

# **Lautoka City Council**

# LAUTOKA CITY COUNCIL

P.O. Box 124, Lautoka, Fiji

All communications to be addressed to the CEO



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Your Ref.

Our Ref.

01 April, 2022

The Standing Committee on Social Affairs,  
Parliament of Fiji.

Attention: Hon. Viam Pillay.

Email: [rupeni.mudunavuku@parliament.gov.fj](mailto:rupeni.mudunavuku@parliament.gov.fj)

Dear Sir,

## **Re: Request for Clarification on Issues in Relation to the Lautoka City Council 2006 - 2014 Annual Reports**

In response to your letter dated 21 March 2022, Lautoka City Council provides the following for your consideration:

1. Highlight the plans in place to address frequent flooding in parts of the city:
  - To mitigate flooding along the Marine Drive Foreshore, the council has constructed storm water pump station installed with two (2) submersible pumps. These pumps activate at high tide and during heavy downpour to pump out storm water into the sea.
  - The council requires old subdivision drains to be upgraded by investors for connection of new subdivision drains to existing to cater for added surcharge.
  - Similarly, the new subdivision drains are needed to be designed to cater for discharge from the earlier subdivisions.
  - The council in collaboration and funding from the Ministry of Water Ways had carried out creek clearing and drain maintenance works.
  - The council's routine drain cleaning and grass cutting is carried out in a 15-day cycle. Most of the areas of work are contracted out whilst some are carried out in-house such as the Central Business District Area.
  - The council takes responsibility of the subdivision drains and carries out repair and maintenance works as and when required. The major challenge is the natural waterways such as creeks within the city which no stakeholder is taking responsibility. The creeks over the years has eroded causing risk to properties along these creeks and complaints are received from residents for protection of creek banks. However, the council does not have the financial capability to manage creek bank protection with reliance on the rates paid by property owners which caters for other service delivery.
  - The Central Business District Area of Lautoka has three (3) main drains which are under ground with buildings over. Therefore, these drains cannot be upgraded or upsized to cater for the additional surcharge. The council is thinking of ways to reduce surcharge into these drains by diverting some of the drains to other main drains which flows direct to Vunato Creek along Drasa Avenue. The council has also installed steel gratings at intervals in the drains to trap debris before the storm water enters the underground drainage.
  - The council has utilized one of the parks known as Coronation Park to retain storm water and then slowly discharge into the underground drain.
2. What are some of the challenges faced by the Council in meeting its strategic objectives and how is it planning to address these challenges?
  - Planning & Development Service Delivery – With the inclusion of the Extended Rural Service Areas formally under the Lautoka Rural Local Authority for Development Permit Management has substantially

increase work load in the Planning & Development Department. To address this, the council is in the process of recruitment of additional staff in the Department.

- To fast track approval process, the Ministry of LG and MCTTT has started working on the Digitalization for online submission applications for ease of doing business and also has formed a Building Permit Assessment Committee to process investment project applications in excess of \$1M value. The council will need to upgrade its IT system.

- Capital Projects - Progress and expenditure on capital works were put on hold for Government grant funded projects, but since the contracts were between the Council and the Consultants/Contractors, a lot of pressure is being put on Council to pay for works done, but were not paid due to no budgetary allocations by Government.

3. Provide a breakdown of the following information for each year from 2006 to 2014:

<b>Year</b>	<b>No. of Ratepayers</b>	<b>Amount Received (\$)</b>
2006	7,678	1,826,733.00
2007	7,680	1,772,137.00
2008	7,681	1,776,750.00
2009	8,164	2,208,630.00
2010	8,164	2,265,829.25
2011	8,164	2,443,432.00
2012	8,163	2,743,617.08
2013	8,041	2,690,311.00
2014	8,041	2,625,292.00

Total arrears up until the present time. – \$6,711,681.74

- Agricultural - \$2,114.83
- Commercial - \$388,247.22
- Residential – \$6,321,319.69

a. What are the causes of the accumulation of rental arrears?

Pandemic-Major reason

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

Challenges – current challenge is lack of HR specifically dedicated for debt collection

Financial instability of tenants due to the pandemic and the helplessness to impose strict measures of recovery

Method of collection – reminders to the tenants

- Payment plans provided to tenants to clear the arrears

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

- Yes, Council does house to house visit for non-payments of rates to ascertain the reasons.

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?

- Punitive Measures – includes issuance of 30 days Final Notice, confiscation of monthly rentals from tenants of defaulting ratepayers, and direct deduction of rates from source (salary/wages)

- Non – punitive – payment plans or installments accepted by the Council

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

- Operational activities have been restricted to strict budget, thus pushing projected activities to a later year

- Capital works are delayed

f. Provide details of vacant lots in the municipality. –Attached



4. Since the appointment of the Lautoka Special Administrator in 2019:
- a. What improvements have been brought about in the collection of arrears by the Lautoka City Council?

The SA's joined in 2019. The arrears increased from 2019 – 2021 mainly due to the pandemic

Year	Arrears
2019	5,621,119.62
2020	6,147,849.46
2021	9,360,742.20

Under the direction of the Special Administrators, a ratepayer profiling exercise was carried out in August 2020, to acquire missing information in the ratepayer database and understand the demographics and reasons for low rates collections.

