAL OF  
REPUBLIC OF FIJI - PROVINCIAL COUNCILS (PCS) VOLUME 1**

			<b>PAC Questions</b>	<b>TAB Response</b>
1.0	Introduction	1.1	In the looking at the Status of the Audit for the 14 Provincial Councils, there has been a backlog of over years. What actions has been taken by MTA and TAB to address the backlog from 2011 – 2018?	The 2011-2012 accounts for the 13 Provincial Councils have been submitted except for Lau which the Taskforce team is currently working on now with the remaining accounts. Business Plan targets for 2019/2020 have been set to clear this backlog accounts by end of the financial year with progress are measured on a monthly basis.
		1.2	It was noted in the report that although there is a mandated timeline under the iTaukei Affairs (Provincial Councils) Regulations 1996 which is on 1 <sup>st</sup> April every year for each Provincial Council to submit their Financial Report, yet PCs continue to delay their submissions of FS.	
		1.2.1	What were the reasons of the delay?	This backlog was inherited from past management and the current management is not in a position to confirm the specific reasons as why such decisions were made then. However we can only assure the Committee that the current management will effectively allocate its resources to clear the backlog as per targets set.
		1.2.2	How was the Ministry/TAB intending to address this issue?	In our last appearance, we have provided the list of strategies that the Board intends to implement to tackle this backlog. This includes: <ul style="list-style-type: none"> <li>i. Establishment of a Taskforce at HQ to solely focus on the preparation of Annual Accounts.</li> <li>ii. Recruitment of qualified personnel</li> <li>iii. Acquisition of a new financial system to integrate TAB and the Provincial Councils accounts and allow real time reporting</li> <li>iv. Training of Provincial Treasurers during Treasurers workshops on preparation of</li> </ul>

			<b>PAC Questions</b>	<b>TAB Response</b>
				<p>Annual Accounts</p> <ul style="list-style-type: none"> <li>v. Close collaboration with financial institutions for Audit confirmations</li> <li>vi. Set up Govnet Connectivity at all Councils</li> <li>vii. Purchase of system servers and hosted at ITC for data security and retention.</li> </ul>
		1.2.3	What is the current progress?	There are total of 254 pending accounts including annual accounts of the iTaukei Affairs Board. As of to date, 156 accounts have been submitted for audit and the Taskforce is now focusing on the remaining 98 annual accounts.
2.0	Financial Reporting	2.1	Is there any Financial Manual in place by the Ministry/TAB for Provincial Councils to use as a reference guide while preparing FS?	There is a Finance Manual with TAB and is currently under review to capture processes of preparation of Financial Statements and new merging issues at hand.
		2.2	As stated by the OAG that the Financial Statements of the Provincial Councils was ineffective and requires improvement. Why is the overall quality of financial reporting ineffective and requires improvement?	<p>Missing records was the major drawback to the exercise. Transactions could not be traced due to insufficient documentations. The auditors were provided with the information that were available at the time of audit.</p> <p>The Board fully understands the need for the institution to get the audit updated despite the challenges and the drawbacks and that the exercise needs to start somewhere and implement corrective actions going forward.</p>
		2.3	Are there any plans by the TAB to improve the capacity of staff and the financial system in the PCs in terms of personnel who are looking after the Accounts of each PC particularly on the recruitment of experience and qualified staff for this area and the relevant Accounting system? Could you advice on any financial system acquired by TAB?	<p>Qualified personnel are now recruited at the Provincial Councils with minimum Qualification Requirement (MQR) set for post recruitment. Quarterly workshops are also organized for Provincial Treasurers.</p> <p>The new financial system is called SAGE ERP purchased from DATEC. This is a double entry and integrated system that will link up the 14 Provincial Councils with TAB. This will also allow online transaction enquiries and real time reporting.</p>
		2.4	Is there any provision to separately audit	Financial Statements submitted to OAG does not only

			<b>PAC Questions</b>	<b>TAB Response</b>
			sources of annual income received by the PCs, apart from the Government grants and how they have been utilized e.g Provincial levies, investments in FHL, Investment in Unit Trust, Investment in Cooperatives Ltd, Investment in Provincial Holdings, investment in Fijian Trust Fund etc?	cover Government subvention but includes all sources of income. This includes government grant, provincial levies, and dividend & interest income.
		2.5	For Provincial Investment in Cooperatives Ltd, Provincial Holdings usually the Roko Tui are one of the shareholders of these investments entities. Can the committee be advised of the approval process of such arrangements and the accounting of dividend returns in the PCs records?	Dividend returns from the Provincial Companies paid to the Provincial Councils are accounted as Income from Investments and are used to assist the provincial rates in funding the Provincial Council operational costs.
		2.6	Can you provide the dividend returns from FHL, YHL and TLTB for the 14 PCS since inception	As indicated earlier, missing records is a major challenge hence details of requested returns on only available information as provided to the auditors at time of audit is available.
		2.7	Can you explain to the committee how has the PCs accounted for its fixed assets e.g Land, Building, vehicle etc?	This is accounted as Fixed Assets in the Balance Sheet with annual depreciation. Fixed Asset Register is prepared and Updated. Annual Board of Survey is carried out to ensure that these assets are in good serviceable condition.
		2.8	Does PCs carry out Annual Board of Survey, Valuation and Stocktaking?	Yes. The Provincial Councils are tasked to carry out annual Board of Survey. Target of which is captured in their respective Business Plans. A recent valuation is currently underway. Stock-take is carried out on monthly basis.
		2.9	Please provide the breakdown of liabilities for the respective PCs for example Loans and other Creditors	As indicated earlier, missing records is a major challenge hence details of requested returns on only available information as provided to the auditors at time of audit is available.
		2.10	Does the Ministry control the borrowing done by the PCs?	Yes this is controlled and is subject to the approval of the Chief Executive Officer. Current borrowing are mainly for purchases of new motor vehicles.

			<b>PAC Questions</b>	<b>TAB Response</b>
		2.11	Can you provide the formula for calculating the Provincial rates based on the land rates as per the Regulation 1996, Section 35?	<p><b>Land Rates:</b> The formula for Land Rates used is based on the Unimproved Capital Value (UCV) of the land. Ba was the last province to use the rates till 31st December 2010 where the Equal Distribution of Lease Monies came in to force.</p> <p>The last gazetted rate for Ba was in January 1st, 1971 and was set at a rate of 1cent in every \$2 on the UCV. Ba was using the rate of 0.03cents in every \$1 till 2010.</p> <p><b>Provincial Rates:</b> Section 47 of the iTaukei Affairs PC and TC Regulations gives the Provincial Councils powers by way of resolutions to impose the Provincial Rates at the rate, method and time the PC determines. Every male from 21 – 60 (who is not exempted through S49) is considered as a rate payer of the province.</p> <p>The Provincial Council is given the Option in section 34 to levy Province members by way of Land Rate System, Provincial Rate system or the Soli Vakavanua System.</p>
		2.12	What are the basis of the determination of the amount of the Soli Vakavanua levied to the Provincial members?	Section 51 gives the power to the PC by way of resolution to impose this collection. The resolution shall state the exact amount of soli and the time of collection and the collection is done on a Tikina basis.
		2.13	Does PCs have the records of their Provincial members and how often do they reconcile with their rates collection register?	Subject to the PC resolutions, reconciliations are carried out in line with the collection method/criteria. Collection is further monitored by iTaukei Affairs Board on a quarterly basis.
		2.14	Does TAB and PCs consider Gender Balance (SDG 5) within each Council's operation?	A paper was adopted by the TAB management on Gender Balance in (2011) and the inclusion of women in the Provincial, Tikina and Village Council was strengthened. It has been a strategy for the Board since and the updates

			<b>PAC Questions</b>	<b>TAB Response</b>
				were reported by the provinces.
3.0	Internal Controls	3.1	What are the internal controls in place for the Provincial Councils for its cash management, journals and reconciliation, purchases and payments and payroll which were mentioned by OAG which were ineffective? And what has TAB done to improve its internal controls?	Surprise Spots checks are carried out in-house, reconciliation and journals are only passed once sufficient supporting documents are attached. Standard Operations Procedures (SOPs) have been developed for Payment and Receipt cycles. Payroll Register has been developed and updated with weekly and fortnightly reconciliations carried out. The internal audit function has been strengthened to conduct both normal and surprise audit visits to Provincial Councils and provide audit reports on audit findings. Action Plans are also developed, implemented and monitored.
		3.2	Are the PC staffs being provided with needed training on the internal controls through specialized HR personnel?	Quarterly workshops are organized for Provincial Treasurers and Assistant Treasurers where audit issues are again addressed. During this workshop, Awareness on Finance Manual, SOPs and Internal controls are re-emphasized. This is carried out by senior Finance Officers of the iTaukei Affairs Board.
		3.3	What is the status of ITC connectivity upgrade from the 14 PCs to the Head Quarters and other relevant functions of the Ministry? E.g VKB	This task has been completed which includes dedicated lines built for Bua, Ra and Macuata Provincial Councils. The 14 Provincial Councils are now connected to govnet. This is also required for the new financial system to be successfully implemented.
		3.4	Can the Ministry advice how effectively does it monitor the PCs carrying out its mandated functions? E.g Maintaining health, order and welfare on a iTaukei residing in the Province, Promoting economic and cultural development in the Province?	The iTaukei Affairs Board is mandated under the iTaukei Affairs Act 1944 to oversee the good governance and well-being of the iTaukei. There are existing structures under the Act to implement this role namely the Village, District (Tikina) and the Provincial Councils. The Provincial Council Offices are headed by a Roko Tui to see that the mandated functions of the 3 councils are carried out in consultation with the existing machinery of the Vanua. The Board, in its current strategy and aligned to the



