

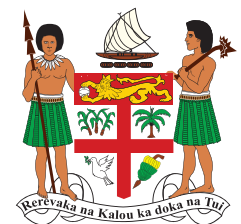


NADI TOWN COUNCIL

Annual Report for the Year 2015



SLEEPING GIANT



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 168 OF 2020

NADI TOWN COUNCIL

ANNUAL REPORT

(Section 19 - Local Government Act, Cap 125)

**FOR THE YEAR ENDED
31ST DECEMBER, 2015**

ROBIN. K. ALI
SPECIAL ADMINISTRATOR

ROBIN ANGANU
CHIEF EXECUTIVE OFFICER
(From December 2014 to July 2015)

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1. THE COUNCIL

HISTORY

Nadi Township was established in 1947. In 1967 the election system to elect the members of the Board was introduced. The Board was upgraded to Council status in 1972 under the Local Government Act (Cap 125). The Local Government Act provides for the manner in which the Council may function, levy and collect rates, exercise its powers and expend its funds.

The Nadi Town Council is responsible for the provision and maintenance of a wide range of services to ratepayers in its 780 hectares locality. These services include sanitation services, roads, carparks, business licensing, gardens, parks and public recreational facilities such as the Municipal library, Market and the Civic auditorium.

Such services are financed from rates, fees and charges with the exception of capital works, which are generally financed from loan funds. The Council does not receive grants from the Central Government, for the above services. However, in November, 2007 the Council received \$40,000.00 from the Government as Challenge Fund to be used for the developments of Children's Park in Nadi with the provision that Nadi Town Council used its own \$40,000.00 for the said project.

Under Section 57 of the Local Government Act, the Council is required to prepare annual statements before 31 May every year showing the assets, liabilities, income and expenditure of the Council on the 31 December of the preceding year. These annual statements are to be audited by the Auditor General and certified by August of every year.

2. **VISION, MISSION AND GOALS**

2.1 **OUR VISION**

To be a clean and beautiful city that is leading and innovative, valuing diversity, involving its community, balancing its ratepayers and citizens needs for now and in the future.

2.2 **OUR MISSION**

To promote health, welfare and convenience of the inhabitants of the municipality and to preserve the amenities or credit for the present and future generation.

2.3 **OUR GOALS**

- (a) To revitalize the town in order to enhance the quality of life of the residents.
- (b) To improve traffic safety and pedestrian safety in the town.
- (c) Make provisions for people with disabilities.
- (d) Provide adequate parking space for the citizens and visitors of the town.
- (e) Improve visual aesthetics of the town.
- (f) Work towards finding a permanent solution to the flooding faced by the town.

- (g) To have an effective town planning scheme which has policies and proposals for the controlled development and use of land in the town.
- (h) To support and promote the town's economy without losing its social and environmental values.

3. **TOWARDS OUR VISION, MISSION AND GOALS**

- 1.0 The council has an effective town planning scheme. The objectives of the scheme are:
 - (i) To develop policies and proposals and relate them to the precise area of the land.
 - (ii) To provide detailed basis of development control
 - (iii) To provide detailed basis for co-ordinating the developments and their use of land.
 - (iv) To bring local and detailed planning usage before the public.
- 2.0 The Council now has a master drainage scheme plan for Nadi which guides the Council in the alleviation of the flooding problem.
- 3.0 The Council now has a master plan to revitalise the central business district of Nadi. The first stage of this plan is almost complete. The key elements being:-

❖ **IMPROVED TRAFFIC SAFETY**

Intersections are improved through kerb extensions to minimise illegal use of the corners. Sight lines have improved as a result. There is better management of carparking in these areas.

❖ **INSTALLATION OF TRAFFIC LIGHTS**

Council has already installed three (3) sets of controlled traffic lights in the Main Street of Central Business District.

❖ **IMPROVED VISUAL AESTHETICS**

The overall aesthetics of the street space has been greatly enhanced through planting and gardens, new streetlights, seats and garbage bins.

5. **COMMITTEES OF THE COUNCIL**

The following committees were appointed by the Council.

- ♦ Health and Market
- ♦ Development, Town Planning Works, Buildings, Tourism, Beautification and Parks
- ♦ General Purposes and Library
- ♦ Finance and Planning
- ♦ Staff
- ♦ Building Plans
- ♦ Traffic
- ♦ Tender

The Health and Market, Development, Town Planning Works, Building, Tourism, Beautification and Parks General Purposes & Library, Finance and Planning Committees were required to meet once every month to transact all business which fell within its jurisdiction and the Staff and Building Plans Committee, Traffic Committee and Tender Committee met as and when required.

6. **PRINCIPAL OFFICERS**

- | | |
|------------------------------------|---|
| Special Administrator | - Mr Robin K. Ali |
| Chief Executive Officer | - Mr Robin Anganu (From December 2014 to July 2015) |
| Manager Finance | - Mrs Anita Betty Vanua |
| Acting Manager Planning & Building | - Ratu Meli Naevo |
| Acting Manager Engineering | - Mr Kunal Krishnil Pillay |
| Acting Senior Health Inspector | - Mrs Premila Chandra |

7. **AUDITORS OF THE COUNCIL** - Auditor - General of Fiji

8. **SOLICITORS OF THE COUNCIL** - (1) Messrs. Janend Sharma, Nadi
(2) Messrs M.K. Sahu Khan

