



OFFICE *of the* AUDITOR GENERAL
Republic of Fiji

REPORT OF THE AUDITOR-GENERAL OF THE REPUBLIC OF FIJI

2018-2019 Audit Report on Statutory Authorities



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER 185 OF 2020



OFFICE of the AUDITOR GENERAL
Republic of Fiji

VISION

Promoting public sector accountability
and sustainability through our audits

To provide independent value adding
audit services

MISSION

To provide an environment where
our people can excel

RESPECT

We uphold respect
in our relationships.

INTEGRITY

We are ethical, fair and
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& OBJECTIVE

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International Standards on Auditing

LEGAL FRAMEWORK

2013 CONSTITUTION OF THE
REPUBLIC OF FIJI

AUDIT
ACT 1969

ENVIRONMENT
MANAGEMENT ACT

NDP AND OTHER
LEGISLATION

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File: 102

28 August 2020

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

Dear Sir

2018 – 2019 AUDIT REPORT ON STATUTORY AUTHORITIES

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on Statutory Authorities for 2018 - 2019.

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

Yours sincerely

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

Ajay Nand
AUDITOR-GENERAL

Encl.



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

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

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

This report satisfies these requirements.

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

TABLE OF CONTENTS

AUDITOR-GENERAL’S FOREWORD	3
EXECUTIVE SUMMARY	4
1.0 Introduction.....	5
2.0 Financial Reporting.....	9
3.0 Internal Controls	11
3.1 Internal Controls Assessments	11
3.2 Results Summary	12
4.0 Significant Matters	13
4.1 Significant Matters	13
5.0 Audit Conclusion and Recommendations	24
5.1 Audit Conclusion	24
5.2 Recommendations	24
6.0 Appendices	26
Appendix A: Qualification Issues	26
Appendix B: Abridged Financial Statements	32
Appendix C: Audits not complete as at 31 July 2020.....	44
Appendix D: Entities not subject to audit by the Auditor-General.....	46
Appendix E: Glossary	47

AUDITOR-GENERAL'S FOREWORD



I am pleased to present the report on the financial audits of the statutory authorities for audits that were completed¹ after my last report to Parliament (Parliamentary Paper No. 155 of 2019). I would like to draw attention that audit of statutory authorities are generally behind and there are quite a number of audits which were completed that were in backlog. While these backlog audits may not be relevant to users due to the significant time lag, I have included them in my report as a matter of transparency and accountability.

Section 152 of the 2013 Constitution provides the Auditor-General the mandate to audit the accounts of the statutory authorities. However, there has been some exceptions due to some statutory authorities opting to choose their own auditors other than the Auditor-General. This is discussed in Appendix D of this report.

The financial audits for I-Taukei Affairs Board and Real Estate Agents Board are behind by more than five years as financial statements were not submitted annually to the Auditor-General. All efforts are made to bring these backlog audits to current. There are also some entities which submit their outstanding financial statements for audit in bulk which poses challenges in terms of resource allocation to have these audits completed in one financial year.

Status of the Audits

I am pleased to report that we have completed the audit of 12 financial statements for 11 statutory authorities since my last report. Audits for 32 financial statements are in progress, 16 audits are yet to commence while 64 financial statements, which also includes some financial statements to be resubmitted for audit, are yet to be received.

Report

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

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

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

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

Ajay Nand
AUDITOR-GENERAL

Date: 28 August 2020

¹ As at 31 July 2020

EXECUTIVE SUMMARY

<p>1. Introduction Statutory authorities</p>	<p>There are 31 statutory authorities which the Auditor-General has the mandate to audit under Section 152 of the 2013 constitution. This report is to provide the audit findings for 10 statutory authorities.</p>
<p>Status of Audits</p>	<p>Except of the 15 statutory authorities, the audits for 13 statutory authorities are in backlog. The delay in the audits is due primarily to the non-submission of draft financial statements to the Auditor-General for audit, by the legislated date of 30 June annually. We have completed the audit of 12 financial statements for 11 statutory authorities since my last report. Audits for 32 financial statements are in progress, 16 audits are to commence while 64 financial statements, which also includes some financial statements which will be resubmitted, are yet to be received.</p>
<p>2. Financial Reporting Quality of Financial Reporting</p>	<p>The overall quality of financial reporting has been assessed as generally effective</p> <ul style="list-style-type: none"> • We issued a total of 12 audit reports, modified (Qualified) audit opinions on 1 financial statements audited while four financial statements were issued with modified (disclaimer of opinion) and the remaining seven financial statements were audited and issued with unmodified audit opinion. • We reported to those charged with governance in statutory authorities all significant matters concerning material accounting issues and deficiencies in internal controls.
<p>Timeliness of Financial Reporting</p>	<p>Timeliness of financial reporting has been assessed as ineffective and requiring substantial improvements.</p>
<p>3. Internal Controls Assessment</p>	<p>The results summary in section 3.1 shows the strength of controls in key elements for the entities. Our assessment indicated that risk assessment, and monitoring activities were areas where majority of the significant deficiencies were identified.</p>
<p>4. Other Significant Matters Common Findings</p>	<p>Other areas that require immediate attention by the Management of statutory authorities for priority and prompt action for resolutions include:</p> <ul style="list-style-type: none"> • Addressing significant delays in submission of draft financial statements for audit; • Improving risk assessment process to achieve authorities' objectives and forming a clear basis for determining how risks are managed; • Improving overall monitoring of the entities, including the establishment of independent internal audit functions, which would assist in identifying any gaps in controls.
<p>5. Audit Conclusion</p>	<p>Modified audit opinion were issued on 4 financial statements audited, which reflected negatively on the governance and internal control framework or these Authorities. Urgent and close attention should be given to address matters highlighted in the Auditor's Reports including the significant matters raised in Sections 4.</p>

1.0 Introduction

All Statutory Authorities prepare annual financial statements. Management of these Authorities are responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

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

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

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

This report includes the audit results of 11 financial statements for the 10 Statutory Authorities as follows:

Statutory Authority	Year
1. Fijian Competition & Consumer Commission	2018
2. Fiji Servicemen's After Care Fund	2015-2016
3. Consumer Council of Fiji	2018
4. Sugar Industry Tribunal	2016
5. Accident Compensation Commission Fiji	2018
6. Fiji National Sports Commission	2019
7. Investment Fiji	2019
8. Fiji Roads Authority	2018
9. Fiji Sports Council	2017
10. Civil Aviation Authority of Fiji	2019
11. Centre for Appropriate Technology and Development	2016

The audits of some Statutory Authorities have been extensively delayed and is due primarily to the non-submission of financial statements on an annual basis annually to the Auditor-General.

An update on the progress of the Statutory Authority audits is provided under section 1.3.

1.1 Legislative Framework

The following legislation establishes the financial accountability frameworks and legislative time frames to complete financial statements audits for Statutory Authority.

Legislative Framework	Legislative Timeframe
<ul style="list-style-type: none"> • Legislation establishing entity and related regulations • Finance Management Act 2004 • Finance Management (Amendment) Act 2016 	<ul style="list-style-type: none"> • 3-6 months following end of financial year • Not specified/ as soon as practicable

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

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

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

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

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

1.2 Types of Audit Opinions

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

Modified Opinions:

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

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

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

1.3 Status of Audits – Update

As at 31 July 2020, a total of 60 draft financial statements for statutory authorities were submitted to the Auditor-General for audit. Due to the significant number, resourcing to promptly complete these audits continues to be a challenge. Below is a summary of the status of audits as at 31 July 2020.

Detailed status of the audits are provided in **Appendix C** of this report.

Statutory Authority	Draft Financial Statements Received	Audits Completed	Audits in Progress as at 31 July 2020	Audits Yet to Commence as at 31 July 2020	Draft Financial Statements not submitted for audit
1. Tourism Fiji	2015 – 2017	---	2015 – 2017	---	2018 – 2019
2. National Fire Authority	2015	---	2015	---	2016 – 2019
3. Agricultural Marketing Authority	2010 – 2017	---	2010 – 2016	2017	2018 – 2019
4. I-Taukei Affairs Board	---	---	---	---	2003 – 2019
5. Fiji Servicemen's After-care Fund	2015 – 2016	2015 – 2016	---	---	2017 – 2019
6. Real Estate Agents Board	2013	---	---	2013	2014 – 2019
7. Fiji Human Rights & Anti-Discrimination Commission	2008 – 2016	---	2008 – 2016	---	2017 – 2019
8. Independent Legal Services Commission	---	---	---	---	2016 – 2019
9. Telecommunication Authority of Fiji	2015 – 2017	---	---	2015 – 2017	2018 – 2019
10. Fiji Medical & Dental Secretariat	---	---	---	---	2016 – 2019
11. National Food & Nutrition Centre	2015 – 2017	---	---	2015 – 2017	2018 – 2019
12. Sugar Industry Tribunal	2016	2016	---	---	2017 – 2019
13. Fiji Meats Industry Board	2018 – 2019	---	---	2018 – 2019	---
14. Fiji Teacher's Registration Authority	2018	---	2018	---	2019
15. Film Fiji	2018 – 2019	---	2018 – 2019	---	---
16. Fiji National Council for Disabled Persons	2017 – 2018	---	---	2017 – 2018	---
17. Fiji Higher Education Commission	2018	---	---	2018	---
18. Land Transport Authority	2018	---	2018	---	2019
19. Fiji Revenue and Customs Services	2018 – 2019	---	2018 – 2019	---	---
20. Fiji Roads Authority	2018 – 2019	2018	2019	---	---
21. Maritime Safety Authority of Fiji	---	---	---	---	2017 – 2019
22. Consumer Council of Fiji	2018 – 2019	2018	2019	---	---
23. Fijian Competition and Consumer Commission	2018 – 2019	2018	2019	---	---

Statutory Authority	Draft Financial Statements Received	Audits Completed	Audits in Progress as at 31 July 2020	Audits Yet to Commence as at 31 July 2020	Draft Financial Statements not submitted for audit
24. Fiji Sports Council	2017 – 2019	2017	2018	2019	---
25. Fiji National Sports Commission	2019	2019	---	---	---
26. Civil Aviation Authority of Fiji	2019	2019	---	---	---
27. Investment Fiji	2019	2019	---	---	---
28. Accident Compensation Commission of Fiji	2018	2018	---	---	2019
29. Centre for Appropriate Technology and Development	2016	2016	---	---	2017 – 2019
30. Water Authority of Fiji	2017	---	2017	---	2018 – 2019
31. National Substance Abuse Advisory Council	2016 - 2018	---	2016	2017 - 2018	2019
Total	60	12	32	16	64

Of the 60 draft financial statements submitted to the Auditor-General, audit opinion on 12 or 20% of the financial statements were issued, audits for 32 financial statements were in progress and audits on 16 draft financials statements were yet to commence. A total of 64 draft financial statements are yet to be submitted to Auditor-General for audit.

As the Auditor-General is mandated to audit the statutory authorities, the Office of the Auditor-General is strongly committed to fulfilling this mandate and will continue to work closely with the statutory authorities and the line Ministry to update the audits.

