

OFFICE of the AUDITOR GENERAL

Republic of Fiji

Report of the Auditor-General of the Republic of Fiji

2018 - 2019 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 184 OF 2020



OFFICE of the AUDITOR GENERAL
Republic of Fiji

VISION

Promoting public sector accountability
and sustainability through our audits

To provide independent value adding
audit services

MISSION

To provide an environment where
our people can excel

RESPECT

We uphold respect
in our relationships.

INTEGRITY

We are ethical, fair and
honest in our duties.

INDEPENDENT
& OBJECTIVE

We work independently
and report objectively.

VALUES

COMPETENCE

We deliver to the best
of our abilities and to
the highest standard of
professional conduct.

TRANSPARENCY

Our processes
are transparent.

CONFIDENTIALITY

We maintain audit
related information
confidential.

PROFESSIONAL FRAMEWORK

International Standards for Supreme Audit Institutions

International Standards on Auditing

LEGAL FRAMEWORK

2013 CONSTITUTION OF THE
REPUBLIC OF FIJI

AUDIT
ACT 1969

ENVIRONMENT
MANAGEMENT ACT

NDP AND OTHER
LEGISLATION

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File: 102

28 August 2020

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

Dear Sir

**2018 - 2019 AUDIT REPORT ON GOVERNMENT COMMERCIAL COMPANIES,
COMMERCIAL STATUTORY AUTHORITIES AND OTHER ENTITIES**

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities for 2018 – 2019.

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

Yours sincerely

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ajay Nand'.

Ajay Nand
AUDITOR-GENERAL

Encl.



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

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

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

This report satisfies these requirements.

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

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AUDITOR-GENERAL'S FOREWORD



I am pleased to present the report on the financial audits of Government Commercial Companies (GCCs) and Commercial Statutory Authorities (CSAs) and Other State Entities for the audits completed after 31 October 2019 following my last report (Parliamentary Paper No. 154 of 2019).

Section 56 (1) of the Public Enterprise Act 2019 and Section 152 of the 2013 Constitution provides the Auditor-General the mandate to audit the accounts of the GCCs and CSA's. However, there has been few exceptions due to some entities opting to choose their own auditors other than the Auditor-General. This is discussed in Appendix C of this report.

The financial audits of some of the GCCs and CSAs are behind by more than five years, as financial statements were not submitted annually to the Auditor-General. All efforts are made to bring these audits in backlog to current. There are also some entities, which provide their outstanding financial statements in bulk, which becomes a challenge in terms of resource allocations and time to complete the audits of these entities in one financial year.

Status of the Audits

As at 31 July 2020, we have completed audits of four GCC and three other entities. A total of 8 Auditor's Reports have been issued and reported in this report. There are a number of audits, which are near completion, and we are making all efforts in working with the entities to have these completed as soon as possible.

Report

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

The issues discussed in this report require the prompt action by those charged with governance in the respective entities to improve their financial accountability. On the same note, I would like to acknowledge the efforts already made by the entities to improve their financial reporting.

I would also like to acknowledge the assistance and cooperation rendered to my Office by these entities throughout the audit process. My Office is committed in fulfilling the task of updating all backlog audits and will continue to work with the entities to ensure that this is achieved in a timely manner.

A handwritten signature in black ink, appearing to read 'Ajay Nand'.

Ajay Nand
AUDITOR-GENERAL

Date: 28 August 2020

EXECUTIVE SUMMARY

1. Introduction	
Entities	This report includes the audit results of 8 financial statements for the 7 Entities audited as at 31 July 2020.
Status of Audits	<p>Audit of 13 Government Commercial Companies, 1 Commercial Statutory Authority and 1 re-organised entity were delayed. The delay in the audits is primarily due to:</p> <ul style="list-style-type: none"> • Delay in submission of draft accounts for audits or draft accounts submitted were incomplete; • Entities deciding to address issues raised in draft audit reports and resubmission of financial statements for audit; and • Financial statements not submitted for audit at all despite reminders.
2. Financial Reporting	
Quality of Financial Reporting	<p>The overall quality of financial reporting has been assessed as effective although further improvements can be made to enhance the quality and timeliness of submission of financial statements for our audit.</p> <ul style="list-style-type: none"> • We issued unmodified (unqualified) audit opinions on 5 financial statements audited while 3 financial statements were issued with modified (qualified) audit opinion. • We reported to the entities all significant matters concerning material accounting issues and deficiencies in internal controls.
Timeliness of Financial Reporting	There were 4 out of 8 accounts or 50% of the financial statements audited were assessed to be doing timely financial reporting while the other 50% were assessed to require substantial improvements.
3. Internal Controls	
Assessment	The results summary in section 3.1 shows the strength of controls in key elements for the entities. Our assessment indicated that risk assessment, and monitoring activities were areas where majority of the significant deficiencies were identified.
4. Other Significant Matters	
Common Findings	<p>Other areas that require immediate attention by the Board of Directors and Management of entities for priority and prompt actions for resolutions include:</p> <ul style="list-style-type: none"> • Addressing significant delays in submission of draft financial statements for audit; • Ensuring the long term financial sustainability of the entities; • Improving risk assessment process to achieve the entity's objectives and forming a clear basis for determining how risks are managed; • Improving overall monitoring of the entities, including the establishment of independent internal audit functions, which would assist in identifying any gaps in controls.
5. Audit Conclusion	
	Modified audit opinion were issued on 3 financial statements audited, which reflected negatively on the governance and internal control framework of these entities. Urgent and close attention should be given to address matters highlighted in the Auditors' Reports including the significant matters raised in Section 4.

1.0 Introduction

All state-owned entities prepare annual financial statements. Directors and management of these entities are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and requirements of applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Auditor-General is responsible, on behalf of Parliament, for audit of the accounts of all state-owned entities except for its own office and those entities, which may be exempted by law.

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

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

The Auditor-General's responsibility is to express an opinion on these financial statements based on his audit in accordance with the International Standards on Auditing (ISA). Those standards require the Auditor-General to comply with ethical requirements, plan, and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

It is important to note that the deficiencies detailed in this report were identified during our audit and may have been subsequently resolved by the entity. These have been included in this report as they impacted on the overall system of control of the entities during the respective reporting periods.

This report includes the audit results of 8 financial statements for the 7 Entities as follows:

Entity	Entity Type	Year
1. Fiji Broadcasting Corporation Pte Limited	Government Commercial Company	2019
2. Fiji Public Trustees Corporation Pte Limited	Government Commercial Company	2018

Entity	Entity Type	Year
3. Fiji Hardwood Corporation Pte Limited	Government Commercial Company	2017
4. Fiji Rice Pte Limited	Government Commercial Company	2018-2019
5. Energy Fiji Limited	Other Entity	2019
6. FDB Nominees Pte Limited	Other Entity	2019
7. Fiji Development Bank	Other Entity	2019

An update on the progress of the financial audits of Government Commercial Companies and Commercial Statutory Authorities and Other Entities not included in this report is provided under Section 1.3.

1.1 Legislative Framework

The following legislation establishes the financial accountability frameworks and legislative time frames to complete financial statements audits for state-owned entities.

Legislative Framework	Legislative Timeframe
Government Commercial Companies, Commercial Statutory Authorities and Other Entities	<ul style="list-style-type: none"> • Public Enterprises Act 2019; • Finance Management Act 2004; and • Companies Act, 2015

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

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

Each year, Government Commercial Companies and Commercial Statutory Authorities and Other Entities are required by the legislation governing their operations to submit an annual report containing the audited financial statements and the audit report on the financial statements, which are tabled in Parliament by the Minister responsible for the Entities.

The audited financial statements are used by a broad range of users such as parliamentarians, non-governmental organizations, donor agencies, employees, suppliers, lenders and the general public.

The Auditor-General's audit opinion on these financial statements gives assurance to the users that the financial statements are accurate and can be relied upon.

1.2 Types of Audit Opinions

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

Modified Opinions:

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

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

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

1.3 Delays in Completion of Audits

Audits of Government Commercial Companies, Commercial Statutory Authorities and Other Entities have not been completed on a timely basis primarily due to the following:

- Delay in submission of draft accounts for audits or draft accounts submitted were incomplete;
- Entities deciding to address issues raised in draft audit reports and resubmitting financial statements for audit; and
- Financial statements not submitted for audit.

Efforts are being made to complete the audit of accounts, which have been received.

