Nasinu Town Council

Nasinu Town Council

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Address all Correspondence to the Chief Executive Officer

Ref: 060422-1

6th April, 2022

The Chairperson, Hon. Viam Pillay

Standing Committee on Social Affairs

Parliament of the Republic of Fiji

SUVA.

Dear Sir,

RE: Clarification on Issues in Relation to the Council 2010 and 2009 Annual Report

We refer to the letter from the Fijian Parliament, the Standing Committee on Social Affairs dated 21st March 2022.

Attached herewith is the response in regards to clarifications on issues in relation to the Council 2009 and 2010 Annual Reports.

For further information or clarification, please feel free to contact Manager Finance Ms. Eleni Qaqa or the undersigned on 999 1898.

Thank you,

Anurashika Bari
Chief Executive Officer

1. Special Administrators
2. Ministry of Local Government
3. Registry for Filing.

Response to Nasinu Town Council 2010 Audited Accounts

1. Provide a list of all open spaces, grounds, and recreational areas within the Nasinu boundary.

Response

Below is the list of open spaces. For unimproved open spaces, the Council did an expression of interest in 2021 but did not receive good response because it was during the peak COVID-19 outbreak.

We have now recruited a Senior Town Planner who is working to understand what can or cannot be done in these spaces. Once this exercise is completed, we will be engaging communities/stakeholders to work out a plan on how we can work together to develop these open spaces for community use.

NUMBER	LAND NAME	LOCATION	LANDLORD	LEGAL DESCRIPTION	PLAN. NO	AREA	COMMENTS/REMARKS
1	Aurora Avenue	Makoi	Housing Authority	Lot 57	DP 5207	913.07m²	Roads Side Reserve
2	Drodrolagi Street	Makoi	Housing Authority	Lot 86	DP 5208	879.9m²	Reserve
3	Kalokalo Cresent	Makoi	Housing Authority	Lot 86	DP 5208	879m²	Reserve
4	Kalokalo Cresent	Makoi	Housing Authority	Lot 87	DP 5208	3042.73m²	Reserve
5	Uca Place	Makoi	Housing Authority	Lot 71	DP 5211	523.56m2	Reserve
6	Uca Place	Makoi	Housing Authority	Lot 72	DP 5211	1168.52m²	
7	Matanisiga Street	Makoi	Housing Authority	Lot 107	DP 5213	1135.64m²	Reserve
8	Livaliva Street	Makoi	Housing Authority	Lot 77	DP 5209	3100.90m²	Reserve
9	Poorva Road	Makoi	NLTB	Lot 26	SO 1815	8538m²	Open Space Reserve
10	Pritam Singh	Tuirara	NLTB	Lot 17	SO 1810	1132m²	Arbour Reserve
11	Pritam Singh	Tuirara	NLTB	Lot 19	SO 1810	1600m²	Active Recreation
12	Pritam Singh	Tuirara	NLTB	Lot 20	SO 1810	4489m²	Open Space Reserve
13	Pritam Singh	Tuirara	NLTB	Lot 30	SO 1807	1422m²	Arbour Reserve
14	Pritam Singh	Tuirara	NLTB	Lot 32	SO 1808		Open Space Reserve
15	Pritam Singh	Tuirara	NLTB	Lot 15	SO 1804	6118m²	Active Recreation
16	Pritam Singh	Tuirara	NLTB	Lot 16	SO 1804	855m²	Arbour Reserve
17	Pritam Singh	Tuirara	NLTB	Lot 27	SO 1823	582m²	Childrens Park
18	Pritam Singh	Tuirara	NLTB	Lot 30	SO 1823	1308m²	Arbour Reserve
19	Off Pritam Singh	Tuirara	NLTB	Lot 26	SO 1824	1833m²	Arbour Reserve
20	Off Pritam Singh	Tuirara	NLTB	Lot 27	SO 1824	2038m²	Open Space Reserve
21	Off Pritam Singh	Tuirara	NLTB	Lot 28	SO 1824	1237m²	
22	Off Pritam Singh	Tuirara	NLTB	Lot 21	SO 1826	1839m²	Arbour Reserve
23	Off Pritam Singh	Tuirara	NLTB	Lot 19	SO 1826	501m2	Childrens Park
24	Pritam Singh	Makoi	Housing Authority	Lot 7	DP 5653	8445m2	Playing Field