Subsequent to the analysis of the ratepayer profiling data, several payment methods were offered, bank accounts at major banking providers in Fiji, and subscribed to mPaisa platform for ease of payments. Payment plans were also discussed, negotiated and agreed with those who wished to pay in monthly instalments.

- b. What measures have been put in place to promptly address the grievances of ratepayers?

- Improvement in communication
- Rates software to keep records up-to-date

How many grievances were recorded from 2006 to date and what were the nature of these complaints?

The Rates department did not have a complaints log system. The implementation of the Complaints Management System was done in October 2021.

Nature of complaints

- Rates levy too high
- The change in financial year
- Service delivery
- Discount and interest amounts applied on the statement.
- Illegal & Non-conforming Developments – an average of 105 complaints were received annually based on data available for 2019, 2020 & 2021.
- Drainage – 253 average annually based data available for 2016, 2017 & 2018.
- Street Lights – 433 average annually based on data available for 2018, 2019 & 2020
- Illegal Developments, non-conforming developments & activities, drainage, over growth, street lights, road pot holes, footpath damage, traffic signs, parking meter, damage street furniture, park equipment's, etc.
- 582 complains received in 2021 and 150 complains received YTD in 2022, nature of complains varies from Stormwater Management, waste water, overgrowth grass, sewerage leak, Dog Nuisance, Garbage collection, Litter and accumulation of refuse, Mosquito Nuisance, Plant Encroachment, illegal business from residential areas and housing conditions.

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

- Maintenance of public amenities;
  - Routine maintenance of street furniture's
  - Installation of Be-Tidy bins in strategic locations.
  - Installed communal collection centers for garbage collection in informal settlements.
  - Routine maintenance of park equipment's.
  - Outsourcing cleaning and management of public conveniences.
  - Refurbishment of market toilets
  - Installed drinking water facility along Lautoka foreshore area.
  - Routine maintenance of park equipment's.
  - Outsourcing cleaning and management of public conveniences.

- Refurbishment of market toilets
- Rubbish collection and grass cutting;
  - Installed communal collection centres for garbage collection in informal settlements.
- Road maintenance and drainage.
  - Road maintenance is FRA responsibility. Council registers complaints received and refers to FRA.

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

- Health and Hygiene;
  - Use of social media and Council websites to create awareness.
  - Frequent visit and facility audits to ensure health, hygiene and food safety standards are maintained.
  - Garbage collection in informal settlements
  - Sentinel larval survey on mosquito breeding places
  - User pay refuse collection system.
  - Sourcing out garbage collection to avoid delays in pick ups
  - Sourcing out Grass cutting and drain cleaning to different contractors to get wide area of coverage.
  - Litter bookings with two litter prevention officers full time scheduled for the task.
  - Tobacco Control Enforcement
  - Food place inspections and Notice under provisions of Food Safety Act 2003 and Food Regulation 2009
- Security and Safety;
  - Council has installed CCTV cameras in the market area.
  - Have frequent meetings with stakeholders, including Police for crimes, and Social Welfare for street dwellers and beggars.
  - Carry out risk assessments in all public spaces and parks and eliminate or minimize the risk in all hazards.
  - Joint operation with Police and town rangers to identify and rectify non-compliances.
  - Maintain parks and gardens and open spaces to provide social healthy spaces for wellbeing, encouraging social inclusion and connecting visitors from diverse backgrounds to nature, culture and identity.
- Impacts of Climate Change/Environment;
  - Council takes into consideration when assessing development applications to ensure they meet the necessary requirements to incorporate these elements in the design and construction so that the infrastructure is climate change resilient and environmentally compliant.
- Poverty;
  - While Council is not directly responsible, but we work closely with the Social Welfare Department to identify and profile street dwellers and beggars and hand over to either Police to Social Welfare for their appropriate actions.
- Squatter Settlements within town boundaries;
  - Lautoka City does not have many informal settlements like other towns and city.
  - The main stakeholders such as Housing Authority and the Department of Lands are formalizing some of the informal settlements to issue proper leases.
  - The council provides garbage collection services.
  -
- Disaster Risk Analysis; and
  - Council has in place a Disaster Response and Recovery Plan and Risk Analysis Manual, which gets activated upon declaration of natural disasters.
  - Lautoka City Council has embarked on a project for Disaster Waste Management.
- Gender Mainstreaming.
  - Council is an equal opportunity employer and encourages recruitment based on merit.

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 2014 to 2020 with the annual audited financial statements?

Council has now prepared pending financial statements from 2015 to 2019. Accounts for year 2015 are currently being audited by the office of the Auditor General. Audit for accounts of years 2016 to 2020 will follow soon after, progressively.

Additionally, with a new management on board, the team is continuously trying to improve and strengthen the existing policies and processes and develop new ones wherever needed.