Below is a summary of the status of audits as at 31 July 2020:

Entity	Draft Financial Statements Received	Year Last Audit	Audits status as at 31 July 2020
Government Commercial Companies			
1. Fiji Airports Pte Limited	2019	2018	2019 audited financial statements issued for signing on 29/07/2020.
2. Fiji Coconut Millers Pte Limited	2019	2018	2019 audit under finalization stage.
3. Pacific Fishing Company Pte Limited	2019	2018	2019 audit financial statements sent for signing on 01/06/2020 with a qualified audit opinion. The entity has opted to resolve the qualification.
4. Post Fiji Pte Limited	2019	2018	The company opted to amend the 2019 financial statements after audit was completed. Revised draft financial statements submitted to OAG on 13/07/20. The audit is in the finalization stage.
5. Viti Corporation Limited	2008-2011	2007	2008-2011 audit under finalization stage.
6. Yaqara Pastoral Company (Pte) Limited	2016-2017	2015	2016 – 2017 audited financial statements sent for signing on 05/03/2020 with a qualified audit opinion. The entity has opted to resolve the qualification.
7. Food Processors (Fiji) Pte Limited	2009-2013	2008	Audit conduct for 2009-2013 in progress.
8. Fiji Hardwood Corporation (Pte) Limited	2017	2017	The Corporation is yet to provide 2018-2019 draft financial statements for audit.

Entity	Draft Financial Statements Received	Year Last Audit	Audits status as at 31 July 2020
9. Walesi Fiji Limited	2015-2017	---	2015 audit financial statements sent for signing on 19/05/2020 with a qualified opinion. The entity has opted to resolve to issues included in the draft audit opinion.
10. Unit Trust of Fiji (Management) Limited	2018	2017	Draft accounts for 2018 was submitted for audit on 29/05/2020 The audit for 2018 financial statements is in progress.
11. Fiji Public Trustees Corporation (Pte) Limited	2018-2019	2018	Awaiting resubmission of the revised 2019 financial statements for audit.
12. Fiji Investment Corporation Limited	---	---	The entity is yet to provide 2006-2019 draft financial statements for audit.
13. Assets Fiji Limited	---	---	The entity is yet to provide 2016-2019 draft financial statements for audit.
Commercial Statutory Authority			
1. Housing Authority	2018	2017	The audit for 2018 financial statements is in finalization stage.
Re-organised Entity			
1. Biosecurity Authority of Fiji	2013	2012	Audit financial statements sent for signing on 21/02/2020 with a disclaimer of opinion. The entity is yet to return the signed financial statements for the issue of audit opinion. The board of directors are seeking legal opinion on their responsibility to sign the 2013 audited financial statements as they were not in office during financial year 2013.

¹ 2015 was the first year for audit

2.0 Financial Reporting

Sound financial management require the important elements of accurate and timely financial statements. They bring accountability and transparency to the way public resources are utilized by the Government Commercial Companies, Commercial Statutory Authorities and Other Entities. We have assessed financial reporting based on the following aspects:

- Quality of financial reporting
- Timeliness of financial reporting

2.1 Quality of financial reporting

The extent of audit adjustments made to draft financial statements indicates the effectiveness of an entity's internal review processes before the accounts are submitted for audit.

We assessed the quality of financial statements by the number of audit adjustments made to the first draft of financial statements and the impact these adjustments had on the operating results or net assets of the entity subject to our audit.

Rating	Quality of draft financial statements assessment
🟢 Effective	No adjustments were required
🟡 Generally effective	Adjustments on operating results/net assets were less than five percent
🔴 Ineffective	Adjustments on operating results/net assets were more than five percent

Audit opinions

The main outcome of our audits are independent auditors' report on the financial statements of the Government Commercial Companies, Commercial Statutory Authorities and Other Entities that were produced and submitted to the Auditor-General.

We issued 5 unmodified audit opinions and 3 modified (qualified) audit opinion on the financial statements of the 7 entities reported in this report. The table below shows the breakdown of the audit opinions issued:

Entities	Year	Unmodified Opinion	Modified Opinion
1. Fiji Broadcasting Corporation Pte Limited	2019	✓	
2. Fiji Public Trustees Corporation Pte Limited	2018	✓	
3. Fiji Hardwood Corporation Pte Limited	2017		✓
4. Fiji Rice Pte Limited	2018-2019		✓
5. Energy Fiji Limited	2019	✓	
6. FDB Nominees Pte Limited	2019	✓	
7. Fiji Development Bank	2019	✓	

Appendix A contains the qualification issues raised in the Auditors' Reports issued to the 2 Entities.

The abridged financial statements are presented as [Appendix B](#)

Significant Matters Reported

The Audit Act 1969 requires that the Auditor-General report on significant matters identified during the audit to those responsible for the governance of the Government Commercial Companies, Commercial Statutory Authorities and Other Entities.

Issues that are classified as medium to high risks are control and compliance weaknesses of such fundamental significance or substantial importance to the Government Commercial Companies, Commercial Statutory Authorities and Other Entities that they require immediate attention by those charged with governance and the line Ministry for priority and prompt actions for resolutions.

Significant matters noted during the audit are discussed further on Sections 4 of the report.

2.2 Timeliness of financial reporting

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

Rating	Timeliness of draft financial statements assessment
🟢 Effective	Acceptable draft financial statements received within 60 days before legislative deadline
🟡 Generally effective	Acceptable draft financial statements received within 30 days before legislative deadline
🔴 Ineffective	Acceptable draft financial statements received less than 30 days before legislative deadline

2.3 Results Summary

The quality of financial reporting for two entities were found to be ineffective while timeliness of three entities were ineffective therefore requiring the immediate attention of those charged with governance for prompt resolutions.

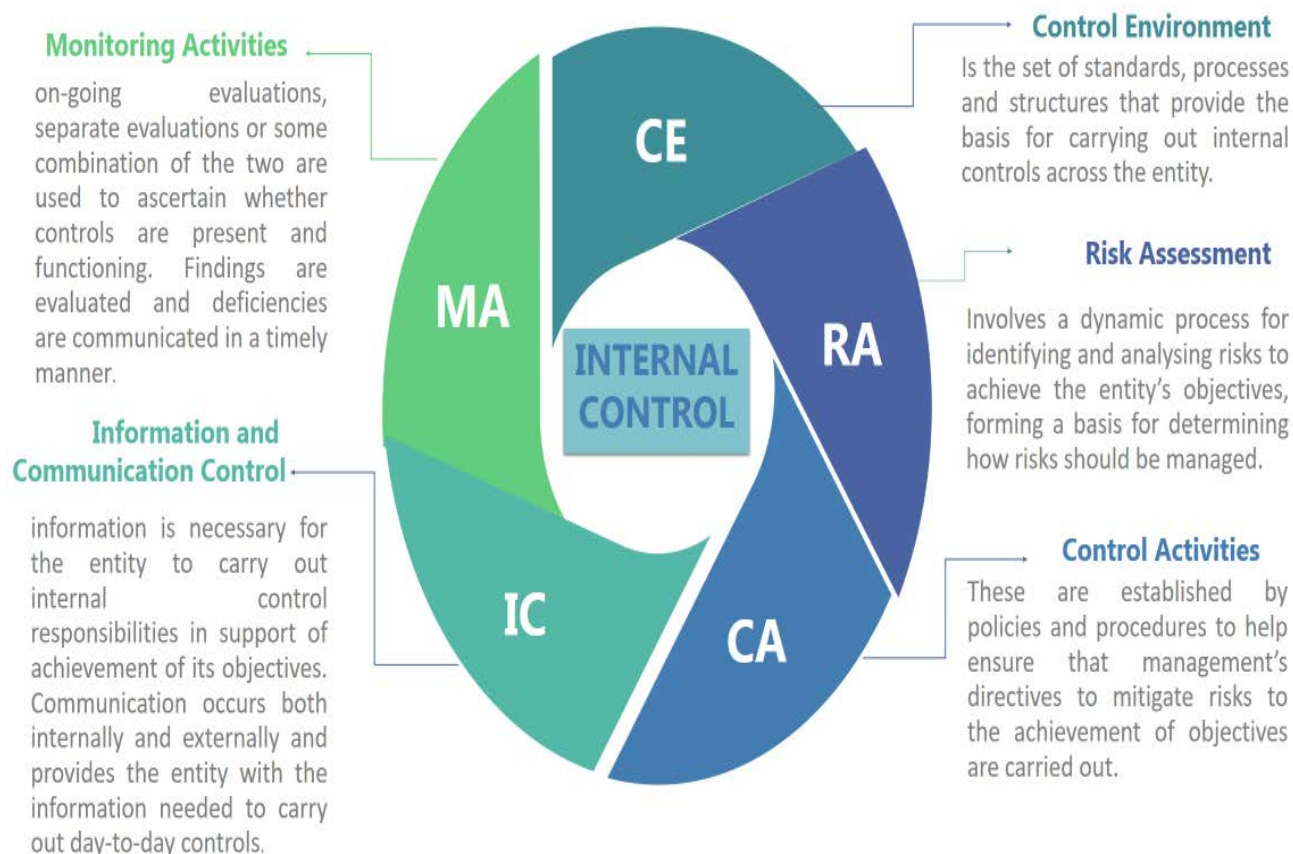
The following table summarizes our assessment of financial reporting processes:

Entity	Year(s)	Financial Reporting	
		Quality	Timeliness
1. Fiji Broadcasting Corporation Pte Limited	2019	🟢	🟢
2. Fiji Public Trustees Corporation Pte Limited	2018	🟢	🔴
3. Fiji Hardwood Corporation Pte Limited	2017	🔴	🔴
4. Fiji Rice Pte Limited	2018-2019	🔴	🔴
5. Energy Fiji Limited	2019	🟢	🟢
6. FDB Nominees Pte Limited	2019	🟢	🟢
7. Fiji Development Bank	2019	🟢	🟢

3.0 Internal Controls

3.1 Internal Controls Assessments

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



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

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

The results summary in Section 3.2 shows the strength of controls in key elements for the 7 Entities for which 8 financial statements were being audited.