			<b>PAC Questions</b>	<b>TAB Response</b>
				<p>National Development Plan operationally focusses on 5 platforms;</p> <ol style="list-style-type: none"> <li>1. Good Governance</li> <li>2. Well Being</li> <li>3. Economic Empowerment</li> <li>4. Conservation and Climate Change</li> <li>5. Traditional Leadership and the Vanua</li> </ol> <p>Targets are set operationally on a yearly basis and achievements by the PCs and Units at HQ are monitored on a monthly and quarterly basis. Progress Reports with evidences are submitted on a monthly basis by the PCs to our Monitoring and Evaluation Team.</p> <p>The Board is currently completing the Village Profiling Exercise for all the 1171 Villages in Fiji and the analyzed results and data will assist in the formulation of Village Development Plans to address socio economic gaps and current emerging issues.</p>
		3.5	Can the Ministry advice how it engages members of the Province leaving in urban centers, other Provinces and abroad?	<p>The following measures and strategies are taken by the Board to ensure that the members outside their province are engaged and informed on the affairs of the province.</p> <ol style="list-style-type: none"> <li>1. Under the iTaukei Affairs Act 1944 and the iTaukei Affairs Provincial and Tikina Council Regulations of 1996, the urban members have a rep in the Provincial and Tikina Council meetings. The member is selected by the urban members living in a division or a certain urban centre (determined by the PC according to their population distribution and presence) through their meetings and forums. The rep will bring into the meeting their concerns and will relay the resolutions of the meeting back to them.</li> <li>2. A delegation from the PCs visit the main urban</li> </ol>

			<b>PAC Questions</b>	<b>TAB Response</b>
				<p>centers and divisions to meet members of their province annually.</p> <p>3. This is also done on occasions to the members residing overseas.</p> <p>4. Invitations are sent out to the members outside of the province and overseas during provincial festivals for their participation and inclusion.</p>
4.0	Other Significant Matters	4.1	<p>Given the OAG findings, please explain what has the TAB with the PCs plan of action to address the following key priority areas with timelines, take into account that these issues has been recurring for more than 14 years now:</p> <ul style="list-style-type: none"> <li>- Delay in submission of FS for audit</li> <li>- Compliance with Accounting Standards</li> <li>- Limitation of Scope due to insufficient supporting documents</li> <li>- Records Management</li> <li>- Asset Management</li> <li>- Documentation for Loans to Staff and Public</li> <li>- Review and Update of Policies and Procedures</li> <li>- Collection and recording of provincial rates</li> <li>- Confirmation of investments with Provincial Companies</li> <li>- Resolutions on whether PCs are subject to VAT</li> </ul>	<p>As a strategy to move forward and clear the audit backlog, Corrective Actions have been provided to the Office of the Auditor General through the provision of management comments on the audit issues raised in the Draft Management Letter (DML).</p> <p>With the change management in 2008, the iTaukei Affairs Board and the Provincial Councils experienced a re-model and the much-needed transition was nothing but timely and rational. As the result, loans issued to Public and staff were ceased, stringent cost controls implemented on overall expenditures and more monitoring placed on cash-flows and internal controls. The noticeable unsubstantiated transactions has attributed to the drastic changes made where necessary including recruitment of qualified officers and raising the minimum qualification requirements on recruitments.</p> <p>Following the intervention, improvements were generally noted including documentations which is still expected to improve even further now with close supervision and monitoring.</p> <p>The current management is committed and will strive towards making gradual and consistent improvements</p>

			PAC Questions	TAB Response
				going forward.
5.0	Audit Conclusion and Recommendations	5.1	Looking at the audit opinion issued by the OAG which is modified audit opinion, (Disclaimer of Opinion) and this reflects poorly on the Board and the Provincial Councils. How would the TAB and PCs ensure that all issues highlighted in the auditor's report including the significant matters raised in Section 3 & 4 are seriously addressed in a timely manner?	With the apparent challenge of missing records that is currently impeding the effectiveness of reporting by the Taskforce, the Board expects to receive a Disclaimer of Opinion from the Auditor General's report from 1999 to 2007 and even up to 2012. General improvements are expected from 2013. The iTaukei Affairs Board and the Provincial Councils will update its accounts by end of the financial year 2019/2020. This will allow timely submission of current Financial Statements and addressing of significant audit issues in a timely manner parallel with effective monitoring and oversight.

**APPENDIX 3:**  
**QUALIFICATION ISSUES FOR THE SIX (6)**  
**PROVINCIAL COUNCILS**

## 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
<b>Tailevu:</b>	
2002	<ol style="list-style-type: none"> <li>1. The Council recorded cash of \$242,730 in the statement of financial position as at 31 December 2002. Although the bank had confirmed a total balance of \$190,441 at year end, the Council was unable to provide me with bank reconciliation statements and the supporting documents to the journal entries made to the cash General Ledger.</li> <li>2. The Council recorded loans and advances to staff of \$24,970, other assets of \$169,445, payables of \$336,463, and special funds held in trust of \$208,586 in the statement of financial position as at 31 December 2002. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded investments of \$859,409 in the statement of financial position as at 31 December 2002. Included in the balance were investments with Tailevu Provincial Cooperative Dairy Farm Ltd and Tailevu Provincial Holdings Company Ltd for \$26,900 and \$731,986 respectively. I was not provided with investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances.</li> <li>4. The Council recorded interest bearing borrowing of \$308,533 in the statement of financial position as at 31 December 2002. The Council did not provide appropriate documentations to support a loan of \$245,396 from the Small Business Advisory Unit of the ITaukei Affairs Board.</li> <li>5. The opening balance of accumulated funds included prior year adjustments for which the Council did not provide documentations to support the adjustments. The Council included a prior year adjustment of \$130,719 in the statement of changes in equity for the year ended 31 December 2002 which reduced the total accumulated funds by the same amount. The Council was unable to provide any supporting documentation relating to this adjustment.</li> <li>6. The Council recorded an asset revaluation reserve of \$710,574 in the statement of changes in equity, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li>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.</li> <li>8. The Provincial Council was unable to provide various other records such as the receipts books for April to June, supporting documentations for journal entries taken up in the general ledger, vouchers and documents to support certain payments made during the year. The missing records have provided limitation to the scope of my audit.</li> </ol>

Provincial Council	Qualification Issues
2003	<ol style="list-style-type: none"> <li data-bbox="395 219 1418 488">1. The Council recorded cash of \$253,341 in the statement of financial position as at 31 December 2003. Included in the balance were \$218,705 for the bank current account, \$29,363 under bank savings account and \$5,273 as cash on hand. There was an unreconciled variance of \$96,492 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 \$29,363 under the savings account, \$5,273 cash on hand and the supporting documents to the journal entries made to the cash General Ledger.</li> <li data-bbox="395 528 1418 663">2. The Council recorded loans and advances to staff of \$40,210, other assets of \$176,654, payables of \$378,345, and special funds held in trust of \$208,586 in the statement of financial position as at 31 December 2003. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li data-bbox="395 703 1418 909">3. The Council recorded investments of \$809,686 in the statement of financial position as at 31 December 2003. Included in the balance were investments with Tailevu Provincial Cooperative Dairy Farm Ltd and Tailevu Provincial Holdings Company Ltd for \$26,900 and \$731,986 respectively. I was not provided with investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances.</li> <li data-bbox="395 949 1418 1155">4. The opening balance for accumulated funds included prior year adjustments for which the Council did not provide documentations to support the adjustments. The Council included a prior year adjustment of \$50,000 in the statement of changes in equity for the year ended 31 December 2003 which reduced the total accumulated funds by the same amount. The Council was unable to provide any supporting documentation relating to this adjustment.</li> <li data-bbox="395 1196 1418 1330">5. The Council recorded an asset revaluation reserve of \$710,574 in the statement of changes in equity for the year ended 31 December 2003, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li data-bbox="395 1370 1418 1505">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.</li> <li data-bbox="395 1545 1418 1680">7. The Provincial Council was unable to provide various other records such as the receipts books for March, supporting documentations for journal entries taken up in the general ledger, vouchers and documents to support certain payments made during the year. The missing records have provided limitation to the scope of my audit.</li> </ol>
2004	<ol style="list-style-type: none"> <li data-bbox="395 1709 1418 1821">1. The Council recorded cash of \$245,001 in the statement of financial position as at 31 December 2004. The Council was unable to provide me with documentations to support the cash balance and the journal entries made to the cash General Ledger.</li> <li data-bbox="395 1848 1418 2000">2. The Council recorded loans and advances to staff of \$48,602, other assets of \$169,961, payables of \$402,076, and special funds held in trust of \$208,586 in the statement of financial position as at 31 December 2004. The Provincial Council was unable to provide any documentations to support the above balances.</li> </ol>

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> <li>3. The Council recorded investments of \$789,849 in the statement of financial position as at 31 December 2004. Included in the balance were investments with Tailevu Provincial Cooperative Dairy Farm Ltd and Tailevu Provincial Holdings Company Ltd for \$26,900 and \$731,986 respectively. I was not provided with investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances.</li> <li>4. The opening balance for accumulated funds included prior year adjustments for which the Council did not provide documentations to support the adjustments.</li> <li>5. The Council recorded an asset revaluation reserve of \$710,574 in the statement of changes in equity for the year ended 31 December 2004, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li>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 Provincial Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$45,796 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> <li>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.</li> <li>8. The Provincial Council was unable to provide various other records such as the supporting documentations for journal entries taken up in the general ledger, vouchers and documents to support certain payments made during the year. The missing records have provided limitation to the scope of my audit.</li> </ol>
2005	<ol style="list-style-type: none"> <li>1. The Council recorded cash of \$171,102 in the statement of financial position as at 31 December 2005. Included in the balance were \$134,256 for the bank current account, \$29,363 under bank savings account and \$7,483 as cash on hand. There was an unreconciled variance of \$151,702 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 \$29,363 under the savings account, \$7,483 cash on hand and the supporting documents to the journal entries made to the cash General Ledger.</li> <li>2. The Council recorded loans and advances of \$54,350, other assets of \$187,428, payables of \$313,967, and special funds held in trust of \$208,586 in the statement of financial position as at 31 December 2005. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded investments of \$803,427 in the statement of financial position as at 31 December 2005. Included in the balance were investments with Tailevu Provincial Cooperative Dairy Farm Ltd and Tailevu Provincial Holdings Company Ltd for \$41,900 and \$731,986 respectively. I was not provided with investment confirmations from the</li> </ol>

