



TAVUA TOWN COUNCIL

Annual Report for the Year Ended 2014



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO.242 OF 2020



ANNUAL REPORT

Section 19,
Local Govt Act, Cap. 125

For the Year Ended
31st December 2014

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1.0 DIRECTORY

**LOCATION : 6 NABUNA STREET
TAVUA**

TAVUA TOWN COUNCIL OFFICE AT NABUNA STREET



**ADDRESS : P O BOX 532
TAVUA, FIJI ISLANDS
PHONE: (679) 6681010
VODAFONE: (679) 9996130
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AUDITORS : AUDITOR GENERAL

**BANKERS : AUSTRALIA AND NEW ZEALAND
BANKING GROUP LTD**

2.0 BACKGROUND

2.1 HISTORY

Tavua is a town in Fiji 91 kilometers from Nadi and 9 kilometers from the gold mining settlement of Vatukoula. It was formally incorporated as a Town in 1992 with the appointment of its first Mayor, Iliesa Vula from Tavualevu. The town covers a land area of 102 square kilometers.

2.2 POPULATION

Tavua Town has population of 1402 and squatter settlement population of 158. Tavua district population 23,077.

2.3 ECONOMY OF TAVUA

Tavua is a small, quiet and an agricultural town. The town's fortunes have risen and fallen with the Emperor Gold Mining Co which mined here from the 1930's until 2006 when the mine was closed. Until then most of the mine's 1800 workers lived in Vatukoula, a purpose-built town 9km South of Tavua. The mine reopened on a much-reduced scale in 2008 but the town continues to struggle with the resulting economic hardships.

The Mineral Water factories also benefit Tavua in terms of economy as it provides employment to people of Tavua and nearby towns.

2.4 WEATHER OF TAVUA

Tavua enjoys a tropical climate without great extremes of heat or cold. This area is occasionally traversed by tropical cyclones, and mostly confined between the months of November to April every year. Temperatures average 22 degrees Celsius for the cooler months [May to October] while November to April temperatures are higher with heavy down pours.

2.5 MEETINGS OF THE COUNCIL

The Council held the following number of Council and Committee Meetings:

(a)	Ordinary Council Meeting	-	10
(b)	Finance, Market and General Purpose Committee Meeting	-	9
(c)	Building, Health and Works Committee Meeting-	-	9
(d)	Parks, Gardens and Beautification	-	9
(e)	Traffic Management and Market	-	9

2.6 SPECIAL ADMINISTRATOR

In the absence of an elected Council, the Minister of Local government with the Amended Local Government Act 125, section 9A, (1) & (2) appointed Mr. Praveen Kumar Bala as the Special Administrator till 15th August 2014.

2.7 PRINCIPAL OFFICERS OF THE COUNCIL

The Principal Officers of the Council were:-

Chief Executive Officer - Mr. Tulsi Ram CEO resigned
w.e.f – 17/12/14

- Temalesi Henfiro appointed as CEO
w.e.f 17/12/14

Secretary/Rates/Business
Licence Officer - Mrs. Praveen Lata Prakash

Market Master/
Works Supervisor - Mr. Robert Samuel Reuben

Town Ranger &
Parking Meter Attendant - Jone Kuwe Ralulu

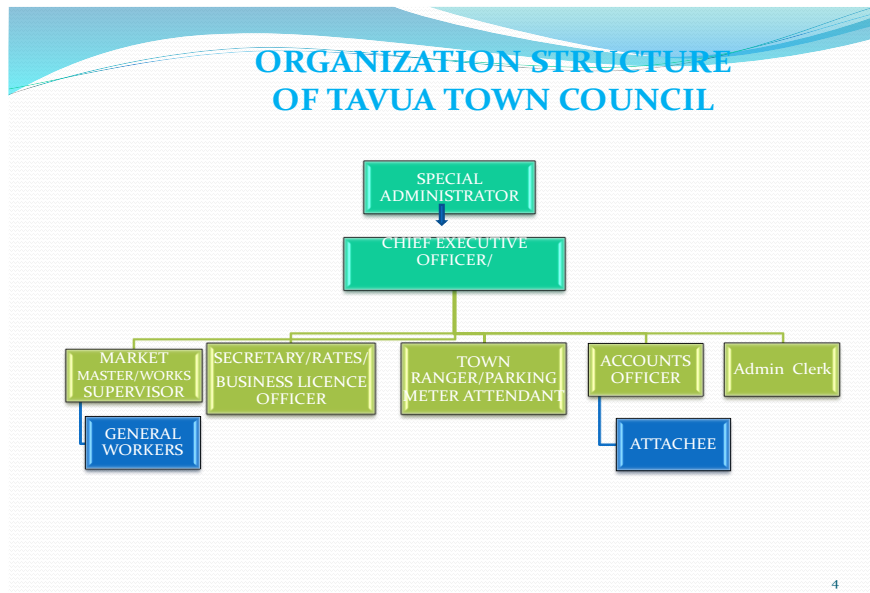
Admin Clerk - Arita Devi

Alvinesh Prashil Kumar - Enforcement Officer/Driver

Accounts Officer Position was vacant. In absence of the Accounts personal the other two Administration staff was re-organized to perform the duties of the accounts officer.