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

Rating	Internal Control Assessment
🟢 Effective	No deficiencies identified in internal controls
🟡 Generally Effective	Deficiencies identified in internal controls
🔴 Ineffective	Significant deficiencies identified in internal controls

3.2 Results Summary

For the entities audited, we have assessed the internal controls for one entity as ineffective. The significant findings discussed in Sections 4 have contributed to this assessment.

The Table below summarizes our assessment of internal controls across these entities, which were audited:

Entity	Year	Internal Controls				
		CE	RA	CA	IC	MA
1. Fiji Broadcasting Corporation Pte Limited	2019	★	★	★	★	★
2. Fiji Public Trustees Corporation Pte Limited	2018	★	★	★	★	★
3. Fiji Hardwood Corporation Pte Limited	2017	★	★	★	★	★
4. Fiji Rice Pte Limited	2018-2019	★	★	★	★	★
5. Energy Fiji Limited	2019	★	★	★	★	★
6. FDB Nominees Pte Limited	2019	★	★	★	★	★
7. Fiji Development Bank	2019	★	★	★	★	★

CE=Control Environment

RA=Risk Assessment

CA=Control Activities

IC=Information and Communication Control

MA=Monitoring Activities

4.0 Significant Matters

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

Other significant matters highlighted in this report, include control weaknesses, which *could cause* or *is causing* severe disruption to the process or on the ability of the Entities to achieve process objectives and comply with relevant legislation, which are in addition to those discussed in [section 4](#).

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.

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

4.1 Significant Matters

Significant matters identified during the audit were communicated to the entities through our Management Letters and they relate to the following areas:

In addition to the qualification issues, which are discussed in detail in Appendix A, the following are significant matters issues identified during the audit for these entities:

Entity	Significant Matters
Fiji Broadcasting Corporation (Pte) Limited (FBCL)	
2019	<p>1. Impact of COVID-19</p> <p>The financial report notes the World Health Organisation’s declaration of the outbreak of COVID-19 as a global pandemic subsequent to 31 December 2019 and how this has been considered by the Directors in the preparation of the financial report. As set out in Note 25 of the financial statements, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.</p> <p>2. Accounting for Government Grant or Special Funding</p> <p>The financial statements states that grants and/or special funding from Government up to 7 March 2016 were treated as capital contribution in accordance with Cabinet’s decision in 2012, and from 8 March 2016 were treated as revenue based on the Cabinet’s decision in 2016 to align the accounting treatment to IFRS.</p> <p>3. Long outstanding accruals for broadcast license fee</p> <p>Audit review of broadcast license fee accrual noted that long outstanding accruals dated back to 2014 with no subsequent payment or reversal.</p>

Entity	Significant Matters
Fiji Broadcasting Corporation Limited (FBCL) 2019 (con't)	<p>Total broadcast license fee accrued at year-end amounted to \$148,401 compared to \$121,516 for 2018.</p> <p>Our recommendation to the management of the company was to review the accrual and determine whether it is appropriate to continue to record the accrual as a liability.</p> <p>The company informed us that the broadcast license fees was owed to Telecommunications Authority of Fiji (TAF). FBCL had recorded an accrual of \$20,505 per annum since 2013 based on initial licensing agreement. The Company confirmed that outstanding license fees would be paid although the Telecommunications Authority of Fiji was yet to bill FBCL for the payment.</p>
Fiji Hardwood Corporation (Pte) Limited	
2017	<p>1. Going Concern Issues</p> <p>The company has been incurring significant operational losses during the recent years (that is, before any fair value adjustment of plantation). During the year ended 31 December 2017, the company incurred operational loss of \$4,326,808. As at 31 December 2017, the total liabilities of the company exceeded total assets resulting in a net liability of \$2,400,911.</p> <p>The company is not generating adequate cash flows to meet all its commitments and obligations as and when they fall due. The above conditions indicate a significant uncertainty as to whether the company will be able to continue as a going concern and whether it will be able to pay its debts as they become due and payable and realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the Financial Statements.</p> <p>We noted, that the company's operations were financed through loan facility with Fiji National Provident Fund ("FNPF") and Fiji Development Bank ("FDB"). Both of these financing facilities are under stress with repayment arrears-and penalty interest being charged on both of these accounts.</p> <p>Additionally, Cash at bank and cash in hand balance of \$568,211 disclosed under Note 7 of the financial statement includes FHCL Trust cash balance of \$481,236. This Trust cash account makes up 84.6% of the total cash of the Company. Should the owners of the cash kept in trust decide to withdraw their monies on the same day, the Company will be left with only \$86,974 which is insufficient to fund its daily operations.</p> <p>The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or to the</p>

Entity	Significant Matters
<p>Fiji Hardwood Corporation Limited 2017 (con't)</p>	<p>amounts or classification of liabilities that might be necessary should the entity not be able to continue as a going concern.</p> <p>2. Inventory reconciliation</p> <p>The inventory log record sheet maintained by the forest officers does not record the number and movement of logs (movement of how many logs has been dumped at the yards and landing sites and how many were shipped out). This is only updated every morning with the number of logs that has been stored at the site implying very loose control on stock management.</p> <p>The loose control of recording of stock implies poor management of the principal resource which in turn implies poor management of revenue and possible loss as well. Moreover, the poor recording of stock movement exposes the company to theft and pilferage.</p> <p>The Company agreed with our recommendation to improve the recording system of logs and its movement be monitored with more vigilance.</p> <p>3. Trade Creditors Reconciliations not Performed</p> <p>We noted that creditors' reconciliation were not prepared by the Company to reconcile the opening and closing balances and therefore the correctness of trade creditors balance of \$2,253,676 could not ascertained.</p> <p>Furthermore, it was noted that there were no form of reviews for correctness carried out on the creditors listing provided for audit verification.</p> <p>The Company agreed with audit recommendation to perform creditor's reconciliations on a monthly basis and to ensure that correct amount for trade creditors are recorded in the financial statements.</p> <p>4. Loan from Fiji Investment Corporation Limited (FICL)</p> <p>Audit review of the loan from Fiji Investment Corporation Limited noted that the loan balance as per the general ledger did not agree with the balance disclosed in the financial statements. The general ledger shows a zero balance of loan while the 2017 financial statements shows an outstanding balance of \$755,507.</p> <p>The Manager Finance (Fiji Hardwood Corporation Limited) confirmed that the loan was paid off in 2016. However, there is balance of \$755,507 in financials as loan payable to Fiji Investment Corporation Limited in 2017. In addition, we were not provided with a loan balance confirmation from Fiji Investment Corporation Limited.</p>

Entity	Significant Matters												
Fiji Hardwood Corporation (Pte) Limited 2017 (con't)	<p>The Company agreed with our recommendation to review the loan balance and obtain confirmation from Fiji Investment Corporation Limited.</p> <p>5. Variance in VAT reconciliation</p> <p>Audit review of the VAT reconciliation noted an unreconciled variance of \$15,142 between the VAT amount disclosed in the financial statements and as per the VAT reconciliation performed by the Company.</p> <table border="1" data-bbox="620 589 1310 741"> <thead> <tr> <th>Balance as per Financials</th> <th>Balance as per VAT reconciliation</th> <th>Variance</th> </tr> </thead> <tbody> <tr> <td>\$15,816</td> <td>\$674</td> <td>\$15,142</td> </tr> </tbody> </table> <p>The Company agreed to investigate and rectify the variance noted. In addition, the Company agreed to reconcile the VAT with the Fiji Revenue Customs Services Statement of VAT Account.</p> <p>6. Variance between general ledger and Aged Payables Listing</p> <p>We noted a significant variance of \$638,868 between trade creditors balance as per financial statement and the Trade Creditors listing.</p> <table border="1" data-bbox="639 1106 1291 1290"> <thead> <tr> <th>Balance as per Financials (\$)</th> <th>Balance as Per Listing (\$)</th> <th>Variance (\$)</th> </tr> </thead> <tbody> <tr> <td>13,240</td> <td>652,108</td> <td>638,868</td> </tr> </tbody> </table> <p>The Company agreed to the following recommendations:</p> <ul style="list-style-type: none"> The Company should ensure that Trade Creditors general ledger balance reconciles with the balance as per Aged Payable listing and any variances arising thereon should be investigated and resolved immediately. Management must ensure that the Company has competent staff in the Accounts section who are capable of completing the accounting processes and financial reporting requirements. <p>7. Replanting of Mahogany</p> <p>We noted that mahogany that were harvested in 2017 and 2018 has not been replanted to maintain the sustainability of mahogany plantation as required by the licensing arrangement under the Mahogany Industry Act 2010.</p>	Balance as per Financials	Balance as per VAT reconciliation	Variance	\$15,816	\$674	\$15,142	Balance as per Financials (\$)	Balance as Per Listing (\$)	Variance (\$)	13,240	652,108	638,868
Balance as per Financials	Balance as per VAT reconciliation	Variance											
\$15,816	\$674	\$15,142											
Balance as per Financials (\$)	Balance as Per Listing (\$)	Variance (\$)											
13,240	652,108	638,868											