2.0 Financial Reporting

Sound financial management requires preparation of accurate and timely financial statements. They bring accountability and transparency to the way public resources are utilized by the Statutory Authorities. We have assessed financial reporting for the Statutory Authority by the following aspects:

- quality of financial reporting
- timeliness of financial reporting

2.1 Quality of financial reporting

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

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

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

Audit opinions

The main outcome of our audits are independent auditors' reports on the financial statements of the Statutory Authorities that were produced and submitted to the Auditor-General.

We issued 1 modified (qualified) audit opinion and 4 modified (disclaimer of opinion) on the financial statements of the 11 Statutory Authorities reported in this report. The table below shows the breakdown of the modified audit opinions issued:

Statutory Authority	Year	Unmodified Opinion	Modified (Qualified) Opinion	Disclaimer of Opinion
1. Fijian Competition & Consumer Commission	2018	✓		
2. Fiji Servicemen's After Care Fund	2015-2016			✓
3. Consumer Council of Fiji	2018	✓		
4. Sugar Industry Tribunal	2016			✓
5. Accident Compensation Commission Fiji	2018	✓		
6. Fiji National Sports Commission	2019	✓		
7. Investment Fiji	2019	✓		
8. Fiji Roads Authority	2018		✓	
9. Fiji Sports Council	2017	✓		
10. Civil Aviation Authority of Fiji	2019	✓		
11. Centre for Appropriate Technology and Development	2016			✓

Appendix A contains the qualification issues raised in the Auditor's Report issued to the three Statutory Authorities.

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

Significant Matters Reported

The Audit Act 1969 requires that the Auditor-General report on significant matters identified during the audit to those responsible for the governance of the Statutory Authority.

Issues that are classified as medium to high risks are control and compliance weaknesses of such fundamental significance or substantial importance to the Statutory Authority that they require immediate attention by those charged with governance in the Statutory Authorities and the line Ministry for priority and prompt action for resolutions.

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

2.2 Timeliness of financial reporting

To assess the timeliness of draft acceptable financial statements, we have compared the date the draft financial statements were received for audit after allowing for at least 30 days before the legislative deadlines (3-6 months following end of financial year) for our audit.

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

2.3 Results Summary

The quality and timeliness of four Statutory Authorities were found to be ineffective therefore requiring the immediate attention of those charged with governance for prompt resolution.

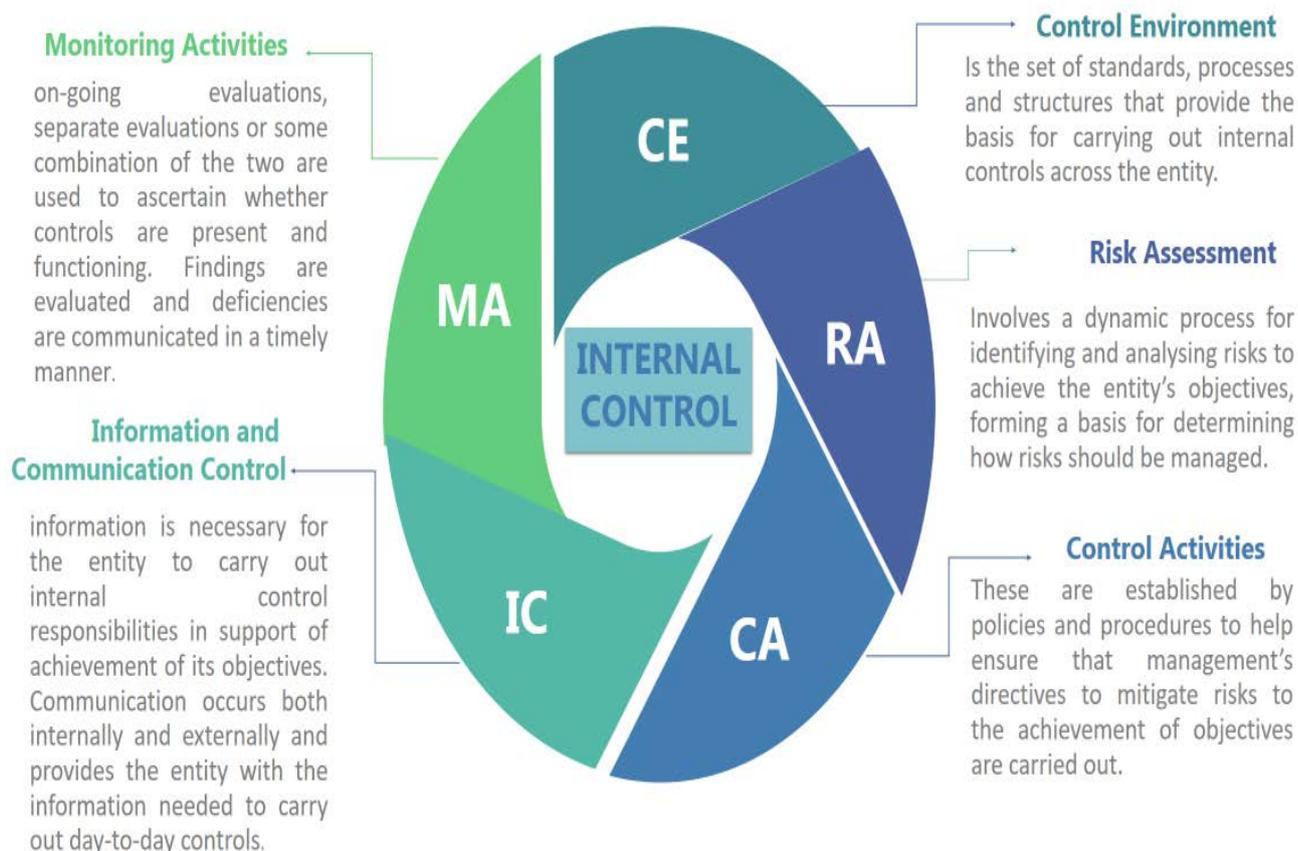
The following Table summarizes our assessment of financial reporting processes:

Statutory Authority	Year	Financial Reporting	
		Quality	Timeliness
1. Fijian Competition & Consumer Commission	2018	🟢	🟢
2. Fiji Servicemen's After Care Fund	2015-2016	🔴	🔴
3. Consumer Council of Fiji	2018	🟡	🟡
4. Sugar Industry Tribunal	2016	🔴	🔴
5. Accident Compensation Commission of Fiji	2018	🔴	🟢
6. Fiji National Sports Commission	2019	🟢	🟢
7. Investment Fiji	2019	🟢	🟢
8. Fiji Roads Authority	2018	🟡	🟢
9. Fiji Sports Council	2017	🟡	🔴
10. Civil Aviation Authority of Fiji	2019	🟢	🟢
11. Centre for Appropriate Technology and Development	2016	🔴	🔴

3.0 Internal Controls

3.1 Internal Controls Assessments

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



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

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

The Results Summary in Section 3.2 shows the strength of controls in key elements for the 10 Statutory Authorities for which 11 financial statements were audited. Our audit indicated that significant deficiencies were identified in all five components.

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

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

It is important to note that the deficiencies detailed below were identified during our audit and may have been subsequently resolved by those charged with governance in the Statutory Authorities. These have been included in this report as they impacted on the overall system of control of the Statutory Authority as at the dates of the financial statements audited.

3.2 Results Summary

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

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

Statutory Authority	Year	Internal Controls				
		CE	RA	CA	IC	MA
1. Fijian Competition & Consumer Commission	2018	●	●	●	●	●
2. Fiji Servicemen’s After Care Fund	2015-2016	●	●	●	●	●
3. Consumer Council of Fiji	2018	●	●	●	●	●
4. Sugar Industry Tribunal	2016	●	●	●	●	●
5. Accident Compensation Commission of Fiji	2018	●	●	●	●	●
6. Fiji National Sports Commission	2019	●	●	●	●	●
7. Investment Fiji	2019	●	●	●	●	●
8. Fiji Roads Authority	2018	●	●	●	●	●
9. Fiji Sports Council	2017	●	●	●	●	●
10. Civil Aviation Authority of Fiji	2019	●	●	●	●	●
11. Centre for Appropriate Technology and Development	2016	●	●	●	●	●

CE=Control Environment RA=Risk Assessment
 CA=Control Activities IC=Information and Communication Control
 MA=Monitoring Activities

4.0 Significant Matters

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

Other significant matters highlighted in this report, include control weaknesses, which *could cause* or *is causing* severe disruption to the process or on the ability of the statutory authorities to achieve process objectives and comply with relevant legislation.

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

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

4.1 Significant Matters

In addition to the qualification issues which are discussed in detail in Appendix A, the following are other significant matters identified in the audit of Statutory Authorities:

Statutory Authority	Significant Matters
Fiji Servicemen's After Care Fund	
2015 and 2016	<p>1. Anomalies in Beneficiary Payments</p> <p>Analysis performed on the After Care Fund (ACF) beneficiaries' payroll data during audit revealed the following anomalies:</p> <ul style="list-style-type: none"> • There were double payments totalling \$13,215 to beneficiaries that had two ACF numbers with identical bank accounts details. • Unauthorised deposit of allowances into third party bank accounts. In one instance, we noted that allowance totalling \$14,989 (from 01/01/12 to 31/10/2019) was deposited into a beneficiary's brother's bank account. • Instances of overpayment of allowance were noted. <p>The anomalies were due to input error by the Disbursement Officers, lack of supervisory checks by the Senior Disbursement Officer and Assistant Secretary and non-adherence to Fund's policies and procedures of obtaining authority letter for siblings/spouses prior to depositing to same bank account. Payroll data validation/cleansing not carried out on a regular basis. Input anomalies and absence of supervisory controls have resulted in over/double payment being undetected.</p> <p>The Fund agreed to:</p> <ul style="list-style-type: none"> • Strengthen its IT controls by ensuring accuracy of data input and thorough checking by supervisors before beneficiaries' payroll data are uploaded into the system; • Conduct regular data validation and cleansing;

Statutory Authority	Significant Matters
<p>Fiji Servicemen’s After Care Fund 2015 and 2016 (con’t)</p>	<ul style="list-style-type: none"> • Ensure that over/double payments are recovered from respective beneficiaries; and • Carry out extensive review of their payroll data to ensure that duplicates due to error and those terminated are removed immediately. <p>2. Income Tax Exemption Status</p> <p>The disclosures in the financial statements state that the Fund is exempted from paying income tax. However, the Fund did not provide any relevant documentary evidence from Fiji Revenue Customs Services (FRCS) to support the statement.</p> <p>The Fund agreed to obtain written confirmation from the FRCS on its income tax exemption status.</p> <p>3. Absence of Risk Management Framework</p> <p>Our review of the Fund’s Corporate Governance revealed that there is no risk management framework in place. As a result, the Fund does not have written policies, procedures or guidelines to manage risks associated with the following:</p> <ul style="list-style-type: none"> • occupational health and safety; • Fund’s operational and human resource / succession planning; • Fraud control and anti-corruption; • Disaster recovery, IT back up and business continuity, and • Assessment of potential conflicts of interest. <p>The Fund does not have an established governance and accountability function to drive the risk management framework.</p> <p>The Fund agreed to work towards establishing a governance and accountability function that supports its operations by providing financial and operational risk management advice and management of external reporting obligations.</p>
<p>Consumer Council of Fiji 2018</p>	<p>1. Absence of Risk Management Policy and Risk Register</p> <p>It is imperative that an entity must establish and maintain an entity specific risk management policy that outlines the following at least:</p> <ul style="list-style-type: none"> • defines the entity’s approach to the management of risk and how this approach supports its strategic plans and objectives; • defines the entity’s risk appetite and risk tolerance; • contains an outline of key accountabilities and responsibilities for managing and implementing the entity’s risk management framework; and • is endorsed by the entity’s accountable authority.