2.8 UNESTABLISHED SECTION

Works Section - 10



2.9 SERVICES PROVIDED BY COUNCIL

We are dedicated to providing effective and timely service to the ratepayers and citizens of Tavua with courtesy and respect. The regular services provided by Council are as follows:

- 3.2.1. Street Cleaning
- 3.2.2 Garbage Collection (household & garden refuse)
- 3.2.3 Municipal Parks and Recreation area
- 3.2.4 Council roads and storm water drainage
- 3.2.5 Street Lights
- 3.2.7 Sanitation Services

3.0 VISION

To work together to enhance our environment, to achieve an outstanding environment, which would be characterised by its natural beauty. (“Go Green). The Council will support and promote active community participation to achieve a healthy environment, and an efficient infrastructure. (Public participation – Talanoa Sessions etc).

We will continue to promote Council's commitment to high standards and quality service for the benefit of the community.

To develop Tavua to be a clean, beautiful, safe, peaceful and prosperous town for our multiracial society.

3.1 MISSION

The mission of Tavua Town Council is to provide services and resources that enhance the quality of life for those who live, learn, work and visit our town and transparent governance such that it promotes health, welfare and convenience of the inhabitants.

4.0 HIGHLIGHTS OF YEAR 2014

4.1 Leadership Fiji Participants

Leadership Fiji participants, leaders from various organizations visited Tavua Town Council and CEO presented brief on Tavua’s economy and the Council.

4.2 Clean Towns and Cities

Tavua Town Council has been awarded First prize in “Clean Towns and Cities” in small town’s Category for 2012 and 2014. This being a great achievement for Tavua. With limited workforce and resources, Council is being able to maintain the town in neat and tidy state.

5.0 MEETINGS/TRAININGS/WORKSHOPS

The Council CEO and staff attended the following meetings/trainings/workshops throughout the year:

- 2.1 J Prsim meetings organized by Ministry of Environment
- 2.2 Local Govt Forums organized by Ministry of Local Govt
- 2.3 Market's for Change – regional Stakeholders round table meeting organized by UNDP`
- 2.4 M4C Project Management Committee meeting organized by UN Women
- 2.5 3R Forum organized by JIACA
- 2.6 Meeting with Fiji Roads Authority
- 2.7 Litter Prevention Officer's Training attended by Litter Officer
- 2.8 Interagency meeting on child abuse, neglect and abuse organized by Social Welfare Dept
- 2.9 Taxi base and billboard Policy Consultation organized by FRA

6.0 ADMINISTRATION AND FINANCE

6.1 LAND VALUATION AND RATE

The total unimproved capital valuation of land within the municipality was as follows:

Total UCV of Properties	\$9,606,500
Properties Exempted for Rates	\$ 262,000
Total Value of Rateable Properties	\$9,868,500

6.2 RATE LEVY FOR YEAR 2014

<u>RATE</u>	<u>LEVY</u>	<u>UCV</u>	<u>RATE REVENUE</u>
General	\$0.0089c + VAT	\$4,302,300	\$44,034
Special Loan Rate	\$0.004 c + VAT	\$5,096,600	\$23,444
Agricultural	\$0.006c + VAT	\$ 207,600	\$ 1,432
TOTAL		\$9,606,500	\$68,910

6.3 RATE ASSESSMENTS/RATEPAYERS

Total No. of Ratepayers - 247

6.4 DISCOUNT ON RATES

Council allowed discount on rates on the directive of the Ministry of Local Govt as follows:

- 10% to all ratepayers who pay their rates inclusive of arrears if any by 31st January 2014
- 5% to all ratepayers who pay their rates inclusive of arrears if any by 28th February 2014.

6.5 RECURRENT REVENUE AND EXPENDITURE

The total recurrent revenue and expenditure of the Council for fiscal year ending December 2014 were as follows:

	<u>RECURRENT REVENUE</u>	<u>RECURRENT EXPENDITURE</u>	<u>SURPLUS (DEFICIT)</u>
General Funds	\$587,087	\$424,557	\$162,530
Parking Meter	\$ 9,300	\$9,843	(\$543)
TOTAL	\$596,387	\$434,400	\$161,987

6.6 RATES REPORT

The following is a summary of Rates collection for the year:

RATES COLLECTED STATUS	AMOUNT
Rates collected as at 31/12/14	\$49,233
% current Collected as at 31/12/14	70%
% Arrears Collected as at 31/12/14	14.36%

7.0 FIRE SERVICES

The Fire Service was provided by the National Fire Authority's, Tavua Station

8.0 PARKS AND RECREATIONAL FACILITIES

8.1 Garvey Park – Stadium

7.1.1 Council continues to provide the needs of the sporting organisation from both rural and urban areas. Revenue is derived from ground fees from:

- ❖ Provisional Rugby Games
- ❖ League Games
- ❖ Hiring of Parks

8.2 Children's Park

Children's Park at Nabuna Street sponsored by Supreme Fuel Ltd. All playing facilities repaired and painted and kept up to date.