Entity	Significant Matters
<p>Fiji Hardwood Corporation Limited 2017 (con't) (Pte)</p>	<p>Furthermore, as at 22 July 2020 being the date of audit opinion, approximately five hundred thousand of one-year old mahogany plants (estimated value: \$500,000) are ready to be planted. However, due to constrain with cash flow, the Company could not carry out the reforestation process of mahogany plants.</p> <p>This indicates lack of attention to the management of the principal resource of the business and to ensure creation of stocks for the future sustainability of the business and mahogany industry.</p> <p>The Company agreed to the following recommendation:</p> <ul style="list-style-type: none"> • To immediately consider reforestation of mahogany plants to avoid additional cost and loss of business. • Implementation of a regular re-forestation plan to maintain sustainability of the resource and its principal asset. <p>8. Disclosure -Operating lease commitment</p> <p>We were not provided with supporting documents to substantiate disclosure of operating lease commitment of \$30,948,109. Therefore, we were unable to determine the accuracy of the operating lease commitment and its disclosure in the financial statements.</p> <p>The Company agreed to maintain supporting documents and accounting records for the operating lease commitment.</p> <p>9. Supply of logs to license holders</p> <p>We noted that Company was not able to supply the Mahogany logs as per the license agreement to various licence holders. This has been a cause for concern for a number of years and financial instability of the company is identified as a major contributing factor.</p> <p>Hence we recommended that the Company evaluate and assess its current capabilities to meet the agreement and realistically strategize to determine continuity.</p> <p>FHCL has requested Mahogany Industry Council for open market so that once the license holders and client pools do not buy the logs than FHCL could sell it in open market but yet protecting the Mahogany Brand.</p> <p>10. Corporate governance</p> <p>We noted the lack of adherence to good governance in the following areas of significant importance:</p>

Entity	Significant Matters
<p>Fiji Corporation Limited 2017 (con't)</p> <p>Hardwood (Pte)</p>	<ul style="list-style-type: none"> • The Company does not have a Finance and Human Resource manual to guide its operations; • The Company does not have an internal audit function and an audit committee; and • The Board of the Company did not meet on a timely manner. There were only 4 board meetings held in 2017. As a result, the Board was unable to provide strategic direction and advice to the Company. <p>The Company agreed to the following recommendation:</p> <p>The Board and Management of the Company must consider establishing an effective internal audit function and an Audit Committee to maintain vigilance over the controls of the business of FHCL.</p> <p>The Board and Management should hold regular meetings to provide much needed guidance on the business operations by providing valuable input into the operational activities through examination of performance of the business on a regular basis.</p> <p>11. Expiring Land Leases</p> <p>Our review of land lease terms revealed that there were twenty eight land leases, which would expire in the next 20 to 30 years. Mahogany tree takes approximately 35 -40 years to mature hence the future economic benefits to the company are uncertain, as there is risk of untimely renewal of the land leases.</p> <p>The Company should proactively begin consultation with relevant stakeholders on status of leases and lease extension.</p>
<p>FDB Nominees (Pte) Limited</p> <p>2019</p>	<p>1. Conflict of interest</p> <p>The Directors of the Nominees who are employees of the Fiji Development Bank agreed to invest \$279,000 in Term Deposits offered by the Fiji Development Bank (FDB).</p> <p>We noted that the Directors did not abstain from participating in the decision-making to invest in FDB. In addition, conflict of interest was not declared and documented.</p> <p>As a result, the transaction was not carried out in an open and transparent manner and favored Fiji Development Bank in which the Directors of FDB Nominees Limited are employed.</p> <p>To strengthen good governance, Directors must declare any conflict of interest that arise in the course of the business operations and exclude themselves from decisions related to the conflict of interest.</p>

Entity	Significant Matters
FDB Nominees Limited (con't) 2019	<p>The Company agreed with our recommendation to maintain a Conflict of Interest Register and register actual or potential conflicts of interest.</p> <p>2. Independent Board member</p> <p>For good governance, it is imperative that Board composition should be balanced, with at least thirty percent to be independent and non-executive Directors. ²An independent Director is a non-executive Director who is not a member of management and who is free of any business or other relationship that could materially interfere with-or could reasonably be perceived to materially interfere with-the independent exercise of their judgment.</p> <p>We noted that there is no independent member in the Board of Directors of the Company.</p> <p>In absence of Independent directors, oversight functions of the management can be compromised.</p> <p>The company agreed with our recommendation and would consider appointing an Independent Director going forward.</p>
Fiji Development Bank 2019	<p>Governance and Oversight Function</p> <p>The bank is governed by a board appointed by the Minister under the Fiji Development Bank Act 1967. The bank is not required to comply with the provisions of the Public Enterprise Act 2019 and Companies Act 2015. In addition, there are no formal arrangements for the bank to be supervised by the Reserve Bank of Fiji.</p> <p>The Bank agreed with our recommendation to work towards aligning the Banks operation with the requirements of Reserve Bank of Fiji.</p>
Fiji Public Trustee Corporation (PTE) Limited 2018	<p>Business Continuity and Disaster Recovery Plans</p> <p>While it is best practice to have a business continuity and disaster recovery plan, it was noted that the Corporation does not have a documented business continuity and disaster recovery plan.</p> <p>The Corporation has indicated that it is in the process of documenting and establishing clearly defined business continuity and disaster recovery plans which is expected to be finalised by the end of 2019. In addition, the Corporation has also recruited an IT Consultant to assist in the finalisation of the plans.</p>

² Benchmarked to the CMDA Corporate Governance Code 2008.

Entity	Significant Matters
	<p>We recommend that the Corporation finalize the business continuity and disaster recovery plans as soon as practical. As at 31 July 2020, the Corporation was yet to finalize the plans.</p>
<p>Fiji Rice (Pte) Limited 2018 and 2019</p>	<p>1. Going Concern Issues</p> <p>The company has recorded excess of liabilities over assets of \$4,089,965 in 2018 and \$3,906,714 in 2019.</p> <p>The principal components of liabilities are advances from shareholder and subordinated loans amounting to \$6,725,382. The shareholders have agreed in principle to convert \$4,600,000 shareholders advance to a grant.</p> <p>However, the Directors will effect this at such a point in time whereby VAT and income tax considerations have been satisfied relating to the conversion of the shareholders advance to a grant. Continuous government assistance and new sources of revenue may be sought as operating losses have been increasing.</p> <p>On this basis the Directors have prepared the financial statements on a going concern basis. Consequently, no adjustments have been made relating to the accountability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the company not continue as a going concern.</p> <p>During the 2018 financial year, the company recorded negative cash of \$196,129 from its operating activities.</p> <p>2. Accruals not booked at balance date</p> <p>We noted instances where the company did not record accruals for the year ending 31 July 2018. Our review noted that accruals totalling \$18,118 were not recorded at year end.</p> <p>Failure to book the accruals understates current year expenses and understates accruals at balance date.</p> <p>The management of the company agreed with the recommendation to have proper processes for recording creditors and accruals.</p> <p>3. Anomalies in Income Tax</p> <p>Our review of calculation of income tax expense noted the following:</p> <ul style="list-style-type: none"> The Company directly expensed an amount of \$76,707 as income tax (under Section 17 (1) (c) (iii)) on the profit gained from the sale of CL 5279 located at Nausori as directed by the Fiji Revenue Customs Services on a written advice dated 22/02/2018.