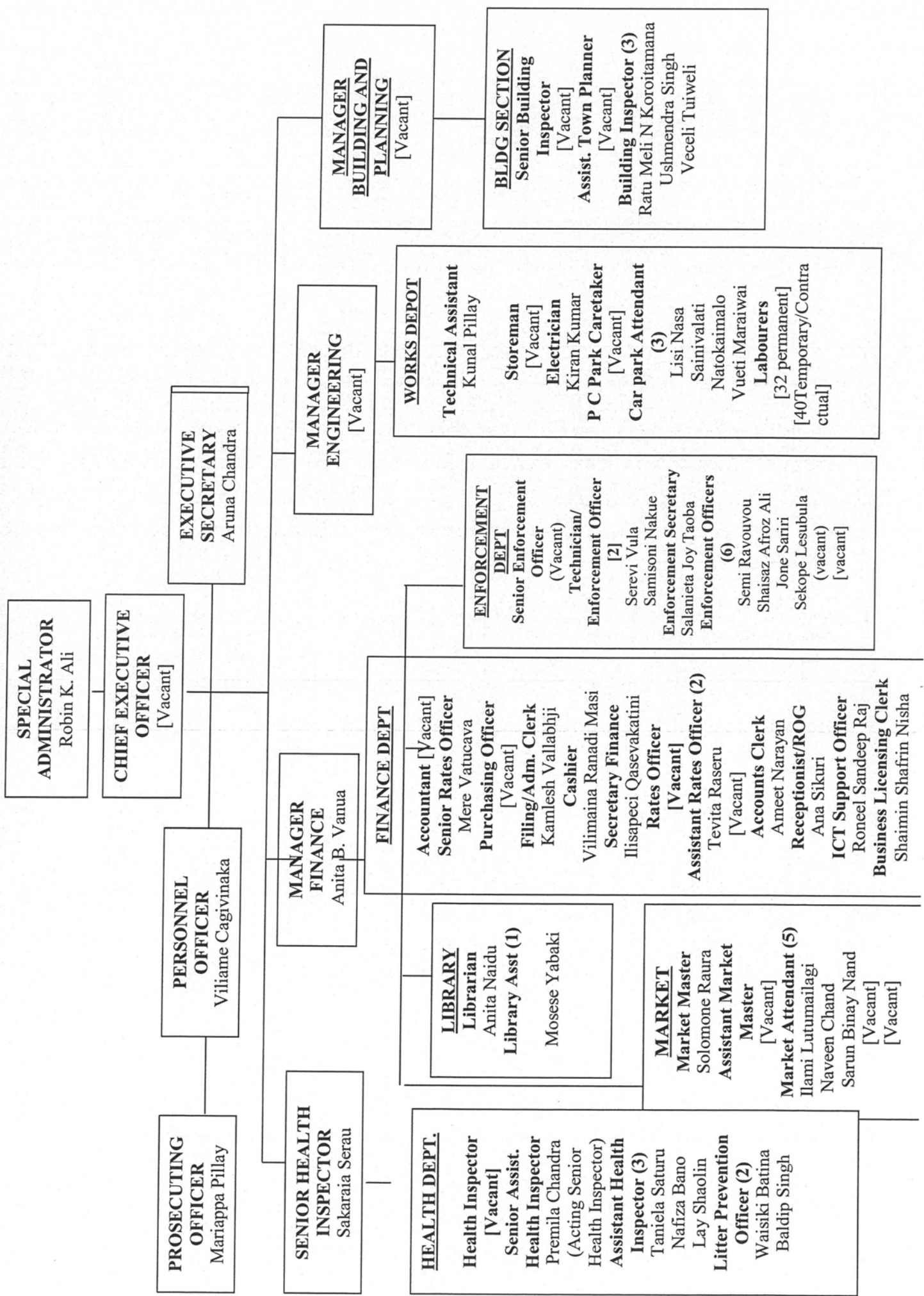
9. **NUMBER OF MEETINGS HELD DURING THE YEAR 2012**
COUNCIL MEETINGS

Ordinary	-	6
Special	-	3
Emergency	-	3

12. **COMMITTEE MEETINGS**

Health and Market	-	5
Development, Town Planning Works, Building, Tourism, Beautification and Parks	-	5
Finance and Planning	-	5
General Purposes and Library	-	5
Human Resource	-	3

NADI TOWN COUNCIL ORGANIZATION STRUCTURE



FINANCE DEPARTMENT

1. BUSINESS LICENCE

- 2310 Businesses were in operation for the year 2015.

2. DONORS, GRANTS & PROJECTS

❖ GRANT – 2 Garbage Compactor Trucks

- The Government donated \$293,250 for the purchase of two (2) Garbage Compactor Trucks.
- The cost of the two (2) Garbage Compactor trucks was \$310,000 and Council contribution towards this purchase was \$16,750.
- The Trucks was purchased from General Machinery.

❖ GRANT FUND – Korociri Settlement Evacuation Centre Project

- The Council received \$100.000 from the Ministry of Local Government through the Department of Housing.
- The project was on a sweat equity basis and the residents of the Korociri settlement was supposed to provide the manpower to complete the project.
- Although the project is outside the town boundary, the Council was given the task of looking after the whole project from Monitoring. Purchasing and preparing acquittals to be provided to the Ministry.
- The project started from the year 2014 and is still yet to be completed
- The Council had further requested for \$8,000 to complete the project.



❖ **PROJECT - PARKS**

- A total of \$55,000 was budgeted for major beautification works at Koroivulu Park and moved further to 2016.
- This was for new cement designed outdoor seats with tables, natural seats with tables from waste tree trunks chopped by Fiji Road Authority and paved outdoor space for users of the park and also passengers waiting at the Bus Station. The area is highly frequent daily and has created a clean scenic site.

❖ **PROJECT - VEHICLE, MACHINERY & COMPUTER HARDWARE**

- A total of \$44,000 was budgeted for purchase of two (2) servers, laptops and a PABX system which carried on into 2016.
- Two (2) new cars were purchased. One vehicle was for the CEO and the other vehicle was to be shared amongst the Building & Health Services Department.
- A total of \$10,000 was also budgeted for small machineries like the concrete cutter, generator and mist blower.

3. RATES

- Currents Rates collected for the year 2014 was 95% as compared to 97% in 2014
- Arrears collected were 26% as compared to 16% in 2014.
- The Minister declared a 100% waiver on all rates interest and it led to an increase in arrears collection.

4. SERVICES

PARTICULARS	2015
<u>TRANSPORTATION</u>	
Taxis In Operation	254
Mini Van In Operation	58
Bus Trips Generated At Bus Stand	28,269
<u>MARKET</u>	
Nadi Market Vendors Average	410
Permanent	175
Casual	235
Namaka Market Vendors Average	90
Permanent	60
Casual	30
(221 Stalls)	
<u>RENTAL PROPERTIES</u>	
Number Of Rental Properties	7

Number Of Outlets	(NTC Arcade, Prince Charles Park, Nadi Market, Namaka Market, Bus Stand, Curio & Handicraft Centre & Namaka Industrial 92 1. NTC Arcade – 39 Outlets 2. Prince Charles Park – 6 Outlets 3. Nadi Market – 1 Outlet 4. Namaka Market – 1 Outlet 5. Bus Stand – 5 Outlets 6. Curio & Handicraft Centre – 32 Outlets 7. Namaka Industrial - 8 Outlets
Income Generated	\$500,501 VEP
<u>PARKING METERS</u> Number Of Parking Meters Funds Generated	300 \$59,954 VEP
<u>CAR PARKING FACILITIES</u> Number Of Car Parking Funds Generated	3 \$89,452 VEP

5. OTHERS

- Due to Nadi geographic location, the area is prone to natural disasters be it hurricanes, cyclones or flood, the Council decided to divert \$80,000 for Contingency and Disasters into its Cash @ Bank Account # 2 which is merely used to keep extra funds for unforeseen events.
- Town Boundary Expansion works has started and the Council has appointed a consultant (Mrs Maraia Ubitau) to look after this special assignment.
- The new Parking Meter Fund Account was opened in 2015.

BUILDING DEPARTMENT

BUILDING DEVELOPMENT

Nadi Town Covering an area of 780 hectares is divided into three wards:-

- Town Ward
- Martintar Ward
- Namaka Ward

The total number of building applications received during the year was 167 total to an aggregate value of 35.01 million dollars. The total revenue received for processing these applications were \$87,905.39.

CHART 1: BUILDING FEES

BUILDING APPLICATIONS RECEIVED DURING THE YEAR 2015

MONTH	NO. OF APPLICATIONS RECEIVED	VALUE (\$)	FEES (\$)
January	6	\$1,393,344.30	\$2,412.44
February	12	\$ 717,972.00	\$1,965.66
March	20	\$ 583,546.75	\$2,714.92
April	11	\$ 4,573,775.00	\$10,299.07
May	13	\$ 1,277,237.80	\$2,255.05
June	27	\$8,042,724.00	\$17,962.30
July	15	\$2,379,635.40	\$6,542.03
August	7	\$2,633,786.75	\$6,321.52
September	19	\$1,434,182.04	\$7,632.03
October	10	\$1,138,526.70	\$3,375.79
November	18	\$9,579,017.00	\$23,109.54
December	9	\$1,257,545.67	\$3,315.04
TOTAL	167	\$35,011,293.41	\$87,905.39

2. SUMMARY OF BUILDING APPLICATIONS RECEIVED - 2015

	NO.	VALUE (\$)
Commercial Buildings	8	\$7,941,784.17
Residential Buildings	20	\$4,996,516.10

Industrial Buildings	5	\$3,379,800.00
Special Use (Tourism/ Others)	1	\$6,572,660
Addition, Alterations & Renovations	77	\$7,543,119.14
Rezoning	13	
Subdivisions	3	
Civic (Schools, Churches, Carparks etc.)	1	\$19,968
Retaining Walls	0	-
Fencing	13	\$60,694
Outline	32	\$2,976,000
Miscellaneous	8	\$1,364,580
TOTAL	181	\$34,855,121.4

