

Rakiraki Town Council

Vaileka House
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30th March 2022.

Honorable Viam Pillay
Chair Social Affairs Committee.

Dear Sir,

Clarification on Issues Rakiraki Town Council 2011 - 2018 Annual Reports

We acknowledged receiving your request for clarification issues on the Council's Annual Report for 2011 - 2018.

Attached herewith please find our response to the clarification sought from the Council.

We submit this for your information please.

Yours sincerely,



Sailosi Sawana
Chief Executive Officer.

Questions

1. Does the Council now have a full-time health inspector and Litter Prevention Officers? If not, what is the Council's plan to substantively fill these important positions?
The Council shared the Health Inspector and Building Inspector with Tavua Town Council.

2. Provide a breakdown of the following information for **each** year from 2011 to 2018:

Number of ratepayers - 527 Rate Payers

Rates collected for each year (monetary value);

2011 – N/A
2012 – \$803
2013 – \$95,216
2014 – \$57,455
2015 – \$42,103
2016 – \$92,699
2017 – \$65,046
2018 – \$63,323

Rental arrears for each year from 2011 to 2018 (provide the monetary value); and (
No rental arrears from previous years)
Total arrears up until the present time. Rental arrears as at 28/03/22 - \$1,900.00

- a. What are the causes of the accumulation of rental arrears?
 - *Covid-19 have a lot of effect on our small businesses in Rakiraki Town and this is one of the reason businesses doesn't pay their rental charges on time*
- b. What are the challenges faced in the collection of rental arrears and their method(s) of collection?
 - *As per the agreement issued to each business, they have to pay their rental charges on the 1st week of every month. Due to slackness in their business after covid-19, they doing installment payment to subsidize their arrears*
- c. Has the Council conducted a survey or research on the reasons for non-payment or delayed payment of town rates? Yes – the council have conducted house to house visit and brought up few issues on why are there accumulated arrears :
 - i. *Owners of the property in overseas, neighbors don't have their mobile or landline contact nos.*
 - ii. *Owner of the property passed away*
- 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?
 - *Follow ups have been made for those Rate Payers that doing installment payment*
 - *Those Rate payers that have outstanding rates since 2013 have been taken to small claim tribunal*
 - *Those Rate payers that have tenants, the tenants will have to be approached to pay their rent to the Council in order to subsidize the Landlord outstanding rates.*
- e. How is the non-collection of full town rates impacting the service delivery of the Council?

Liaise with Police on security issue and work in partnership with DO's Office, Turaga ni Koros and Advisory Councilors on Community works and bringing up issues that affecting the youths of Rakiraki.

- Impacts of Climate Change/Environment;
This has affected those in the rural communities [farmers] as they cannot come to town to sell their produce due to floodings. It has also affected the business houses, market vendors and the public alike. The market stall fees are being waived after natural disasters and currently subsidized by Government
- Poverty;
Poverty has affected the local community with an increase in informal settlements. This has resulted in substandard housing, inadequate nutrition and food security. The Council has liaised with Rotary Club for food hampers to the underprivileged. The Fiji Council of Social Services has also step in to assist the needy as well.
- Squatter Settlements within town boundaries;
There is an increase number of informal Squatter Settlements. The Council is collecting rubbish and also carrying out grass cutting in the settlement.
- Disaster Risk Analysis;
Our Disaster Management Operation is always activated in November and deactivates in April. We usually conduct house2 house visits, advice business communities of the Cyclone Season and flooding. The Council also undertakes mosquito spraying on the advice of Ministry of Health.
- Gender Mainstreaming.
We are liaising with UN Women who is assisting in gender equality in the Tavua Market. There are more women vendors compared to men

- 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 2019 to 2020 with the annual audited financial statements?

Transparency and accountability are critical for the efficient functioning of the Council and for fostering social well-being of its stakeholders and clients. Some assurance must then be provided that powers are not abused. This is through working as a Team or as a committee set up for different functions or responsibilities eg HR Committee, Building Committee, Health Committee, Project Committee, Complaint Committee etc. Transparency ensures that information is available that can be used to measure the Council's performance. In that sense, transparency serves to achieve accountability, which means that authorities can be held responsible for their actions. Without transparency and accountability, trust will be lacking between the Council and its stakeholders and clients. The result would be social instability and an environment that is less than conducive to economic growth.

4. 2011 Annual Report:

- a. (Item 11) – Provide a status update on the five obstacles highlighted and whether these challenges have been addressed.
1. IFRAS compliance – *the Council is now compiling FS according to IFRAS standards.*

2. *PV Records – The Council has now ensured that all evidence required by the Auditors should be provided. This objective can only be realized if all source documents are properly stored in a secured area. The Council has now properly stored all accounting documents.*

3. *VAT Reconciliation – the Council has provided all necessary reconciliation to FRCS.*

4. *Provision for Doubtful debts – Provision for Doubtful Debts were not provided as under Limitation Act that no recoveries shall be taken on any properties after 20 years. However, the Council has reviewed the recommendation for other arrears of revenue.*

5. *Employee Benefits - The Council is now disclosing employee benefits.*

- b. Rakiraki young town initiative – what are the future plans to promote certain areas of the town and advance its development and expansion?