Entity	Significant Matters
Fiji Rice (Pte) Limited 2018 and 2019 (con't)	<ul style="list-style-type: none"> • Tax expense reported under in the financial statements amounted to \$90,990. When the tax rate of 20% is applied directly to the profit, there is a variance of \$5,527 between the expected tax expense of \$96,517 and the reported tax expense of \$90,990. • The Company made an adjustment to equity relating to prior year income tax assessed as payable on prior year income amounting to \$91,662 for which there was no disclosure in the financial statements and supporting documents provided to support this entry. • Advance income tax includes payment for tax relating to tax year 2017. Reconciliation between the Statement of Income Tax and the general ledger was not adequately performed to correctly determine the income tax payable or receivable. <p>While the management states that the Company performed the reconciliation at year-end, we determined that the reconciliation was inadequate and were not supported with tax calculation worksheets.</p> <p>The management should seriously consider building capacity in tax accounting to ensure that tax is correctly accounted and disclosed in the financial statements.</p> <p>4. Omission of VAT Receivable</p> <p>We noted that the company had reported nil balance of VAT Payable/Receivable in its financial statements for the year end 31 July 2018. Independent reconciliation performed during our audit revealed that the Company had VAT receivable of \$10,388.94 for the year end 31st July 2018.</p> <p>Although the non-preparation of VAT reconciliation has been continuously raised in prior year audit reports, the Company has not taken corrective action to rectify the anomaly noted. However, the Company has agreed to perform monthly reconciliation and book VAT receivable going forward.</p> <p>We recommend that monthly VAT reconciliations between the Company's records and Statement of VAT Account is prepared and any variances are investigated and rectified on a timely manner.</p> <p>5. Advance from shareholders</p> <p>Included in the financial statements under Borrowings is Advance from Shareholders amounting to \$4,825,382.</p> <p>Of the amount disclosed, it is stated that the shareholders have agreed in principle to convert \$4,600,000 of this advance to a grant. However, no confirmation was provided to us to substantiate the statement.</p> <p>The company should carry out a reconciliation and seek confirmation and detailed information from Ministry of Economy on the amount booked as advance from shareholders. The company should make necessary adjustment if required based on the confirmation received.</p>

Entity	Significant Matters
	<p>The company informed us that it is currently seeking confirmation from Ministry of Economy on the amount of Debt conversion as announced in 2020 COVID-19 response budget.</p>
<p>Energy Fiji Limited (EFL) 2019</p>	<p>1. Reimbursement from Department of Energy</p> <p>From our review of account receivable balances as at 31 December 2019, it was noted that the sum of \$7,288,876 relates to capital grant receivable from the Ministry of Infrastructure and Transport/Ministry of Economy for the Rural Electrification Scheme.</p> <p>It was further noted that an invoice was raised by Energy Fiji Limited in January 2019 pertaining to the receivable which remained unpaid as at 17 April 2020.</p> <p>We recommend that the grant receivable should be recorded in the correct accounting period and when there is commitment of payment during the period to avoid overstatement of assets in the statement of financial position.</p> <p>2. Utilization of Rural Electrification Funding</p> <p>The Ministry of Infrastructure and Transport and Ministry of Economy confirmed that during 2019 it has paid Energy Fiji Limited a sum of \$28,729,653.01 for the implementation of the Rural Electrification Schemes.</p> <p>The following anomalies were noted:</p> <ul style="list-style-type: none"> • 76% of funding received from Government for the 2019 projects would be planned for utilization in 2020 whilst 49% of funding received during 2018 is planned for utilization in 2020; • Only 8 projects totaling \$99,982 have been commissioned between the years 2018 and 2019; • There was no evidence of consultation with Government on the rollover of capital projects to the next financial year and the company deposited the project (public) funds into term deposit. The company has maintained that the funds were deposited to maximize shareholding funding and require no approval; • Coordination between Energy Fiji Limited and the Rural Electrification Steering Committee with Department of Energy on the implementation of pending rural electrification projects should be improved. <p>The Company should:</p> <ul style="list-style-type: none"> • Co-ordinate with the Rural Electrification Steering Committee to work out a strategy to ensure that the entire population have access to electricity by 2021 (20 year NDP 2017 – 2036).

Entity	Significant Matters
Energy Fiji Limited (EFL) 2019 (con't)	<ul style="list-style-type: none"> • Ensure there is proper consultation between key stakeholders (Department of Energy and the Steering Committee) to ensure that there are key performance indicators established and funds appropriated by Parliament have been utilized for its intended purpose which results in values creation in terms of social benefit to the community around rural areas. • Ensure that approval of Ministry of Economy is obtained for any roll over of projects. <p>The Company has noted the recommendations which were made.</p> <p>3. Rights over Assets Resulting from Rural Electrification Schemes</p> <p>We noted that the Company has been recording capital assets generated from Rural Electrification Schemes as part of its property, plant and equipment in the books of account over the years.</p> <p>It is difficult for the Company to justify the rights over certain capital assets generated from Rural Electrification Schemes since there is lack of audit evidence on the rights over the assets in the absence of proper formal documented arrangement with Ministry of Public Enterprises.</p> <p>The Company agreed with our recommendation to arrange for formal contracts/agreements with Ministry of Public Enterprises and Department of Energy, clearly outlining the Company's rights over the assets generated from Rural Electrification Schemes.</p>

5.0 Audit Conclusion and Recommendations

5.1 Audit Conclusion

Modified audit opinions were issued for 3 financial statements audited which reflected negatively on the entities concerned. Urgent and close attention should be given to address matters which have been highlighted in the Auditors' Reports including the significant matters raised in Management Letters.

Timely preparation of quality draft annual financial statements is still a major issue which needs to be addressed by those charged with governance of several state-owned entities. Delays in submission of financial statements for audit prevents the Auditor-General to give an audit opinion in a timely basis and informing Parliament and other stakeholders of the outcome of such audits.

Furthermore, other significant findings arising from audit of entities for which the Auditor-General is not the external auditor cannot be reported to Parliament under the current legislative framework. Therefore, those charged with governance of these entities should consider reviewing the decisions made in respect of appointment of external auditors of state entities where Auditor-General is not the auditor.

It was noted that submission of financial statements for audit by some entities have been delayed due to the need to implement a new accounting standard³ which came into effect commencing 1 January, 2019. The entities should be vigilant in developments in accounting and ensure changes in financial reporting is implemented on a timely basis.

The involvement of Department of Public Enterprises in improving accountability in state-owned entities is noted. However, there is room for further improvement through regular and active interaction with the entities.

5.2 Recommendations

1. Persons charged with governance, which in most instances are the Executive Management and Board should ensure that the financial statements are fully compliant with the applicable accounting standards and are submitted for audit in a timely manner.
2. Proper consideration should be given before the change of auditors since significant audit findings for entities, which are not audited by the Auditor-General are not reported to Parliament. In addition, consideration should be given to allow the Auditor-General to audit all state entities or entities where significant government funding has been made, are being made or public funds have been committed through guarantees.
3. Executive Management and Board should ensure to provide strategic direction targeting long term financial sustainability of entities without heavily relaying on regular Government grant or assistance.

³ International Financial Reporting Standards (IFRS) 16 – Leases

4. Independent internal audit functions with regular oversight by a Board Audit Committee can assist entities to achieve their objectives. Therefore, consideration should be given to establish internal audit functions preferably in entities which are deemed to be large.
5. Entities should continue to improve governance, risk management and compliance (legislation and regulations) by documenting policies and processes, introducing plans for business continuity and disaster recovery, in addition to the financial risks reflected in the financial statements.

6 Appendices

Appendix A: Qualification Issues

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

Entities	Qualification Issues
Fiji Rice (Pte) Limited	Modified (Qualified) Opinion
2018	<ol style="list-style-type: none"> 1. The Company included in cash at bank balance of \$798,421 an unidentified deposit with a credit balance of \$15,641. Necessary supporting documents to ascertain the accuracy of this amount was not provided. Consequently, the accuracy of the cash balance stated in the financial statements cannot be determined. 2. The Company included in trade and other receivables other debtors and prepayments amounting to \$398,902. A component of this balance is advance tax amounting to \$134,759 which includes tax payment of \$44,919 that do not relate to 2018 tax year. 3. The Company recorded nil VAT receivable or payable in the statement of financial position. However, there was a deposit of VAT refund amounting to \$10,388 relating to the month of July 2018. The Company has not performed VAT reconciliation for the year ended. Therefore, trade and other receivable balance is understated by \$10,388. 4. The Borrowing amounting to \$6,725,382 includes advance from shareholders amounting to \$4,825,382. Written confirmation of the loan balance was not provided. Additionally, the Company had disclosed that the shareholders have agreed in principal to convert \$4,825,382 as grant to the Company. Written supporting documentation on the status of this conversion was not provided. 5. The Company did not provide supporting schedules for computation of income tax to support the Income Tax expenses of \$96,517 as disclosed under Note 6 of the financial statement. The accuracy and completeness of the income tax expense and if any adjustment is required for the related income tax payable in the statement of financial position could not be determined. 6. The Company did not invite the auditors to the stock take of the Company's inventory for the financial year end. Additionally, assurance on the inventory balances of \$170,224 could not be obtained through alternative audit procedures. 7. The Company included in the Statement of Changes in Equity under Accumulated Loses a prior year adjustment amounting to \$91,662 which is not in accordance with the requirements of International Accounting Standards (IAS) 8. IAS 8 requires the adjustments to be made retrospectively. 8. The Company has not maintained appropriate system for identifying and recording accruals at balance date. Therefore, the value of misstatement relating to accruals and if any adjustment that would have been required in respect to the accruals and corresponding adjustment that would have been required could not be quantified.