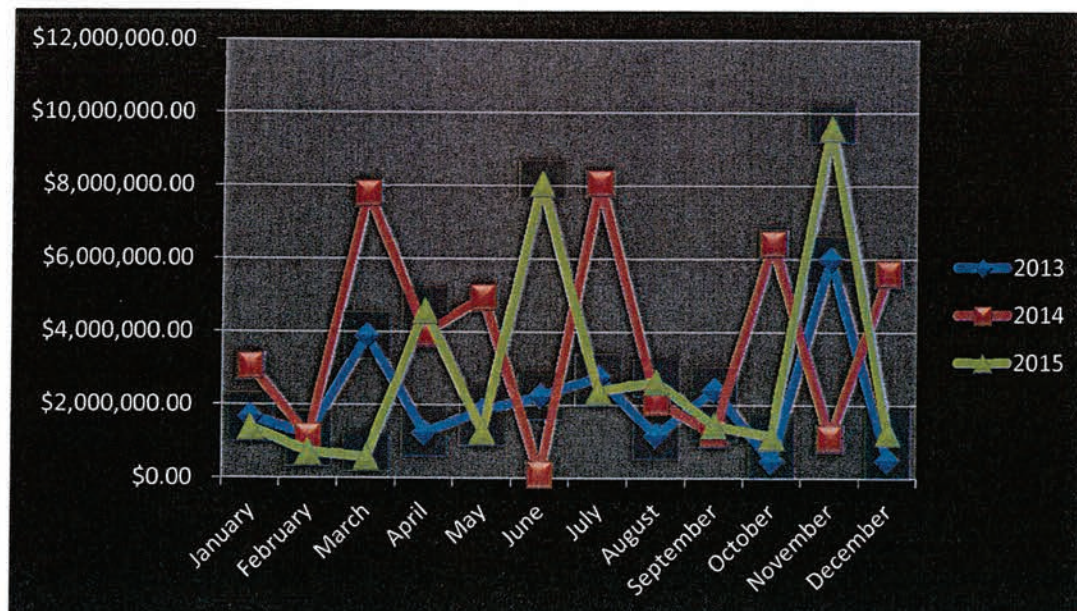
3. SUMMARY OF BUILDING APPLICATIONS APPROVED - 2015

	<u>NO.</u>	<u>VALUE(\$)</u>
Commercial Buildings	16	\$1,494,970.77
Residential Buildings	14	\$4,310,057.3
Industrial Buildings	5	\$2,512,120
Special Use (Tourism/ Others)	0	-
Addition, Alterations & Renovations	39	\$6,209,424.04
Rezoning	0	-
Subdivisions	0	-
Civic (Church, Schools, Parks, etc)	0	-
Retaining Walls	0	-
Fencing	9	\$62,249

Outline	0	
Miscellaneous	9	\$164,239.15
Total	93	\$14,753,060.3

4.	Total number of outline applications received	39
	Total number of outline applications approved	27
	Total number of building applications refused	2
	Total number of completion certificate issued	25
	Total value of completion certificates issues	N/A

5. **GRAPH SHOWING BUILDING APPLICATIONS RECEIVED FOR THE MONTHS OF 2015 IN COMPARISON TO THE PAST TWO YEARS.**



6. **BUILDING INSPECTION**

Inspections carried out by the Building Inspectors together with the number of notices served and complaints investigated are shown in Table C.

TABLE C
BUILDING SURVEYORS REPORT FOR THE YEAR 2015

MONTH	INSPECTION BY APPOINTMENT	ILLEGAL WORKS	NOTICE SERVED	COMPLAINTS INVESTIGATED
January	54	12	12	19
February	56	7	3	7
March	22	3	3	3
April	76	8	5	8
May	61	7	7	16
June	72	17	3	3
July	71	3	3	9
August	58	1	1	2
September	34	4	4	11
October	47	7	7	17
November	76	2	2	4
December	17	3	2	4
TOTAL	644	74	52	103

7. **GENERAL**

The Building Department was manned by Five (5) Building Inspector, one (1) building compliance officer and assisted by the Building Surveyor.

8. **BUILDING PLANS PROCESSED**

Total number of plans processed - 152

Total number of buildings inspected for
the issue of completion certificate - 34

ENGINEERING DEPARTMENT

INTRODUCTION

This report briefly describes the nature and extent of work carried out by the Engineering Department of Nadi Town Council during the year. The report is classified into the following:-

1. Roads and Car Parks
2. Drains
3. Landscaping and Beautification Works
4. Street lights
5. Grass cutting
6. Work force
7. Capital Projects

ESTABLISHMENT

- Acting Manager Engineering
- Engineering Assistant
- Store man
- permanent workers
- contractual workers

Teams

- Garden team
- Grass cutting & Drain Cleaning Team
- Carpentry & Maintenance team
- Mechanical team
- Litter Pickers
- Garbage collector
- Drivers

ROADS AND CAR PARKS

Repair and Upgrading of all the roads within the Municipal boundary is carried out by Fiji Road Authority.

DRAINAGE

Council workers carried out all works in the drains in the town boundary during the year which included desilting and flushing of drains. On need basis more staffs were allocated to attend on the drain cleaning.

PARKS AND GARDENS

All parks were maintained with grass cutting

COMPLAINTS

Complains received from rate payers were recorded.
Summary

MONTH	DRAINS	STREET LIGHT	MAINTENANCE	OTHERS
January	5	4	3	5
February	3	2	4	3

March	4	1	2	3
April	5	1	2	5
May	3	5	5	6
June	1	3	4	7
July	1	1	4	4
August	3	4	2	6
September	1	3	3	9
October	7	5	5	3
November	8	2	2	4
December	5	2	1	6
Total	46	33	37	61

PLANTS AND VEHICLES

The workshop in the depot comprises of 1 established staff and 1 casual worker carrying out all repairs and general maintenance of all plants and vehicles throughout the year.



Works at Prince Charles Park



HEALTH DEPARTMENT

A. SUMMARY OF INSPECTIONS

Month	Total Inspection	Total Re-inspection	Total
JANUARY	233	194	427
FEBRUARY	284	247	531
MARCH	215	124	339
APRIL	234	177	411
MAY	178	147	325
JUNE	216	141	357
JULY	250	152	402
AUGUST	217	127	344
SEPTEMBER	197	116	313
OCTOBER	185	79	264
NOVEMBER	257	126	383
DECEMBER	310	190	500
TOTAL	2776	1820	4596

B. SUMMARY OF SANITARY IMPROVEMENTS, ETC (ALL TYPES OF PREMISES)

Month	Ordered	Complied	Total
JANUARY	485	152	637
FEBRUARY	237	207	444
MARCH	152	107	259
APRIL	202	142	344
MAY	145	115	260
JUNE	165	125	290
JULY	183	140	323
AUGUST	150	125	275
SEPTEMBER	186	144	330
OCTOBER	156	109	265
NOVEMBER	179	136	315
DECEMBER	135	89	224
TOTAL	2375	1591	3966

C. LITTER REPORTS

Month	Litter reminder Issued	Fixed Penalty	Total
JANUARY	4	6	10
FEBRUARY	-	2	2
MARCH	-	-	-
APRIL	15	12	27
MAY	10	5	15
JUNE	-	3	3
JULY	6	4	10
AUGUST	-	9	9
SEPTEMBER	-	4	4