Statutory Authority	Significant Matters
Consumer Council of Fiji 2018 (con't)	<p>We noted that the Council does not have a Risk Management Policy.</p> <p>The Council agreed to prioritize the development and implementation of Risk Management Policy.</p> <p>2. Absence of Disaster Recovery Plans</p> <p>It is imperative to have a Disaster Recovery Plan to ensure that all records are secure from data security breaches and natural disasters.</p> <p>The Council does not have a documented disaster recovery plan in place.</p> <p>The Council has taken note of the risk highlighted. The Council's IT infrastructure development is now in its initial stage and together with this development, the Council is also working on documenting a disaster recovery plan.</p>
Sugar Industry Tribunal 2016	<p>1. Governance Issues</p> <p>The audit review of the Tribunals governance noted the following:</p> <ul style="list-style-type: none"> • The Tribunal did not have a business plan, strategic plan, disaster recovery plan, risk management policy, human resources policy, IT security policy, policies to govern environmental controls, and code of conduct, in place. • Minutes of management meetings was not provided for audit review, and there was no evidence to indicate that management held meetings during the financial year 2016. • There was no service level agreement regarding the outsourcing of the IT function to Fiji Sugar Corporation (FSC). <p>The Tribunal agreed to the following recommendations:</p> <ul style="list-style-type: none"> • The Tribunal should develop its own business plan, strategic plan, disaster recovery plan, risk management policy, human resources policy, IT security policy, policies to govern environmental controls, and code of conduct, as it would assist the Tribunal to assess its current situations, set priorities by focussing resources and energy to enable them to achieve its strategic visions and ensure operations continue during unplanned events. • Minutes of Management meetings should be properly recorded and maintained. • A service level agreement between the Tribunal and FSC should be prepared to safeguard and protect the interest of the Tribunal.

Statutory Authority	Significant Matters											
Fiji Sports Council	<p>2017</p> <p>1. Absence of Discount Policy</p> <p>While it is good business practice to give discounts to attract more business, it is imperative that there needs to be a guideline or a policy on providing discounts so that consistency is maintained in its application.</p> <p>The Council provided 40% discount to a customer for booking Vodafone Arena for 5 days. However, we noted that there was no approved guideline for providing discounts on facility hire.</p> <p>In response to the audit finding, the Council mentioned that the CEO approves discounts in certain scenarios, after thorough analysis of the situation and after substantiating the need for it. However, the Council agreed on the need develop a guideline on allowing discounts which needs to be approved by the Board.</p> <p>2. Improper Maintenance of Personnel Files</p> <p>Our audit of payroll records noted that the Council did not properly maintain the personal files of its officers. The following weaknesses were noted:</p> <ul style="list-style-type: none"> • Correspondences upon resignations were not file properly and it was unclear of the exact date the salaries were ceased. • Handover statements were not filed upon resignation. <p>The Council agreed with the following recommendation:</p> <ul style="list-style-type: none"> • To hold staff accountable and take appropriate disciplinary actions against staffs who had the responsibility to oversee the maintenance of accounting records; and • To implement stringent procedures in place for maintenance of accounting records. <p>3. Long Outstanding Staff Debtors</p> <p>Staffs debtors amounting to \$28,828.97 were outstanding as at 31 July 2017.</p> <p>As presented in the management comments to this auditing findings, the Council took steps to recover the outstanding staff debtors. Refer to Table below for details.</p> <table border="1" data-bbox="608 1720 1323 1964"> <thead> <tr> <th style="background-color: #8B4513; color: white;">Staff Shortages</th> <th style="background-color: #8B4513; color: white;">Balance as at 31/07/17 (\$)</th> <th style="background-color: #8B4513; color: white;">Amount Recovered Subsequently</th> </tr> </thead> <tbody> <tr> <td>Gate Takings</td> <td>15,946.56</td> <td rowspan="2">Presented to Board for Write-off</td> </tr> <tr> <td>Concessions</td> <td>8,350.01</td> </tr> <tr> <td>Other Staff</td> <td>4,532.40</td> <td>\$3,532.40</td> </tr> </tbody> </table> <p>As highlighted in the table above 84% of the staff debtors were related to shortages arising from gate takings and concessions fees. The shortages</p>	Staff Shortages	Balance as at 31/07/17 (\$)	Amount Recovered Subsequently	Gate Takings	15,946.56	Presented to Board for Write-off	Concessions	8,350.01	Other Staff	4,532.40	\$3,532.40
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Statutory Authority	Significant Matters
Fiji Sports Council 2017 (con't)	<p>were not recovered from the staffs responsible. Despite this, the staffs continued to be employed by the Council. In addition, appropriate disciplinary actions were not taken against officers responsible. Therefore, we recommend:</p> <ul style="list-style-type: none"> • that the Council implements appropriate controls to avoid shortages arising from gate taking and concession fees; and • debts owed by staffs should be recovered in a timely manner.
Fiji Roads Authority (FRA)	
2018	<p>1. Absence of Documented Business Continuity and Disaster Recovery Plans</p> <p>It is imperative that there is a documented business continuity plan to enable an organization to restore critical business processes following a disaster or an emergency which will restrict the business to operate in the usual manner.</p> <p>We noted that the Authority does not have a documented Business Continuity and Disaster Recovery Plans.</p> <p>In response to the audit finding, the Authority agreed to develop Business Continuity and Disaster Recovery Plans. However, the Authority argued that to have a proper Business Continuity Plan FRA needs to have budget allocated as this is a costly affair.</p> <p>We recommend that the Authority should give upmost priority to develop a business continuity and disaster recovery plans and have it approved by the Board.</p> <p>2. Assets with Zero Written Down Values</p> <p>We noted that the Authority's Fixed Asset Register has assets with zero written down value that are still in use by the Authority.</p> <p>It is imperative that correct useful life and depreciation rates are assigned to assets when Fixed Assets Register is updated with new assets so that costs (by way of depreciation expense) are assigned appropriately through its economic life.</p> <p>The Authority agreed to re-visit its depreciation policy and to ensure that appropriate depreciation rates are assigned to the assets based on its nature and durability.</p> <p>3. Contribution / Reimbursement to and from Municipal Councils</p> <p>We noted that the Authority has not brought to account the contribution receivable from Municipal Councils and amount payable to the Councils amounting to \$44,037,877 and \$28,559,736 respectively in the Statement of Financial Position. The amount has been disclosed as contingent assets and liabilities. The Authority's receivable and payable and the related</p>

Statutory Authority	Significant Matters
Fiji Roads Authority 2018 (con't)	<p>expenses and the income accounts for the current and prior years are understated.</p> <p>The Authority argued that there is uncertainty in regards to the payment and receipt of the amounts stated above.</p> <p>We recommend that the Authority should:</p> <ul style="list-style-type: none"> • reflect the contingent asset and liability as receivable and payables in the statement of Financial Position; and • assess for any impairment on the receivable and make provisions accordingly. <p>4. Redundancy Liability Account</p> <p>It is imperative that adequate and complete records are maintained for all account balances.</p> <p>We noted that the Authority did not maintain a complete list of staff which makes up the total balance of the redundancy liability account amounting to \$1,803,399. The Authority was unable to obtain details of redundancy liability account from the Department of National Roads (DNR) in 2012 when the Authority was established.</p> <p>In response to the audit finding, the Authority outlined that redundancy payment to Municipal Council workers and staffs working in outer islands under the MOU with Ministry of Rural Maritime and Development are yet to be paid. Also there are some cases in arbitration, which is recently brought up by ex-staff of DNR which is in regards to their redundancy payment and if the decision is in the favor of the staff, then FRA uses this fund to pay for that.</p> <p>We recommend that the Authority should identify the former staffs to whom redundancy payment is to be made and maintain an updated listing.</p> <p>5. Impairment of debtors</p> <p>The Authority recorded receivables of \$3,589,868 as at 31 July 2018. Included in this balance is debtors amounting to \$2,866,371 which are over 90 days old.</p> <p>It was noted that the Authority has not provided any impairment loss relating to the debtor balance.</p> <p>The Authority argues that it does not see a need for providing impairment as the funds owed to the Authority are from the same bodies that report to the same ministry and funds are handled through a same source.</p> <p>We recommend that the Authority carry out impairment assessment as 79% of the debtors are aged over 90 days and provide for impairment loss.</p>