Entities	Qualification Issues
Fiji Rice (Pte) Limited 2018 (Con't)	<p>Without further qualifying the financial statements, attention was drawn to the following matters:</p> <ul style="list-style-type: none"> • Excess of liabilities over assets of \$4,089,965 was noted for the 2018 (2017: \$4,384,371); • Management stated that there is no major impact of COVID 19 on the operation of the Company. In addition, the Minister of Economy has announced in the COVID 19 response budget that debt of the Company will be transferred to equity. This when happens will have a major impact on the Company's debt. • The Company has mill machinery and plant with total historical cost of \$321,400 which are still used in the production of rice. These assets are fully depreciated. The Company continues to derive economic benefit from these assets which are not accounted. <p>Additionally, other matters of concern raised are:</p> <ul style="list-style-type: none"> • The Company does not have a risk management policy to support the risk assessment disclosed in the financial statements. • Deficiencies in the internal controls were noted in the area of procurement, payroll, asset management and receipting which needs to be strengthened to minimize the risk of mismanagement and fraud.
Fiji Rice (Pte) Limited 2019	<p>Modified (Qualified) Opinion</p> <ol style="list-style-type: none"> 1. The Company included in cash at bank balance of \$875,954 an unidentified deposit with a credit balance of \$15,641. Necessary supporting documents to ascertain the accuracy of this amount was not provided. Consequently, the accuracy of the cash balance stated in the financial statements cannot be determined. 2. The Company included in other debtors and prepayments balance of \$275,809 advance tax amounting to \$79,482 and accrued receivable of \$12,275 respectively. Due to the lack of reconciliation and supporting documents, the accuracy of these balances could not be confirmed. 3. The Company recorded nil VAT payable in the statement of financial position. However, there was a subsequent payment of VAT refund amounting to \$25,099 relating to the month of July 2019 in the statement of VAT account which was not accounted for in the general ledger of the Company. Consequently, trade and other receivable balance is understated by \$25,099. 4. The Company in the balance for Borrowing of \$6,725,382 included advance from shareholders amounting to \$4,825,382. Written confirmation of the loan balance was not provided. Additionally, the Company had disclosed that the shareholders have agreed in principal to convert \$4,825,382 as grant to the Company. Written supporting documentation on the status of this conversion was not provided. 5. The Company did not provide supporting schedules for income tax expense of \$52,762 and income tax payable of \$58,288 as disclosed in

Entities	Qualification Issues
Fiji Rice (Pte) Limited 2019 (Con't)	<p>the financial statement. The accuracy and completeness of the income tax expense and income tax payable cannot be determined.</p> <p>6. The Company included in the Statement of Changes in Equity under Accumulated Losses as a comparative is a prior year adjustment amounting to \$91,662. The Company has not made prior year adjustment in accordance with International Accounting Standards (IAS) 8 which requires the adjustments to be made retrospectively. As a result, prior year adjustment of \$91,662 disclosed as comparative is not appropriately disclosed in the financial statement.</p> <p>7. The Company has not maintained appropriate system for identifying and recording accruals at balance date. Therefore, the value of misstatement relating to accruals and if any adjustment that would have been required in respect to the accruals and corresponding adjustment that would have been required could not be quantified.</p> <p>Without qualifying the financial statements, attention was drawn to the following:</p> <ul style="list-style-type: none"> • Excess of liabilities over assets of \$3,906,714 was noted for the 2019 (2018: \$4,089,965); • Management stated that there is no major impact of COVID 19 on the operation of the Company. In addition, the Minister of Economy has announced in the COVID 19 response budget that debt of the Company will be transferred to equity. This when happens will have a major impact on the Company's debt. • The Company has mill machinery and plant with total historical cost of \$321,400 which are still used in the production of rice. These assets are fully depreciated. The Company continues to derive economic benefit from these assets which are not matched with depreciation expense. <p>Additionally, other matters of concern raised are:</p> <ul style="list-style-type: none"> • The Company does not have a risk management policy to support the risk assessment disclosed in the financial statements. • Deficiencies in the internal controls were noted in the area of procurement, payroll, asset management and receipting which needs to be strengthened to minimize the risk of mismanagement and fraud.

Entities		Qualification Issues
Fiji Corporation Limited	Hardwood (Pte)	Modified (Qualified) Opinion
2017		<ol style="list-style-type: none"> 1. The Company recorded plantation forest crop amounting to \$213,320,000 in the books of account as at 31 December 2017. The last independent forest valuation was performed for the year ended 31 December 2008 by an independent valuer. In 2016, Management has internally prepared its wood flow and woodland assets as at 31 December 2016. Management's assessment was peer reviewed by National Forestry Expert, a third party independent verifier and the net present value of the plantation increased by \$8,370,000 as at 31 December 2017. It is not practicable for me to determine the correct valuation of forest asset recorded in the books of Fiji Hardwood Corporation Limited as at 31 December 2017 as the evidence available to me was limited and my audit procedures with respect to timber production, total planted and unplanted area and the mahogany yield table was restricted to the figures recorded in management's peer review report. The figures contained in the peer review report could not be verified against nor traced to physical stocks. 2. The Company did not provide documentary evidence to substantiate trade payables totaling \$13,240 and Landowners Stumpage Payable (\$15,202). As a result, I was unable to verify the existence, completeness and accuracy of the trade payables and Landowners Stumpage Payable balances. Additionally, I was unable to determine whether adjustments might have been necessary in respect of these trade payables and Landowners Stumpage payable at the end of the financial year and any corresponding adjustments to the elements making up Statement of Comprehensive Income and Statement of Financial Position. 3. Attention was also drawn to Notes to the financial statements, which records property, plant and equipment amounting to \$611,428 (2016: \$1,324,276). The fixed assets register was not properly maintained during 2017 to support the written down values and the annual board of survey to verify the movements in property, plant & equipment during the year. Thus, I was unable to obtain appropriate, relevant and sufficient audit evidence to determine the correct valuation of carrying amounts of these assets as at 31 December 2017. Consequently, I was not able to ascertain that all income, expenditure, assets and liabilities had been brought to account during the year ended 31 December 2017. It is not possible to ascertain the impact of this on the operating results, cash flows and financial position for the year ended 31 December 2017. 4. The company did not make any disclosure on the financial statements on the World Health Organisation's declaration of the outbreak of COVID-19 as a global pandemic subsequent to 31 December 2016 and whether Directors have considered the impact when preparing the financial report. The financial statement have not made any disclosure whether any adjustments is required to be made to financial statements as at 31 December 2017 for the impacts of COVID-19.

Entities		Qualification Issues
Fiji Corporation Limited 2017 (con't)	Hardwood (Pte)	5. There is a lack of internal control over non-preparation of reconciliations for inventory of logs, aged receivables and creditors as at 31 December 2017. Consequently, I was not able to ascertain that all income, expenditure, assets and liabilities had been brought to account during the year ended 31 December 2017. It is not possible to ascertain the impact of this on the operating results, cash flows and financial position for the year ended 31 December 2017.

Appendix B: Abridged Financial Statements

Fiji Broadcasting Corporation (Pte) Limited

Abridged Statement of Financial Performance

Description	2019 (\$)	2018 (\$)
Revenue	20,940,174	24,800,706
Other operating revenue	2,208,915	1,376,229
Finance income	373,880	275,671
Total Income	23,522,969	26,452,606
Administration and operating expenses	19,138,742	17,985,569
Impairment loss on trade and other receivables	---	264
Marketing expenses	1,190,310	2,036,719
Finance cost	587,548	702,269
Total Expenditure	20,916,600	20,724,821
Profit Before Income Tax	2,606,369	5,727,785
Income tax expenses	572,709	991,016
Profit After Income Tax	2,033,660	4,736,769

Net profit decreased by 57% or \$2,703,109 in 2019 compared to 2018. This was mainly due to the reduction in revenue relating to advertising, paid programmes, special events (television) and sports coverage.

Abridged Statement of Financial Position

Description	2019 (\$)	2018 (\$)
Cash	6,163,600	1,600,022
Trade and other receivables	6,235,883	2,513,574
Other assets	1,556,976	1,381,934
Investments	5,087,649	11,240,169
Property, plant and equipment	28,156,145	31,886,415
Income tax receivable and deferred tax assets	319,985	309,879
Right-of-use asset	533,456	---
Total Assets	48,053,694	48,931,993
Trade and other payables	2,258,352	1,631,003
Employee entitlements	254,050	287,039
Deferred income	12,663,090	14,673,498
Interest bearing borrowings	9,573,533	11,776,036
Deferred tax liability	862,211	697,117
Lease liability	541,498	---
Total Liabilities	26,152,734	29,064,693
Share capital	4,113,357	4,113,357
Capital contribution	18,489,696	18,489,696
Asset revaluation reserve	3,341,214	3,341,214
Accumulated losses	(4,043,307)	(6,076,967)
Total Shareholders' Equity	21,900,960	19,867,300

Net assets increased by 10% or \$2,033,660 in 2019 compared to 2018. This was mainly attributed by the increase in cash held by \$4,563,578 or 285% and trade and other receivables by \$3,722,309 or 148%. The company also recorded right of use of assets of \$533,456 as a lessee from the lease of its land and building.