OCTOBER	-	-	-
NOVEMBER	-	-	-
DECEMBER	-	-	-
TOTAL	35	45	80

D. SUMMARY OF BUSINESS INSPECTED AND ISSUED

Month	Inspected	Issued	Total
JANUARY	111	98	209
FEBRUARY	87	87	174
MARCH	34	36	70
APRIL	32	20	52
MAY	29	27	56
JUNE	9	8	17
JULY	12	11	23
AUGUST	11	11	22
SEPTEMBER	9	9	18
OCTOBER	5	5	10
NOVEMBER	5	5	10
DECEMBER	6	6	12
TOTAL	350	323	673

E. COMPLAINTS

Month	Number of Complaint
JANUARY	11
FEBRUARY	10
MARCH	10
APRIL	17
MAY	9
JUNE	18
JULY	9
AUGUST	9
SEPTEMBER	10
OCTOBER	8
NOVEMBER	23
DECEMBER	14
TOTAL	148

F. PURE FOOD.

- **Monitoring** of food premises and restaurant kitchens continued during the month. Inspections and re-inspections of the restaurant, kitchens and other food premises were carried out on regular basis to maintain the required standard and the renewal of the business licenses for year 2015. Supermarket inspection was carried out on regular basis for sale of any expired items. Shop owners were advised to remove any expired dented, damaged or rusted items.

- **Restaurant Grading** – Health Department continued with the inspections for the grading of the restaurants.

G. PUBLIC CONVENIENCE

Random inspection of public convenience was carried out and is found to be in a satisfactory condition.

H. GARBAGE COLLECTION

Month	Garbage		Total Number of Loads of Refuse	Total
	Loads	Tons		
JANUARY	81	365.01	232	313
FEBRUARY	74	314.74	294	368
MARCH	84	339.53	235	319
APRIL	83	325.44	230	313
MAY	91	337.47	270	361
JUNE	89	355.88	234	323
JULY	85	335.36	242	327
AUGUST	105	399.24	297	402
SEPTEMBER	97	367.55	261	358
OCTOBER	103	394.88	327	430
NOVEMBER	96	363.34	256	352
DECEMBER	95	363.34	221	316
TOTAL	1083	4261.78	3099	4172

I. BUILDING PLAN.

Month	Number of Building Plans
JANUARY	6
FEBRUARY	8
MARCH	19
APRIL	11
MAY	8
JUNE	22
JULY	19
AUGUST	9
SEPTEMBER	23
OCTOBER	18
NOVEMBER	20
DECEMBER	18
TOTAL	181

J. DOG TRAPPING

Month	Number of Dogs trapped
JANUARY	9
FEBRUARY	-
MARCH	-
APRIL	-
MAY	-
JUNE	-
JULY	-
AUGUST	-
SEPTEMBER	4
OCTOBER	-
NOVEMBER	-
DECEMBER	-
TOTAL	13

K. TRAINING/ WORKSHOP CONDUCTED

- Mr. Rajeshwar Raj (ASHI) attended 1 day training at Fiji National University.
- Nafiza Ali (AHI) attended Training of Trainers in Okinawa, Japan on drafting Solid Waste Management textbook in the Pacific.
- JICA Volunteer; Tomohiko Nakadaira attended a JICA meeting in Suva.
- Nafiza Ali travelled to Marshall Islands to conduct training on Clean School Program to the counterparts of EPA (Ebeye and Majuro) and the schools teachers in Ebeye from the 7th to 11th September 2015. The report of the above training has been sent to the Special Administrator and our Permanent Secretary as well as to JICA Fiji Office and Department of Environment on the 5th of October 2015 via email.
- **Health Licensing Workshop** – was conducted by the Food Control Unit of the Ministry of Health from the 21st – 23rd October, 2015 in Suva and was attended by AHI Taniela Saturu.

L. J- PRISM

- The collection of recyclables was carried out and people benefited from this activity, since it contributes to the minimization of rubbish in Nadi Town.
- Eco-bag was sold out.

Month	Eco-bag sold out	Compost Bin	Total
JANUARY	59	0	59
FEBRUARY	28	0	28
MARCH	25	0	25
APRIL	5	0	5
MAY	18	0	18
JUNE	3	4	7
JULY	8	4	12
AUGUST	14	4	18

SEPTEMBER	30	10	40
OCTOBER	46	2	48
NOVEMBER	54	5	59
DECEMBER	37	0	37
TOTAL	327	29	356

M. CLEAN SCHOOL MONITORING

- 16/03/15: Distribution of Action Plan to all the School that will participate in Clean School Program for this year.
- 31/03/15: Submission of Action Plan from school.
- The final judging of the Clean School Program was conducted from 14th to 16th October 2015. The judging team included members from NGOs Mamanuca Environment Society, OISCA, Department of Environment, and Lami Town Council.
- Awards ceremony for Clean School Program 2015 was organized at Council Chambers on the 13th of November, 2015 with Special Administrator our Chief Guest. Approximately 64 people attended this ceremony with Department of Environment, Ministry of Education, Non-Governmental Organization and other councils staff are also being part of the ceremony. 27 Schools participated this year, 11 schools were awarded with prizes and certificate while the participating schools received certificate. 2 Schools shared their good lessons and practices with the other participants as well.

N. ACHIEVEMENT FOR THE YEAR OF 2015

- J-PRISM Project Office informed that *Team Fiji* including *Nadi Town Council* was commended as the *Best Team* award and *Nafiza Ali* for the *Best Counterparts* and *Contributor to 'The Pacific Solid Waste Management Guidebook'* at the Steering Committee Meeting held on Friday, 25th September 2015 for the efforts and contributions to promote 3R and waste management activities under J-PRISM in 2014/2015.
- J-PRISM *Flash No.9 "Featuring Activities in the Pacific Region"* has also highlighted on Fiji's Home Composting Subsidy Program and Clean School Program. Also highly recognizes the effort of the counterparts who contributed to *'The Pacific Solid Waste Management Guidebook'*. *AHI Nafiza Ali* is one of the contributors to this guidebook who also attended the training for the Local Waste Management Experts in Okinawa Japan in May.
- Recognition by JICA/ J-PRISM/ SPREP: JICA/J-PRISM/SPREP has highly recognized the Clean School Program. As mentioned in the Solid waste Management B, F Progress Report 3 "Nadi is the Model Council for the CSP in Fiji and the Pacific. There is high demand for trainings, site visits and dispatch of local experts". On the 11th of December during the 5th Joint Coordinating Committee Meeting in Suva, Nadi received three awards.

Department of Environment Award

- 1st Place Best in 3R Promotion (medium town category)



J-PRISM/JICA/SPREP Awards:

- Best Counterpart Team of the Year 2014/2015 (Nadi Town Council).



- Best Counterparts of the Year 2014/2015: Ms. Nafiza Ali.



Ms. Nafiza Ali being the Officer In - Charge of the J-PRISM project in Nadi is also one of the contributors of "The Pacific Solid Waste Management Guidebook". She has contributed on Clean School Program and Separate Collection of Recyclables of this Guidebook. She has also attended the two Regional Training for Trainers / Promotion of Local Experts in Labasa, Fiji (17th -21st November, 2014) and Okinawa, Japan (25th May – 5th June 2015) which qualifies her to be registered in the SPREP database (PIDOC: Pacific Islands Database of Capacity Development Activities) with a trainer status.

- Recognition by Nadi Town Council: NTC on many occasions has highly recognized the effort, commitment of Health department and has celebrated the success of its achievements. Support of the Special Administrator and top management is one of the key factors for the success of this program.