Statutory Authority	Significant Matters																															
Fiji Roads Authority 2018 (con't)	<p data-bbox="502 224 1197 257">6. Proper process not followed during tender process</p> <p data-bbox="502 291 1428 470">Our review of the tender process noted instances were members of the tender evaluation committee were not approved by the Chief Executive Officer of the Authority as required by section 6.4(b) of the FRA Operations Manual .Refer to the Table below for details of projects which were evaluated by unauthorized officers:</p> <table border="1" data-bbox="614 504 1308 873"> <thead> <tr> <th>Closing Date</th> <th>Project Description</th> </tr> </thead> <tbody> <tr> <td>08/02/18</td> <td>Balenabelo Bridge, Nananu Bridge, Navaga Bridge</td> </tr> <tr> <td>07/09/17</td> <td>Kiuva Peninsular - Kaba Peninsular Road - Central Division</td> </tr> <tr> <td>22/02/18</td> <td>Modular Bridge Package 1 (Toga, Vorovoro Bridge)- Central Division</td> </tr> <tr> <td>22/02/18</td> <td>Balenabelo Bridge, Nananu Bridge, Navaga Bridge - Design and Build Contract - Western Division</td> </tr> </tbody> </table> <p data-bbox="502 907 1428 974">The Authority agreed that there was a process oversight in getting the approvals for change in the tender evaluation committee.</p> <p data-bbox="502 1019 821 1052">We recommend that the:</p> <ul data-bbox="502 1086 1428 1232" style="list-style-type: none"> • The Authority should ensure that the approved members of the Tender Evaluation Committee carry out the evaluation of tenders; and • Where the members of the evaluation committee changes then this should be documented and appropriately approved. <p data-bbox="502 1265 1324 1299">7. No Clear Guidelines to Capitalise Emergency Response Works</p> <p data-bbox="502 1332 1428 1478">We noted that there is no documented process which guides the Authority in capitalizing the emergency response works including the determination of the percentages. The Authority capitalized \$30,918,654 from the emergency response works based on the following percentages:</p> <table border="1" data-bbox="502 1512 1268 1892"> <thead> <tr> <th>Capital Works</th> <th>Percentage %</th> <th>Capitalized Amount (\$)</th> </tr> </thead> <tbody> <tr> <td>Sealed Pavement Structure</td> <td>57</td> <td>17,623,633</td> </tr> <tr> <td>Unsealed Pavement Structure</td> <td>25</td> <td>7,729,664</td> </tr> <tr> <td>Drainage</td> <td>11</td> <td>3,401,052</td> </tr> <tr> <td>Markings</td> <td>6</td> <td>1,855,119</td> </tr> <tr> <td>Signs and Posts</td> <td>1</td> <td>309,187</td> </tr> <tr> <td>Total</td> <td>100</td> <td>30,918,655</td> </tr> </tbody> </table> <p data-bbox="502 1915 1428 2027">The Authority took note of the audit finding and further mentioned that upon acquisition of the Road Assessment and Maintenance Management software, the Authority will be able to get this information. While the works</p>	Closing Date	Project Description	08/02/18	Balenabelo Bridge, Nananu Bridge, Navaga Bridge	07/09/17	Kiuva Peninsular - Kaba Peninsular Road - Central Division	22/02/18	Modular Bridge Package 1 (Toga, Vorovoro Bridge)- Central Division	22/02/18	Balenabelo Bridge, Nananu Bridge, Navaga Bridge - Design and Build Contract - Western Division	Capital Works	Percentage %	Capitalized Amount (\$)	Sealed Pavement Structure	57	17,623,633	Unsealed Pavement Structure	25	7,729,664	Drainage	11	3,401,052	Markings	6	1,855,119	Signs and Posts	1	309,187	Total	100	30,918,655
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Statutory Authority	Significant Matters																		
Fiji Roads Authority 2018 (con't)	<p>done are of capital nature these were done under emergency response section as these were required urgently.</p> <p>The Authority should formulate a specific method of capitalizing emergency response expenditure to eliminate any subjectivity associated with the allocation of percentages.</p> <p>8. Asset Disposal Policy</p> <p>Review of the Authority's Asset disposal policy, revealed that board approval is not required for disposal of assets.</p> <p>Since Management is responsible for safeguarding the assets of the Authority, there is a risk that a conflict of interest may arise in write-off assets without Board approval especially for high value items.</p> <p>The Authority agreed to update its assets disposal policy in terms of the limit, exceeding which the approval will need to be sought from the Board.</p> <p>9. Depreciation Rates for Road Assets</p> <p>Review of the Fixed Assets Register revealed other items associated with the roads systems for which the operations manual of the Authority does not provide the number of years of useful lives and depreciation rates. Refer to table below for details:</p> <table border="1" data-bbox="507 1182 1348 1668"> <thead> <tr> <th data-bbox="507 1182 1109 1294">Road Systems</th> <th data-bbox="1114 1182 1348 1294">Years currently being used by the Authority</th> </tr> </thead> <tbody> <tr> <td data-bbox="507 1294 1109 1332">Bus Shelters</td> <td data-bbox="1114 1294 1348 1332">8</td> </tr> <tr> <td data-bbox="507 1332 1109 1370">Drainage</td> <td data-bbox="1114 1332 1348 1370">8</td> </tr> <tr> <td data-bbox="507 1370 1109 1408">Traffic Signals</td> <td data-bbox="1114 1370 1348 1408">9</td> </tr> <tr> <td data-bbox="507 1408 1109 1447">Signs, Posts</td> <td data-bbox="1114 1408 1348 1447">12</td> </tr> <tr> <td data-bbox="507 1447 1109 1485">Markings</td> <td data-bbox="1114 1447 1348 1485">1</td> </tr> <tr> <td data-bbox="507 1485 1109 1523">Streetlights</td> <td data-bbox="1114 1485 1348 1523">10</td> </tr> <tr> <td data-bbox="507 1523 1109 1630">Traffic Management Plans, Safety Audits, Route Action Plans, Mass Action Plans, Traffic calming</td> <td data-bbox="1114 1523 1348 1630">12</td> </tr> <tr> <td data-bbox="507 1630 1109 1668">Signs Information</td> <td data-bbox="1114 1630 1348 1668">12</td> </tr> </tbody> </table> <p>The Authority agreed to re-visit its depreciation policy and ensures that road systems which are not specified in the depreciation policy are assigned appropriate depreciation rates.</p>	Road Systems	Years currently being used by the Authority	Bus Shelters	8	Drainage	8	Traffic Signals	9	Signs, Posts	12	Markings	1	Streetlights	10	Traffic Management Plans, Safety Audits, Route Action Plans, Mass Action Plans, Traffic calming	12	Signs Information	12
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Statutory Authority	Significant Matters
<p>Fiji Roads Authority 2018 (con't)</p>	<p>10. Tenders not called for NASRUP N2 Beautification Project</p> <p>The Request for Tender (RFT) document for Contract Number FRA 14/52 Construction of Nadi N2 clearly stated that urban design features and landscaping were important components of the works. The tender was awarded to the Contractor for a sum of \$65,931,193.05 VEP. The contract agreement in the Bill of Quantities included \$5,180,921.83 for Landscaping and Urban Design.</p> <p>It was noted that the Authority paid an additional sum of \$623,250.05 for NASRUP N2 Beautification Project to other contractors without calling for tender.</p> <p>Furthermore, the Authority purchased bougainvillea plants which was not initially planned to be part of the landscaping.</p> <p>The Authority argued that the landscaping scope was changed from the contract amounting to \$5.1m (BOQ) and the Board approval was sought on 4th April 2019.</p> <p>We maintain that the tenders were not called for the NASRUP N2 Beautification Project and obtaining retrospective board approval does not necessarily validate the non-compliance of the Authority's procurement procedures.</p> <p>Therefore, the Authority should call for tenders of all procurements of goods and services in excess of \$100,000.</p>
Civil Aviation Authority of Fiji	
<p>2019</p>	<p>1. Non-compliance with the Personnel Policies and Administration Manual (PPAM)</p> <p>The Authority's Personnel Policies and Administration Manual was last revised in 2018. However, numerous procedures and processes applied currently are not updated in the existing manual.</p> <p>For instance, an inducement allowance is payable in addition to the fixed base/notional salary attached to a position and such payment is made for attracting and retaining scarce skill. The rate of this allowance is up to 35% of the base salary.</p> <p>It was noted that certain staff's inducement allowance was over 35% of the base salary. Refer to Table below for details:</p>

Statutory Authority	Significant Matters																														
Civil Aviation Authority of Fiji 2019 (con't)	<table border="1" data-bbox="596 219 1334 584"> <thead> <tr> <th data-bbox="596 219 715 376">EDP Number</th> <th data-bbox="722 219 850 376">Base Salary</th> <th data-bbox="858 219 986 376">35% of Base Salary</th> <th data-bbox="994 219 1137 376">Actual Inducement Allowance Paid</th> <th data-bbox="1145 219 1334 376">Overpayment</th> </tr> </thead> <tbody> <tr> <td data-bbox="596 376 715 414">17210</td> <td data-bbox="722 376 850 414">54,692.40</td> <td data-bbox="858 376 986 414">19,142.34</td> <td data-bbox="994 376 1137 414">77,912.00</td> <td data-bbox="1145 376 1334 414">(58,769.66)</td> </tr> <tr> <td data-bbox="596 414 715 452">17230</td> <td data-bbox="722 414 850 452">54,692.40</td> <td data-bbox="858 414 986 452">19,142.34</td> <td data-bbox="994 414 1137 452">28,079.00</td> <td data-bbox="1145 414 1334 452">(8,936.66)</td> </tr> <tr> <td data-bbox="596 452 715 490">17236</td> <td data-bbox="722 452 850 490">77,812.35</td> <td data-bbox="858 452 986 490">27,234.32</td> <td data-bbox="994 452 1137 490">55,000.00</td> <td data-bbox="1145 452 1334 490">(27,765.68)</td> </tr> <tr> <td data-bbox="596 490 715 528">17245</td> <td data-bbox="722 490 850 528">74,107.00</td> <td data-bbox="858 490 986 528">25,937.45</td> <td data-bbox="994 490 1137 528">55,000.00</td> <td data-bbox="1145 490 1334 528">(29,062.55)</td> </tr> <tr> <td data-bbox="596 528 715 566">17260</td> <td data-bbox="722 528 850 566">61,756.00</td> <td data-bbox="858 528 986 566">21,614.60</td> <td data-bbox="994 528 1137 566">60,000.00</td> <td data-bbox="1145 528 1334 566">(38,385.40)</td> </tr> </tbody> </table> <p data-bbox="499 622 1428 689">The Authority argued that the rate (35% of the base salary) is a reference only subject to changes based on market forces of demand and supply.</p> <p data-bbox="499 730 1428 902">We are of the view that the Authority should consistently update its Personnel Policies and Administration Manual so that the inducement rate is applied in a consistent manner. Payment of inducement allowance should be properly documented in the respective personal files of the officers.</p>	EDP Number	Base Salary	35% of Base Salary	Actual Inducement Allowance Paid	Overpayment	17210	54,692.40	19,142.34	77,912.00	(58,769.66)	17230	54,692.40	19,142.34	28,079.00	(8,936.66)	17236	77,812.35	27,234.32	55,000.00	(27,765.68)	17245	74,107.00	25,937.45	55,000.00	(29,062.55)	17260	61,756.00	21,614.60	60,000.00	(38,385.40)
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Centre for Appropriate Technology and Development																															
2016	<p data-bbox="499 987 943 1014">1. Non adoption of IFRS for SMEs</p> <p data-bbox="499 1055 1428 1261">The Centre was yet to adopt and implement the requirement of the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) or International Public Sector Accounting Standards (IPSAS). The IFRS for SMEs or IPSAS has simplifications that reflect the needs of users of SME's financial statements and cost-benefit considerations.</p> <p data-bbox="499 1301 1428 1368">In addition, it was noted that Statement of Cash flow was not included as part of the financial statements.</p> <p data-bbox="499 1408 1428 1476">The Centre agreed with the audit recommendation to adoption of IFRS for SMEs or IPSAS in preparing and presenting the financial statements.</p> <p data-bbox="499 1516 991 1543">2. Cash general ledger not reconciled</p> <p data-bbox="499 1583 1428 1650">The audit review of the cash at bank reconciliations noted variances of \$167,320 between the cash book and ending cash at bank balances.</p> <p data-bbox="499 1691 1428 1798">Furthermore receipts and deposits amounting to \$182,396 were not posted in the cash general ledger. The payments and bank transfers amounting to \$78,457 were not posted to the Salary/Partner cash general ledger.</p> <p data-bbox="499 1839 1428 1906">The Centre in their response to the audit finding mentioned that the current accounting officers were not employed by the Centre in 2016.</p> <p data-bbox="499 1946 1428 2045">Going forward, the Centre agreed to ensure that all relevant transactions are posted in the cash general ledger and reviewed by supervisors on a regular basis and that monthly bank reconciliations are prepared.</p>																														