Fiji Public Trustee Corporation (Pte) Limited

Abridged Statement of Financial Performance

Description	2018 (\$)	2017 (\$)
Fees	951,182	592,446
Interest Income	501,001	578,633
Other Income	528,972	28,682
Total Revenue	1,981,155	1,199,761
General and Administration Expenses	251,711	280,979
Selling Expenses	41,779	26,811
Staff and Employee Costs	722,733	579,987
Total Expenses	1,016,223	887,777
Operating Profit Before Income Tax	964,932	311,984
Income Tax Expense	89,367	52,461
Operating Profit After Income Tax	875,565	259,523
Other Comprehensive Income	-	196,402
Total Comprehensive Income for the year	875,565	455,925

The Corporation's operating profit increased substantially by 92% in 2018 compared to the 2017. This was mainly attributed to the increase in revenue through the increase in investment fees percentage received by the Corporation from the Trusts & Estates under Management, and other income.

Abridged Statement of Financial Position

Description	2018 (\$)	2017 (\$)
Cash and Cash Equivalents	265,097	456,747
Trade and Other Receivables	705,571	469,048
Other Current Assets	622,244	120,808
Financial Assets	12,261,652	12,410,943
Property, Plant and Equipment	1,902,094	1,881,646
Deferred Tax Assets	2,358	-
Total Assets	15,759,016	15,339,192
Trade, Other Payables and Provisions	118,996	118,327
Dividend Payable	-	500,000
Provision for Income Tax	43,590	-
Total Liabilities	162,586	618,327
Net Assets	15,596,430	14,720,865

Net assets increased by \$875,564 or 6% in 2018 compared to 2017. This was mainly due to the increases in trade and other receivables by \$236,523 (50%) and other current assets by \$501,436 (415%). There was no dividend declared to be paid for the year, resulting in the significant reduction in liabilities

Fiji Hardwood Corporation (Pte) Limited**Abridged Statement of Financial Performance**

Description	2017 (\$)	2016 (\$)
Operating Revenue	2,279,847	5,351,271
Other Operating Income	248,346	42,984
Total Income	2,528,193	5,394,255
Cost of Sales	1,848,000	2,156,297
Administrative Expenses	3,774,806	3,580,473
Distribution Expenses	13,840	3,059
Total Expenditure	5,636,646	5,739,829
Loss from Operations	(3,108,453)	(345,574)
Fair value adjustment of plantation	8,370,000	76,357,062
Finance income	24,797	28,618
Finance costs	(1,243,152)	(405,831)
Profit before Income Tax	4,043,192	75,634,275
Income tax benefit	664,490	69,110
Net profit for the year	4,707,682	75,703,385
Other comprehensive income	116,012	---
Total comprehensive profit, net of tax	4,823,694	75,703,385

The Company recorded a reduced net profit of \$4.8 million in 2017 compared to a net profit of \$75.7 million in 2016. This was attributed to reduction in operating revenue by \$3.0 million or 57%. The distribution expenses increased by \$10,781 or 352% and the finance costs increased by \$837,321 or 206%. The fair value adjustment of plantation reduced by \$67.9 million or 89% in 2017 compared to 2016.

Abridged Statement of Financial Position

Description	2017 (\$)	2016 (\$)
Cash and Cash Equivalents	567,970	2,372,251
Trade and Other Receivables	---	2,341
Inventories	81,770	904,102
Prepayments and Other Assets	7,872	91,104
Property, Plant and Equipment	611,248	1,324,275
Deferred income tax asset	778,915	180,739
Plantation forest crop	213,320,000	204,950,000
Total Assets	215,367,775	209,824,812
Trade and Other Payables	2,253,676	991,253
Employee benefit liability	141,997	190,562
Deferred Income tax liability	---	66,223
Interest bearing loans and borrowings	5,832,081	6,131,832
Income tax payable	179,226	307,842
Total Liabilities	8,406,980	7,687,712
Issued capital	100,000,000	100,000,000
Retained earnings	106,960,795	102,137,100
Total equity	206,960,795	202,137,100

Net assets increased by \$4.8 million or 2% in 2017 compared to 2016. This was mainly due to the increase in deferred income tax asset by \$598,176 (331%). The employee benefit liability reduced by \$48,565 or 25%, there was no deferred income tax liability recorded and income tax payable decreased by \$128,616 or 42%.

Fiji Rice (Pte) Limited**Abridged Statement of Financial Performance**

Description	2018 (\$)	2017 (\$)
Operating Revenue	1,061,155	731,105
Cost of goods sold	(1,210,220)	(839,002)
Gross loss	(149,065)	(107,897)
Other revenue	944,016	1,012,934
Gain on sale of property	304,952	---
Administrative & operating	(617,319)	(543,316)
Profit from operations	482,584	361,721
Income tax expense	(96,516)	(72,344)
Profit after income tax expense	386,068	289,377
Total comprehensive profit for the year	386,068	289,377

The Company made a profit of \$386,068, an increase of \$96,691 or 33% compared to the profit of \$289,377 recorded in 2017. The increase in profit is mainly due to sale of property in 2018, resulting in a gain on sale of \$304,952.

Abridged Statement of Financial Position

Description	2018 (\$)	2017 (\$)
Assets		
Cash on hand and at bank	798,421	458,737
Trade and other receivables	366,541	154,224
Inventories	170,224	404,261
Property, plant and equipment	1,586,995	1,996,194
Total Assets	2,922,181	3,013,416
Liabilities		
Trade and other payables	139,865	260,966
Provisions	570	---
Borrowings	6,725,382	7,006,000
Grant received in advanced	146,330	130,821
Total Liabilities	7,012,147	7,397,787
Net Deficiency in Assets	(4,089,966)	(4,384,371)

At 31 July 2017 the overall excess of liabilities over assets (deficiency) decreased by \$294,405 or 6.7% from \$4,384,371 noted in 2017. The decrease is directly related to the decrease in total liabilities by \$385,640.

The decrease in liabilities is due to the full repayment of an interest bearing loan of the Fijian Development Bank which was taken for the new Dreketi Mill.

Energy Fiji Limited

Abridged Statement of Financial Performance

Description	2019 (\$'000)	2018 (\$'000)
Revenue – electricity sales	359,427	349,497
Other operating revenue	9,408	12,660
Finance income and unrealised foreign exchange gain	2,404	2,578
Total Revenue	371,239	364,735
Personnel costs	25,987	23,669
Fuel costs	134,335	130,357
Electricity purchases	25,987	23,003
Lease and rent expenses	202	1,761
Depreciation and amortisation	43,419	41,196
Other operating expenses	50,097	52,593
Finance costs and unrealised foreign exchange loss	11,936	12,355
Total Expenses	291,963	284,934
Profit before Income Tax	79,276	79,801
Income tax expense	15,532	15,886
Profit after Income Tax	63,744	63,915
Other comprehensive income (cash flow hedges)	1,760	(10,204)
Total Comprehensive Income for the year	65,504	53,711

Net profit after tax increased by 22% or \$11.793 million in 2019 compared to 2018. This was mainly due to the increase in revenue generated from electricity sales.

Abridged Statement of Financial Position

Description	2019 (\$'000)	2018 (\$'000)
Cash on hand and at bank	70,716	154,580
Short term deposits	104,905	39,953
Receivables and prepayments	48,487	59,513
Derivative financial asset	4,011	1,313
Inventories	37,125	43,038
Property, plant and equipment	1,120,890	1,079,992
Intangible assets	1,210	1,604
Right of use assets	25,205	---
Current and deferred tax assets	1,161	1,397
Total Assets	1,413,710	1,381,390
Trade and other payables	134,926	126,882
Derivative financial liability	152	9,394
Employee benefit liability	3,447	3,109
Interest bearing borrowings	219,735	277,519
Deferred income	118,649	104,370
Current and deferred tax liabilities	60,670	55,033
Lease liability	25,341	---
Total Liabilities	562,920	576,307
Share capital	750,000	750,000
Retained profits	99,030	65,287
Hedging reserves	1,760	(10,204)
Total Capital	850,790	805,083

Net assets increased by 6% or \$45.708 million in 2019 compared to 2018. This was mainly attributed by the increase in property, plant and equipment, right of use assets, short term deposits and derivative financial assets.

FDB Nominees (Pte) Limited**Abridged Statement of Financial Performance**

Description	2019 (\$)	2018 (\$)
Interest income	3,832	1,919
Total Income	3,832	1,919
Operating expenses	2,577	1,268
Total Expenses	2,577	1,268
Operating profit before income tax	1,255	651
Income tax expense	251	---
Operating profit after income tax	1,004	651

The Company recorded operating profit of \$1,004 for 2019 which increased by 54% compared to the profit of \$651 in 2018. The operating profit was due to increase in interest income in 2019 which increased substantially due to increase in held to maturity investment in 2019 compared to 2018.

Abridged Statement of Financial Position

Description	2019 (\$)	2018 (restated) (\$)
Cash	1,979	1,825
Accounts receivable	---	646,290
Held to maturity investment	330,370	49,314
Other receivable	1,818	42
Total Assets	334,167	697,471
Amount owing to FDB	---	406,820
Income tax payable	39,487	39,236
Other current liabilities	45,707	3,446
Total Liabilities	85,194	449,502
Net Assets	248,973	247,969

The Company recorded an increase in net assets which increased by \$1,004 or by 0.4% in 2019.