O. GENERAL

1. Scrutinizing of building plans
2. Preparation of new premises and filling of correspondence
3. Public Health Education and Awareness
4. Attend department staff meeting
5. Preparation Monthly Report
6. Supervision of garbage, grass cutting, drain cleaning and street sweeping contractors as and when required.
7. Writing down notices for overgrown vacant lots
8. Preparing and serving of Summons.
9. Attending complaints
10. Inspecting premises under Public Health Act
11. Issuing business licenses and health permits
12. Any other Special Duties from time to time as required
13. Letters to Licensing Board.

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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File: 831/1

30 August 2019

Mr. Robin K Ali
Special Administrator
Nadi Town Council
P O Box 241
NADI

Dear Mr. Ali

NADI TOWN COUNCIL
AUDITED FINANCIAL STATEMENTS
31 DECEMBER 2015

The audit of the financial statements of Nadi Town Council for the year ended 31 December 2015 together with my audit report on them are enclosed.

Particulars of the errors and omission arising from the audit have been forwarded to the management of the Council for necessary action.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

Encl.

RECEIVED	
DATE:	31/9/19
TIME:	
BY:	AK

OFFICE OF THE AUDITOR GENERAL

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File: 831/1

30 August 2019

Mr. Robin K Ali
Special Administrator
Nadi Town Council
P O Box 241
NADI

NADI TOWN COUNCIL – 31 DECEMBER 2015 UNSUPPORTED BALANCES IN THE FINANCIAL STATEMENTS

The audits of the financial statements for Nadi Town Council for the year ended 31 December 2015 have been completed.

I note with serious concern the inability of the Council to provide sufficient and appropriate accounting records to substantiate numerous balances reported in the financial statements, which are material and pervasive. The audit was not provided with appropriate supporting documents to substantiate the following balances:

Account Area	Balance as at 31 December 2015 (\$)	Unsupported Balance (\$)
Trade and other receivables	2,641,603	1,019,421
Receivables	26,565	26,565
Trade and other payables	273,451	75,759
Deferred income	1,304,018	1,304,018
Sundry deposits	974,126	974,126
Miscellaneous income	114,531	114,531
Rates income	1,580,145	303,977
Business license	520,243	11,208
Salaries and wages	1,342,313	68,569
Various Expenses (Refer to Appendix 1)	1,109,637	193,227
Opening balance of the accumulated fund for parking meter account	55,252	55,252
Sewerage Services Fund account	59,700	59,700

Unsupported balances indicate serious irregularities and possible fraud, which the Council should report to the relevant authorities for further investigations.

For any clarifications, please do not hesitate to contact Sairusi Dukuno, Deputy Auditor General.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

Appendix 1

Expenses Account	Balance for the year ended 31 December 2015 (\$)	Unsupported Balance (\$)
Garbage Services	513,674	36,210
Advertising	39,255	22,388
Telecommunication	35,993	2,926
Electricity and Water	114,242	18,385
Miscellaneous	33,941	21,385
Plant, Machinery, Motor Vehicle and Tools	67,392	18,808
Printing, Stationery and Office expenses	42,773	10,964
Staff Development Costs	30,549	11,033
Cleaning Materials	60,180	267
Maintenance Various	62,191	45,599
Land rent	109,447	5,262
TOTAL	1,109,637	193,227

NADI TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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OFFICE OF THE AUDITOR GENERAL

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INDEPENDENT AUDITOR'S REPORT

To the Members of Nadi Town Council

Disclaimer of Opinion

I have audited the financial statements of Nadi Town Council, which comprise the statement of financial position as at 31 December 2015, the statement of income and expenditure, statement of changes in accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

I do not express an opinion on the accompanying financial statements of Nadi Town Council. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer Opinion

1. The Council recorded trade and other receivables balance of \$2,641,603 in the statement of financial position as at 31 December 2015. Included in the amount are other debtors of \$410,334, value added tax refundable of \$156,924, miscellaneous debtors of \$80,862, enforcement and parking meter infringement of \$43,717, and float of \$1,000. The Council was unable to provide me appropriate documentations to support the above balances. In addition, there was an unreconciled variance of \$198,103 and \$128,481 between the rates debtor listing and rent debtors listing respectively provided by the Council and the amount reflected in the financial statements. Furthermore, there was no evidence of impairment assessment carried out by the Council on its receivable balance. As a result, I am unable to ascertain whether the trade and other receivables balance of \$2,641,603 has been fairly stated in the financial statements.
2. The Council was unable to provide me any documentations to support the receivables balance of \$26,565 recorded in the statement of financial position as at 31 December 2015. As a result, I was unable to verify the completeness and accuracy of the balance and also unable to determine whether any adjustments might have been necessary in respect of receivables balance at the end of the financial year and any corresponding adjustments to the elements making up the statement of comprehensive income and statement of financial position.
3. The Council recorded trade and other payables balance of \$273,451 in the statement of financial position as at 31 December 2015. There was an unreconciled variance of \$75,759 between the creditors listing provided by the Council and the amount reflected in the financial statements. In addition, the Council was unable to provide me supporting documentations to support the audit and accounting fees balance of \$35,642. As a result, I am unable to ascertain whether the trade and other payables balance of \$273,451 has been fairly stated in the financial statements.

4. The Council was unable to provide me any documentations to support the deferred income balance of \$1,304,018 recorded in the statement of financial position as at 31 December 2015. As a result, I was unable to verify the completeness and accuracy of the balance and also unable to determine whether any adjustments might have been necessary in respect of deferred income balance at the end of the financial year and any corresponding adjustments to the elements making up the statement of comprehensive income and statement of financial position.
5. The Council was unable to provide me any documentations to support the sundry deposits balance of \$974,126 recorded in the statement of financial position as at 31 December 2015. As a result, I was unable to verify the completeness and accuracy of the balance and also unable to determine whether any adjustments might have been necessary in respect of sundry deposits balance at the end of the financial year and any corresponding adjustments to the elements making up the statement of comprehensive income and statement of financial position.
6. The Council recorded miscellaneous income of \$114,531 in the statement of income and expenditure. The Council was unable to provide appropriate supporting documents to support the above balances. As a result, I was unable to verify the completeness and accuracy of the balances and also unable to determine whether any adjustments might have been necessary in respect of miscellaneous income at the end of the financial year and any corresponding adjustments to the elements making up the statement of comprehensive income and statement of financial position.
7. There was an unreconciled variance of \$303,977 between the rates income listings and amount reflected in the financial statements. The Council was unable to provide documentary evidence to substantiate the variance. As a result, I am unable to ascertain whether the general rates of \$1,113,430 and loan rate of \$466,715 has been fairly stated in the financial statements.
8. There was an unreconciled variance of \$11,208 between the subsidiary records of the business license income and the amount reflected in the financial statements. The Council was unable to provide documentary evidence to substantiate the variance. As a result, I am unable to ascertain whether the business license income of \$520,243 has been fairly stated in the financial statements.
9. There was an unreconciled variance of \$68,569 between the salaries and wages balance reported in the financial statements and the annual pay report provided by the Council. The Council was unable to provide documentary evidence to substantiate the variance. As a result, I am unable to ascertain whether the salaries, wages and related payments of \$1,342,313 has been fairly stated in the financial statements.
10. The Council was unable to provide me supporting documentations to support payments and journal entries totaling \$193,227 which were recorded on various general ledger expenses account which include telecommunications, electricity and water, miscellaneous, plant, machinery, motor vehicle and tools, printing, stationery and office expenses, staff development costs, garbage services, advertising, cleaning materials, maintenance various, and land rent. As a result, I was unable to verify the completeness and accuracy of the balances and also unable to determine whether any adjustments might have been necessary in respect of telecommunications, electricity and water, miscellaneous, plant, machinery, motor vehicle and tools, printing, stationery and office expenses, staff development costs,

garbage services, advertising, cleaning materials, maintenance – various, and land rent expenses at the end of the financial year and any corresponding adjustments to the elements making up the statement of comprehensive income and statement of financial position.