8.3 Beautification

Rock lining and painting on Tavualevu Village side carried out as part of the beautification project.

Council continued planting trees on road reserves. Some plants dry up in the dry weather conditions. However plants are readied in the council yard and planted during rainy season.

8.4 Streetlights

Out of 126 street lights 24 fell under the Council jurisdiction and repair works were being carried out by Council. The other 126 streetlights were repaired by FRA.

8.5 GoldnWater Carnival

GoldnWater Carnival being an annual event for the Council was organized and sponsored by Vodafone Fiji Ltd. Funds raised utilized for beautification works around the municipality.

9.0 PUBLIC HEALTH AND ENVIRONMENT

The Council continues to promote the Health Welfare for convenience of the inhabitants of the Municipality within the limits of its resources as required under Public Health and Local Government Act.

9.1 Environmental Sanitation

Council made regular inspections of individual premises to identify the existence of Public Health Nuisances and bring about their abatement thereafter.

9.1.1 Licences/Registration of Premises: Under the Public Health Act

Public Health Licence was issued for under mentioned premises for year 2014. Some were for renewal of existing premises and some for new operations.

Hotels	1
Restaurants	6
Restaurants and Refreshment Bars	6
Refreshment Bars and Takeaways	5
Restaurants with Liquor	1
Bake Houses	4
Butcher Shops	4
Hair Dressers/Barbar Shops	7
TOTAL	34

9.1.2 Public Health

Listed below are details of summary of inspections carried out within the district to ascertain the sanitary conditions of below mentioned premises:

	<u>INSPECTIONS</u>	<u>REINSPECTIONS</u>	<u>TOTAL</u>
House to House Inspection Of District	268	268	536
Investigation of Complaints, Nuisances etc	17	17	34
New Building sites before approval	7	7	14
New Building Works in Progress			
Factories and Workshops			
Schools			
Hairdressers, Chiropodists etc			
Food shops, Food stores, Markets			
Eating Houses and Ice-cream Premises			
Bakehouses			
Butcher Shops			
Church			
Sanitary			
Hotels			
Business Houses			
Vacant Lots	24	24	48
<u>TOTAL</u>	316	316	632

9.1.3 Summary of Sanitary Improvements

<u>ITEMS</u>	<u>ORDERED</u>	<u>COMPLETED</u>
Repairing of Buildings		
Improvements to Lighting and Ventilation of Buildings		
Removal of Unauthorised Erections		
Provision of Garbage Tins		
Filling of Unsanitary Privies		
Repairing or cleansing of bathroom or washing Place		
New Kitchens		
Repairing or cleansing of Kitchens		
Provision of drains		
Repairing or Cleansing of Drains	54	53
Removal of accumulations of refuse etc	41	41
Clearing of overgrowth of grass	4	4
Abatement of nuisances from animals or Poultry	3	3
Abatement of mosquito breeding		
Cleansing of food premises		
Structural Improvements to Food Premises		
Cleansing of Food Vehicles		
Cleansing or improvement of hairdressers premises		
Improvement of Schools		
Bailing of Septic Tank		
Abatement of Noise Nuisance		
Impounding of Stray Cattle		
Provision of Garbage Tins		
Closing Order		
Public Health Nuisance	10	10
TOTAL	112	112

9.1.4 Written Notices Served For Existence of Sanitary Conditions of Premises Mentioned in Table

Intimation Notice Served	- 21
Statutory Notices Served	- 14

9.1.5 Litter Prevention

The Enforcement and Health department were the main drivers of enforcing the Litter Promulgation Act 2008. Verbal warning were given and fixed penalty notices were also imposed as provided in the Decree.

Litter bins placed on the streets were painted and repaired.

9.1.6 Garbage/Refuse Collection and Disposal

The garbage collection and removal services were carried out by hired truck at \$160 per load with 3 Council workers involved in the collection and all wastes disposed at the Ba Town Council dump including refuse from the market. Clean up campaigns also conducted on quarterly basis. 3Rs concept is also practiced whereby the council have carried out awareness in residential areas and schools.

9.1.7 Overgrowth

Inspections of properties were carried out and notices issued for overgrowth and other nuisances. Overgrowth notices issued to owners of properties to clear up the overgrowth.