There was a significant decline in accounts receivable in 2019 as the long outstanding management fees receivable amounting to \$646,290 was cleared by Fiji Investment Corporation Limited in 2019. The management utilized this receipt to pay-off amount owing to Fiji Development Bank amounting to \$406,820. There was a notable increase in other current liabilities due to the VAT payable to Fiji Revenue Custom Services in relation to the receipt of management fees in 2019.

Fiji Development Bank

Abridged Statement of Financial Performance

Description	Consolidated		The Bank	
	2019 (\$)	2018 (\$)	2019 (\$)	2018 (\$)
Interest Income	35,751,404	32,423,538	35,747,572	32,423,538
Fee Income	4,778,784	4,248,986	4,778,784	4,248,986
Other Income	3,046,095	2,869,389	3,046,095	2,867,470
Total Income	43,576,283	39,541,913	43,572,451	39,539,994
Interest Expenses	11,778,538	9,251,202	11,778,538	9,251,202
Operating Expenses	16,059,802	13,762,521	16,057,225	13,761,253
Total Expenses	27,838,340	23,013,723	27,835,763	23,012,455
Operating Profit Before Allowance	15,737,943	16,528,190	15,736,688	16,527,539
Allowance for Credit Impairment	8,037,760	5,035,555	8,037,760	5,035,555
Allowance for Interest and Fees	3,632,520	4,080,893	3,632,520	4,080,893
Profit Before Tax	4,067,663	7,411,742	4,066,408	7,411,091
Tax Expense	(251)	-	-	-
Revaluation of Property & Equipment	10,004,460	-	10,004,460	-
Profit For The Year	14,071,872	7,411,742	14,070,868	7,411,091

The Bank's consolidated operating profit before tax decreased by \$3,344,079 for the year ended 30 June 2019 compared to 2018. The decrease in net profit before tax was mostly attributable by the increase in interest and other operating expenses of the Bank.

Abridged Statement of Financial Position

Description	Consolidated		The Bank	
	2019 (\$)	2018 (\$)	2019 (\$)	2018 (\$)
Cash and Cash Equivalents	65,921,380	44,683,382	65,919,401	44,681,557
Investments Held to Maturity	2,330,370	2,049,316	2,000,000	2,000,000
Loans and Advances	442,914,552	397,529,316	442,914,552	397,529,316
Receivable due from Subsidiary	-	-	-	406,820
Other Receivables	4,008,533	2,837,174	4,006,715	2,463,384
Investment in Subsidiary	-	-	20,000	20,000
Investments	15,001	15,001	15,001	15,001
Property and Equipment	30,247,123	20,389,179	30,247,123	20,389,179
Computer Software - Intangibles	174,611	140,638	174,611	140,638
Total Assets	545,611,570	467,644,006	545,297,403	467,645,895
Accounts Payable and Accruals	5,916,667	3,827,098	5,831,473	3,823,650
Debt Securities Issued	356,608,437	295,078,368	356,608,437	295,078,368
Other Liabilities	6,420,099	6,960,293	6,420,099	6,960,293
Employee Entitlements	797,424	767,990	797,424	767,990
Deferred Income	3,590,264	3,036,756	3,590,264	3,036,756
Total Liabilities	373,332,891	309,670,505	373,247,697	309,667,057
Net Assets	172,278,679	157,973,501	172,049,706	157,978,838
Capital	56,050,636	56,050,636	56,050,636	56,050,636
Reserves	25,052,968	15,048,508	25,052,968	15,048,508
Accumulated Profits	91,175,075	86,874,357	90,946,102	86,879,694
Total Equity	172,278,679	157,973,501	172,049,706	157,978,838

The Bank's net consolidated assets increased by \$14,305,178 or by 9% in 2019 compared to 2018. The increase was mostly attributable to increase in property and equipment by \$9,857,944 or 48%, and debt securities issued by \$61,530,069 or 21%.

Appendix C: Entities not Subject to Audit by the Auditor-General

Entity	Audit requirement	Audited by/Comments
1. Fiji Pine Limited	As per Companies Act	Chartered Accounting firm, Ernst & Young
2. Fiji Sugar Corporation	As per Companies Act	Chartered Accounting firm, Ernst & Young
3. Fiji Airways	As per Companies Act	Chartered Accounting firm, PWC appointed auditor.
4. Air Terminal Services	As per Companies Act	-
5. Fiji Ships & Heavy Industries Ltd	Auditor-General	<ul style="list-style-type: none"> • Auditor-General last audited 2014 financial statements. • Declared as Re-organized Enterprise with effect from 13 November 2015
6. Fiji Ports Corporation Limited	Auditor-General	<ul style="list-style-type: none"> • Auditor-General last audited 2014 financial statements. • Declared as Re-organized Enterprise with effect from 13 November 2015

Appendix D: 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.
Accounting estimates	An approximation of a monetary amount in the absence of a precise means of measurement. This term is used for an amount measured at fair value where there is estimation uncertainty, as well as for other amounts that require estimation.
Amortised	Gradually write-off the initial cost of an asset.
Assessment for impairment	Assessment done to ensure that an entity's assets are not carried at more than their recoverable amount. (i.e. the higher of fair value less costs of disposal and value in use)
Audit committee	Committee of the board of directors responsible for the oversight of the internal audit function, external audits and general financial reporting and disclosures.
Audit evidence	A difference between the amount, 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.
Backlog	Accumulation of draft financial statements not submitted for audit. Draft financial statements prior to 2019 not submitted to Auditor-General for audit is taken as a backlog audit.
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 organizations risk management process.
Capital works	Amount capitalized to the balance sheet for contributions by an entity to major assets owned by the entity, including expenditure on: <ul style="list-style-type: none"> capital renewal of existing assets that returns the service potential or the life of the asset to that which it had originally.

Term	Definition
	<ul style="list-style-type: none"> capital expansion which extends an existing asset at the same standard to a new group of users.
Consolidated fund account	The main bank account of the government where public monies are paid into for the operations of government. Trust money is not paid into this account.
Credit rating	A credit rating is an assessment of a borrower's credit worthiness. It takes into account their ability to repay a debt or their likelihood of defaulting.
Customer credit risk	A credit risk is the risk of default on a debt that may arise from a borrower failing to make required payments.
Deferred income	Deferred income refers to money received by an entity before it provides the related goods or services to the customer.
Deficiencies	Failing, weakness or shortcoming.
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.
Disaster recovery plan	Is a plan that describes how work can be resumed quickly and effectively after a disaster.
Estimated useful lives	Estimated lifespan of a depreciable fixed asset, during which it can be expected to contribute to an entity's operations.
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	A body of persons or officers having ultimate control. Mainly constituted for the purpose of administration.
Impairment	When an asset's carrying amount exceeds the amount that can be recovered through use or sale of the asset.

Term	Definition
Internal audit	Is an independent, objective assurance and consulting activity designed to add value to and improve business processes and organization operations.
International Financial Reporting Standards	Standards adopted by Fiji Institute of Accountants for financial reporting by large and medium entities in Fiji.
International Financial Reporting Standards (IFRS) 16 – Leases	Deals with the recognition, measurement and disclosure requirement of leases. (The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.)
Loan risk grade	Rating systems measure credit risk and differentiate individual credits and groups of credits by the risk they pose.
Management	Those with the executive responsibility for conducting an entity's operations.
Management Letter	Management Letter highlighting areas where improvements can be made by an entity following an audit.
Management services	Organisation and coordination of the activities of a business done by another person or entity outside the business.
Material misstatement	A significant difference between the amount, 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.
Other Entity	Entities not following under the provisions of Public Enterprise Act 2019.
Other significant matters	Include control weaknesses, which <i>could cause or is causing</i> severe disruption of the process or severe adverse effect on the

Term	Definition
	<p>ability of an auditee to achieve process objectives and comply with relevant legislation.</p> <p>It is likely that these issues may have an impact on the operations of the entities in future, if necessary action is not taken to address them.</p>
Operating cash flow	Cash flow provided by operations and is a measure of amount of cash generated by a company's normal business operations.
Provision for loan accounts	A provision made to allow for the possibility that some debts due for payment in the future may never be paid.
Reasonable assurance	A high but not absolute level of assurance
Recognition criteria	Criterion which is used to recognize assets, liabilities, expenditure and revenue in financial statements.
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
Risk Management Policy	Provides method of identifying, assessing, controlling, monitoring and reporting existing and potential risks faced by an entity.
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.
State-owned entities	Include Government Commercial Companies, Commercial Statutory Authorities, Re-Organized Entities & Statutory Authorities
Leasehold land	Real property held by a tenant (lessee) under a lease for a fixed term, after which it is returned to the owner (the lessor).
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.
Work in progress	The total value of the materials and labor for unfinished projects.
Written-down value	The value of an asset after accounting for depreciation or amortization.
Zero-book values	Arises when fixed assets are fully depreciated.



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