Rakiraki is a true Agricultural Community and on that note the Council has managed to build a modern Market which have a market for selling of farm produce. It has a Women's Accommodation, Conference Room and in the process of building Office/Retail spaces on the 1st Floor.

5. We note that the Council was operating on losses for the period from 2011-2016 however, a profit of \$3,506,918 was made in 2017 and \$1,914,719 in 2018. Explain the reasons for the losses and how there was a sudden and drastic increase in profits in 2017 and 2018.

Financial Statements of the Rakiraki Town Council for the year ended 31 December 2018

The drastic in profits resulted from the grants received for the construction of the new Rakiraki Market.

6. We note that a disclaimer of opinion was issued on the 2018 financial statements of the Council on the seven grounds provided on pages 6 and 7 of the financial statements. Confirm whether each of the issues highlighted by the auditor have been rectified in the subsequent financial statements and how. Also inform us of the audit opinions issued by the auditor on the 2019 and 2020 accounts of the Council.

1. *PV Records – The Council has now ensured that all evidence required by the Auditors should be provided. This objective can only be realized if all source documents are properly stored in a secured area. The Council has now properly stored all accounting documents.*

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3. *Provision for Doubtful debts – Provision for Doubtful Debts were not provided as under Limitation Act that no recoveries shall be taken on any properties after 20 years. However, the Council has reviewed the recommendation for other arrears of revenue.*

4. *Employee Benefits - The Council is now disclosing employee benefits.*

5. *Grant - The Council has now improved on the Grant recording.*

6. *Contingent Liabilities – the Council is now disclosing Contingent Liabilities.*

7. Has the Council put in place a Risk Management Policy, Disaster Recovery Plan/Business Continuity Plan and Business Plan? How have these been implemented?

Yes, the council have put in place the said policy in 2021 with the help of the CEO and the board of Special Administrators.

8. For the years 2019 and 2020, provide a breakdown of the Council's: a. Total income and expenditure.

Year	Total Income	Total Expenditure
2019	\$ 329,044.94	\$ 370,382.25
2020	\$ 514,145.52	\$ 448,386.37

- b. Outstanding debts and whether the Council has been able to pay its debts as and when they fall due.

The Council has managed to clear outstanding debts in 2020.

9. What are the Council's plans to generate more income?

Upgrade of the Market First floor to:

- I. Office/Retail - 6 spaces*
- II. Restaurant - 2 spaces*
- III. Coffee shop - 1 space*
- IV. SME - 12 spaces*

10. What was the allocation for drainage project works in 2018? Inform us of the drainage works undertaken in the course of the year and confirm whether the flooding situation in Rakiraki town has been addressed.

A.) CAPITAL GRANT RECEIVED FROM THE MINISTRY OF WATERWAYS

DATE	AMOUNT
24-Oct-18	258,000.00
3-Jun-19	148,880.00
TOTAL (A)	406,880.00

B). EXPENDITURES

DATE	PAYEE	CHEQUE NO.	DESCRIPTION	AMOUNT
21-Nov-18	Dipsha Home Builders	363640	Signing of Contract	\$ 71,360.00
14-Dec-18	Dipsha Home Builders	363641	Commencement of Drain 2 and 3	\$ 57,133.21
29-Jan-19	Fiji Revenue Customs Service	363642	5% Provisional tax for Drainage Project for the month of December 2018	\$ 2,746.79
21-Feb-19	Dipsha Home Builders	363643	Completion of Drain 2 & 3	\$ 57,133.21
	Dipsha Home Builders	363644	Commencement of Drain 4, 5 & 6	\$ 47,706.42
25-Mar-19	Fiji Revenue Customs Service	363645	5% Provisional tax for Drainage Project for the month of February 2019	\$ 5,040.37
30-Apr-19	Dipsha Home Builders	363646	Partial payment for the completion of drain 4, 5 & 6 (Bal: 31,706.42)	\$ 16,000.00
7-Jun-19	Dipsha Home Builders	363647	Balance cleared	\$ 31,706.42
26-Jun-19	FRCS	363648	5% Provisional tax for Drainage Project for the month of May 2019	\$ 2,293.58
7-Aug-19	Dipsha Home Builders	363649	Completion of Drain 1	\$ 57,133.21
24-Sep-19	FRCS	363650	5% Provisional tax for Drainage Project for the month of August 2019	\$ 2,746.79
25-Sep-19	Dipsha Home Builders	385126	Retention Cost 2018/2019	\$ 39,000.00
14-Oct-19	Rakiraki Town Council Operational Account	385127	Administration cost - Advertisement, Staff's Wages, Paper work & Mics	\$ 16,880.00
TOTAL(B)				\$ 406,880.00

BALANCE [TOTAL (A)-(B)					\$ -
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Certified By: _____
Signature

10/8/2019
Date

Tubi Ram
The Chief Executive Officer

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

- Current Finance Staff hold a Diploma in Banking