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"> <li>4. The Council recorded an asset revaluation reserve of \$710,574 in the statement of changes in equity for the year ended 31 December 2005, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li>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 \$32,237 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2005.</li> <li>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.</li> </ol>
2006	<ol style="list-style-type: none"> <li>1. The Council recorded cash of \$242,345 in the statement of financial position as at 31 December 2006. Included in the balance were \$212,477 for the bank current account, \$29,363 under bank savings account and \$505 as cash on hand. There was an unreconciled variance of \$230,729 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 \$29,363 under the savings account, \$505 cash on hand and the supporting documents to the journal entries made to the cash General Ledger.</li> <li>2. The Council recorded loans and advances of \$54,704, other assets of \$183,706, payables of \$357,867, and special funds held in trust of \$208,586 in the statement of financial position as at 31 December 2006. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded other assets of \$183,706 in the statement of financial position as at 31 December 2006. Included in the balance were other deposits of \$1,356, subvention claimed not received of \$2,250 and sundry debtors of \$156,418. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>4. The Council recorded investments of \$803,538 in the statement of financial position as at 31 December 2006. Included in the balance were investments with Tailevu Provincial Cooperative Dairy Farm Ltd and Tailevu Provincial Holdings Company Ltd for \$41,900 and \$731,986 respectively. I was not provided with investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances.</li> <li>5. The Council recorded an asset revaluation reserve of \$710,574 in the statement of changes in equity for the year ended 31 December 2006, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> </ol>



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 Provincial Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$29,110 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates 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>
2007	<p>1. The Council recorded cash of \$142,953 in the statement of financial position as at 31 December 2007. Although the bank had confirmed a total balance of \$10,701 at year end, the Council was unable to provide me with bank reconciliation statements and the supporting documents to the journal entries made to the cash General Ledger.</p> <p>2. The Council recorded loans and advances of \$56,318, other assets of \$237,828, payables of \$322,813, and special funds held in trust of \$208,586 in the statement of financial position as at 31 December 2007. The Provincial Council was unable to provide any documentations to support the above balances.</p> <p>3. The Council recorded investments of \$803,538 in the statement of financial position as at 31 December 2007. Included in the balance were investments with Tailevu Provincial Cooperative Dairy Farm Ltd and Tailevu Provincial Holdings Company Ltd for \$41,900 and \$731,986 respectively. I was not provided with investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances.</p> <p>4. The Council included a prior year adjustment of \$151,863 in the statement of changes in equity for the year ended 31 December 2007 which reduced the total accumulated funds by the same amount. The Council was unable to provide any supporting documentation relating to this adjustment.</p> <p>5. The Council recorded an asset revaluation reserve of \$710,574 in the statement of changes in equity for the year ended 31 December 2007, which had been carried forward from previous years. The Provincial 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 Provincial Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$16,976 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates 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</p>

Provincial Council	Qualification Issues
	from the requirement of the Fiji Accounting Standard 1 – Presentation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.
<b>Naitaisiri:</b>	
2000	<ol style="list-style-type: none"> <li>1. The Council recorded cash of \$115,132 in the statement of financial position as at 31 December 2000. Included in the balance were \$62,706 for the bank current account, and \$52,426 under bank savings account. There was an unreconciled variance of \$33,636 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 \$52,426 under the savings account.</li> <li>2. The Council recorded loans and advances of \$14,937, and current liabilities of \$129,713 in the statement of financial position as at 31 December 2000. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded an asset revaluation reserve of \$378,665 in the statement of changes in equity for the year ended 31 December 2000, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li>4. The Council recorded salary, wages and related payments of \$128,992, travelling and subsistence of \$7,569, occupancy of \$12,656, motor vehicle of \$24,108, administration cost of \$14,649, special events of \$26,980, Turaga ni Koro allowance of \$25,380, mail carrier allowance of \$1,041, development assistance scheme fund of \$100,000, personnel cost salaries of \$10,171, rates refund of \$17,034, interest and financial costs of \$3,022, Ka vakavanua of \$1,375, Soqosoqo Vakamarama of \$690, and youth and sports of \$1,994 in the statement of income and expenditure as at 31 December 2000. The Provincial Council was unable to provide sufficient supporting documents to support the above balances.</li> <li>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 \$53,133 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2000.</li> <li>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.</li> <li>7. The Provincial Council was unable to provide payment vouchers and related documents for January, March, May, July, August, September, November and December, to support payments made during the year. The missing records have provided limitation to the scope of my audit.</li> </ol>
2001	<ol style="list-style-type: none"> <li>1. The Council recorded cash of \$96,644 in the statement of financial position as at 31 December 2001. Included in the balance were \$45,618 for the bank current account, and \$51,026 under bank savings account. There was an unreconciled variance of \$22,730 between the bank reconciliation statement for the current account and the</li> </ol>

Provincial Council	Qualification Issues
	<p>amount reflected in the financial statements. In addition, the Council was unable to provide me with documentations to support the \$51,026 under the savings account.</p> <ol style="list-style-type: none"> <li>2. The Council recorded loans and advances of \$20,958, other assets of \$13,739, and current liabilities of \$148,696 in the statement of financial position as at 31 December 2001. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded an asset revaluation reserve of \$378,665 in the statement of changes in equity for the year ended 31 December 2001, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li>4. The Council recorded salary, wages and related payments of \$138,231, travelling and subsistence of \$5,858, occupancy of \$8,776, motor vehicle of \$10,811, administration cost of \$17,797, special events of \$27,455, Turaga ni Koro allowance of \$23,280, mail carrier allowance of \$975, development assistance scheme fund of \$100,000, personnel cost salaries of \$13,020, motor vehicle cost of \$11,257, interest and financial costs of \$3,621, ka vakavanua of \$1,164, Soqosoqo Vakamarama of \$1,169, and youth and sports of \$4,472 in the statement of income and expenditure as at 31 December 2001. The Provincial Council was unable to provide sufficient supporting documents to support the above balances.</li> <li>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 \$46,410 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2001.</li> <li>6. The Council included a prior year adjustment in the statement of changes in equity for the year ended 31 December 2001 which increase the total accumulated funds by the same amount. The Council was unable to provide any supporting documentation relating to this adjustment.</li> <li>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.</li> <li>8. The Provincial Council was unable to provide payment vouchers and related documents for April, May, June, July, August, September, and October to support payments made during the year. The missing records have provided limitation to the scope of my audit.</li> </ol>
2002	<ol style="list-style-type: none"> <li>1. The Council recorded cash of \$39,598 in the statement of financial position as at 31 December 2002. Included in the balance were \$24,609 for the bank current account, and \$14,989 under bank savings account. There was an unreconciled variance of \$812 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 \$14,989 under the savings account.</li> </ol>

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> <li>2. The Council recorded loans and advances of \$22,943, other assets of \$120,586, current liabilities of \$140,894, and special funds of \$68,067 in the statement of financial position as at 31 December 2002. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded non-current liabilities of \$98,284 in the statement of financial position as at 31 December 2002. The Council did not provide appropriate documentation to support a loan of \$20,000 from the Small Business Advisory Unit of the iTaukei Affairs Board.</li> <li>4. The Council recorded an asset revaluation reserve of \$378,665 in the statement of changes in equity for the year ended 31 December 2002, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li>5. The Council recorded development assistance scheme fund expenses of \$100,000 in the statement of income and expenditure as at 31 December 2005. The Provincial Council was unable to provide any documentations to support the above balance.</li> <li>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 Provincial Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$65,615 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2002.</li> <li>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.</li> </ol>
2003	<ol style="list-style-type: none"> <li>1. The Council recorded cash of \$4,271 in the statement of financial position as at 31 December 2003. Included in the balance were \$2,482 for the bank current account, and \$1,789 under bank savings account. There was an unreconciled variance of \$2,461 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 \$1,789 under the savings account.</li> <li>2. The Council recorded loans and advances of \$27,716, other assets of \$133,461, current liabilities of \$166,409, and special funds of \$59,782 in the statement of financial position as at 31 December 2003. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded an asset revaluation reserve of \$378,665 in the statement of changes in equity for the year ended 31 December 2003, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li>4. The Council recorded development assistance scheme fund expenses of \$100,000 in the statement of income and expenditure as at 31 December 2003. The Provincial Council was unable to provide any documentations to support the above balance.</li> </ol>

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> <li>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 \$39,704 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2003.</li> <li>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.</li> </ol>
2004	<ol style="list-style-type: none"> <li>1. The Council recorded cash of \$21,624 in the statement of financial position as at 31 December 2004. Included in the balance were \$17,315 for the bank current account, and \$1,789 under bank savings account, and cash on hand of \$2,250. There was an unreconciled variance of \$38,681 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 \$1,789 and \$2,520 under the savings account and cash on hand accounts.</li> <li>2. The Council recorded loans and advances of \$27,960, other assets of \$131,110, current liabilities of \$242,128, and special funds of \$61,405 in the statement of financial position as at 31 December 2004. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. 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 \$35,842 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2004.</li> <li>4. The Council recorded an asset revaluation reserve of \$378,665 in the statement of changes in equity for the year ended 31 December 2004, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li>5. The Council recorded development assistance scheme fund expenses of \$100,000 in the statement of income and expenditure as at 31 December 2004. The Provincial Council was unable to provide any documentations to support the above balance.</li> <li>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.</li> <li>7. The Provincial Council was unable to provide various other records such as the supporting documentations for journal entries taken up in the general ledger, documents to support certain payments made during the year, documents to support current salary rate, and timesheets/timecards of casual workers. The missing records have provided limitation to the scope of my audit.</li> </ol>