Statutory Authority	Significant Matters
<p>Centre for Appropriate Technology and Development 2016 (con't)</p>	<p>3. Anomalies in revenue collected for Long Term Training Programme (LTTP) and Leadership & Entrepreneurship Training Programme (LETP)</p> <p>The audit noted the following anomalies in the accounting of fees earned by the Centre from two major training programmes (LTTP & LETP):</p> <ul style="list-style-type: none"> • the fees were not properly accrued as revenue of the Centre during the year. Fees income and Receivables amounting to \$27,631 were not recognized by the Centre during the seven month period. • the Centre does not issue invoices to all its students upon confirmation of registration, however, is only issued upon request. Copies of the invoices issued during the year were not kept by the Centre. • the due date for fees are not set as students are given the whole year or for the duration of the programme to pay their fees. <p>The Centre agreed with the audit recommendation to:</p> <ul style="list-style-type: none"> • engage an officer who is well versed with accrual accounting to oversee the accounts; • ensure that policies for registration and timelines for payment of fees are developed to guide the recognition of revenue and receivables; and • ensure that invoices are issued in sequence to all students upon confirmation of registration and retained for records and audit verification. <p>4. Anomalies in VAT Receivables</p> <p>The audit review of the VAT records noted a variance of \$158,421 between the VAT receivables balance as per the general ledger and the assessments as per the Statement of VAT Account (SVA) from Fiji Revenue and Customs Services (FRCS).</p> <p>The Centre in response to the audit finding agreed to liaise to FRCS to rectify the variance noted above.</p>

5.0 Audit Conclusion and Recommendations

5.1 Audit Conclusion

Unmodified (unqualified) opinions were issued on 7 out of the 11 statutory authorities (63%) audited which reflects very positively on the authorities. However, close attention should be given to address matters which have been highlighted as other significant matters in management letters.

Timely preparation and submission of quality draft annual financial statements for audit is a major issue which needs to be addressed by those charged with governance of the authorities. Delay in submission of financial statements for audit prevents the Auditor-General from issuing an opinion on them on a timely basis and informing Parliament and other stakeholders of the outcome of such audits.

Furthermore, other significant findings arising from audit of authorities for which the Auditor-General is not the external auditor cannot be reported to Parliament under the current legislative framework.

The involvement of line Ministries in improving accountability in statutory authorities is noted. However, there is room for further improvement through regular and active interaction with the authorities. It has been noted that it becomes challenging for authorities to prepare annual accounts when these have not been done for some time resulting in a backlog.

There are 10 statutory authorities whose audits are in backlog. This shows that Authorities are unable to prepare and submit quality financial statements on time. This could be mostly attributable to capacity issues. This also indicates lack of proper governance practices which should ensure that timely financial reports are produced.

Lack of governance policies such as Risk Management Policies and Disaster Recovery Plan was common in most authorities. The absence of such plans will make it difficult for the authorities to continue to provide their services at expected rates in an event of a major natural disaster or similar event.

5.2 Recommendations

1. Immediate attention should be given to address the matters which are included as “Other Significant Matters”. Those charged with governance should ensure that these matters are resolved at the earliest.
2. Accounting personnel should be fully trained in all aspect of financial reporting which will ensure that quality financial statements are submitted for audit. They should also be fully abreast with changes in the International Financial Reporting Standards.
3. Those charged with governance for Authorities which are yet to develop and implement plan/policies for risk management and disaster recovery plan should ensure that these policies are developed and implemented at its earliest. This will ensure that Authorities are safeguarded against any impending disaster.
4. Proper consideration should be given before the change of external auditors or appointment of auditors apart from the Auditor-General since significant audit findings for Statutory Authorities which are not audited by the Auditor-General are not reported to Parliament under the current legislative framework.

5. Line Ministries can strengthen their monitoring and provide necessary support to ensure that financial statements are submitted for audit on a timely basis and significant audit findings are addressed in a timely manner.

6.0 Appendices

Appendix A: Qualification Issues

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

Statutory Authority	Qualification Issues
Fiji Servicemen's After Care Fund	Modified (Disclaimer) Opinion
2015-2016	<ol style="list-style-type: none"> 1. The financial statements are required to be prepared in accordance with the International Financial Reporting Standards ("IFRS") or International Public Sector Accounting Standards ("IPSAS"). The Fund is yet to adopt and comply with IFRS or IPSAS as required for general purpose financial statements. Accordingly, I am unable to determine the impact on the financial statements if any, adjustment which may be necessary if the financial statements were prepared under IFRS or IPSAS. 2. Internal controls over the proper maintenance of beneficiary payments records and proper preparation and checking of salaries and cash at bank reconciliations were generally found to be weak. Instances were noted where duplicate entries for beneficiary payments were made into the payroll system and there was delay in termination of beneficiary payments resulting in double and overpayment of allowances.
Sugar Industry Tribunal	Modified (Disclaimer) Opinion
2016	<ol style="list-style-type: none"> 1. The Tribunal did not prepare and present a statement of changes in equity as a component of the financial statements for the year ended 31 December 2016, which is a departure from the requirement of section 3 – Financial Statement Presentation, paragraph 3.17(c) of the IFRS for SMEs. As a result, I am unable to satisfy myself whether the retained earnings balance of \$223,835 has been fairly stated in the financial statements. 2. The Tribunal was unable to provide appropriate documentations to support loss on revaluation of \$165,289 and transfers of \$139,631 reported in Note 10 to the financial statements. As a result, I am unable to satisfy myself whether the property, plant and equipment balance of \$462,993 has been fairly reported in the financial statements. 3. The Tribunal was unable to provide appropriate documentations to support balances reported in the statement of cash flows. As a result, I am unable to satisfy myself whether the statement of cash flows has been fairly reported in the financial statements. 4. The Tribunal has not disclosed employee benefits in its financial statements as required by Section 28 – Employee Benefits, of the IFRs for SMEs. In addition, the Tribunal did not provide disclosures for capital commitments, contingent liabilities, subsequent

Statutory Authority	Qualification Issues
Sugar Industry Tribunal 2016 (con't)	<p>events, related party transactions, the domicile and legal form of the entity, its country of incorporation and the address of its registered office, unfulfilled conditions and other contingencies attaching to government grants that have not been recognized in income, and accounting policy of deferred income, as required by IFRS for SMEs. As a result, I am unable to satisfy myself whether the financial statements of the Tribunal have fully complied with those requirements of IFRS for SMEs.</p> <ol style="list-style-type: none"> <li data-bbox="560 510 1442 824">5. The Tribunal recorded trade and other receivables balance of \$263,676 in the statement of financial position as at 31 December 2016. Included in the amount are VAT receivable balance of \$16,142, other receivable balance of \$18,821, and owed by Near Infrared Project (NIR) of \$223,650. The Tribunal was unable to provide me appropriate documentations to support the above balances. As a result, I am unable to ascertain whether the trade and other receivables balance of \$263,676 has been fairly stated in the financial statements. <li data-bbox="560 869 1442 1182">6. I was not provided with appropriate supporting documents to support the transfer of assets of \$29,425 reported in Note 12 of the financial statements. As a result, I was unable to verify the completeness and accuracy of the amount 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. <li data-bbox="560 1227 1442 1451">7. The Tribunal recorded personnel expenses of \$403,991 in the statement of comprehensive income for the year ended 31 December 2016. Included in the amount are salaries and wages of \$300,799 which could not be validated. As a result, I am unable to ascertain whether the personnel expenses balance of \$403,991 has been fairly stated in the financial statements. <li data-bbox="560 1473 1442 1899">8. The Tribunal recorded operating expenses of \$140,897 in the Statement of Comprehensive Income for the year ended 31 December 2016. The Tribunal was unable to provide me supporting documentations to support transactions totaling \$34,410 recorded as meal and gang expenses. 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 meal and allowance expenses and gang 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. <li data-bbox="560 1944 1442 2038">9. The Tribunal recorded administration expenses of \$164,824 in the statement of comprehensive income for the year ended 31 December 2016. The Tribunal was unable to provide me

Statutory Authority	Qualification Issues
Sugar Industry Tribunal 2016 (con't)	<p>supporting documentations to support transactions totaling \$11,258 recorded as general, telephone and meeting expenses. 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 general, master award review, and meeting and award review 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.</p> <p>10. The Tribunal was unable to provide Solicitors confirmation at balance date. Consequently, I am unable to determine if any disclosures of contingent liabilities is required to be made in the financial statements of the Tribunal for the year ended 31 December 2016.</p> <p>11. The Tribunal did not disclose or provide relevant supporting documents and explanations in relation to 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 Tribunal for the year ended 31 December 2016.</p> <p>12. The Tribunal did not provide relevant and supporting documents for journal entries processed in the general ledger. This have provided limitation to the scope of my audit and unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Tribunal for the year ended 31 December 2016.</p> <p>The following other matters were reported in the audit report:</p> <p>1. The Tribunal did not have a risk management policy, capitalization policy, annual corporate plan, strategic plan, human resources policy, policies to govern environmental controls, and code of conduct in place. In addition, the finance manual which was developed in 2005, did not document all process and procedures, which can lead to inconsistencies in practices by employees thus providing the opportunity for fraud.</p>
Fiji Roads Authority 2018	<p>Modified (Qualified) Opinion</p> <p>1. The Authority has not brought to account the amount payable and contribution receivable to and from the Municipal Councils amounting to \$28,559,736 and \$44,037,877, respectively in the Statement of Financial Position. These amounts have been disclosed as contingent assets and contingent liabilities in the notes of the financial statements. In 2012, The Authority has entered into Memorandum of Agreements with the Municipal Councils whereby the Councils were delegated work by the Authority to be carried out for which the Authority would reimburse the costs to the councils. It was also agreed that the Councils will pay the Authority an annual contribution for the Council roads maintained by the Authority.</p>

Statutory Authority	Qualification Issues
Fiji Roads Authority 2018 (con't)	<p>Without further qualifying the opinion expressed above, attention was drawn to the following matter:</p> <ol style="list-style-type: none"> 1. The Authority administer the Transport Infrastructure Sector Project which is funded by ADB and World Bank. Procurement anomalies were noted during the audit of the project where the Authority did not comply with the implementation arrangements set forth in the Project Administration Manual stated in the Loan Agreement. The Project Administration Manual required that the ADB Procurement Guidelines be followed for the procurement of goods and works. The Authority prepared the contract agreement for Contract Number FRA/TIISP/16-01 Suva Arterial Roads Upgrading Project (SARUP 1) under FRA general terms and conditions but ADB has determined a misprocurement as some amendments were made to the FIDIC clauses. Consequently, ADB terminated the funding which resulted the Authority bearing the responsibility to meet the total cost of the SARUP 1 project totalling \$30,429,323 which has an impact on the Authority's budget.
Civil Aviation Authority of Fiji 2019	<p>Unmodified (Unqualified) opinion</p> <p>The audit of the 2019 financial statements resulted in the issue of an unmodified (unqualified) audit opinion.</p> <p>However, without further qualifying the opinion expressed above, attention was drawn to the following matter:</p> <ol style="list-style-type: none"> 1. The financial statements disclosed that, whilst measures and policies have been taken by the national government and nearby trading countries to prevent the spread of the COVID 19 virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2019 financial statements is not expected to be material. 2. The financial statements disclosed that the Authority has recorded an income tax benefit amounting to \$254,013. As at the date of my opinion (03 August 2020), the Authority was in discussion with Fiji Revenue Customs Services to confirm whether or not the Authority is exempted from paying income tax.