9.1.8 Regular Monthly Cleanups

Due to heavy rain and flooding, council carried out series of cleanup campaigns throughout the year. General cleanups also organized during festive season's i.e Diwali, Christmas and EID.

9.1.9 Public Convenience

The public toilet has been maintained regularly. Council continues to repair and maintain it up to standard. Regularly cleaned using disinfectants.

9.2.0 Health Inspections

Council engaged the services of Health Inspector from Ba Town Council and RakiRaki Town Council.

9.2.1 Mosquito Control

Routine house- to- house visits were carried by the health inspector to check potential breeding places of mosquitoes. The residents were advised on source reduction of mosquito by removing and destruction of all potential breeding sites. Door to door awareness was also carried on dengue. Intimation notices were also served to residents to clear overgrown grass and remove potential breeding site. Mosquito spraying carried out as and when required especially in the rainy season.

9.2.2 Dog Trapping Exercise

The dog trapping exercise was carried out in areas upon the request by ratepayers. Council made two dog traps for trapping exercise. For previous trappings Council used to borrow dog traps from Ba Town Council.

Tavualevu Village which falls in adjacent to town boundary is the hot-spot area for stray dogs. All matters in regards to stray dog and licensing of dogs were referred to the Ministry of Agriculture.

10.0 TOWN PLANNING AND BUILDING

Council engaged Ba Town Council Building Inspector to look after Town Planning and Building Section.

10.1 Building Statistics

10.1.1 Building Applications Received for Consideration

<u>TYPE OF DEVELOPMENT</u>	<u>NUMBER</u>	<u>VALUE</u>
Commercial Buildings/Extension	2	\$108,000
Residential	3	\$157,020
Miscellaneous Works	4	\$138,536
TOTAL	9	\$403,556

10.1.2 Building Applications Approved

<u>TYPE OF DEVELOPMENT</u>	<u>NUMBER</u>	<u>VALUE</u>
Commercial Extension	2	\$108,000
Residential	3	\$157,020
Miscellaneous Works	4	\$138,536
TOTAL	9	\$403,556

10.1.3 Completion Certificate Issued

<u>TYPE OF DEVELOPMENT</u>	<u>NUMBER</u>	<u>VALUE</u>
New Dwelling	-	-
Commercial	2	\$108,000
<u>TOTAL</u>	<u>-</u>	<u>\$108,000</u>

10.1.4 Building Permit Fees

The total revenue for issuance of building permit was \$2,611

11.0 MARKET

The Market was under the management of a Market Master.

11.1 Revenue

Breakdown of revenue received from Market is as follows.

SOURCE	2014	2013
Market Stall Fees	\$84,036	\$86,457
Fish Market Fees	\$4,322	\$3,626
Lockup Shop Rental	\$8,980	\$13,276
TOTAL	\$97,338	\$103,359

11.2 Market Washing

Regular Market washing was carried out during the year by our workforce with a view to maintain the Market in clean condition.

11.3 3 Phase Power Supply in the Market

The one phase power supply was not able to accommodate the power supply in the Market. Therefore Council installed 3 phase power supply to meet the need for power in the Market.

12.0 BUSINESS LICENSING

The Council is the Licensing Authority under Business Licensing Act, Cap 204 and businesses were issued with Licenses to operate. Total Business Licence fee collected for year 2014 - \$67,888.00

13.0 LIBRARY SERVICES.

The Library has been providing services to people of Tavua which was funded by CLGF. The library also has internet service for the students. The books and computers in the library were donated by New Zealand Libraries.

14.0 REPAIR, MAINTENANCE AND OTHER WORKS

Council properties repair and maintenance works carried out as and when required throughout the year.

15.0 PARKING METERS AND OTHER TRAFFIC RELATED ISSUES

As part of traffic management and control Parking Meters were maintained in working order.

Total meters in operation	-	56
Total revenue collected during the year	-	\$9,300
Total Expenditure for the year	-	\$9,843

16.0 PROJECTS UNDERTAKEN

16.1 City Wide Project

Ministry of Local Govt funded \$100,000 for upgrading roads and drains in the squatter settlement area, 7 culvert crossings installed. Approximately 200 meters of road upgraded by resurfacing off screen materials. Restructured 20mtrs of road with ready mix concrete fill.

16.2 Multipurpose Sports Courts

Multipurpose Sports Courts which included futsal, volleyball and netball courts were constructed on Council land at Nabuna Street. The above project was funded by the Government totaling to \$92,000.

16.3 Footpath Upgrading

Footpaths upgraded near Market, Leka Street funded by Ministry of Local Govt through challenge fund totaling to \$20,000.