Provincial Council	Qualification Issues
2005	<ol style="list-style-type: none"> <li data-bbox="394 248 1422 495">1. The Council recorded cash of \$12,453 in the statement of financial position as at 31 December 2005. Included in the balance were \$5,832 for the bank current account, \$1,789 under bank savings account, and cash on hand of \$4,832. There was an unreconciled variance of \$36,246 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 \$1,789 and \$4,832 under the savings and cash on hand accounts.</li> <li data-bbox="394 528 1422 663">2. The Council recorded loans and advances of \$27,868, other assets of \$103,889, current liabilities of \$225,448, and special funds of \$63,828 in the statement of financial position as at 31 December 2005. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li data-bbox="394 696 1422 943">3. 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 \$46,273 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2005.</li> <li data-bbox="394 976 1422 1111">4. The Council recorded an asset revaluation reserve of \$378,665 in the statement of changes in equity for the year ended 31 December 2005, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li data-bbox="394 1144 1422 1245">5. The Council recorded development assistance scheme fund expenses of \$100,000 in the statement of income and expenditure as at 31 December 2005. The Provincial Council was unable to provide any documentations to support the above balance.</li> <li data-bbox="394 1279 1422 1424">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.</li> <li data-bbox="394 1458 1422 1671">7. The Provincial Council was unable to provide various other records such as the payment vouchers and supporting documentation to support payments for June, supporting documentations for journal entries taken up in the general ledger, documents to support certain payments made during the year, documents to support current salary rate, and timesheets/timecards of casual workers. The missing records have provided limitation to the scope of my audit.</li> </ol>
2006	<ol style="list-style-type: none"> <li data-bbox="394 1697 1422 1944">1. The Council recorded cash of \$64,064 in the statement of financial position as at 31 December 2006. Included in the balance were \$57,060 for the bank current account, \$5,866 under bank savings account, and cash on hand of \$1,138. There was an unreconciled variance of \$3,624 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 \$5,866 and \$1,138 under the savings and cash on hand accounts.</li> <li data-bbox="394 1977 1422 2040">2. The Council recorded loans and advances of \$32,966, other assets of \$42,162, current liabilities of \$133,389, and special funds of \$69,235 in the statement of financial position</li> </ol>



Provincial Council	Qualification Issues
	<p>as at 31 December 2006. The Provincial Council was unable to provide any documentations to support the above balances.</p> <ol style="list-style-type: none"> <li>3. 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 \$34,224 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2006.</li> <li>4. The Council recorded an asset revaluation reserve of \$378,665 in the statement of changes in equity for the year ended 31 December 2006, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance..</li> <li>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 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.</li> <li>6. The Provincial Council was unable to provide various other records such as the payment vouchers and supporting documentation to support payments for December, documents to support current salary rate, timesheets/timecards of casual workers, and documents to support certain payments made during the year. The missing records have provided limitation to the scope of my audit.</li> </ol>
2007	<ol style="list-style-type: none"> <li>1. The Council recorded cash of \$81,049 in the statement of financial position as at 31 December 2007. Included in the balance were \$45,738 for the bank current account, \$32,152 under bank savings account, and cash on hand of \$3,159. There was an unreconciled variance of \$3,911 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 \$32,152 and \$3,159 under the savings and cash on hand accounts.</li> <li>2. The Council recorded loans and advances of \$28,315, other assets of \$96,353, current liabilities of \$100,181, and special funds of \$120,983 in the statement of financial position as at 31 December 2007. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. 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 \$38,663 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2007.</li> <li>4. The Council recorded an asset revaluation reserve of \$378,665 in the statement of changes in equity for the year ended 31 December 2007, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> </ol>

Provincial Council	Qualification Issues
	<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 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> <p>6. The Provincial Council was unable to provide various other records such as the supporting documentations for journal entries taken up in the general ledger, documents to support current salary rate, and timesheets/timecards of casual workers. The missing records have provided limitation to the scope of my audit.</p>
<b>Lau:</b>	
2003	<p>1. The Council recorded cash of \$7,593 and bank overdraft of \$22,266 in the statement of financial position as at 31 December 2003. Included in the balance were \$7,401 under bank savings account and cash on hand of \$192. The Council was unable to provide me with documentations to support the cash at bank and on hand of \$7,593.</p> <p>2. The Council recorded loans and advances of \$20,583, other assets of \$44,475 and other creditors of \$40,412 in the statement of financial position as at 31 December 2003. The Council was unable to provide any documentations to support the above balances.</p> <p>3. The Council recorded investments of \$445,615 in the statement of financial Position as at 31 December 2003. Included in the balance were investments with Fijian Holdings Ltd, Yatu Lau Investment and Colonial First State Investment of \$67,501, \$300,024 and \$16,611 respectively. I was not provided with investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances.</p> <p>4. The Council recorded an asset revaluation reserve of \$49,566 in the Statement of Changes in Equity for the year ended 31 December 2003, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</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 Provincial Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$36,644 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2003.</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 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>7. The Provincial Council was unable to provide various other records such as the supporting documentations for journal entries taken up in the general ledger, documents to support current salary rate, and pay run reports. The missing records have provided limitation to the scope of my audit.</p>
2004	<p>1. The Council recorded cash of \$819 and bank overdraft of \$4,857 in the statement of financial position as at 31 December 2004. Included in the balance were \$673 under bank savings account and cash on hand of \$146. The Council was unable to provide me</p>



Provincial Council	Qualification Issues
	<p>with documentations to support the cash at bank and on hand of \$819 and bank overdraft of \$4,857.</p> <ol style="list-style-type: none"> <li>2. The Council recorded loans and advances of \$156,560, other assets of \$44,475, and other creditors of \$144,823 in the statement of financial position as at 31 December 2004. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded investments of \$449,306 in the statement of financial position as at 31 December 2004. Included in the balance were investments with Fijian Holdings Ltd, Yatu Lau Investment and Colonial First State Investment of \$67,501, \$300,024 and \$1,342 respectively. I was not provided with investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances.</li> <li>4. The Council recorded an asset revaluation reserve of \$49,566 in the statement of changes in equity for the year ended 31 December 2004, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li>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 \$31,810 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2004.</li> <li>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.</li> <li>7. The Provincial Council was unable to provide various other records such as the supporting documentations for journal entries taken up in the general ledger, documents to support current salary rate, and pay run reports. The missing records have provided limitation to the scope of my audit.</li> </ol>
2005	<ol style="list-style-type: none"> <li>1. The Council recorded cash of \$441 and bank overdraft of \$27,886 in the statement of financial position as at 31 December 2005. The Council was unable to provide me with documentations to support the \$441 and \$27,886 under the cash and bank overdraft.</li> <li>2. The Council recorded loans and advances of \$196,063, and other creditors of \$127,057 in the statement of financial position as at 31 December 2005. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded investments of \$452,940 in the statement of financial position as at 31 December 2005. Included in the balance were investments with Fijian Holdings Ltd, Yatu Lau Investment and Colonial First State Investment of \$67,501, \$300,024 and \$1,399 respectively. I was not provided with investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances.</li> </ol>

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> <li>4. The Council recorded an asset revaluation reserve of \$49,566 in the statement of changes in equity for the year ended 31 December 2005, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li>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 \$47,323 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2005.</li> <li>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.</li> <li>7. The Provincial Council was unable to provide various other records such as the supporting documentations for journal entries taken up in the general ledger, documents to support current salary rate, and pay run reports. The missing records have provided limitation to the scope of my audit.</li> </ol>
2006	<ol style="list-style-type: none"> <li>1. The Council recorded cash of \$106,035 and bank overdraft of \$3,775 in the statement of financial position as at 31 December 2006. Included in the cash balance were \$105,599 for the bank current account, \$294 under bank savings account and cash on hand of \$7. The Council was unable to provide me with documentations to support the cash at bank and on hand of \$106,035 and bank overdraft of \$3,775.</li> <li>2. The Council recorded loans and advances of \$235,928, other assets of \$10,160, and other creditors of \$132,823 in the statement of financial position as at 31 December 2006. The Provincial Council was unable to provide any documentations to support the above balances..</li> <li>3. The Council recorded investments of \$456,929 in the statement of financial position as at 31 December 2006. Included in the balance were investments with Fijian Holdings Ltd, Yatu Lau Investment and Colonial First State Investment of \$67,501, \$300,024 and \$1,450 respectively. I was not provided with investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances.</li> <li>4. The Council recorded an asset revaluation reserve of \$49,566 in the statement of changes in equity for the year ended 31 December 2006, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li>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 \$70,498 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2006.</li> </ol>

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> <p>7. The Provincial Council was unable to provide various other records such as the supporting documentations for journal entries taken up in the general ledger, documents to support current salary rate, and pay run reports. The missing records have provided limitation to the scope of my audit.</p>
2007	<p>1. The Council recorded cash of \$81,428 in the statement of financial position as at 31 December 2007. Included in the cash balance were \$60,488 for the bank current account, \$20,146 under bank savings account and cash on hand of \$794. The Council was unable to provide me with documentations to support the cash at bank and on hand of \$81,428.</p> <p>2. The Council recorded loans and advances of \$271,266, and other creditors of \$130,185 in the statement of financial position as at 31 December 2007. The Provincial Council was unable to provide any documentations to support the above balances.</p> <p>3. The Council recorded investments of \$501,282 in the statement of financial position as at 31 December 2007. Included in the balance were investments with Fijian Holdings Ltd, Yatu Lau Investment and Colonial First State Investment of \$67,501, \$300,024 and \$1,504 respectively. I was not provided with investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances.</p> <p>4. The Council recorded an asset revaluation reserve of \$49,566 in the statement of changes in equity for the year ended 31 December 2007, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</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 Provincial Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$31,975 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates for the year ended 31 December 2007.</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 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> <p>7. The Provincial Council was unable to provide various other records such as the supporting documentations for journal entries taken up in the general ledger, documents to support current salary rate, and pay run reports. The missing records have provided limitation to the scope of my audit.</p>
<b>Macuata:</b>	
2005	<p>1. The Council recorded cash of \$20,245 which comprises of cash at bank – savings account of \$16,865 and cash on hand of \$3,380 in the statement of financial position as at 31 December 2005. The Council also recorded a bank overdraft balance of \$118,477.</p>