25	Bijli Street	Makoi	Housing Authority	Lot 13	DP 5655	1151m2	Civic
26	Poorva Road	Tuirara	NLTB	Lot 30	DP 1805		Future Roads Purposes
27	Narere Rd	Narere	State	Lot 5	DP 7850	$4929m^2$	Green Reserve
28	Narere Rd	Narere	State	Lot 31	DP 7864	$3265m^2$	Green Reserve
29	Narere Rd	Narere	State	Lot 32	DP 7864	$279m^2$	Drainage Reserve
30	Narere Rd	Narere	State	Lot 27	DP 7859	$447m^2$	Green Reserve
31	Kelland Street	Narere	NLTB	Lot 43	SO 0071		Reserve
32	Narere Rd	Narere	NLTB	Lot 2	SO 0421	$36971m^2$	Recreation Reserve
33	Mustaq Rd	Navosai	NLTB	Lot 25	SO 2567	$2144m^2$	
34	Mustaq Rd	Navosai	NLTB	Lot 26	SO 2567		Access Reserve
35	Balolo Street	Narere	NLTB	Lot 18	SO 2745	2537^{m2}	Open Space Reserve
36	Balolo Street	Narere	NLTB	Lot 25	SO 0232	$3900m^2$	River Bank Reserve
37	Balolo Street	Narere	NLTB	Lot 41	SO 0231	$2307m^2$	Open Space Reserve
38	Balolo Street	Narere	NLTB	Lot 43	SO 0231	DP 3290	River Bank Reserve
39	Balolo Street	Narere	NLTB	Lot 44	SO 0230	$3230m^2$	River Bank Reserve
40	Urau Place	Nadawa	Housing Authority	Lot 44	DP 6925		Reserve
41	Mana Place	Nadawa	Housing Authority	Lot 34	DP 6927		Reserve
42	Tiri Rd	Nadawa	Housing Authority	Lot 53	DP 7371		Open Space Reserve
43	Tiri Rd	Nadawa	Housing Authority	Lot 56, 57	DP 7372		Drainage Reserve
44	Tiri Rd	Nadawa	Housing Authority	Lot 58	DP 7373		Foreshore Reserve
45	Bal Govinda Rd	Nadawa	Nasinu Land Purchase	Lot 66	DP 8485		Open Space Reserve
46	Mandir Street	Nadera	Nasinu Land Purchase	Lot 33	DP 5522	$2481m^2$	Open Space Reserve
47	Church Street	Nadera	Nasinu Land Purchase	Lot 57	DP 5069	$2516m^2$	Recreation Reserve
48	Pilling Rd	Kalabu	NLTB	Lot 18	DP 3291	$13263.57m^2$	Roads Side Reserve
49	Pilling Rd	Kalabu	Housing Authority	Lot 41	DP 6910	$511m^2$	Playing Field
50	Pilling Rd	Kalabu	Housing Authority	Lot 34	DP 7100		Reserve
51	Clifton Rd	Kalabu	State	Lot 4	DP 7382	$780m^2$	Arbour Reserve
52	Clifton Rd	Kalabu	State	Lot 5	DP 7382	$25821m^2$	Open Space Reserve
53	Nasinu Rd	Kalabu	State	Lot 8	DP 8172	$9951m^2$	Arbour Reserve
54	Nasinu Rd	Kalabu	State	Lot 9	DP 8172	$2509m^2$	Playing Field
55	Kalabu Industrial	Kalabu	NLTB	Lot 42	SO 1080	$3637m^2$	Open Space Reserve
56	Kanace Rd	Valelevu	NLTB	Lot 18	SO 1083	$7678m^2$	Recreation Reserve
57	Ikadroka Place	Naveiwakau	NLTB	Lot 45	SO 1486	$1213m^2$	Recreation Reserve