Centre for Technology and Development	Appropriate Modified (Disclaimer) opinion
2016	<ol style="list-style-type: none"> 1. The financial statements are required to be prepared in accordance with the International Financial Reporting Standards for Small and Medium – sized Entities (“IFRS for SMEs”). The Centre is yet to adopt and comply with IFRS for SMEs as required for general purpose financial statements. Accordingly, I am unable to determine the impact on the financial statements if any, adjustment which may be necessary if the financial statements were prepared under IFRS for SMEs. 2. Prior year’s variance of \$167,320 between the cash at bank and general ledger balance for Catering, Capital Reserve, Long term training and Salary/Partner account have not been reconciled. In addition, there is lack of audit trail to verify whether all cash received by the Centre have been deposited into the respective bank accounts. Therefore, I was not able to ascertain the accuracy and completeness of the cash at bank balance amounting to \$76,185 disclosed in the financial statements. 3. The Centre was unable to provide invoices and receipts pertaining to income generated from its training fees and seminar reimbursements totaling \$49,694. Training fees earned by the Centre during the period was not recorded in the general ledger. The missing records have provided limitation to the scope of my audit to confirm the revenue balance of \$144,377 disclosed in the financial statements. 4. An unreconciled variance of \$185,197 exists between the revenue balance in the general ledger and the revenue balance disclosed in the financial statements. As a result, I was unable to ascertain the accuracy and completeness of the revenue balance amounting to \$144,377 disclosed in the financial statements. 5. The Centre had not included two buildings and leasehold improvements in property, plant and equipment. The supporting documents to ascertain the cost of these assets were not provided. Therefore, I was unable to verify the accuracy of the Property, Plant and Equipment carrying amount of \$4,184,890 disclosed in the Financial Statements and also unable to determine whether any adjustments might have been necessary and any corresponding adjustments to the elements making up the balance sheet and income statement. 6. The Centre recorded work in progress of \$29,845 in the Financial Statement. The Centre was unable to provide any documentations to support the work in progress balance. 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 and any corresponding adjustments to the elements making up the income statement and balance sheet.

Centre for Technology and Development	Appropriate Modified (Disclaimer) opinion
2016	<ol style="list-style-type: none"> <li data-bbox="566 230 1436 398">7. An unreconciled variance of \$158,421 exists between the VAT receivable as per the Statement of VAT Account and the general ledger balance. As a result, I am unable to ascertain the accuracy of Vat receivable amounting to \$174,612 disclosed in the financial statements. <li data-bbox="566 443 1436 589">8. The Centre had not made provisions for annual leave as at 31 July 2016 and detailed schedule of annual leave due at year end were not provided. Therefore, I am unable to ascertain the impact, if any on the income statement and balance sheet. <li data-bbox="566 622 1436 689">9. The Centre did not prepare and present a statement of cash flow for the seven months ended 31 July 2016. <li data-bbox="566 723 1436 936">10. Internal controls over the proper maintenance of receipts, timely updates of general ledger, proper checking of payments and preparation of cash at bank reconciliations were generally found to be weak. These internal controls weakness if not addressed on a timely basis may result in material misstatements and possible financial losses in the future.

Appendix B: Abridged Financial Statements

Fiji Competition and Consumer Commission

Abridged Statement of Comprehensive Income

Description	2018 (\$)	2017 (\$)
Government Grant – Operational	3,397,524	2,278,656
Other Income	159,536	140,649
Total Income	3,557,060	2,419,305
Expenditure		
Personnel Expense	2,037,361	1,352,394
Operating Expenses	560,034	333,444
Administrative Expenses	438,530	214,881
Depreciation	105,847	98,092
Total Expenditure	3,141,772	1,998,811
Net Surplus	415,288	420,494
Total Comprehensive Income	415,288	420,494

Net surplus of the Commission decreased slightly by \$5,206 in 2018 compare to 2017. Total income substantially increased by \$1.13million as a result of increase in government grant allocation to cater for the new and vacant post and additional funds approved for the investigation operations. The total expenditure increased by \$1.14 million in 2018 compared to 2017 as new and vacant post were filled and increase in the activity of the commission for the financial year 2018.

Abridged Statement of Financial Position

Description	2018 (\$)	2017 (\$)
Assets		
Cash and Cash Equivalents	1,487,152	630,274
Deposits	43,946	31,556
Trade and Other receivables	40,835	644,138
Property, Plant & Equipment	742,810	450,037
Total Assets	2,314,743	1,756,005
Liabilities		
Trade and Other Payable	316,894	214,512
Deferred Income	707,393	666,326
Other Liabilities	4,444	4,444
Total Liabilities	1,028,731	885,282
Net Assets	1,286,012	870,723

Net assets increased by \$415,289 in 2018 compared to 2017. The increase was mainly due to receipt of grant of \$838,074 towards the end of the financial year which was not utilized in 2018.

Fiji Servicemen's After Care Fund

Abridged Statement of Financial Performance

Description	31 July 2016 7 months (\$)	31 December 2015 12 months (\$)	31 December 2014 12 months (\$)
Government Grant	5,134,376	8,776,744	6,881,645
Miscellaneous	43,290	66,047	48,220
Total Receipts	5,177,666	8,842,791	6,929,865
Beneficiary Payments	4,926,161	8,289,283	6,740,251
Salaries, Wages and Related Payments	152,486	294,229	274,113
Other Operating and Administration Expenses	39,996	81,858	60,441
Bank Charges	6,460	14,799	15,428
Purchase of Office Equipment and Furniture	3,830	12,826	5,459
Bank Errors	3,414	6,861	7,399
Total Payments	5,132,347	8,699,856	7,103,091
Surplus/(Deficit) for the year	45,319	142,935	(173,226)

Consistent with the changes in the financial year of Government, the Fund changed its financial year from 31 December to 31 July in 2016. The financial statements for the year ended 2016 reflect transactions for 7-month period whereas the financial statements for the period ended 2015 is for 12 months. Thus, the significant variances with the comparative balances.

The Fund had a surplus of \$142,935 in 2015 compared to a deficit of \$(173,226) in 2014. This was attributed to the increase in Government Grant received due to the increase in the number of recipients, to cover the bank overdraft encountered in 2014 and the salaries and administration expenses.

Abridged Statement of Financial Position

Description	31 July 2016 7 months (\$)	31 December 2015 12 months (\$)	31 December 2014 12 months (\$)
Cash at Bank	141,248	95,929	(47,006)
Total Assets	141,248	95,929	(47,006)

Consistent with the changes in the financial year of Government, the Fund changed its financial year from 31 December to 31 July in 2016. The financial statements for the year ended 2016 reflect transactions for 7-month period whereas the financial statements for the period ended 2015 is for 12 months. Thus, the significant variances with the comparative balances.

Consumer Council of Fiji

Abridged Statement of Comprehensive Income (Operating Grant)

Description	2018 (\$)	2017 (\$)
Income		
Government Grant	1,226,106	1,143,848
Other Income	188,231	147,193
Total Revenue	1,414,337	1,291,041
Depreciation	72,192	62,508
Rent and rates	56,029	63,695
Salaries, wages and related payments	893,120	810,642
Board expenses	43,523	17,992
Telephone and postage charges	22,180	22,294
Travelling expenses	14,550	25,398
Electricity and water	26,470	20,009
Office expenses, stationery and publications	20,099	27,890
New office rent	55,944	-
Other expenses	104,832	121,348
Total Expenses	1,308,939	1,171,776
Net Profit	105,398	119,265

The Council recorded a net profit of \$105,398 which declined by \$13,867 in 2018 compared to 2017. Total revenue increased by 9% or \$123,296 and total expenditure increased by 11.71% or \$137,163 in 2018 compared to 2017. The increases are due to funding received for new office relocation and set up at Vanua House.

Abridged Statement of Comprehensive Income (Donor Funded)

Description	2018 (\$)	2017 (\$)
Income	33,167	16,981
Total Revenue	33,167	16,981
Expenses		
Expenses	33,167	14,953
Total Expenses	33,167	14,953
Net Profit	-	2,028

Total revenue increased by 95.32% or \$16,186 and total expenditure increased by \$18,214 in 2018 compared to 2017. The Council fully utilized the donor funds in the current year (2018).

Abridged Statement of Financial Position

Description	2018 (\$)	2017 (\$)
Cash and cash equivalents	463,259	675,941
Other current assets	35,194	11,329
Prepayments	4,369	5,918
Property Plant & equipment	465,967	163,549
Intangible Assets	530	-
Total Assets	969,319	856,737
Trade and Other Payables	115,409	39,921
Provision for Annual Leave	21,475	22,348
Unutilized Capital Government Grant	4,587	417,837
Deferred Grant	538,892	193,074
Total Liabilities	680,363	673,180
Net Assets	288,956	183,557

Net assets increased by \$105,399 or 57.42% in 2018 compared to 2017. This was mainly attributable to the increase in Property, Plant and Equipment as the result of the new office set up at Vanua House with new furniture and fittings.

Sugar Industry Tribunal

Abridged Statement of Financial Performance

Description	2016 (\$)	2015 (\$)
Government Grant Operational	848,276	670,511
Other Income	223,168	73,042
Total Income	1,071,444	743,553
Personnel Expenses	403,991	398,113
Operating Expenses	140,897	108,718
Administrative Expenses	164,824	188,636
Depreciation	183,707	65,431
Total Expenditure	893,419	760,898
Surplus / (deficit)	178,025	(17,345)

The Tribunal incurred a net surplus of \$178,025 in 2016 compared to the net deficit of \$17,345 in 2015. The net profit was mainly due to the increase in government grant received during the financial year 2016 for the operations of the Tribunal.

Abridged Statement of Financial Position

Description	2016 (\$)	2015 (\$)
Cash at Bank and on Hand	174,477	14,968
Trade and Other Receivables	263,676	393,138
Property, Plant and Equipment	462,993	651,943
Total Assets	901,146	1,060,049
Trade and Other Payables	219,332	276,619
Employee Benefit Liability	-	1,400
Deferred Income	454,636	643,587
Finance Lease Liability – Current	3,343	5,014
Total Liabilities	677,311	926,620
Net Assets	223,835	133,429

Net assets increased by 68% or \$90,406 in 2016 compared to 2015. The increase was mainly due to the increase in cash and cash equivalents balance by 1066% or \$159,509, and decrease in liabilities balance by 27% or \$249,309. Cash and cash equivalents balance increased compared to 2015 due to the additional grant that the Tribunal received from the changes in the financial year of Government. In addition, the decrease in liabilities were due to the decrease in creditors and accruals balance and deferred income balance.