Provincial Council	Qualification Issues
	<p>The Council was unable to provide me with bank reconciliation statements and the supporting documentations to the journal entries made in the cash General Ledger. The bank confirmation obtained did not reconcile to the cash at bank and overdraft balances reflected in the financial statements.</p> <ol style="list-style-type: none"> <li>2. The Council recorded gross receivables – loans and advances of \$414,927, provision for doubtful debts of \$397,754, other assets of \$8,496, payables of \$98,790 and prior year adjustments – Yasana Holdings investment taken by iTaukei Affairs Board of \$547,885 and a balance reflected as alignment of Amalgamated Telecom Holdings and Unit Trust of Fiji Investment of \$17,400 in the statement of financial position and the statement of changes in equity as at 31 December 2005. The Council was unable to provide any documentations to support the above balances.</li> <li>3. Due to the nature of the transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend 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 \$19,956 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 2005.</li> <li>4. The Council recorded expenditure of \$674,943 in the statement of income and expenditure for the year ended 31 December 2005. Included in the balance were travelling, subsistence and accommodation expenses of \$18,113; motor vehicle fuel expense of \$7,271; repairs and maintenance of \$9,671; administration cost of \$8,841; special events expenses of \$15,582 and Turaga-ni-koro allowance of \$66,650. The Council was unable to provide various other documentations to support the expenditures including the journal entries taken up in the general ledger made during the year. The missing records have provided limitation to the scope of my audit.</li> <li>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 2006, which is a departure from the requirement of the Fiji Accounting Standard 1 – Preparation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</li> </ol>
2006	<ol style="list-style-type: none"> <li>1. The Council recorded cash of \$67,748 in the statement of financial position as at 31 December 2006. The Council was unable to provide me with bank reconciliation statements and the supporting documentations to the journal entries made in the cash General Ledger. The bank confirmation obtained did not reconcile to the cash balance reflected in the financial statements.</li> <li>2. The Council recorded gross receivables – loans and advances of \$419,451, provision for doubtful debts of \$397,754, other assets of \$10,710, payables of \$193,586 and interest bearing borrowings of \$3,426,742 in the Statement of Financial Position as at 31 December 2006. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded investments of \$290,669 in the statement of financial position as at 31 December 2006. Included in the balance were investments with Fijian Holdings Limited of \$203,614, Macuata Fijian Cane Farmers of \$4,861 and Amalgamated Telecom Holdings Ltd of \$76,500. I was not provided with investment confirmations necessary to confirm the existence and completeness of the balances.</li> </ol>

Provincial Council	Qualification Issues
	<p>4. The Council recorded an asset revaluation reserve of \$839,199 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 reserve balance.</p> <p>5. Due to the nature of the transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend 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 \$48,961 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>6. The Council recorded income of \$984,715 in the Statement of Income and Expenditure for the year ended 31 December 2006. Included in the balance were government subvention for operating expenses of \$252,688, government subvention for fixed assets of \$1,648, income from investment of \$76,583, provincial rates of \$48,961, other income of \$10,328 and Macuata House rental income of \$594,507. The Provincial Council was unable to provide various other records such as the receipts books, supporting documentations for journal entries taken up in the general ledger, to support certain receipts during the year. The missing records have provided limitation to the scope of my audit.</p> <p>7. The Council provided expenditure of \$945,189 in the statement of income and expenditure for the year ended 31 December 2006. Included in the balance were expenses covered by subvention of \$250,293 and expenses not covered by subvention of \$694,896. The Provincial Council was unable to provide various other records such as payment vouchers, supporting documentations for journal entries taken up in the general ledger, vouchers and documents to support certain payments made during the year. The missing records have provided limitation to the scope of my audit.</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 – Preparation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</p>
2007	<p>1. The Council recorded cash of \$147 in the statement of financial position as at 31 December 2007. The Council was unable to provide me with bank reconciliation statements and the supporting documentations to the journal entries made to the cash General Ledger. The bank confirmation obtained did not reconcile to the cash balance reflected in the financial statements.</p> <p>2. The Council recorded gross receivables – loans and advances of \$430,273, provision for doubtful debts of \$397,754, other assets of \$76,095, bank overdraft of \$54,517, payables of \$183,731 and interest bearing borrowings of \$3,350,925 in the statement of financial position as at 31 December 2007. The Council was unable to provide any documentations to support the above balances.</p> <p>3. The Council recorded investments of \$369,686 in the statement of financial Position as at 31 December 2007. Included in the balance were investments with Fijian Holdings Limited of \$203,614, Macuata Fijian Cane Farmers of \$4,861, Amalgamated Telecom Holdings Ltd of \$76,500 and CNB term deposits of \$78,764. I was not provided with</p>

Provincial Council	Qualification Issues
	<p>investment confirmation from the companies which was necessary to confirm the existence and completeness of the balances.</p> <ol style="list-style-type: none"> <li>4. The Council recorded an asset revaluation reserve of \$839,199 in the statement of changes in equity for the year ended 31 December 2007, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation reserve balance.</li> <li>5. Due to the nature of the transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend 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 \$12,886 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.</li> <li>6. The Council recorded income of \$934,382 in the statement of income and expenditure for the year ended 31 December 2007. Included in the balance were government subvention for operating expenses of \$250,385, government subvention for fixed assets of \$1,648, income from investment of \$59,480, provincial rates of \$12,886, other income of \$25,796 and Macuata House rental income of \$584,187. The Provincial Council was unable to provide various other records such as the receipts books, supporting documentations for journal entries taken up in the general ledger, to support certain receipts during the year. The missing records have provided limitation to the scope of my audit.</li> <li>7. The Council provided expenditure of \$860,073 in the statement of income and expenditure for the year ended 31 December 2007. Included in the balance were expenses covered by subvention of \$246,254 and expenses not covered by subvention of \$613,819. The Provincial Council was unable to provide various other records such as payment vouchers, supporting documentations for journal entries taken up in the general ledger, vouchers and documents to support certain payments made during the year. The missing records have provided limitation to the scope of my audit.</li> <li>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 – Preparation of Financial Statements and Fiji Accounting Standards 7 – Cash Flows Statements.</li> </ol>
<b>Rewa:</b>	
2002	<ol style="list-style-type: none"> <li>1. The Council recorded cash at bank and on hand of \$141,732 in the statement of financial position as at 31 December 2002. There was an unreconciled variance of \$112,809 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 \$2,030 under the savings and cash on hand accounts.</li> <li>2. The Council recorded loans and advances of \$81,330, provision for doubtful debts of \$41,444, other assets of \$96,025, current liabilities of \$173,192 and special funds of \$80,000 in the statement of financial position as at 31 December 2002. The Provincial Council was unable to provide any documentations to support the above balances.</li> </ol>



Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> <li>3. The Council recorded investments of \$764,849 in the statement of financial position as at 31 December 2002. Included in the balance were investments with Rewa Provincial Holding Limited for \$514,800. I was not provided with investment confirmations necessary to confirm the existence and completeness of the balances.</li> <li>4. The Council recorded an asset revaluation reserve of \$140,936 in the statement of changes in equity for the year ended 31 December 2002, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li>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 \$31,200 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> <li>6. The Council recorded income from investment of \$70,830, other income of \$16,224 and non-payroll expenditures of \$119,792 in the statement of income and expenditure for the year ended 31 December 2002. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>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.</li> <li>8. The Council was unable to provide various other records such as the receipts, payment vouchers and documents to support the payments made during the year and supporting documentation for journal entries taken up in the general ledger. The missing records have provided limitation to the scope of my audit.</li> </ol>
2003	<ol style="list-style-type: none"> <li>1. The Council recorded cash at bank and on hand of \$68,056 in the statement of financial position as at 31 December 2003. There was an unreconciled variance of \$65,037 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 \$2,658 under the savings and cash on hand accounts.</li> <li>2. The Council recorded loans and advances of \$85,060, provision for doubtful debt of \$41,444, other assets of \$59,943, current liabilities of \$139,748 and special funds of \$80,000 in the statement of financial position as at 31 December 2003. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded investments of \$766,439 in the statement of financial position as at 31 December 2003. Included in the balance were investments with Rewa Provincial Holding Limited for \$514,800. I was not provided with investment confirmations necessary to confirm the existence and completeness of the balances.</li> <li>4. The Council recorded an asset revaluation reserve of \$140,936 in the statement of changes in equity for the year ended 31 December 2003, which had been carried</li> </ol>

Provincial Council	Qualification Issues
	<p>forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</p> <ol style="list-style-type: none"> <li>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 \$31,326 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.</li> <li>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.</li> <li>7. The Council was unable to provide various other records such as the receipts, payment vouchers and documents to support the payments made during the year and supporting documentation for journal entries taken up in the general ledger. The missing records have provided limitation to the scope of my audit.</li> </ol>
2004	<ol style="list-style-type: none"> <li>1. The Council recorded cash at bank and on hand of \$96,411 in the statement of financial position as at 31 December 2004. There was an unreconciled variance of \$62,195 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 \$(36) under the savings and cash on hand accounts.</li> <li>2. The Council recorded loans and advances of \$91,685, provision for doubtful debt of \$41,444, other assets of \$70,974, current liabilities of \$136,311 and special funds of \$80,000 in the statement of financial position as at 31 December 2004. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded investments of \$767,616 in the statement of financial position as at 31 December 2004. Included in the balance were investments with Rewa Provincial Holding Limited for \$514,800. I was not provided with investment confirmations necessary to confirm the existence and completeness of the investment balance.</li> <li>4. The Council recorded an asset revaluation reserve of \$140,936 in the statement of changes in equity for the year ended 31 December 2004, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</li> <li>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 \$40,028 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> <li>6. The Council recorded income from investment of \$55,892 and other income of \$37,157 in the statement of income and expenditure for the year ended 31 December 2004. The</li> </ol>