58	Kanace Rd	Valelevu	NLTB	Lot 11	SO 1484	4995m^2	Open Space Reserve
59	Kanace Rd	Valelevu		Lot 1	DP 4065		Reserve
60	Kanace Rd	Valelevu	Housing Authority	Lot 4	DP 4267	32981.88m^2	Recreation Reserve
61	Khalsa Rd	Newtown	Housing Authority	Lot 1	DP 5416	753m^2	Open Space Reserve
62	Khalsa Rd	Newtown	Housing Authority	Lot 8	DP 5416	514m^2	Road Reserve
63	Nasole Rd	Nasole	Housing Authority	Lot 26	DP 6443	765m^2	Recreation Reserve
64	Nasole Rd	Nasole	Housing Authority	Lot 2	DP 6444	10219m^2	Open Space Reserve
65	Nasole Rd	Nasole	Housing Authority	Lot 7	DP 5084	2031.12m^2	Open Space Reserve
66	Nasole Rd	Nasole	Housing Authority	Lot 9	DP 5084	5969.01m^2	Open Space Reserve
67	Nasole Rd	Nasole	Housing Authority	Lot 10	DP 5084	5362.08m^2	Open Space Reserve
68	Nasole Ground	Caqiri	Housing Authority	Lot 4	DP 6143	5592m^2	Open Space Reserve
69	Nawanawa Rd	Nadera	Housing Authority	Lot 28	DP 4610	10800.05m^2	Open Space Reserve
70	Nawanawa Rd	Nadera	Housing Authority	Lot 29	DP 4610	2428.12m^2	Open Space Reserve
71	Tomanu Rd	Nadera	Housing Authority	Lot 61	DP 4237		Reserve
72	Mala Place	Nadera	Housing Authority	Lot 61	DP 3884	521.03m^2	Reserve
73	Mala Place	Nadera	Housing Authority	Lot 63	DP 3884	2289m^2	Reserve
74	Sevua Place	Nadera	Housing Authority	Lot 71	DP 3866	1760m^2	Open Space Reserve
75	Nasilivata Road	Nadera	Housing Authority	Lot 19	DP 5592	10367m^2	Future Development
76	Kuluvuto Grounds	Nadera	Housing Authority	Lot 1	DP 4124	46538.85m^2	Playing Field
77	Reba Circle	Nadera	Housing Authority	Lot 3	DP 4124	6396.57m^2	Open Space Reserve
78	Reba Circle	Nadera	Housing Authority	Lot 126	DP 4124	5731m^2	Open Space Reserve
79	Matau Rd	Caubati	Housing Authority	Lot 27	DP 7269	128m^2	Car Park
80	Matau Rd	Caubati	Housing Authority	Lot 28	DP 7269	114m^2	Car Park
81	Matau Rd	Caubati	Housing Authority	Lot 29	DP 7269	225m^2	Car Park
82	Matau Rd	Caubati	Housing Authority	Lot 30	DP 7269	2695m^2	Playing Field
83	Chanik Place	Caubati	Samabula Development Ltd	Lot 15	DP 5641		Open Space Reserve
84	Madhavan St	Caubati	Mr & Mrs Madhavan	Lot 26	DP 7814		Reserve
85	Madhavan St	Caubati	Mr & Mrs Madhavan	Lot 27	DP 7814		Reserve
86	Kings Rd, Caubati	Caubati	State	Lot 27	R 1745		Open Space Reserve
87	Caubati Village Road	Caubati	State	Lot 25	DP 3852	1001m^2	Open Space Reserve
88	Off Kinoya Rd	Kinoya	Housing Authority		DP 2995		
89	Kinoya Ground-Velau Drive	Kinoya	Housing Authority	Lot 1	DP 7822	13667m^2	Playing Field
90	Koka Pl	Kinoya		Pt Lot 41	DP		

					3677		
91	Kinoya Rd	Kinoya	Housing Authority	Lot 69	DP 4294	207.80m²	Open Space Reserve
92	Caukuro St	Kinoya		Lot 58	DP 3894		Open Space Reserve
93	Off Vesivesi Rd	Kinoya		Lot 55	DP 3894		Open Space Reserve
94	Pandi Ami Chandra St	Kinoya		Lot 51	DP 5628		Open Space Reserve
95	Veisida Pl	Kinoya		Lot 6	DP 5957		Future Development
96	Kings Rd, Kinoya	Kinoya			Pt R 1761	36876.98m²	Open Space Reserve
97	International Grounds	Laucala Beach	State	Lot 1	DP 9179	17540m²	Playing Field
98	Tagimaucia Pl	Laucala Beach		Lot 24	DP 4055	543.8m²	Open Space Reserve
99	Tagimaucia Pl	Laucala Beach		Lot 25	DP 4055		Historical Reserve
100	Sekoula d	Laucala Beach		Lot 33	DP 3926		Reserve
101	Bulei Rd	Laucala Beach	NLTB	Lot 47	SO 1878	6029m²	
102	Bulei Rd	Laucala Beach	NLTB	Lot 48	SO 1878	45m²	Recreation Reserve
103	Bulei Rd	Laucala Beach	NLTB	Lot 49	SO 1878	752m²	

2. Town Rates and Garbage Fees – How is the Council trying to address squatter settlement issues in relation to land, garbage, and rate collection? Enlighten the Committee on the progress made to formalize these squatter settlements. Highlight the services being provided to people living in squatter settlements and whether they are legally connected to water and electricity.