11. The Council was unable to provide supporting documents to verify the existence of the opening balance of the statement of changes in accumulated fund balance of the parking meter fund account of \$55,252. In addition, the balance were not reported in the statement of financial position. As such, I was unable to satisfy myself on the accuracy of the statement of changes in accumulated fund of the parking meter fund account.
12. The Council was unable to provide supporting documents for the existence of Sewerage Services Fund balance of \$59,700. As such, I was unable to satisfy myself on the accuracy of this account balance reported in the statement of changes in accumulated funds.
13. I have not been provided with relevant supporting documents and explanation in relation to event subsequent to balance date review. Accordingly, I am unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Council for the year ended 31 December 2015.

Emphasis of Matter

I draw attention to the following:

1. The statement of income and expenditure of the loan repayment fund account. The Council used \$310,968 of the loan rates revenue of \$466,715 for loan repayment. The surplus of \$155,747 were utilized for service delivery costs and capital projects instead of the purpose for which they were levied, which were not in accordance with the requirements of the Local Government Act, section 59 (1)(a).
2. Total Cash at Bank balance of \$886,851 (excluding restricted cash \$307,438) is not sufficient to cover the total sundry deposits as shown in Note 8 of \$974,126 should depositor require a refund.

Other Matter

The Council did not have a risk management policy in place.

Responsibilities of the Management for the Financial Statements,

The management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs and the Local Government Act (CAP 125) and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management intend to cease operations, or have no realistic alternative but to do so.

The Management are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My responsibility is to conduct the audit of the Nadi Town Council's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion of these financial statements.

I am independent of the Nadi Town Council within the meaning of International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to my audit of the financial statements in Fiji, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code.



Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
30 August 2019

**NADI TOWN COUNCIL
STATEMENT BY THE COUNCIL
FINANCIAL STATEMENTS**

Council's Statement

In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Nadi Town Council's operations for the year ended 31 December 2015 and of the state of affairs as at that date.



Robin K Ali
Special Administrator

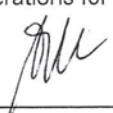
Date: 28/8/19.....

**NADI TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	Notes	2015 (\$)	Restated 2014 (\$)
Accumulated Funds			
Accumulated surplus		17,049,173	16,407,981
		<u>17,049,173</u>	<u>16,407,981</u>
Funds employed were represented by:			
Current Assets			
Cash and cash equivalents	3	1,194,289	915,852
Trade and other receivables	4	2,641,603	2,095,392
Total current assets		<u>3,835,892</u>	<u>3,011,244</u>
Non Current Asset			
Property, plant and equipment	5	18,020,964	18,048,628
Receivables	9	26,565	-
Total non current assets		<u>18,047,529</u>	<u>18,048,628</u>
TOTAL ASSETS		<u>21,883,421</u>	<u>21,059,872</u>
Current Liabilities			
Creditors and other accruals	7	273,451	196,146
Sundry deposits	8	974,126	936,616
Employee benefits	10	71,337	43,279
Loan	6	154,648	357,215
Total current liabilities		<u>1,473,562</u>	<u>1,533,256</u>
Non Current Liabilities			
Deferred income	11	1,304,018	1,126,119
Loan	6	2,056,668	1,992,516
Total non current liabilities		<u>3,360,686</u>	<u>3,118,635</u>
TOTAL LIABILITIES		<u>4,834,248</u>	<u>4,651,891</u>
NET ASSETS		<u>17,049,173</u>	<u>16,407,981</u>

The statement of financial position is to be read in conjunction with the accompanying notes.

In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Nadi Town Council's operations for the year ended 31 December 2015 and the state of affairs as at that date.


Robin K Ali
Special Administrator

Date: 28/8/19

NADI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 (\$)	2014 (\$)
Income		
Advertising	103,424	60,940
Building fees	87,183	73,568
Bus stand charges	34,091	34,795
Business and trading licenses	520,243	443,701
Fee for services	45,356	9,200
General rates	1,113,430	626,025
Handicraft stall fees	19,472	24,346
Interest on overdue accounts	149	362
Interest on overdue rates	26,490	27,167
Library subscription, fines and costs	2,893	6,765
Market fees	476,162	498,337
Miscellaneous	114,531	71,590
Park fee	174,748	103,453
Public car park	89,452	63,832
Public convenience	65,386	-
Rental income	535,261	649,991
Taxi and carrier stand charges	91,411	25,598
Amortisation of deferred income	77,101	109,365
Interest received	2,850	1,600
Sundry income	24,444	-
Total income	3,604,077	2,830,635
Expenditure		
Recurrent		
Garbage services	513,674	381,951
Library services	1,907	2,443
Salaries, wages and related payments	1,342,313	1,308,395
Maintenance and Operating Expenses		
Administrative expenses - market	4,234	-
Advertising	39,255	19,354
Audit and accounting fees	16,000	29,607
Buildings	622	28,802
Civic reception and entertainment	10,673	8,248
Cleaning materials	60,180	42,442
Cleaning contract and materials	35,134	-
Cleaning campaign and waste minimization	23,413	-
Contingency	-	50,870
Depreciation	228,747	222,536
Disaster fund	127	-
Electricity and water	114,242	118,225
	2,390,521	2,212,873

NADI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 (\$)	2014 (\$)
Balance brought forward	2,390,521	2,212,873
Fringe benefit tax	6,902	4,634
FNU levy	6,370	12,408
Insurance	59,757	38,405
Interest and bank charges	5,072	4,659
Land rent	109,447	41,198
Legal expenses	17,145	10,004
Loss on disposal of assets	5,976	-
Maintenance of office equipment	485	4,728
Meeting expenses	6,125	2,392
Miscellaneous	33,941	65,641
Parks and gardens	11,510	41,379
Plant, machinery, motor vehicle and tools	67,392	135,820
Printing, stationery and office expenses	42,773	29,525
Public celebration	9,910	3,106
Security charges	63,800	-
Staff development costs	30,549	13,561
Subscription	1,176	1,504
Telecommunications	35,993	31,609
Travelling, subsistence and incidentals	674	2,701
Town planning	26,948	5,381
Upgrading and Improvements		
Beautification and landscaping	12,395	19,860
Roads, drains and footpath improvements	254,413	226,845
Street lights	-	6,200
Maintenance - various	62,191	64,860
Total expenditure	3,261,465	2,979,293
Net surplus/(deficit) for the year	342,612	(148,658)

NADI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - LOAN REPAYMENT FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 (\$)	2014 (\$)
The revenue for the year was derived from:		
Loan rate	466,715	481,833
Loan rate in arrears	76,249	66,463
Total revenue	542,964	548,296
The expenditure for the year was incurred on:		
Interest	172,553	196,058
Total expenditure	172,553	196,058
Net surplus for the year	370,411	352,238

NADI TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - PARKING METER FUND ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 (\$)	2014 (\$)
Income		
Infringement fines and costs	113,469	205,679
Meter tolls	59,954	75,764
Total income	173,423	281,443
Expenditure		
Electricity and water	4,053	4,007
Certification of meters	8,164	-
Maintenance of parking meters and bays	14,463	16,678
Office rent and maintenance	1,536	-
Plant and vehicle - operations	6,248	6,134
Printing and advertising	6,943	5,839
Salaries and related payments	181,366	174,459
Search fee and legal expenses	16,034	24,938
Miscellaneous expense	3,869	-
Telecommunications	1,765	-
Uniform and protective clothing	813	-
Total expenditure	245,254	232,055
Net (deficit)/ surplus for the year	(71,831)	49,388