Provincial Council	Qualification Issues
	<p>Provincial Council was unable to provide 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 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>8. The Council was unable to provide various other records such as the payment vouchers and documents to support the payments made during the year and supporting documentation for journal entries taken up in the general ledger. The missing records have provided limitation to the scope of my audit.</p>
2005	<p>1. The Council recorded cash at bank and on hand of \$153,017 in the statement of financial position as at 31 December 2005. There was an unreconciled variance of \$134,822 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 \$(3,580) under the savings and cash on hand accounts.</p> <p>2. The Council recorded loans and advances of \$110,443, provision for doubtful debt of \$41,444, other assets of \$50,084, current liabilities of \$133,578 and special funds of \$80,000 in 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> <p>3. The Council recorded investments of \$718,654 in the statement of financial position as at 31 December 2005. Included in the balance were investments with Rewa provincial Holding Limited for \$514,800. I was not provided with investment confirmations necessary to confirm the existence and completeness of the investment balance.</p> <p>4. The Council recorded an asset revaluation reserve of \$140,936 in the statement of changes in equity for the year ended 31 December 2005, which had been carried forward from previous years. The Provincial Council was unable to provide any documentations to support the asset revaluation balance.</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 Provincial Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$39,084 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 2005.</p> <p>6. The Council recorded income from investment of \$67,661 in the Statement of Income and Expenditure for the year ended 31 December 2005. The Provincial Council was unable to provide any documentations to support income from investment balance.</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>

Provincial Council	Qualification Issues
	<p>8. The Council Was unable to provide various other records such as the payment vouchers and documents to support the payments made during the year and supporting documentation for journal entries taken up in the general ledger. The missing records have provided limitation to the scope of my audit.</p>
<b>Serua:</b>	
2002	<ol style="list-style-type: none"> <li>1. The Council recorded cash at bank and on hand of \$19,814 in the statement of financial position as at 31 December 2002. There was an unreconciled variance of \$2,200 between the bank reconciliation statement for the cash at bank account and the amount reflected in the financial statements. The Council was unable to provide me with documentations to support the cash on hand balance of \$112.</li> <li>2. The Council recorded advances of \$14,101, provision for doubtful debts of \$8,334 other assets of \$15,950, and current liabilities of \$49,510 in the statement of financial position as at 31 December 2002. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded investments of \$406,466 in the statement of financial position as at 31 December 2002. Included in the balance were investments with Serua Provincial Cooperative Limited of \$285,747. I was not provided with investment confirmations necessary to confirm the existence and completeness of the balances.</li> <li>4. The Council recorded property, plant and equipment at a net value of \$71,053 in the statement of financial position as at 31 December 2002. Included in the balance were land of \$45,000, building of \$5,450, and motor vehicle of \$6,933. 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.</li> <li>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 Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$20,152 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> <li>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.</li> <li>7. The Council was unable to provide various other records such as the receipts, payment vouchers and supporting documentation, documents to support the current salary rate and pay run reports. The missing records have provided limitation to the scope of my audit.</li> </ol>
2003	<ol style="list-style-type: none"> <li>1. The Council recorded cash at bank and on hand of \$13,569 in the statement of financial position as at 31 December 2003. The Council was unable to provide me with documentations to support the cash at bank and on hand of \$13,569.</li> <li>2. The Council recorded advances of \$19,359, provision for doubtful debts of \$8,334, other assets of \$15,950, and current liabilities of \$42,017 in the statement of financial position</li> </ol>

Provincial Council	Qualification Issues
	<p>as at 31 December 2003. The Provincial Council was unable to provide any documentations to support the above balances.</p> <ol style="list-style-type: none"> <li>3. The Council recorded investments of \$97,149 in the statement of financial position as at 31 December 2003. Included in the balance were investments with Serua Provincial Cooperative Limited of \$376,397. I was not provided with investment confirmations necessary to confirm the existence and completeness of the investment balance.</li> <li>4. The Council recorded net value of property, plant and equipment of \$72,399 in the statement of financial position as at 31 December 2003. Included in the balance were land of \$45,000, building of \$5,300, and motor vehicle of \$1,733. 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.</li> <li>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 Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$10,000 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.</li> <li>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.</li> <li>7. The Council was unable to provide various other records such as the payment vouchers and supporting documentation, documents to support the current salary rate and pay run reports. The missing records have provided limitation to the scope of my audit.</li> </ol>
2004	<ol style="list-style-type: none"> <li>1. The Council recorded cash at bank and on hand of \$8,479 in the statement of financial position as at 31 December 2004. There was an unreconciled variance of \$4,646 between the bank reconciliation statement for the cash at bank account and the amount reflected in the financial statements. The Council was unable to provide me with documentations to support the bank savings account of \$112 and cash on hand of \$888.</li> <li>2. The Council recorded loans and advances of \$19,583, provision for doubtful debts of \$8,334 other assets of \$71,160 and current liabilities of \$46,426 in the Statement of Financial Position as at 31 December 2004. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded investments of \$652,521 in the Statement of Financial Position as at 31 December 2004. Included in the balance were investments with Serua Provincial Cooperative Limited of \$531,742. I was not provided with investment confirmations necessary to confirm the existence and completeness of the investment balance.</li> <li>4. The Council recorded property, plant and equipment at a net value of \$132,570 in the statement of financial position as at 31 December 2004. Included in the balance were land of \$45,000, building of \$5,150, and motor vehicle of \$58,000. 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.</li> </ol>

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> <li>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 Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$3,320 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> <li>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.</li> <li>7. The Council was unable to provide various other records such as the receipts, payment vouchers and supporting documentation for journal entries taken up in the general ledger, documents to support the current salary rate and pay run reports. The missing records have provided limitation to the scope of my audit.</li> </ol>
2005	<ol style="list-style-type: none"> <li>1. The Council recorded cash at bank and on hand of \$10,137 in the statement of financial position as at 31 December 2005. The Council was unable to provide me with documentations to support the cash at bank and on hand of \$10,137.</li> <li>2. The Council recorded loans and advances of \$20,680, provision for doubtful debts of \$8,334 other assets of \$37,211 and current liabilities of \$96,735 in the Statement of Financial Position as at 31 December 2005. The Provincial Council was unable to provide any documentations to support the above balances.</li> <li>3. The Council recorded investments of \$788,814 in the statement of financial position as at 31 December 2005. Included in the balance were investments with Serua Provincial Cooperative Limited of \$668,008. I was not provided with investment confirmations necessary to confirm the existence and completeness of the investment balance.</li> <li>4. The Council recorded property, plant and equipment at a net value of \$117,421 in the statement of financial position as at 31 December 2005. Included in the balance is land of \$45,000, building of \$5,000, and motor vehicle of \$46,400. 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.</li> <li>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 Council for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates of \$4,535 is fairly stated in the financial statements.</li> <li>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.</li> <li>7. The Council was unable to provide various other records such as the payment vouchers and supporting documentation for journal entries taken up in the general ledger, documents to support the current salary rate and pay run reports. The missing records have provided limitation to the scope of my audit.</li> </ol>

## **APPENDIX 4:**

# **ABRIDGED FINANCIAL STATEMENTS**

## Appendix C: Abridged Financial Statements

### Tailevu Provincial Council

#### Abridged Statement of Financial Performance:

	2002	2003	2004	2005	2006	2007
	\$	\$	\$	\$	\$	\$
Govt subvention for operating expenses	276,914	303,300	387,076	405,099	377,540	415,333
Provincial rates	63,165	55,888	45,796	32,237	29,110	16,976
Income from investment	55,043	39,981	59,068	52,530	85,117	114,041
Other income	23,747	14,804	2,674	11,478	7,745	62,271
<b>TOTAL INCOME</b>	<b>418,869</b>	<b>413,973</b>	<b>494,614</b>	<b>501,344</b>	<b>499,512</b>	<b>608,621</b>
Personal cost	184,034	208,505	213,091	206,015	252,395	194,491
Travelling and subsistence	6,193	15,755	4,333	4,047	5,659	23,892
Fuel, repair and maintenance motor vehicle	18,907	14,858	21,241	17,844	26,761	26,349
Administration	32,117	40,757	30,555	15,750	14,613	22,135
Special events	24,684	31,262	31,923	19,572	30,284	27,359
Turaga ni Koro allowance	33,720	33,660	84,000	84,553	84,348	84,000
Mata ni Tikina allowance	---	---	15,476	10,373	8,191	5,863
Other expenses	8,421	8,939	10,138	7,234	7,421	5,981
<b>Total expenses covered by subvention</b>	<b>308,076</b>	<b>353,736</b>	<b>410,757</b>	<b>365,388</b>	<b>429,672</b>	<b>390,070</b>
Personal cost - salaries	4,675	---	2,825	---	1,255	15,379
Depreciation expenses	23,508	27,079	29,228	29,452	27,536	18,636
Other expenses	29,031	47,641	63,443	22,853	20,448	30,939
<b>Total expenses not covered by subvention</b>	<b>57,214</b>	<b>74,720</b>	<b>95,496</b>	<b>52,305</b>	<b>49,239</b>	<b>64,954</b>
<b>TOTAL EXPENDITURE</b>	<b>365,290</b>	<b>428,456</b>	<b>506,253</b>	<b>417,693</b>	<b>478,911</b>	<b>455,024</b>
<b>Net profit/(deficit)</b>	<b>53,579</b>	<b>(14,483)</b>	<b>(11,639)</b>	<b>83,651</b>	<b>20,601</b>	<b>153,597</b>