Response

The Council is providing the solid waste collection services to all the squatter settlement in Nasinu. There are 17 informal settlements with 1312 households; Caubati Mamas, Caubati Topline, River Road, Omkar Road, Beaumont, Nadawa, Muanikoso, Laqere, Kilikali, Nepani, Nasole (Along Kings Road), Tuirara, Veiraisi Settlement (Nadera), Maravu, Makoi (Pritam Singh Road) and Moala (Kuluvotu Ground, Nadera). These informal settlements do not pay any rate or garbage fees to Nasinu Town Council. The solid waste collection services are paid through the Solid waste grant received from Fijian Government. Majority of these informal settlement have access to electricity and water upon approval through their respective owners.

The land issue clarification should be directed to the land owners that is iTLTB/Ministry of Lands. The formalizing of these squatter settlement clarifications should be directed to Ministry for Housing. These two issues are beyond the Council sphere of control or jurisdiction.

3. What are some of the challenges faced by the Council in meeting its strategic objectives and how is it planning to address these challenges?

Response

The key challenge is the Council Finance. The Council main revenue base/stream is rate and garbage fees. The Council total invoiced rate and garbage fees is $2,931,369VEP and the cost of one service that is solid waste *collection is $2,481,632VIP that is 85% of total invoiced rate and garbage fees. So, there is hardly any fund left for other services such as grass cutting, drain cleaning, health, enforcement, repairs to Council properties/infrastructure etc. To make it worse the collection of rates and garbage has been an issue for the Council from the beginning. The Council cannot operate without Fijian Government operational grant. The plan to address this issue is through:*

- *Increase the Garbage Fees or find creative ways to reduce the cost. The current garbage fees are $78.48. Currently Council has outsourced the solid waste collection to Suva City. The solid waste services require good set of fleets which was challenging for Council to procure because of their financial position. Given Suva strengthen with fleet, the Council decided to outsource this to Suva City Council. The way forward is Waste Management Authority for Lami to Nausori corridor, that is shared services. Through economies of scale, the Councils can create efficiency.*

- *Increase the Rate levy. The current rate levy is 0.006 x Unimproved Capital Value of the rateable property. The Council did a proposal to increase the rate levy cents in a dollar to 0.01 but it was not approved considering the COVID-19 impacts on the rate payers. The Council is currently working to conduct the sexennial valuation which will surely increase the rate levy.*

- *Look for new revenue streams such as parking meters, new markets, sporting facility, commercial investments. The Council is currently working to procure solar parking meters and working with the community/stakeholders to develop the facilities.*

- *Conscious spending and curb unnecessary cost. The Council has strengthened this area since 2019.*

- *Explore more shared services options with Suva and Nausori Town Council. This will help further reduce the cost of doing business/providing service.*

From financial/investor perspective, the quick way to create efficiency is by closing the Nasinu Town Council and re-align the boundaries of Suva City Council and Nausori Town Council. Please note, this is just a thought and require a thorough analysis.

Furthermore, the other key challenge was the poor governance resulting in financial loss. The abuse of office/fraud cases have been reported to FICAC and is under investigation.

4. Provide a breakdown of the following information for 2010 to 2009:

- **Number of ratepayers;**
- **Rates collected for each year (monetary value);**
- **Rental arrears for each year (provide the monetary value); and**
- **Total arrears up until the present time.**

Response

	2010	**2009**
Number of ratepayers	*13,178*	*13,178*
Rates collected	*2,347,108*	*2,786,754*
Rate arrears for each year	*6,611,803*	*4,866,390*
Total arrears till 31st March 2022		*$11,067,410.85*

a. **What are the causes of the accumulation of rate arrears?**

Response

The causes of the accumulation of arrears:

- *Lack of action taken by the Council to recover these arrears.*
- *Rate payers reluctant to pay because of deteriorating service over years.*
- *Genuine hardship cases. The Council is conducting means test to validate for waiver approval purpose.*
- *Deceased rate payers, vacant lots, properties under disputes, unemployment, destitute case.*

b. **What are the challenges faced in the collection of rate arrears and their method(s) of collection?**

Response

The key challenge is the record keeping and absence of debt recovery policy in Council. Since 2019, the Council has analysed the data by threshold for legal action purpose. Those below $5,000, council is taking rate payers to Small Claims. Above $5,000, the Council is taking rate payers to Magistrate Court. Those above $10,000, the Council is placing charges. We have seen effectiveness of these process.