Accident Compensation Commission Fiji

Abridged Statement of Financial Performance

Description	7 Months Period Ended 31 July 2018 (\$)
Grant Income	850,305
Interest Income	7,295
Amortization of Deferred Revenue	10,401
Total Income	868,001
Staff cost	210,109
Depreciation	10,401
Operating expenses	249,934
Total Expenditure	470,444
Net Surplus	397,557

The Commission recorded total comprehensive income of \$397,557 during its first year of operation being for the seven (7) months ending 31 July 2018 and has been audited for the first time.

Abridged Statement of Financial Position

Description	7 Months Period Ended 31 July 2018 (\$)
Cash and cash equivalents	696,030
Other receivables	2,515
Intangible asset	2,477
Plant & equipment	92,780
Total Assets	793,802
Other payables	283,606
Employee entitlements	17,382
Deferred Revenue	95,257
Total Liabilities	396,245
Net Assets	397,557

The Commission recorded net assets of \$397,557 for the 7 months ending 31 July 2018.

Fiji National Sports Commission

Abridged Statement of Financial Performance

Description	2019 (\$)	2018 (\$)
Operating revenue	10,701,487	9,687,518
Other operating revenue	114,251	101,393
Total Income	10,815,738	9,788,911
Expenses		
Sports Grant Expenses	8,537,260	7,532,720
International Coaches Salary Grant	1,293,260	1,260,409
Administrative Expenses	25,396	20,851
Depreciation	77,797	111,032
Personnel Expenses	561,800	543,090
Operating Expenses	308,683	286,435
Finance cost	526	1,303
Total Expense	10,804,722	9,755,840
Net operating surplus for the year	11,016	33,071

The Commission recorded operating surplus of \$11,016 in 2019 compared to a surplus of \$33,071 in 2018. The decline in surplus was mainly due to increase in personnel cost in 2019 which increased by \$18,710. Increase was also noted for sports grant expense which increased by \$1,004,540 due to increase in funding for sports activities in 2019 compared to 2018.

Abridged Statement of Financial Position

Description	2019 (\$)	2018 (\$)
Cash	568,231	705,504
Prepayments	12,829	12,561
Property, plant and equipment	176,803	171,001
Other current assets	3,251	285
Total Assets	761,114	889,351
Trade and other payables	157,148	130,320
Employee entitlements	21,680	27,982
Deferred revenue	152,247	160,292
Deferred sports grant	60,717	231,383
Finance lease liability	18,932	---
Total liabilities	410,724	549,977
Net Assets	350,390	339,374

The Commission recorded an increase in the net assets by \$11,016 or 3.2% in 2019. Deferred sports grant decreased significantly due to utilization of the 2018 unutilized grant in 2019.

Investment Fiji

Abridged Statement of Financial Performance

Description	2019 (\$)	2018 (\$)
Government grant	2,715,295	2,481,157
Registration extract fees	459	293
International Business Award- Income	293,878	361,133
Other income	32,314	65,969
Total income	3,041,946	2,908,552
Administrative expenses	306,558	274,761
Depreciation	95,440	83,484
Operating expenses	565,648	555,182
Amortization of Intangible asset	96,432	9,244
Personnel expenses	1,544,266	1,578,383
International Business Award- expenses	294,027	331,079
Total expenditure	2,902,371	2,832,133
Net surplus for the year	139,575	76,419

Investment Fiji recorded net surplus of \$139,575 for the financial year ending 31 July 2019 which increased by \$63,156 or 83% compared to surplus of \$76,419 recorded in 2018. The increase in surplus recorded in 2019 is mainly attributable to the increase in government grant received in 2019 compared to the grant received in 2018. The increase in grant was to fund the data entry and update of historic investor information into Customer Relationship Management (CRM) system. The CRM system allows Investment Fiji and its key stakeholders in strategic reporting and decision-making.

Abridged Statement of Financial Position

Description	2019 (\$)	2018 (\$)
Cash on hand and at bank	739,872	917,104
Receivables	92,389	104,263
Property, plant and equipment	262,944	348,644
Intangible Assets	439,426	455,516
Total Assets	1,534,631	1,825,527
Trade creditors and accruals	92,055	110,374
Payable to Ministry of Economy	82,500	455,000
Provisions for employee entitlement	95,591	106,802
Deferred grant income	113,761	142,202
Total Liabilities	383,907	814,378
Net Assets	1,150,724	1,011,149

Investment Fiji recorded an increase in net assets by \$139,575 or 14 % in 2019 compared to 2018. The increase in net assets is mainly due to significant decline in amount payable to Ministry of Economy (MOE) as Investment Fiji cleared most of the payments to MOE during the year.

Fiji Roads Authority

Abridged Statement of Comprehensive Income

Description	2018 (\$)	2017 (\$)
Income	190,706,732	168,728,814
Other Income	887,846	1,999,193
Total Income	191,594,578	170,728,007
Expenses		
Employee related expenses	10,779,437	7,796,814
Maintenance	117,190,592	100,988,152
Depreciation and Amortization Expense	145,102,107	144,801,194
Other Operating Expenses	5,610,193	12,041,630
Total Operating Expenditure	278,682,329	265,627,790
Deficit for the year	(87,087,751)	(94,899,783)

The Authority has recorded a decline in deficit in 2018 by \$7.8m compared to 2017. Total revenue increased by 12.22% or \$20.87 million and total expenditure increased by 10.56% or \$12.75 million in 2018 compared to 2017 due to increase in funding to fund the vacant positions and maintenance cost relating to roads, bridges, drainage and street lights .

Abridged Statement of Financial Position

Description	2018 (\$)	2017 (\$)
Cash and cash equivalents	52,828,574	30,315,298
Receivables	3,589,868	5,714,589
Other current assets	74,119,090	152,529,633
Property Plant & equipment	9,024,705,420	8,874,136,356
Intangible Assets	382,385	185,952
Total Assets	9,155,625,337	9,062,881,828
Trade and Other Payables	117,168,386	91,617,988
Provisions	50,789,331	42,305,872
Deferred Income	894,656,797	753,065,186
Total Liabilities	1,062,614,514	886,989,046
Net Assets	8,093,010,823	8,175,892,782

Net assets decreased by \$82.88 million or 1.01% in 2018 compared to 2017. This was mainly attributed to the increase in Trade and Other Payables due to unpaid claims by the contractor and decrease in other current assets due to decrease in grants receivable from Ministry of Infrastructure and Transport at the end of the financial year.

Fiji Sports Council

Abridged Statement of Comprehensive Income

Description	2017 (12 months) (\$)	2016 (7 months) (\$)
Revenue		
Operating Income	4,388,633	2,388,611
Other Income	3,252,118	2,240,640
Concession Income	579,045	375,540
Total Revenue	8,219,796	5,004,791
Expenditure		
Administrative Expenses	580,932	368,973
Operating Expenses	1,301,559	1,127,975
Other Operating Expenses	279,839	896,929
Personal Expenses	2,182,994	1,128,604
Depreciation	6,911,069	3,987,962
Concession Purchases	386,453	270,199
Interest	153,394	173,747
Total Expenditure	11,796,240	7,954,389
Total Comprehensive loss	(3,576,444)	(2,949,598)

Consistent with the changes in the financial year of Government, the Council changed its financial year from 31 December to 31 July. The financial statements for the period ended 2017 reflect transactions for a 12-months period whereas the financial statements for the year ended 2016 is for a 7-month period. Thus, the significant variances with the comparative balances.

Abridged Statement of Financial Position

Description	2017 (12 months) (\$)	2016 (7 months) (\$)
Assets		
Current Assets	1,606,831	1,743,247
Other receivables	242,274	242,274
Property, Plant & Equipment	144,531,508	149,836,294
Total Assets	146,380,613	151,821,815
Liabilities		
Current Liabilities	1,568,441	4,225,189
Non-current liabilities	65,864,114	65,072,125
Total Liabilities	67,432,555	69,297,314
Net Assets	78,948,058	82,524,501

Consistent with the changes in the financial year of Government, the Council changed its financial year from 31 December to 31 July. The financial statements for the period ended 2017 reflect transactions for a 12-months period whereas the financial statements for the year ended 2016 is for a 7-month period. Thus the significant variances with the comparative balances.

Civil Aviation Authority of Fiji

Abridged Statement of Comprehensive Income

Description	2019 (\$)	2018 (\$)
Income	5,187,373	5,486,525
Other Operating Income	416,761	376,297
Total Income	5,604,134	5,862,822
Administrative Expenses	990,227	1,154,388
Operating Expenses	1,866,503	1,762,230
Personnel Expenses	3,694,323	3,295,825
Total Expenses	6,551,053	6,212,443
Operating Loss Before Net Financing Income	(946,919)	(349,621)
Net Financing Income	120,306	108,541
Operating Loss Before Tax	(826,613)	(241,080)
Income Tax Benefit	254,013	109,491
Net Loss After Tax	(572,600)	(131,589)
Change in Fair Value of Investments	1,159,790	2,226,797
Total Comprehensive Income For the Year	587,190	2,095,208

Total comprehensive income decreased by \$1,508,018 or 72% in 2019 compared to 2018. The decrease in total comprehensive income was largely due to decrease in departure tax revenue for the Authority. Total expenses of the Authority increased by \$338,610 which was largely due to increase in operating and personnel expenses.

Abridged Statement of Financial Position

Description	2019 (\$)	2018 (\$)
Cash and Cash Equivalents	1,240,434	1,769,948
Trade Receivables	157,564	216,289
Income Tax Refundable	46,770	34,562
Other Assets	1,300,813	1,114,334
Investments	14,200,991	13,041,201
Property, Plant and Equipment	6,307,458	6,520,205
Intangible Assets	329,249	349,781
Right-of-Use Assets	283,162	---
Total Assets	23,866,441	23,046,320
Trade and Other Payables	1,144,802	959,978
Lease Liability	304,106	---
Employee Benefits	181,564	168,600
Deferred Income Tax Liability	247,812	501,825
Total Liabilities	1,878,284	1,630,403
Net Assets	21,988,157	21,415,917

Net assets of the Authority increased by \$572,240 or 3% in 2019 compared to 2018. The increase was largely due to *International Financial Reporting Standards (IFRS) 16 - Leases* which has come into effect from financial year 01 January 2019 that deals with the recognition, measurement and disclosure requirement of leases. (The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.) As a result, the Authority has recorded right-of-use assets amounting to \$283,162 under assets and \$304,106 as lease liability.