16.4 Drainage Upgrading

Drainage upgraded at cost of \$15,000 through Challenge Fund funded by Ministry of Local Govt

16.5 Compactor Truck

6 tonne compactor truck purchased from Clyde Equipment funded by the government totaling to \$165,000. Tenders were called and after evaluation process, it was awarded to Clyde Equipment for supply the truck.

16.6 Renovation Works to Administration Building

- ❖ Installation of air con in the front of office
- ❖ Painting of the retaining wall outside the office building
- ❖ Washroom maintenance
- ❖ Louvre blades changed

16.7 Council garage

Council garage was extended to accommodate the newly purchased compactor truck.

17.0 CONCLUSION

Council was able to fulfill its duties and obligations as required of it under Sec 88 of Local Government Act.

The Council provided the best level of services it could afford within its limited resources and workforce. Council has been able to maintain able staff and unestablished workforce who are willing to work around the clock to ensure any works that need attention are carried out without delay.

Further I wish to endorse my appreciation and gratitude for support and cooperation of our Special Administrator, Ministry of Local Government and other government and non Government Departments, Sister Councils and at large the Ratepayers and Citizens of Tavua.

Lastly the Council wishes to acknowledge the dedicated services rendered by its CEO, Staff and Workforce.

.....*Datg.*.....
TEMALESI HENFIRO (M/S)
CHIEF EXECUTIVE OFFICER

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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Website: <http://www.oag.gov.fj>



File: 987

18 September 2019

Mrs. Praveen Lata Prakash
The Acting Chief Executive Officer
Tavua Town Council
PO Box 532
TAVUA

Dear Mrs. Prakash

AUDIT OF THE ACCOUNTS FOR TAVUA TOWN COUNCIL FOR THE YEAR ENDED 31/12/2014

Audited financial statements for the year ended 31 December 2014 together with my audit report on them are enclosed.

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

Yours sincerely

Ajay Nand
AUDITOR GENERAL

Encl.

TAVUA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

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**TAVUA TOWN COUNCIL
STATEMENT BY THE COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2014**

In accordance with a resolution of the council, we state that:

- (a) the accompanying statement of comprehensive income and retained earnings of the council is drawn up so as to give a true and fair view of the results of the council for the year ended 31 December 2014;
- (c) the accompanying statement of financial position of the council is drawn up so as to give a true and fair view of the state of affairs of the council as at 31 December 2014;
- (d) the accompanying statement of cash flows is drawn up so as to give a true and fair view of the state of the cash flows of the council for the year ended 31 December 2014;
- (e) at the date of this statement there are reasonable grounds to believe the council will be able to pay its debts as and when they fall due; and
- (f) all related party transactions have been adequately recorded in the books of the council.

For and on behalf of the council and in accordance with a resolution of the management.

Dated this day of 2019.


.....
Acting Chief Executive Officer
Praveen Lata Prakash

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INDEPENDENT AUDITOR'S REPORT

Tavua Town Council

Qualified Opinion

I have audited the financial statements of Tavua Town Council, which comprise the statement of financial position as at 31 December 2014, the statement of comprehensive income and retained earnings, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion paragraphs, the accompanying financial statements give a true and fair view of the financial position of Tavua Town Council as at 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs").

Basis for Qualified Opinion

1. The Council recorded Cash and Cash equivalent of \$105,559 in the Statement of Financial Position as at 31 December 2014. Included in the amounts are Special Community Project Account of \$8,287, Challenge Fund Account of \$72,341, and Citywide Project Account of \$24,478 without any bank reconciliation statements provided for audit review. A bank overdraft disclosed in Note 9 of the financial statements totalling \$1,452 does not agree to the bank reconciliations statement resulting a variance of \$4,154. As a result I was unable verify the completeness and accuracy of the cash and cash equivalent balance and also unable to determine whether any adjustments might have been necessary in respect of the cash 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.
2. Included in the Trade and Other receivables balance of \$35,333 recorded in the statement of financial position are Other Debtors of \$12,316 and enforcement and parking meter infringement of \$2,330. The Council was unable to provide me supporting documentations to support the other debtors and enforcement and parking meter infringement balance. As a result I was unable verify the completeness and accuracy of the balances and also unable to determine whether any adjustments might have been necessary in respect of the other debtors 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. Included in the Trade and Other payables balance of \$50,261 recorded in the statement of financial position is VAT payable of \$23,880 and trade and other payables parking meter of \$5,759. The Council was unable to provide me VAT reconciliations with the Statement of VAT Account to substantiate the VAT payable balance. As a result, I am unable to ascertain whether the trade and other payables balance of \$23,880 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 \$98,775 recorded in the Statement of Financial Position. 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. There was an unreconciled variance of \$6,389 between the rates income listing provided by the Council and the amount reflected in the financial statements. The Council was unable to provide satisfactory evidence to substantiate the variance. As a result, I am unable to ascertain whether the general rates of \$49,233 is fairly stated in the financial statements.
6. The Council was unable to provide me the IFRS transition report to support the transition to IFRS for SME for the year 2014. In addition, the Council did not disclose that the 2014 financial statements was its first annual financial statements prepared under IFRS for SMEs. Consequently, I was unable to determine whether any adjustments to the financial statements in respect of the transition to IFRS for SMEs were necessary.

I conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Council in accordance with the 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 other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Matter

The Council did not have a risk management policy, asset capitalization policy, and disaster recovery plan/business continuity plan to govern aspects of the Council operations and activities.

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures, are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Local Government Act (Cap 125), in my opinion:

- a) proper books of account have not been kept by the Council, so far as it appears from my examination of those books,
- b) the accompanying financial statements:
 - a. are in agreement with the books of account; and
 - b. to the best of my information and according to the explanations given to me, give the information required by the Local Government Act (Cap 125), in the manner so required.



Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
18 September 2019

TAVUA TOWN COUNCIL
STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
Revenue	3	596,387	309,174
Total revenue		<u>596,387</u>	<u>309,174</u>
Depreciation		66,442	46,232
Operating expenses	4	204,772	142,480
Personnel expenses	5	162,155	130,288
Finance cost		1,031	4,116
		<u>434,400</u>	<u>323,116</u>
Net profit/(loss) for the year		161,987	(13,942)
Accumulated losses at the beginning of the year		(1,174,701)	(1,160,759)
Accumulated losses at the end of the year		<u>(1,012,714)</u>	<u>(1,174,701)</u>

The statement of comprehensive income and retained earnings is to be read in conjunction with the accompanying notes.

**TAVUA TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Notes	2014 \$	2013 \$
Current Assets			
Cash and cash equivalent	6	105,559	95,091
Trade and other receivables	7	35,333	26,869
Total current assets		<u>140,892</u>	<u>121,960</u>
Non-Current Assets			
Property, plant and equipment	10	1,422,046	1,233,952
Intangible asset	8	10,957	-
Total non current assets		<u>1,433,003</u>	<u>1,233,952</u>
TOTAL ASSETS		<u>1,573,895</u>	<u>1,355,912</u>
Current Liabilities			
Interested bearing borrowing	11	1,452	-
Trade and other payables	12	50,261	34,177
Total current liabilities		<u>51,713</u>	<u>34,177</u>
Non-Current Liabilities			
Deferred income	9	98,775	60,315
Total non-current liabilities		<u>98,775</u>	<u>60,315</u>
TOTAL LIABILITIES		<u>150,488</u>	<u>94,492</u>
NET ASSETS		<u>1,423,407</u>	<u>1,261,420</u>
Municipal Funds			
Accumulated losses		(1,012,714)	(1,174,701)
Asset revaluation reserves		2,436,121	2,436,121
TOTAL MUNICIPAL FUNDS		<u>1,423,407</u>	<u>1,261,420</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 Tavua Town Council's operations for the year ended 31 December 2014 and the state of affairs as at that date.

Praveen
Praveen Lata Prakash
Acting Chief Executive Officer

Date: 13/09/19

TAVUA TOWN COUNCIL
STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2014

	2014 \$	2013 \$
Cash flows from operating activities		
Receipts from customers	627,986	366,075
Payments to suppliers and employees	(353,477)	(280,024)
Net cash provided by operating activities	<u>274,509</u>	<u>86,051</u>
Cash flows from investing activities		
Payment for property, plant and equipment	(254,536)	(8,260)
Payment for intangible assets	(10,957)	-
Net cash used in investing activities	<u>(265,493)</u>	<u>(8,260)</u>
Cash flows from financing activities		
Repayment of loan	-	(22,575)
Net cash used in financing activities	<u>-</u>	<u>(22,575)</u>
Net increase in cash and cash equivalents	9,016	55,216
Cash and cash equivalent at the beginning of the year	95,091	39,875
Net cash at the end of the reporting period	<u>104,107</u>	<u>95,091</u>

TAVUA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 1. GENERAL INFORMATION

TAVUA TOWN COUNCIL was established under Local Government Act. The address of its registered office and principle place is Nabuna Street, Tavua Town. The principle activity of the council is to provide for health, welfare and convenience of the Tavua Town Municipality and to preserve the amenities or credit thereof. The financial statements of TAVUA TOWN COUNCIL for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the Special Administrator and Management.

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) Basis of preparation and accounting policies

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

(b) Revenue recognition

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

(c) Income tax

In exercise of the powers conferred on the Minister by section 20 (1) of the Income Tax Act 2015, the income of a town or a local council, or public authority, other than income received in trust, the council is exempt from tax on its income as per part 1 (3) of 2016 regulation.