However, the Council needs to invest in good accounting system to improve the record keeping and also establish a debt recovery policy.

c. **Has the Council conducted a survey or research on the reasons for non-payment or delayed payment of town rates?**

Response

The Council have not invested in formal survey or research due to lack of expertise and resources. The Rate Collection Officers have been asking questions during their interactions with rate payers and investigation and found out the above reasons for non-payment as highlighted in b above.

d. **What is the Council's plan to address this issue and what punitive and non-punitive measures are taken against non-compliant rate payers?**

Response

Non-punitive measures taken are:

- *Issue rate assessment notice/invoice in the first month of new financial year.*
- *Send text messages, billboards, TV, radio and newspaper advertisement reminding rate payers to pay their rate levy.*
- *The Council Board also approved discount on current and arrears rate that is up-to 7% in first two months and 5% is next three months.*
- *2-year payment plan*

Punitive measures taken are:

- *The council has been sending demand notices, bankruptcy, SCT (Less than $5,000) & Magistrate court cases (more than $5,000) placing of charge against the properties.*

e. How is the non-collection of full town rates impacting the service delivery of the Council?

Response

The non-payment by rate payers leads to a decline in the Town Council available funds which results in the council not being able to improve the service delivery in terms of garbage collection, drain cleaning, grass cutting.

f. Provide details of vacant lots in the municipality.

Response

There are 120 vacant lots within Nasinu Town boundary.

5. **Since the appointment of the Nasinu Special Administrator in 2019:**

a. What improvements have been brought about in the collection of arrears by the Nasinu Town Council? Provide relevant statistics.

Response

*Most of the punitive and non-punitive measures discussed in 4. **d** above was implemented during the term 2019 Special Administrators. They pushed and motivated the team to perform. They introduced demand notice process to all default rate payers. They also implemented of regular tracking, monitoring and reporting mechanism. The result was visible through improved collection rate despite the COVID-19 impacts. Refer below table.*

	2021	2020	2019
Total collection for the period	3,214,356.97*	2,571,848.93*	2,786754

Furthermore, below are key financial achievement since the appointment of SA's in 2019:

- *Strengthen the Council cashflow and moved from the practice of operating in overdraft to a positive cashflows.*

	Nov 2019	Oct 2020	June 2021
Nasinu	$210,524.32 OD	$140,603.72 Positive	$376,740 Positive

- *Reduced the Council Outstanding Creditors*

	Nov 2019	Oct 2020	June 2021
Nasinu	$3,098,615.28	$1,558,456.07	$1.2M

- *Improve Collections, despite the adverse economic situation.*

		Aug 2020 to June 2021	FY 2021 and FY 2022
Nasinu	Current Rate	58%	77%
	Current Garbage	44%	77%

Note, the

b. What measures have been put in place to promptly address the grievances of ratepayers? How many grievances were recorded from 2009 to date and what were the nature of these complaints?

Response

The Council does not have complaints data for 2019. The complaints were logged by respective officers earlier, hence no central database. Since late last year, the Council has invested in Complaints Resolution Officer and all complaints are now logged centrally. The Council has also developed a customer care policy and standard operating procedure for complaints resolution. The major complaints are related to poor roads and drainage, health or sanitary issues, encroachment, illegal development, solid waste collection, overgrown grass, drain cleaning, litter, irresponsible dumping, cleanliness, hygiene, noise nuisance, illegal roadside selling, poultry and stray dogs.