Centre for Appropriate Technology and Development

Abridged Statement of Comprehensive Income

Description	2016 7 Months (\$)	2015 12 Months (\$)
Operating income	144,377	276,473
Government grant	483,920	656,513
Other income	752	31,546
Total Income	629,049	964,532
Depreciation	52,937	91,742
Staff costs	171,719	279,669
Other operating expenses	384,155	782,026
Interest expenses	---	916
Total Expenses	608,811	1,154,353
Net Surplus/(Deficit)	20,238	(189,821)

Consistent with the changes in the financial year of Government, the Centre changed its financial year from 31 December to 31 July. The financial statements for the period ended 2016 reflect transactions for a 7-months period whereas the financial statements for the year ended 2015 is for a 12-month period. Thus the significant variances with the comparative balances.

Abridged Statement of Financial Position

Description	2016 7 Months (\$)	2015 12 Months (\$)
Cash	76,185	23,316
Deposits and prepayments	8,446	12,096
Receivables	29,592	40,204
VAT receivables	174,612	187,325
Grant income due	49,067	---
Property, Plant & Equipment	4,184,890	4,227,681
Total Assets	4,522,792	4,490,622
Accounts Payable	43,932	32,000
Mokani farm land	4,789	4,789
Total Liabilities	48,721	36,789
Net Assets	4,474,071	4,453,833

Consistent with the changes in the financial year of Government, the Centre changed its financial year from 31 December to 31 July. The financial statements for the period ended 2016 reflect transactions for a 7-months period whereas the financial statements for the year ended 2015 is for a 12-month period. Thus the significant variances with the comparative balances.

Appendix C: Audits not complete as at 31 July 2020

Entity	Year Last Audited					Comments
	Prior 2015	2016	2017	2018	2019	
1. Tourism Fiji		✓				Audit of 2015, 2016 and 2017 accounts are being finalized.
2. National Fire Authority		✓				Audit for 2015 accounts are being finalized. Draft accounts for 2016-2019 yet to be received.
3. Agricultural Marketing Authority	✓					Audit of 2010-2016 accounts completed and issued for signing on 14 July 2020. The Authority is yet to return the signed accounts for the issue of auditor report.
4. I-Taukei Affairs Board	✓					The latest audited financial statements was for the year ended 31 December 2002. Revised draft financial statements for 2003 – 2006 to be resubmitted for audit. Draft Financial statements for 2007 to 2019 are yet to be submitted for audit.
5. Fiji Servicemen's After-Care Fund				✓		Draft accounts for 2017-2019 yet to be received.
6. Real Estate Agents Board	✓					Draft accounts for 2013 audit received on 04/08/20. Audit yet to commence.
7. Fiji Human Rights & Anti-Discrimination Commission	✓					Audit of 2008-2016 accounts completed and issued for signing on 06 July 2020. The Authority is yet to return the signed accounts for the issue of auditor report. 2017-2019 draft accounts yet to be submitted for audit.
8. Independent Legal Services Commission	✓					2016 - 2019 accounts yet to be received.
9. Telecommunication Authority of Fiji		✓				2015-2017 financial statements received on 29/3/19. Audit not commenced due to unavailability of accounting records.
10. Fiji Medical & Dental Secretariat	✓					2016 – 2018 accounts yet to be received.
11. National Food & Nutrition Centre		✓				2015 accounts received on 26/4/19 and 2016-2017 accounts

Entity	Year Last Audited					Comments
	Prior 2015	2016	2017	2018	2019	
						submitted on 12/9/19 and is yet to be audited.
12. Sugar Industry Tribunal		✓				2017-2019 accounts yet to be received for audit.
13. Fiji Meats Industry Board			✓			2018-2019 accounts received on 02 March 2020 and is yet to be audited.
14. Fiji Teacher's Registration Authority			✓			Audit for 2018 accounts in progress.
15. Film Fiji			✓			Audit for 2018 and 2019 accounts in progress.
16. Fiji National Council for Disabled Persons		✓				2017 draft accounts received on 30 October 2019. Audit yet to commence.
17. Fiji Higher Education Commission			✓			2018 draft accounts resubmitted for audit on 26 June 2020.
18. Land Transport Authority			✓			Audit of 2018 accounts completed and issued for signing on 02 July 2020. The Authority has opted to resolve the qualification issues raised in the draft audit report.
19. Fiji Revenue and Customs Services			✓			Audit of 2018 accounts completed and issued for signing on 20 June 2020. The Authority is yet to return the signed accounts for the issue of auditor report. Audit for 2019 accounts in progress.
20. Fiji Roads Authority				✓		2019 audit is in progress.
21. Maritime Safety Authority of Fiji		✓				2017-2019 accounts yet to be received.
22. Consumer Council of Fiji				✓		2019 audit being finalized.
23. Fijian Competition and Consumer Commission				✓		2019 audit is in progress.
24. Fiji Sports Council			✓			2018 audit being finalized while audit for 2019 draft financial to be resubmitted for audit.
25. Water Authority of Fiji		✓				Audit of 2017 accounts completed and issued for signing on 23 July 2020. The Authority is yet to return the signed accounts for the issue of auditor report.
26. National Substance Abuse Advisory Council	✓					Audit for 2016 accounts are in progress.

Appendix D: Entities not subject to audit by the Auditor-General

Entity	Audit requirement	Audited by/Comments
1. National Centre for Small and Micro Enterprises Development	Auditor-General or any other independent auditor appointed by the Board	Aliz Pacific appointed as auditors for 2010-2019 financial statements. 2019 audit completed.
2. National Trust of Fiji	Auditor-General or such other auditor approved in that behalf by the Minister responsible for finance.	Auditor appointed by Trust as follows: <ul style="list-style-type: none"> • 2006-2007 RP Singh & Company. • 2008-2010 HN Pande & Company. • 2011-2013 I Naiveli & Company. • 2014-2018 HN Pande & Company. • 2019 R. P Singh 2019 audit completed.
3. Legal Aid Commission	Auditor appointed by the Commission.	Auditor appointed by the Commission as follows: <ul style="list-style-type: none"> • 2014 – 2016 A M Narsey & Company • 2017 – 2019 PWC 2017 – 2019 audit in progress.
4. Tertiary Scholarship and Loans Board	In accordance with the Audit Act (Cap. 70) and the Financial Management Act 2004; <p>b) by an independent auditor appointed by the Minister; or</p> <p>c) by an independent auditor as so directed by the Minister for Finance.</p>	KPMG appointed as auditors for 2014-2018 financial statements. PWC appointed auditor for 2019 financial statements. 2019 audit completed.

Appendix E: Glossary

Term	Definition
Accountability	Responsibility of public sector entities to achieve their objectives in reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws.
Accounting estimates	An approximation of a monetary amount in the absence of a precise means of measurement. This term is used for an amount measured at fair value where there is estimation uncertainty, as well as for other amounts that require estimation.
Amortised	Gradually write off the initial cost of an asset.
Assessment for impairment	Assessment done to ensure that an entity's assets are not carried at more than their recoverable amount (i.e. the higher of fair value less costs of disposal and value in use).
Audit evidence	A difference between the amounts, classification, presentation, or disclosure of a reported financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework.
Backlog	Accumulation of draft financial statements not submitted for audit. Draft financial statements prior to 2019 not submitted to Auditor-General for audit is taken as a backlog audit.
Business continuity risk	Business interruption can result from natural occurrences and accidental or deliberate criminal acts. Those interruptions can have significant financial and operational ramifications. Over time, an organization will experience an event that will result in the loss of information, access to properties (tangible or intangible), or the services of personnel. Exposure to those types of risks and the planning for business continuity is an integral part of an organization's risk management process.
Capital works	Amount capitalized to the balance sheet for contributions by an entity to major assets owned by the entity, including expenditure on: <ul style="list-style-type: none"> • Capital renewal of existing assets that returns the service potential or the life of the asset to that which it had originally. • Capital expansion which extends an existing asset at the same standard to a new group of users.
Completion of Audit	The audit is considered complete when audit opinion is issued by the Auditor-General.
Consolidated fund account	The main bank account of the government where public monies are paid into for the operations of government. Trust money is not paid into this account.

Term	Definition
Deferred income	Deferred income refers to money received by an entity before it provides the related goods or services to the customer.
Deficiencies	Failing, weakness or shortcoming.
Depreciation	The systematic allocation of a fixed asset's capital value as an expense over its expected useful life to take account of normal usage, obsolescence, or the passage of time.
Disaster recovery plan	Is a plan that describes how work can be resumed quickly and effectively after a disaster.
Estimated useful lives	Estimated lifespan of a depreciable fixed asset, during which it can be expected to contribute to an entity's operations.
Express an opinion	A written expression of the auditor's overall conclusion on the financial report based on audit evidence obtained.
Fraud	An intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.
Governance	Governance is defined as the manner in which those in vested authority uses its powers to achieve the institution's objectives, including its powers to design, implement and innovate the organization's policies, rules, systems and processes and to engage and involve its stakeholders.
Governing bodies	A body of persons or officers having ultimate control. They are mainly constituted for the purpose of administration.
Impairment	When an asset's carrying amount exceeds the amount that can be recovered through use or sale of the asset.
International Financial Reporting Standards	Standards adopted by Fiji Institute of Accountants for financial reporting by large and medium entities in Fiji.
Management	Those with the executive responsibility for conducting an Entity's operations.
Management Letter	Management Letter highlighting areas where improvements can be made by an entity following an audit.
Material Misstatement	A significant difference between the amounts, classification, presentation, or disclosure of a reported financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework.
Materiality	This relates to the size or nature of the item or error judged in the particular circumstances of its omission or misstatement. Information is material if its omission or misstatement could

Term	Definition
	influence the economic decisions of users, taken on the basis of the financial statements.
Other significant matters	<p>Include control weaknesses which <i>could cause</i> or <i>is causing</i> severe disruption of the process or severe adverse effect on the ability of an auditee to achieve process objectives and comply with relevant legislation.</p> <p>It is likely that these issues may have an impact on the operations of the entities in future, if necessary action is not taken to address them.</p>
Provision for loan accounts	A provision made to allow for the possibility that some debts due for payment in the future may never be paid.
Reasonable assurance	A high but not absolute level of assurance.
Recognition criteria	Criterion which is used to recognise assets, liabilities, expenditure and revenue in financial statements.
Revaluation	The action of assessing the value of something again.
Risks	The probability or threat of quantifiable damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action.
Risk Management Policy	Provides method of identifying, assessing, controlling, monitoring and reporting existing and potential risks faced by an entity.
Signed Financial Statements	Means when audit opinion is issued by the Auditor General on the financial statement.
Standards on auditing	International Standards on Auditing adopted by Fiji Institute of Accountants and applied by Office of the Auditor-General for audits carried out.
Leasehold land	Real property held by a tenant (lessee) under a lease for a fixed term, after which it is returned to the owner (the lessor).
Valuation	The process of determining the fair value of an asset.
Value-adding	Financial or non-financial gains arising from improved compliance or mitigation of risks.
Work in progress	The total value of the materials and labor for unfinished projects.
Written-down value	The value of an asset after accounting for depreciation or amortization.
Zero-book values	Arises when fixed assets are fully depreciated.



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