(d) 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:

Land and building	1.5%, 2%, 2.5%, 3% and 5%
Plant and machinery	10%, 12.5%, 15%, 20%, 30% and 40%
Office equipment	10%, 15%, 20% and 25%
Motor vehicle	20% and 25%

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

(e) Trade and other receivables

Most sales are made on the basis of normal credit terms and the receivables does not bear any interest where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, 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 or loss.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Trade and other payables

Trade payables are obligations on normal credit terms and do not bear interest. Trade payables denominated in the foreign currency are translated into Fiji dollar using the exchange rate at the reporting date. Foreign exchange gains or losses are included in other income or other expenses.

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost, the cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Following initial recognition intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortized period and the amortization method for an intangible assets with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method as appropriate and are treated as changes in the accounting estimates. The amortization expenses on intangible assets with finite lives is recognized in the income statement as the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable, if not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognized.

(h) 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 recognized as income over the period necessary to match them with the related costs which the grant are intended to compensate income 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.

(i) 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.

TAVUA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment of assets (Continued)

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.

(j) Cash and cash equivalents

Cash and short term deposits in the statement of financial position comprise cash at banks and cash 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.

NOTE 3. REVENUE	2014	2013
	\$	\$
General funds revenue	587,087	278,598
Streetlight revenue	-	17,115
Parking meter revenue	9,300	13,461
	596,387	309,174

NOTE 4. OPERATING EXPENSES

Advertising	3,146	1,780
Audit fees	7,344	5,217
Clean-up campaign and waste minimization	3,536	8,494
Electricity and water	23,940	16,410
Garbage services	31,558	26,068
Insurance	1,224	1,321
Legal expenses	351	325
Motor vehicle running	8,465	5,719
Parks and beautification	1,241	25,104
Printing, stationery and office expense	3,024	4,648
Rent and rates	1,000	300
Repair and maintenance	15,798	7,123
Roads, drains and footpath improvements	77,585	4,834
Staff Training	535	346
Telephone and internet	2,182	6,943
Travelling, subsistence and incidentals	278	-
Other operating expenses	23,565	27,848
	204,772	142,480

NOTE 5. PERSONNEL EXPENSES

Salaries, wages and related payments	123,117	114,039
FNU Levy	1,268	1,719
FNPF Contribution	20,565	10,414
Casual wages	17,205	4,116
	162,155	130,288

TAVUA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
NOTE 6. CASH AND CASH EQUIVALENTS		
Petty cash	50	50
Special community account	8,287	16,771
Challenge funds	72,341	69,952
Citywide project account	24,478	-
General fund account	-	6,408
Parking meter account	403	1,910
	<u>105,559</u>	<u>95,091</u>

The cash and cash equivalents balance totalling \$43,928 is not available for use except for the following purpose:

- (i) Upgrade of multipurpose court/drains/footpaths totalling \$19,480.
- (ii) Completion of citywide project totalling \$24,448.

NOTE 7. TRADE AND OTHER RECEIVABLES

Trade receivables	20,687	14,618
Enforcement & parking meter infringement	2,330	1,179
Other debtors	12,316	11,072
	<u>35,333</u>	<u>26,869</u>

NOTE 8. INTANGIBLE ASSET

Software installation	10,957	-
	<u>10,957</u>	<u>-</u>

NOTE 9. DEFERRED INCOME

Local Government	98,775	60,315
	<u>98,775</u>	<u>60,315</u>

NOTE 10. PROPERTY, PLANT AND EQUIPMENT

Land-at cost	310,000	310,000
Net book value	<u>310,000</u>	<u>310,000</u>
Building- at cost	1,119,818	1,026,890
Accumulated depreciation	(167,000)	(133,589)
Net book value	<u>952,818</u>	<u>893,301</u>
Plant and machinery- at cost	44,969	43,583
Accumulated depreciation	(35,166)	(29,179)
Net book value	<u>9,803</u>	<u>14,404</u>
Motor vehicle-at cost	179,353	19,131
Accumulated depreciation	(32,754)	(7,652)
Net book value	<u>146,599</u>	<u>11,479</u>
Office equipment- at cost	1,520,474	1,520,474
Accumulated depreciation	(1,517,780)	(1,515,918)
Net book value	<u>2,694</u>	<u>4,556</u>

NOTE 10. PROPERTY, PLANT AND EQUIPMENT (continued)