Jan-Feb 2022 Complaints High Level Data as reported by Complaints Resolution Officer

	JANUARY				FEBRUARY			
	Total No. of Complaints Closed	Total No. of Complaints Open/ Ongoing	Total No. of Complaints	Percentage	Total No. of Complaints Closed	Total No. of Complaints Open/ Ongoing	Total No. of Complaints	Percentage
Operations	27	8	35	77%	15	7	22	68%
Health & Enforcement	54	22	76	71%	23	22	45	51%
Building	13	3	16	81%	14	8	22	64%

c. How have the following services and facilities provided to ratepayers in the Nasinu municipality been enhanced:

- **Maintenance of public amenities;**

Response
The public amenities such as public convenience, playgrounds require massive maintenance. These facilities have not been maintained well since it was constructed.

- **Rubbish collection and grass cutting – considering there are numerous complaints from ratepayers on rubbish not collected on certain days;**

Response
The Rubbish collection has improved a lot since the services was outsourced to Suva City Council. The kitchen waste is being collected 3 times per week and has been as per schedule. The green (collected once a month) and white (collected once per quarter) solid waste is behind the schedule at this point in time. We are working to review or to bring this to schedule. Nevertheless, the complaints have significantly reduced post outsourcing to Suva City Council.

The grass cutting is currently done by inhouse team (26 staff) and they cut once every 5 weeks per area. To further improve the Council is working to outsource 4 Wards/Zones out of 7. Together, the council have changed the service standard for grass cutting. Before the standard was two rounds of grass cutting per month *and now the standard is to maintain below 10mm height. With new contractors, new service level standards, we are anticipating massive improvement in grass cutting, drain and road verge cleaning by June/July 2022.*

Furthermore, there are quite a number of substandard drain and Council is working closely with FRA and Waterways to improve this. The challenge is the drainage grant has been deactivated since 2019.

and

- **Road maintenance and drainage – seeing as certain roads are not maintained on time as evidenced by several potholes forming on roads within the municipality.**

Response

The road maintenance and drainage are still major issue. The responsibility is with Fiji Roads Authority and Ministry of Waterways. The Council is working closely with FRA and Waterways to see that the hot spot areas are attended with priority. FRA and Ministry of Waterways is in better position to answer this question.

d. How has service delivery in the following areas been enhanced:

- Health and Hygiene;
- Security and Safety;
- Impacts of Climate Change/Environment;
- Poverty;
- Squatter Settlements within town boundaries;
- Disaster Risk Analysis; and
- Gender Mainstreaming.

Response

The service delivery in the above areas requires further improvement. Council alone cannot resolve these issues. We have to work closely with Inter-Agencies/Ministries, non-profit organisations, UN offices, other key stakeholder and Community members to address these issues.

We are currently working with respective agencies to strengthen relationship and formalise the MOU. Some of these agencies are Police, Ministry of Health, Ministry of Agriculture, Ministry of Waterways, Ministry of Housing, Commissioners Office, LTA, iTLTB, Lands, Trustees Office, Chamber of Commerce, Ministry for Youth and Sports and others.

e. How has accountability, transparency and good governance at the Council been strengthened seeing as the Committee is yet to receive outstanding Annual Reports of the Council from 2011 to 2020 with the annual audited financial statements?

Response

We have seen massive improvement in accountability, transparency and good governance practices at the Council since 2019. There are legacy issues and backlog which we are working to address. The Council have outsourced the Accounts Preparation to HLB Team. We are aiming to complete 2011 -2021 by December 2022.

Nasinu Town Council Annual Report for the Year 2010

6. **Outstanding Rates and Garbage Fees as at 31st December 2010 amounting to $7,671,407.82 – Are there are plans to recover the outstanding fees? How successful are the recovery plans? Confirm whether the outstanding fees have been fully recovered.**

Response

The council currently used the following avenues to collect outstanding arrears for rate and garbage fees;

- *Discount period provided to ratepayers for 7% and 5%. Discounts are given every financial year at the beginning of the year.*
- *Bulk SMS is sent out to ratepayers whose up to details are with the council on payment of rates.*
- *Payment plans are offered to ratepayers who request for this arrangement.*
- *Prior to the issue of demand notices, calls are done to ratepayers to ask about payment of rates & garbage fees.*
- *Demand notices are issued if payment is not done in the 1st 2 months of the new financial year.*
- *If ratepayers continue to default then the case is filed either with the small claim's tribunal or the magistrate court accordingly to the amounts due.*

The outstanding fees of $7,671,407.82 has yet to be fully collected. With the delay in payment from ratepayers 11% interest is charged every year on the running balance of all outstanding balances which increases the debt even more.