#### Abridged Statement of Financial Position

	2002	2003	2004	2005	2006	2007
	\$	\$	\$	\$	\$	\$
Cash at bank and on hand	242,730	253,341	245,001	171,102	242,345	142,953
Other current assets	194,415	216,864	218,563	241,778	238,410	294,146
Property, plant and equipment	244,368	253,575	224,746	193,295	163,762	143,810
Investments	859,409	809,686	789,849	803,427	803,538	803,538
<b>TOTAL ASSETS</b>	<b>1,540,922</b>	<b>1,533,466</b>	<b>1,478,159</b>	<b>1,409,602</b>	<b>1,448,055</b>	<b>1,384,447</b>
Other creditors	336,463	378,345	402,076	313,967	357,867	322,813
Interest bearing borrowings	308,533	325,677	260,329	198,229	174,177	145,204
Special funds - funds held in trust	208,586	208,586	208,586	208,586	208,586	208,586
Deferred revenue	9,308	7,309	5,310	3,311	1,315	---
<b>TOTAL LIABILITIES</b>	<b>862,890</b>	<b>919,917</b>	<b>876,301</b>	<b>724,093</b>	<b>741,945</b>	<b>676,603</b>
<b>NET ASSETS</b>	<b>678,032</b>	<b>613,549</b>	<b>601,858</b>	<b>685,509</b>	<b>706,110</b>	<b>707,844</b>
Accumulated Funds	(32,542)	(97,025)	(108,716)	(25,065)	(4,464)	(2,730)
Asset revaluation reserve	710,574	710,574	710,574	710,574	710,574	710,574
<b>TOTAL FUNDS EMPLOYED</b>	<b>678,032</b>	<b>613,549</b>	<b>601,858</b>	<b>685,509</b>	<b>706,110</b>	<b>707,844</b>

## Naitasiri Provincial Council

## Abridged Statement of Financial Performance

	2000	2001	2002	2003	2004	2005	2006	2007
	\$	\$	\$	\$	\$	\$	\$	\$
Govt subvention for operating expenses	319,386	311,946	331,554	332,055	388,283	383,922	285,372	254,132
Provincial rates	53,133	46,410	68,615	39,704	35,842	46,273	34,224	38,663
Other income	42,617	2,114	58,674	12,496	33,203	61,121	74,627	62,044
<b>TOTAL INCOME</b>	<b>415,136</b>	<b>360,470</b>	<b>458,843</b>	<b>384,255</b>	<b>457,328</b>	<b>491,316</b>	<b>394,223</b>	<b>354,839</b>
Personal cost – Salary & wages	128,992	138,231	148,137	150,564	148,688	142,842	162,898	152,258
Travelling and subsistence	7,569	5,858	5,795	7,933	6,595	7,054	8,084	2,832
Occupancy	12,656	8,776	15,179	10,969	10,645	10,129	7,240	6,433
Motor vehicle	24,108	10,811	13,479	10,927	8,500	12,580	16,179	8,555
Repairs and maintenance	1,202	2,566	10,009	7,849	4,685	4,791	1,181	879
Administration cost	14,649	17,797	12,793	13,269	14,173	9,600	8,695	4,366
Special events	26,980	3,344	3,101	3,533	20,032	19,526	12,193	14,876
Turaga ni koro allowance	21,660	21,840	21,840	21,840	54,600	54,600	54,600	54,600
Mata ni tikina allowance	1,041	975	1,014	---	17,094	16,144	9,831	11,403
Other expenses	101,603	103,472	104,102	104,979	103,195	104,569	3,116	1,813
Total expenses covered by subv.	<b>340,460</b>	<b>313,670</b>	<b>335,449</b>	<b>331,863</b>	<b>388,207</b>	<b>381,835</b>	<b>284,017</b>	<b>258,015</b>
Depreciation	20,773	22,002	23,883	29,853	30,519	30,465	29,195	28,463
Personal cost - salaries	10,171	13,020	13,551	12,567	13,164	15,336	15,587	11,316
Motor vehicle cost	---	11,257	2,117	17,773	11,407	14,865	2,650	3,320
Interest and financial costs	3,022	3,621	5,068	11,086	10,493	10,708	10,252	12,079
Rates refund	17,034	---	16,431	15,935	2,750	---	800	---
Special events	---	24,111	23,753	25,804	4,337	---	150	767
Other expenses	8,940	10,722	13,255	10,371	46,416	13,332	7,068	4,549
Total expenses not covered by subvention	<b>59,940</b>	<b>84,733</b>	<b>98,058</b>	<b>123,389</b>	<b>119,086</b>	<b>84,706</b>	<b>65,702</b>	<b>60,494</b>
<b>TOTAL EXPENDITURE</b>	<b>400,400</b>	<b>398,403</b>	<b>433,503</b>	<b>455,252</b>	<b>507,293</b>	<b>466,5413</b>	<b>349,719</b>	<b>318,509</b>
<b>Net profit/(deficit)</b>	<b>14,736</b>	<b>(37,933)</b>	<b>25,336</b>	<b>(70,997)</b>	<b>(49,965)</b>	<b>24,775</b>	<b>44,504</b>	<b>36,330</b>

## Abridged Statement of Financial Position

	2000	2001	2002	2003	2004	2005	2006	2007
	\$	\$	\$	\$	\$	\$	\$	\$
Cash at bank and on hand	115,132	96,644	39,598	4,271	21,624	12,453	64,064	81,049
Other current assets	14,937	34,697	143,529	161,177	159,070	131,757	75,128	124,668
Property, plant and equipment	351,299	376,357	410,372	446,559	415,664	435,852	519,494	524,456
Investment	---	---	41,164	32,879	50,875	91,795	116,352	121,605
<b>TOTAL ASSETS</b>	<b>481,368</b>	<b>507,698</b>	<b>634,663</b>	<b>644,886</b>	<b>647,233</b>	<b>671,857</b>	<b>775,038</b>	<b>851,778</b>
Other creditors	129,713	148,696	140,894	166,409	242,128	225,448	133,389	100,181
Loans	14,513	56,830	98,284	159,514	134,858	145,738	241,465	264,069
Deferred income	774	684	594	3,354	2,980	6,206	5,472	4,738
Special funds	---	---	68,067	59,782	61,405	63,828	69,235	120,983
<b>TOTAL LIABILITIES</b>	<b>145,000</b>	<b>206,210</b>	<b>307,839</b>	<b>389,059</b>	<b>441,371</b>	<b>441,220</b>	<b>449,561</b>	<b>489,971</b>
<b>NET ASSETS</b>	<b>336,368</b>	<b>301,488</b>	<b>326,824</b>	<b>255,827</b>	<b>205,862</b>	<b>230,637</b>	<b>325,477</b>	<b>361,807</b>
Accumulated funds	(42,297)	(77,177)	(51,841)	(122,838)	(172,803)	(148,028)	(53,188)	(16,858)
Assets revaluation reserve	378,665	378,665	378,665	378,665	378,665	378,665	378,665	378,665
<b>TOTAL FUNDS EMPLOYED</b>	<b>336,368</b>	<b>301,488</b>	<b>326,824</b>	<b>255,827</b>	<b>205,862</b>	<b>230,637</b>	<b>325,477</b>	<b>361,807</b>



## Lau Provincial Council

## Abridged Statement of Financial Performance

	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Govt subvention for operating expenses	245,412	265,815	270,399	275,678	253,287
Income from investment	110,139	117,351	62,086	100,042	114,808
Provincial rates	36,644	31,810	47,323	70,498	31,975
Other income	6,579	6,609	5,577	5,413	9,009
<b>TOTAL INCOME</b>	<b>398,774</b>	<b>421,585</b>	<b>385,385</b>	<b>451,631</b>	<b>409,079</b>
Salary, wages allowance and related payments	188,208	176,273	168,846	177,400	169,994
Travelling and subsistence	33,720	9,484	14,326	11,934	7,747
Administration cost	23,491	21,315	20,292	12,063	7,763
Special events	45,092	13,866	26,941	13,923	18,689
Turaga ni Koro allowance	14,215	42,827	36,200	22,650	33,100
Mata ni Tikina allowance	---	9,683	7,656	9,297	7,954
Other expenses	25,494	17,536	12,928	12,202	13,348
<b>Total expenses covered by subvention</b>	<b>330,220</b>	<b>290,984</b>	<b>287,189</b>	<b>259,469</b>	<b>258,595</b>
Personal cost, allowance and related payments	18,279	20,073	18,342	14,452	16,001
Administration costs	769	7,195	6,655	3,781	7,764
Ka Vakavanua expenses	20,594	1,063	4,232	1,670	2,098
Special events	8,618	23,696	3,119	11,063	1,827
Soqosoqo Vakamarama	---	16,000	3,399	987	---
Grants to school	3,325	7,322	21,106	8,631	---
Other expenses	12,934	10,333	45,650	16,614	18,487
<b>Total expenses not covered by subvention</b>	<b>64,519</b>	<b>85,682</b>	<b>102,503</b>	<b>57,198</b>	<b>46,177</b>
<b>TOTAL EXPENDITURE</b>	<b>394,739</b>	<b>376,666</b>	<b>389,692</b>	<b>316,667</b>	<b>304,772</b>
<b>Net profit/ (deficit)</b>	<b>4,035</b>	<b>44,919</b>	<b>(4,307)</b>	<b>134,964</b>	<b>104,307</b>

## Abridged Statement of Financial Position

	2003 \$	2004 \$	2005 \$	2006 \$	2007 \$
Cash at bank and on hand	7,593	819	441	106,035	81,428
Other current assets	100,771	201,035	244,572	246,088	353,154
Property, plant and equipment	89,941	86,262	83,056	76,642	66,734
Investment	445,615		452,940	456,929	501,282
		449,306			
<b>TOTAL ASSETS</b>	<b>643,920</b>	<b>535,568</b>	<b>535,996</b>	<b>533,571</b>	<b>568,016</b>
Other creditors	40,412	144,823	127,057	132,823	130,185
Bank overdraft	22,266	4,857	27,886	3,775	---
Borrowings	289,379	253,665	293,951	284,363	284,363
<b>TOTAL LIABILITIES</b>	<b>352,057</b>	<b>403,345</b>	<b>448,894</b>	<b>420,961</b>	<b>414,548</b>
<b>NET ASSETS</b>	<b>291,863</b>	<b>132,223</b>	<b>87,102</b>	<b>112,610</b>	<b>153,468</b>
Accumulated funds	155,630	200,549	201,330	336,332	462,114
Assets revaluation reserve	49,566	49,566	49,566	49,566	49,566
Special funds	54,864	57,466	60,030	62,953	65,795
Deferred income	31,803	26,496	21,189	15,882	10,575
<b>TOTAL FUNDS EMPLOYED</b>	<b>291,863</b>	<b>334,077</b>	<b>332,115</b>	<b>464,733</b>	<b>588,050</b>