**NADI TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2015**

		2015	Restated
	Notes	2015	2014
		(\$)	(\$)
General Fund Account			
Balance at the beginning of the year		10,167,712	10,151,538
Surplus/(deficit) for the year		342,612	(148,658)
Prior year adjustment	12	-	164,832
Balance at the end of the year		<u>10,510,324</u>	<u>10,167,712</u>
Loan Repayment Fund Account			
Balance at the beginning of the year		6,180,569	5,828,331
Surplus for the year		370,411	352,238
Balance at the end of the year		<u>6,550,980</u>	<u>6,180,569</u>
Sewerage Service Fund Account			
Balance at the beginning of the year		59,700	59,700
Balance at the end of the year		<u>59,700</u>	<u>59,700</u>
Parking Meter Account			
Balance at the beginning of the year		-	-
Deficit for the year		(71,831)	-
Balance at the end of the year		<u>(71,831)</u>	<u>-</u>
TOTAL ACCUMULATED SURPLUS		<u>17,049,173</u>	<u>16,407,981</u>

The statement of changes in accumulated funds is to be read in conjunction with the accompanying notes.

NADI TOWN COUNCIL
 STATEMENT OF CHANGES IN ACCUMULATED FUNDS - PARKING METER FUND ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 (\$)	2014 (\$)
Parking Meter Fund Account		
Balance at the beginning of the year	55,252	5,864
(Deficit)/ surplus for the year	(71,831)	49,388
Balance at the end of the year	(16,579)	55,252

**NADI TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 (\$)	2014 (\$)
Cash flows from operating activities			
Receipts from customers		4,216,798	2,161,250
Grant		255,000	944,000
Payments to suppliers and employees		(3,847,884)	(2,089,129)
Net cash provided by operating activities	17 (a) (ii)	<u>623,914</u>	<u>1,016,121</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(207,061)	(504,571)
Net cash (used in) investing activities		<u>(207,061)</u>	<u>(504,571)</u>
Cash flows from financing activities			
Loan repayments		(310,968)	(357,215)
Interest expense		172,553	196,058
Net cash (used in) financing activities		<u>(138,415)</u>	<u>(161,157)</u>
Net increase in cash held		278,438	350,393
Cash at the beginning of the reporting period		915,851	565,459
Net cash at the end of the reporting period	17 (a) (i)	<u>1,194,289</u>	<u>915,852</u>

The statement of cash flows is to be read in conjunction with the accompanying notes.

**NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

NOTE 1. GENERAL INFORMATION

Nadi Town Council was established under Local Government Act. The address of its registered office and principal place is Main Street, Nadi Town. The principal activity of the council are to provide for health, welfare and convenience of the inhabitants of the Nadi Town municipality and to preserve the amenities or credit thereof. The principal activities of the Council are described in Note 13.

The financial statements of Nadi Town Council for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Special Administrator and Management on _____.

(a) Basis of preparation and accounting policies

The financial statements have been prepared in accordance with the International Financial Accounting Standard for Small and Medium-sized Entities issued by the International Reporting Standards Board. They are presented in Fiji dollars.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the company are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

(a) Revenue

Revenue is recognised in the statement of income and expenditure when charged to the ratepayers by the Council. The major sources of revenue are collections in the form of general rates, loan rates and rental income from the Council's properties.

(b) Income tax

Under section 20 (1) of the Income Tax Act and part 1 (3) of 2016 regulation, the Council is exempt from tax on its income.

(c) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

• Office equipment	7% per annum
• Furniture and fittings	7% per annum
• Plant and machinery	7% per annum
• Motor vehicles	15% per annum
• Buildings	1.25% per annum

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

**NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Trade and other receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest rate method. At the end of each reporting year, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit and loss.

(e) Impairment of assets

At each reporting date, property, plant and equipment, intangible assets, and investments in associates are reviewed to determine whether there is any indication that those assets have suffered impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If any item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(f) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

(g) Value Added Tax (VAT)

Revenue, expenses and assets are recognised net of the amount of respective sales tax except:

- (i) where the Value Added Tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) receivables that are stated with the amount of Value Added Tax included and payables that are stated with the amount of Value Added Tax included.

The net amount of Value Added Tax and Service Turnover Tax recoverable or payable to the tax authority is included as part of the receivables or payables in the balance sheet.

**NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2015**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

(i) Fund accounting

The Council has adopted a fund accounting system as a considerable part of annual revenues which comprises rates for different purposes and special purpose funds as required by the Local Government Act. Accordingly, it is necessary to establish separate funds to cover the amounts received, expenditure incurred and the net balance of funds available to be carried forward into the next financial period.

The identification of funds is maintained throughout the accounting system, thus providing the control necessary to ensure that each fund is used only for the purpose for which it is received.

Details of special purpose funds maintained by the Council are :

Parking meter fund

The Council in compliance with the Land Transport Act, has to maintain a separate account for operation of parking meters in designated areas of roads within municipality.

Loan rate fund

The Council in compliance with the Local Government Act, has to maintain a separate account for operation of loan rate fund account.

(j) Comparatives

Where necessary, comparative figures have been adjusted to confirm with changes in presentation in the current year.

(k) Employee entitlement

Provision is made for benefits accruing to employees in respect of salaries/wages and annual leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using remuneration rate expected to apply at the time of settlement.

(l) Deferred income

Government and other grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match them with the related costs which the grant are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related assets.

(m) Trade and other payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the council.

NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 (\$)	2014 (\$)
NOTE 3. CASH AND CASH EQUIVALENTS		
Cash on hand	1,500	1,500
Cash at bank - Westpac Banking Corporation	188,744	315,346
Cash at bank - Westpac account (2)	658,806	578,868
Cash at bank - Bank of South Pacific	37,801	10,656
Cash at bank - Grant account	138,100	9,486
Cash at bank - Parking meter account	169,338	(5)
	<u>1,194,289</u>	<u>915,852</u>

The cash at bank balance of \$138,100 is not available for use except for the purpose of the purchase of garbage truck.

NOTE 4. TRADE AND OTHER RECEIVABLES

Rates debtors	1,653,885	1,381,832
Rent debtors	261,515	214,105
Other debtors	410,334	91,993
Value Added Tax refundable	156,924	248,323
Insurance prepayments	16,455	17,949
Miscellaneous	80,682	80,682
Electricity deposit	17,091	16,791
Float	1,000	-
Enforcement and parking meter infringement	43,717	43,717
	<u>2,641,603</u>	<u>2,095,392</u>

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

Land

Deemed cost:		
At 1 January	9,470,000	9,470,000
Addition	19,309	-
Net book value	<u>9,489,309</u>	<u>9,470,000</u>

Office equipment

Deemed cost:		
At 1 January	121,272	113,187
Additions	11,335	8,085
	<u>132,607</u>	<u>121,272</u>
Depreciation and impairment:		
At 1 January	84,767	79,815
Depreciation charge for the year at 31 December	7,425	4,952
	<u>92,192</u>	<u>84,767</u>
Net book value	<u>40,415</u>	<u>36,505</u>

NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 5. PROPERTY, PLANT AND EQUIPMENT (continued)	2015 (\$)	2014 (\$)
<u>Furniture and fittings</u>		
Deemed cost:		
At 1 January	70,591	61,552
Additions	965	9,039
	<u>71,556</u>	<u>70,591</u>
Depreciation and impairment:		
At 1 January	51,325	49,127
Depreciation charge for the year at 31 December	3,868	2,198
	<u>55,193</u>	<u>51,325</u>
Net book value	<u>16,363</u>	<u>19,266</u>
<u>Plant and Machinery</u>		
Deemed cost:		
At 1 January	569,525	553,932
Addition	26,540	16,274
Disposal	-	(681)
	<u>596,065</u>	<u>569,525</u>
Depreciation and impairment:		
At 1 January	349,555	309,020
Depreciation charge for the year at 31 December	47,230	41,196
Accumulated depreciation on disposal	-	(661)
	<u>396,785</u>	<u>349,555</u>
Net book value	<u>199,280</u>	<u>219,970</u>
<u>Motor vehicles</u>		
Deemed cost:		
At 1 January	664,321	613,886
Additions	39,565	50,435
Disposal	(83,033)	-
	<u>620,853</u>	<u>664,321</u>
Depreciation and impairment:		
At 1 January	363,812	302,157
Depreciation on disposal	(77,052)	-
Depreciation charge for the year at 31 December	66,508	61,655
	<u>353,268</u>	<u>363,812</u>
Net book value	<u>267,585</u>	<u>300,509</u>
<u>Buildings</u>		
Deemed cost:		
At 1 January	9,155,957	9,155,957
Additions	109,350	-
	<u>9,265,307</u>	<u>9,155,957</u>
Depreciation and impairment:		
At 1 January	1,153,579	1,049,863
Depreciation charge for the year at 31 December	103,716	103,716
	<u>1,257,295</u>	<u>1,153,579</u>
Net book value	<u>8,008,012</u>	<u>8,002,378</u>
Total property, plant and equipment	<u>18,020,964</u>	<u>18,048,628</u>

NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 (\$)	2014 (\$)
NOTE 6. INTEREST-BEARING LOANS AND BORROWINGS		
Balance at 1 January	2,349,731	2,510,888
Add: Loan raised	172,553	196,058
	<u>2,522,284</u>	<u>2,706,946</u>
Less: Loans repaid	(310,968)	(357,215)
Balance at 31 December	<u>2,211,316</u>	<u>2,349,731</u>

Repayment periods are categorised as follows :

Current	154,648	357,215
Non - Current	2,056,668	1,992,516
	<u>2,211,316</u>	<u>2,349,731</u>

Details of interest bearing loans and borrowings are:

Loans raised by the Council bear interest charges ranging from 7.30% to 10% per annum and are repayable over 10 years. All loans are raised under the provisions of the Local Government Act. As at balance date, the Council had one loan with Westpac Banking Corporation. This include term number 9803041772 taken on 30/11/2010 bearing first registered mortgage over Crown Lease no. 131281 (Council's Arcade situated at the main street, Queens road, Nadi Town) and first mortgage over Approval Notice no. 12363 (Lot 1 Nadi Municipal market, Lot 2 New shopping mall, Lot 3 - Bus station, Lot 4 - Koroivulo park all situated at Hospital road - Nadi town).Overdraft facility was not utilized in 2015.

NOTE 7. TRADE AND OTHER PAYABLES

Trade payables	237,809	178,160
Audit and accounting fees	35,642	17,986
	<u>273,451</u>	<u>196,146</u>

NOTE 8. SUNDRY DEPOSITS

Contributions - Public car park	182,604	182,604
Curio vendors	126,685	126,685
Tenders	195,816	191,416
Rates prepaid	32,893	32,893
Contribution for works	84,880	84,880
Building deposit	19,452	5,468
Ground deposit	2,029	286
DTCP deposit	843	-
Other deposit	15,926	5,386
Park deposit	10,000	-
Stamp duty	-	4,000
Miscellaneous	302,998	302,998
	<u>974,126</u>	<u>936,616</u>

NOTE 9. RECEIVABLES

Korociri	26,565	-
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NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	(\$)	(\$)
NOTE 10. EMPLOYEE BENEFITS LIABILITIES		
Provision for employee entitlement	71,337	43,279

The amounts expected to be paid to employees for their pro-rata entitlements for annual leave are accrued at current wage rates.

NOTE 11. DEFERRED INCOME

Japanese grant	175,981	182,291
Less benefits realised	(6,310)	(6,310)
	<u>169,671</u>	<u>175,981</u>
Japanese grant - purchase of Mini Excavator	161,100	170,550
Less benefits realised	(9,450)	(9,450)
	<u>151,650</u>	<u>161,100</u>
Government grant	789,038	1,002,182
Add grants received during the year	255,000	-
Less benefits realised	(61,341)	(213,144)
	<u>982,697</u>	<u>789,038</u>
	<u>1,304,018</u>	<u>1,126,119</u>

NOTE 12. RESTATEMENT OF PRIOR YEAR BALANCE

(a) VAT reconciliation provided for audit had a refund of \$248,323 in 2014. This has been corrected to reconcile with FRCS's record as prior period adjustment. The correct amount receivable is \$184,477.00 as at 31 December 2014.

(b) Sundry deposits amounting to \$19,639.76 relating to prior years had not been accounted for in the financial statements as at 31 December 2014 therefore prior year adjustment had been recorded.

NOTE 13. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

Key management includes the Council of Managements, all members of Management and the Council Secretary. In addition to their salaries, the Council also provides non-cash benefits to key management personnel. Transactions with key management are no more favourable than those available, or which might be reasonably be expected to be available, on similar transactions to third parties at arm's length.

The amounts disclosed is recognised as an expense during the reporting period related to key management personnel.

NOTE 14. PRINCIPAL ACTIVITY

The Nadi Town Council was established under the Local Government Act to provide for health, welfare and convenience of the inhabitants of Nadi Town Municipality and to preserve and amenities or credit thereof.

NADI TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2015

NOTE 15. SUBSEQUENT EVENTS

Since the end of the financial year, the Council is not aware of any matter or circumstance not otherwise dealt within the report or financial statements that has significantly or may significantly affect the operations of the Council, the results of those operations or state of affairs of the Council in subsequent years.

NOTE 16. CONTINGENT LIABILITIES

Contingent liabilities at balance date include various legal claims involving the council, including the following lawsuits;

- (i) FLGOA v NTC - matter concerning collective agreement and is pending before the Chief Registrar on 6th of May 2019.
- (ii) Sheetal Payda v NTC - matter is pending before the Arbitration Court and is listed on the 4th of April 2019.
- (iii) NTC v Jay Narayan - matter was review by the High Court of a decision of the Magistrate Court. The review was successful and the matter was remitted back to Magistrates Court for sentencing.

NOTE 17. NOTES TO THE STATEMENT OF CASH FLOWS

2015 **2014**
(\$) **(\$)**

(i) Reconciliation of cash

Cash at the end of the reporting period was as follows:

Cash on hand	1,500	1,500
Cash at bank - Westpac Banking Corporation	188,744	315,346
Cash at bank - Westpac account (2)	658,806	578,868
Cash at bank - Bank of South Pacific	37,801	10,656
Cash at bank - Grant account	138,100	9,487
Cash at bank - Parking Meter	169,338	(5)
	<u>1,194,289</u>	<u>915,852</u>

(ii) Reconciliation of net cash provided by operating activities:

Net surplus from operations	641,192	203,580
Depreciation	228,747	(222,536)
Loan Rate Fund	-	352,238
Asset written off	5,976	-
Error in fixed assets corrected	-	(58,396)
Deferred revenue	-	(109,365)

Changes in Assets & Liabilities

Increase in trade and other receivables	(572,776)	(88,122)
Increase in accounts payables and accruals	114,818	250,303
Increase in deferred revenue	177,899	715,096
Provision for employee entitlement	28,058	(26,678)
Net cash provided by Operating activities	<u>623,914</u>	<u>1,016,120</u>