Financial Statements for the Year Ended 31 December 2010

7. **We note that the auditor issued a disclaimer of opinion on the 2010 accounts of the Council on the seven grounds provided as highlighted on pages 5 and 6 of the audited financial statements. Confirm whether each of these issues have been resolved and the internal controls put in place to prevent their recurrence.**

Response

Preparation of Bank reconciliation and receipt reconciliation	*1. The Council used bank statement deposits instead of individual receipts as a source of recording cash in the general ledger and performing of bank reconciliation. As with this approach there is a risk that receipts not banked will not be included in the general ledger. Therefore, I was unable to satisfy myself whether all cash receipts have been completely and accurately accounted for in the financial statements.*	*The council carries out monthly bank reconciliation using the cash book and the bank statements. The cash book is updated for all deposits and payments done by the council on a weekly basis.*

Breakdown for advances and deposits	*2. Included in Trade and Other Receivables (Note 7) are advances and deposits of $68,099 and $5,702 respectively. I was not provided with the supporting documents to substantiate these balances. Consequently, I was unable to satisfy myself on the accuracy of these balances reported in the financial statements.*	*The council moving forward will ensure that all advances is approved and well documented.* *The council will discuss with the Board on how this can be rectified so as to have it removed from the audit report.*
No Basis for Provision of Doubtful Debts	*3. The Council has recorded rates debtors amounting to $8,510,981 (Note 7) after allowing for doubtful debts of $447,930. I note that the Council has calculated the allowance for doubtful debts at 5% of the Gross rates receivable. From the Council's disclosure in Note 7 I note that the rate payers owes 81% of the rates which are over 1 year old. No documentations were made available to substantiate the calculation of management's estimate of 5%. Consequently, I was not able to satisfy myself if the management's estimate of 5% is adequate for assessing the impairment of rates debtors whether any adjustment might have been necessary in respect of the Council's rates debtors at year end and any corresponding adjustments to the elements making up the statement of income and expenditure.*	*The board for the council is in the process of approving the 5% provision of doubtful debts. This will ensure consistency in account preparation.*
Long Outstanding Creditors and Review Process	*4. Included in Trade and Other payables (Note 11) are Trade payables of $193,402 and other payables of $40,506. I was not provided with a detailed listing of these balances. Consequently, I was unable to perform necessary audit procedures to satisfy myself on the accuracy of Trade and Other Payables recorded in the statement of financial position.*	*The council has arranged payment plans with most of its outstanding creditors. This has allowed the council to better manage its cash flow situation.* *The council carries out monthly review of its payable listing.*
Rates revenue reconciliation	*5. Included in total revenue of the Council is general rates amounting to $2,320,421. The Council has not maintained rates invoices for rate payers. Consequently, this has limited my scope to perform appropriate test procedures to ascertain the accuracy of the rates revenue. I was also unable to obtain appropriate audit evidence through alternative audit procedures. Therefore, I am unable to ascertain the accuracy of the rates revenue disclosed in the financial statements.*	*The council is in the process of doing the rates reconciliation and review.*

Property, Plant and Equipment balance breakdown	*6. Included in the Property, Plant and Equipment balance of $2,188,598 (Note 8) is Work in Progress (WIP) of $431 ,660. From my subsequent reviews I have noted that the Council has disposed off this WIP. As a result, I am not able to satisfy myself on the accuracy of the WIP included in PPE. In addition, due to passage of time it was not possible for me to verify the existence and valuation of motor vehicles amounting to $436,611 as at 31/12/10. Due to these I was not able to obtain sufficient audit evidence to ascertain if the Property, Plant and Equipment of $2,188,598 is fairly stated in the financial statements.*	*The Board of Survey has been completed and will be submitted to the Finance Subcommittee for approval. The Fixed Asset Register is updated on a monthly basis based on capital purchases within the month and the threshold of the council's capitalisation policy aligned to the new Finance Manual.*
Payment voucher verification	*7. Payment vouchers which totalled $49,884 was not provided to me for verification. Consequently, I was unable to confirm the accuracy of these payments and its disclosure in the financial statements.*	*The finance team in the council are doing monthly bank reconciliation through which the deposits and payments are reviewed and signed off. The council finance team ensures that the physical verification of the deposit book and payment vouchers are done in a timely manner for transparency and accountability.*

8. Emphasis of Matter – On the three grounds provided as highlighted on page 6 of the audited financial statements. Confirm whether each of the issue has been resolved and the internal control put in place to prevent their recurrence.