## Macuata Provincial Council

## Abridged Statement of Financial Performance

	2005	2006	2007
	\$	\$	\$
Government subvention for operating expenses	258,778	252,688	250,385
Macuata House rental	599,354	594,507	584,187
Income from investment	126,329	76,583	59,480
Provincial rates	19,956	48,961	12,886
Other income	9,668	11,976	27,444
<b>TOTAL INCOME</b>	<b>1,014,085</b>	<b>984,715</b>	<b>934,382</b>
Salary, wages allowance and related payments	119,869	134,429	130,250
Travelling, Subsistence and accommodation	18,113	8,590	8,190
Special Events	15,582	12,656	17,793
Turaga ni koro allowance	66,650	57,610	47,400
Mata ni Tikina Allowance	12,197	13,029	12,026
Repairs and Maintenance	9,671	6,746	10,063
Turaga ni koro allowance	8,841	8,755	7,877
Other Expenses	12,347	8,478	12,655
<b>Total expenses covered by subvention</b>	<b>263,270</b>	<b>250,293</b>	<b>246,254</b>
Interest and Financial Cost	332,342	351,192	395,101
Depreciation	62,265	67,301	60,324
Personal cost - salaries	3,900	5,940	4,380
Repairs and Maintenance - Macuata House	-	30,388	101,312
Insurance - Macuata House	7,985	23,015	11,500
Value Added Tax	-	197,188	36,576
Other Expenses	5,181	19,872	4,626
<b>Total expenses not covered by subvention</b>	<b>411,673</b>	<b>694,896</b>	<b>613,819</b>
<b>TOTAL EXPENDITURE</b>	<b>674,943</b>	<b>945,189</b>	<b>860,073</b>
<b>Net profit</b>	<b>339,142</b>	<b>39,526</b>	<b>74,309</b>

## Abridged Statement of Financial Position

	2005	2006	2007
	\$	\$	\$
Cash at bank and on hand	20,245	67,748	147
Loans and Advances	17,173	21,697	32,519
Other current assets	8,496	10,710	76,095
Property, plant and equipment	3,922,491	3,899,542	3,838,480
<b>Investment</b>	<b>290,430</b>	<b>290,669</b>	<b>369,686</b>
<b>TOTAL ASSETS</b>	<b>4,258,835</b>	<b>4,290,366</b>	<b>4,316,927</b>
Bank Overdraft	118,477	-	54,517
Other Payables	98,790	193,586	183,733
Interest Bearing Borrowings	3,409,647	3,426,742	3,350,925
Deferred Income	2,458	810	(838)
<b>TOTAL LIABILITIES</b>	<b>3,629,372</b>	<b>3,621,138</b>	<b>3,588,337</b>
<b>NET ASSETS</b>	<b>629,463</b>	<b>669,228</b>	<b>728,590</b>
Accumulated funds	(209,736)	(169,971)	(110,609)
Assets revaluation reserve	839,199	839,199	839,199
<b>TOTAL FUNDS EMPLOYED</b>	<b>629,463</b>	<b>669,228</b>	<b>728,590</b>

## Serua Provincial Council

## Abridged Statement of Financial Performance

	2002 \$	2003 \$	2004 \$	2005 \$
Government subvention for operating expenses	107,332	128,449	125,863	118,633
Income from investment	57,525	56,189	65,670	55,705
Provincial rates	20,152	10,000	3,320	4,535
Other income	2,973	22	12,159	4,866
<b>TOTAL INCOME</b>	<b>185,009</b>	<b>194,638</b>	<b>194,853</b>	<b>178,873</b>
Salary, wages allowance and related payments	71,925	82,349	78,809	71,444
Occupancy	8,043	6,784	4,008	4,225
Administration cost	5,817	11,712	9,405	5,186
Repairs and maintenance	6,115	6,368	8,263	2,753
Special events	9,380	11,352	5,556	7,571
Turaga ni koro allowance	5,760	5,820	15,150	14,400
Other expenses	7,862	7,407	13,323	15,222
<b>Total expenses covered by subvention</b>	<b>107,040</b>	<b>124,385</b>	<b>121,191</b>	<b>105,579</b>
Depreciation	7,135	7,600	5,029	15,149
Personal cost - salaries	3,191	---	3,500	300
Special events	2,349	5,157	10,632	6,300
Other expenses	928	6,400	1,412	6,226
<b>Total expenses not covered by subvention</b>	<b>12,675</b>	<b>12,757</b>	<b>19,161</b>	<b>21,749</b>
<b>TOTAL EXPENDITURE</b>	<b>119,715</b>	<b>137,142</b>	<b>140,352</b>	<b>127,328</b>
<b>Net profit</b>	<b>65,294</b>	<b>57,496</b>	<b>54,501</b>	<b>51,545</b>

## Abridged Statement of Financial Position

	2002 \$	2003 \$	2004 \$	2005 \$
Cash at bank and on hand	19,814	13,569	8,479	10,137
Other current assets	344,398	385,482	419,502	436,545
Property, plant and equipment	71,053	72,399	132,570	117,421
Investment	406,466	497,149	652,521	788,814
<b>TOTAL ASSETS</b>	<b>841,731</b>	<b>968,599</b>	<b>1,213,072</b>	<b>1,352,917</b>
Other creditors	49,510	42,017	46,426	96,735
Loans	310,421	310,421	329,872	248,179
<b>TOTAL LIABILITIES</b>	<b>359,931</b>	<b>352,438</b>	<b>376,298</b>	<b>344,914</b>
<b>NET ASSETS</b>	<b>481,800</b>	<b>616,161</b>	<b>836,774</b>	<b>1,008,003</b>
Accumulated funds	304,800	439,161	659,774	831,003
Assets revaluation reserve	77,000	77,000	77,000	77,000
Special funds	100,000	100,000	100,000	100,000
<b>TOTAL FUNDS EMPLOYED</b>	<b>481,800</b>	<b>616,161</b>	<b>836,774</b>	<b>1,008,003</b>

## Rewa Provincial Council

### Abridged Statement of Financial Performance

	2002	2003	2004	2005
	\$	\$	\$	\$
Government subvention for operating expenses	170,229	178,358	186,233	222,654
Provincial rates	31,200	31,326	40,028	39,084
Income from investment	70,830	13,251	55,892	67,661
Other income	17,091	867	38,338	9,579
<b>TOTAL INCOME</b>	<b>289,350</b>	<b>223,802</b>	<b>320,491</b>	<b>338,978</b>
Administration cost	11,045	6,495	2,544	8,110
Personal cost - salaries	112,057	119,009	100,429	105,598
Travelling and subsistence, meals	11,410	10,641	13,675	8,620
Staff training	-	-	34,884	22,880
Turaga ni koro allowance	12,860	14,081	4,653	3,114
Special events	20,091	35,550	19,882	25,991
Other expenses	13,053	12,848	13,258	13,384
<b>Total expenses covered by subvention</b>	<b>180,516</b>	<b>198,624</b>	<b>189,325</b>	<b>187,697</b>
Depreciation	14,619	15,625	15,799	16,476
Personal cost - salaries	2,129	1,695	1,200	6,945
Interest and financial costs	3,882	14,641	15,500	20,200
Ka vakavanua expenses	8,449	2,158	8,141	16,174
Rates refund	5,833	13,450	4,409	9,196
Special events	3,480	---	---	13,845
Scholarships and grants to schools	6,600	8,840	3,792	2,272
Turaga ni koro allowance	4,440	6,680	300	4,560
Other expenses	4,030	7,870	137,999	10,437
<b>Total expenses not covered by subvention</b>	<b>53,462</b>	<b>70,959</b>	<b>187,140</b>	<b>100,105</b>
<b>TOTAL EXPENDITURE</b>	<b>233,978</b>	<b>269,583</b>	<b>376,465</b>	<b>287,802</b>
<b>Net profit/(deficit)</b>	<b>55,372</b>	<b>(45,781)</b>	<b>(55,974)</b>	<b>51,176</b>

### Abridged Statement of Financial Position

	2002	2003	2004	2005
	\$	\$	\$	\$
Cash at bank and on hand	141,732	68,056	96,411	153,017
Other current assets	135,911	103,559	121,215	119,083
Property, plant and equipment	184,985	174,121	191,849	183,666
Investment	764,849	766,439	767,616	718,654
<b>TOTAL ASSETS</b>	<b>1,227,477</b>	<b>1,112,175</b>	<b>1,177,091</b>	<b>1,174,420</b>
Other creditors	173,192	139,748	136,311	133,578
Loans	602,599	589,758	715,266	665,333
<b>TOTAL LIABILITIES</b>	<b>775,791</b>	<b>729,506</b>	<b>851,577</b>	<b>798,911</b>
<b>NET ASSETS</b>	<b>451,686</b>	<b>382,669</b>	<b>325,514</b>	<b>375,509</b>
Accumulated funds	220,894	152,744	96,770	147,946
Assets revaluation reserve	140,936	140,936	140,936	140,936
Deferred income	9,856	8,989	7,808	6,627
Special funds	80,000	80,000	80,000	80,000
<b>TOTAL FUNDS EMPLOYED</b>	<b>451,686</b>	<b>382,669</b>	<b>325,514</b>	<b>375,509</b>