	2014	2013
Street lights- at cost	15,440	15,440
Accumulated depreciation	-	(15,440)
Net book value	-	-
Parking meter- at cost	212	11,400
Accumulated depreciation	(80)	(11,188)
Net book value	132	212
Total written down amount	1,422,046	1,233,952
(b) Movements in carrying amounts		
Land		
Carrying amounts at beginning	310,000	310,000
Net book value	310,000	310,000
Building		
Carrying amounts at beginning	893,301	926,710
Additions	92,928	-
Depreciation expense	(33,411)	(33,409)
Net book value	952,818	893,301
Plant and machinery		
Carrying amounts at beginning	14,404	10,484
Additions	1,386	8,260
Depreciation expense	(5,987)	(4,340)
Net book value	9,803	14,404
Motor vehicle		
Carrying amounts at beginning	11,479	15,305
Additions	160,222	-
Depreciation expense	(25,102)	(3,826)
Net book value	146,599	11,479
Office equipment		
Carrying amounts at beginning	4,556	6,417
Depreciation expense	(1,862)	(1,861)
Net book value	2,694	4,556
Street light		
Carrying amounts at beginning	-	27,020
Disposals	-	(23,160)
Depreciation expense	-	(3,860)
Net book value	-	-
Parking meter		
Carrying amounts at beginning	212	3,008
Depreciation expense	(80)	(2,796)
Net book value	132	212
Total written down amount	1,422,046	1,233,952

TAVUA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
NOTE 11. INTEREST BEARING BORROWING		
Bank overdraft	<u>1,452</u>	<u>-</u>
NOTE 12. TRADE AND OTHER PAYABLES		
Value added tax	23,880	14,719
Trade payables and accruals	20,622	13,699
Trade and other payable- Parking meter	<u>5,759</u>	<u>5,759</u>
	<u>50,261</u>	<u>34,177</u>

NOTE 13. CAPITAL COMMITMENTS

Capital commitments as at 31 December 2014 amounted to \$19,480 relating to the upgrade of multipurpose court/drains/footpath (2013: Nil).

NOTE 14. CONTINGENT LIABILITIES

At balance date there are no known contingent liabilities (2013: NIL). Tavua Town Council has not granted any securities in respect of liabilities payable by any other party whatsoever.

NOTE 15. SUBSEQUENT EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the council, the results of those operations, or the state of affairs of the council in future financial years.

TAVUA TOWN COUNCIL
DETAILED INCOME STATEMENT - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 \$	2013 \$
Revenue		
Advertising	-	20
Building fees	12,487	70
Bus station	-	6,081
Business, trading and licence	67,888	60,783
Government grant	306,800	32,685
General rates	49,233	31,476
Interest on overdue rates	45	753
Library	-	27
Market fees and charges	88,358	90,083
Miscellaneous	20,928	12,105
Park fee	9,616	6,712
Rent from property	8,980	14,239
Taxi, bus and carrier stand fees	22,752	23,564
Total Revenue	587,087	278,598
Expenses		
Administration	3,661	1,342
Advertising	3,146	1,780
Audit fees	7,344	5,217
Bank charges	824	2,634
Casual wages	17,205	4,116
Clean-up campaign and waste minimization	3,536	8,494
Council expense	-	3,429
Depreciation	66,362	43,436
Electricity and water	23,940	16,410
FNPF Contribution	19,550	9,905
FNU Levy	1,210	1,690
Garbage services	31,558	26,068
Insurance	1,224	1,321
Legal expenses	231	185
Meeting expenses	1,101	-
Miscellaneous	3,844	1,193
Motor vehicle running	8,368	5,719
Parks and beautification	1,241	25,104
Postal and courier	53	235
Printing, stationery and office expense	2,835	4,335
Rent and rates	1,000	300
Repair and maintenance	15,798	7,123
Roads, drains and footpath improvements	77,585	4,834
Salaries, wages and related payments	116,981	108,024
Staff expense	12,811	2,179
Staff Training	535	346
Subscription	320	859
Telephone and internet	2,016	6,943
Travelling, subsistence and incidentals	278	-
Total Expenses	424,557	293,221
Net profit/(loss) for the year	162,530	(14,623)

TAVUA TOWN COUNCIL
DETAILED INCOME STATEMENT - STREETLIGHT
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
Revenue		
Streetlight rate	-	17,115
Total Revenue	-	17,115
Expenses		
Streetlight charges and maintenance	-	18,418
Total Expenses	-	18,418
Net loss for the year	-	(1,303)

**TAVUA TOWN COUNCIL
DETAILED INCOME STATEMENT - PARKING METER FUND
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014	2013
	\$	\$
Revenue		
Infringement fines	-	6,566
Meter tolls	9,300	4,406
Others	-	2,489
Total Revenue	9,300	13,461
Expenses		
Bank fees and charges	207	258
Depreciation	80	2,796
FNPF contribution	1,015	509
Interest on loan	-	1,224
Legal fees	120	140
Motor vehicle running	97	-
Miscellaneous	1,237	136
Printing and stationery	189	313
Salaries and wages	6,136	6,015
FNU Levy	58	29
Staff expenses	538	57
Telephone	166	-
Total Expenses	9,843	11,477
Net (loss)/profit for the year	(543)	1,984