Response

Separate rates report	*The Council's WINBIZ Rate System has not generated separate reports from 2005. As a result, special loan rates and street light rates were not appropriately disclosed in their respective accounts but included with general rates income in the General Fund Account contrary to section 47(2)(b) of Local Government Act.*	*Winbiz was implemented in the early 2000's and it was unable to separate the special loan rates from the general rates. The council is in the process of carrying out a robust digital transformation to address all issues faced with the Winbiz system*
Commercial Deposits	*The Council has recorded $361,775 as Commercial lot deposits. The Council has not maintained separate bank account for these deposits. As at balance date the Council has insufficient funds to meet the refunds of the customers should the need arise.*	*The council obtained legal opinion and in doing so was unable to provide sufficient and appropriate documents to address this issue. The time lapse also contributed to these deposits not being refunded.*
Valuation of roads, footpath & drains	*Values of roads, footpaths and drains have not been fully incorporated in the Statement of Financial Position as at 31 December 2010 as required under section 57(1) of the Local Government Act.*	*In 2013 Fiji Roads Authority took over the council roads, footpath and drain around the Nasinu municipality.*

9. **Other Matters – On the two grounds provided as highlighted on page 6 of the audited financial statements. Confirm whether the issues have been resolved and the internal controls put in place to prevent their recurrence.**

Response

Separate rates report	*The Council's WINBIZ Rate System has not generated separate reports from 2005. As a result, special loan rates and street light rates were not appropriately disclosed in their respective accounts but included with general rates income in the General Fund Account contrary to section 47(2)(b) of Local Government Act.*	*Winbiz was implemented in the early 2000's and it was unable to separate the special loan rates from the general rates. The council is in the process of carrying out a robust digital transformation to address all issues faced with the Winbiz system*
Commercial Deposits	*The Council has recorded $361,775 as Commercial lot deposits. The Council has not maintained separate bank account for these deposits. As at balance date the Council has insufficient funds to meet the refunds of the customers should the need arise.*	*The council obtained legal opinion and in doing so was unable to provide sufficient and appropriate documents to address this issue. The time lapse also contributed to these deposits not being refunded.*
Valuation of roads, footpath & drains	*Values of roads, footpaths and drains have not been fully incorporated in the Statement of Financial Position as at 31 December 2010 as required under section 57(1) of the Local Government Act.*	*In 2013 Fiji Roads Authority took over the council roads, footpath and drain around the Nasinu municipality.*

10. **Provide the current staff structure of the Accounts Section. Indicate the positions, whether they have been substantively filled and the qualification of these Officers.**

Response

No.	*Role*	*Vacant/Filled*	*Name of Staff*	*Qualification*
1	*Manager Finance*[a]	*Filled*	*Eleni Qaqa*	*Post Graduate Studies in Professional Accounting* *BCOM in Accounting and Finance*
2	*Senior Accountant*	*Filled*	*Shaneel Lal*	*Post Graduate Studies in Professional Accounting* *BCOM Accounting and Information System*
3	*Accounts Officer*	*Filled*	*Olivia Hiagi*	*Diploma in Accounting*
4	*Cashier*	*Filled*	*Suman Lata*[c]	*Diploma in Business Studies (Accounting)*
5	*6 x Revenue Collection Officers*	*Filled*	*Sherina Faiz*[c]	*Diploma in Business Studies*
6			*Makitalena Kamikamica*[c]	*Diploma in Secretarial Studies*
7			*Ravin Chand*[c]	*No Tertiary Qualification. (Form 6)*
8			*Ravinesh Kumar*	*Diploma in HRM*
9			*Shyral Prasad*	*Bachelor of Arts*

10			*Simran Chand*	*BCOM (in-progress)*
11	*Legal Officer*	*Filled*	*Sharol Kant*[b]	*BLLB / PDLP*
12	*Legal Clerk*	*Filled*	*Rajnesh Lal*[c]	*Prosecution Training Courses*

[a]*Role is made redundant and will be replaced by* ***Manager Corporate Services****. The Manager Corporate Service offer has been made and accepted. Currently, we are negotiating the start date.*

[b]*Sharol Kant has been successful in securing Manager Community Service role. We have advertised Legal Officer and in the process of recruiting.*

[c]*Existing Council Staff and have been working with Council for long.*