5. Confirm whether the Council has in place a risk management policy, assets capitalization policy, and disaster recovery plan/business continuity plan to govern aspects of its operations and activities.
  - Draft policy have been made and in progress to adapt to Councils needs.
6. We note that only management comments to the findings of the auditor general is included in the 2014 Annual Report of the Council. Why is the auditor's report on the financial statements of the Lautoka City Council not included in the 2014 Annual Report? Can we be provided a copy outlining the auditor's comments?
  - Attached.
7. Provide the current staff structure of the Accounts Section. Indicate the positions, whether they have been substantively filled and the qualification of these Officers:

Position	Qualification	Status
Head of Finance & Admin	<ul style="list-style-type: none"><li>• Master of Commerce-Accounting</li><li>• PgDip in Accounting</li><li>• Bachelor of Accounting</li></ul>	Position filled in August 2021
Senior Accounts Officer	<ul style="list-style-type: none"><li>• BCom- Acc+Eco – Pursuing</li><li>• Dip in Accounting</li><li>• Prof Dip in Business Management</li></ul>	Since 2019
Accounts Clerk-Casual	BCom – Public Admin & IBM	3 months casual basis
Accounts Officer		Recruitment process underway
Accounts Clerk		Recruitment process underway

Please feel free to contact the undersigned if in need of further clarifications.

Yours faithfully,



Mohammed Anees Khan  
**Chief Executive Officer**

# OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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File: 1300/1

22 June 2020

Ms. Debra Sadranu  
Acting Chairperson Special Administrators  
Lautoka City Council  
169 Vitogo Parade  
**LAUTOKA**

Dear Ms. Sadranu

**LAUTOKA CITY COUNCIL**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

The audited financial statements for Lautoka City Council for the year ended 31 December 2014 together with my audit report on them are enclosed.

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

Yours sincerely

Ajay Nand  
**AUDITOR-GENERAL**

cc: Mr. Mohammed Anees Khan, Chief Executive Officer, Lautoka City Council.

Encl.

**LAUTOKA CITY COUNCIL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**



LAUTOKA CITY COUNCIL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

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**LAUTOKA CITY COUNCIL  
COUNCIL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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**COUNCIL REPORT**

The Council herewith submits the Statement of Financial position at 31 December 2014, the related Statement of Comprehensive Income and Statement of Movements in Funds of the Council for the year then ended on that date and report as follows:

**Administrator**

The Special Administrator for Lautoka City Council during the financial year of this report was Mr. Praveen Bala who resigned on 15<sup>th</sup> August 2014.

**Management Staff**

Chief Executive Officer

Jone Q. Nakauvadra

**Principal Activities**

The principal activities of the Council under the Local Government Act are to provide for the health, welfare and convenience of the inhabitants of the Lautoka City Municipality and to preserve the amenities or credit thereof.

**Results**

The operating surplus for the Council for year ended 31 December was:-

	<u>2014</u>	<u>2013</u>
Operating surplus	\$2,621,389	\$2,534,415

**Bad and doubtful debts**

Prior to the completion of the Council's financial statements, the Council took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and provision for doubtful debts.

As at the date of this report, the council is not aware of any circumstances, which would render the amount written off for bad debts inadequate to any substantial extent.

**Non-Current Assets**

Prior to the completion of the financial statements of the Council, the Council took reasonable steps to ascertain whether any non-current assets were unlikely to be realized in the ordinary course of business compared to their values as shown in the accounting records of the Council. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realize.

As at the date of this report, the Council is not aware of any circumstances which would render the values

**LAUTOKA CITY COUNCIL  
COUNCIL REPORT (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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attributed to non-current assets in the Council's financial statements misleading.

**Basis of Accounting**

The Council believes the basis of the preparation of the financial statements is appropriate and the Council will be able to continue in operation for at least twelve months from the date of this statement. Accordingly, the Council believes the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

**Unusual Transactions**

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the Council, the results of the operations of the Council during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, in the opinion of the Council, to affect substantially the results of the operations of the Council in the current financial year, other than those reflected in the financial statements.

**Other Circumstances**

As at the date of this report:

- a) no charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- b) no contingent liabilities have arisen since the end of the financial year for which the Council could become liable; and
- c) no contingent liabilities or other liabilities of the Council have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Council, will or may substantially affect the ability of the Council to meet its obligations as and when they fall due.

As at the date of this report, the Council are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Council's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Council misleading or inappropriate.

For and on behalf of the Council and in accordance with a resolution of the Councilors.

Dated this 16<sup>th</sup> day of June 2020.

  
.....  
**Chief Executive Officer**

**LAUTOKA CITY COUNCIL  
STATEMENT BY COUNCIL  
FOR THE YEAR ENDED 31 DECEMBER 2014**

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The Council states that:

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

For and on behalf of the Council.

Dated this 16<sup>th</sup> day of June 2020.



.....  
**Chief Executive Officer**

# OFFICE OF THE AUDITOR GENERAL

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## INDEPENDENT AUDITOR'S REPORT

### LAUTOKA CITY COUNCIL

#### Disclaimer of Opinion

I have audited the financial statements of the Lautoka City Council, which comprise the Statement of Financial Position as at 31 December 2014, the Statement of Comprehensive Income, and notes to the Financial Statements, including a summary of significant accounting policies.

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

#### Basis for Disclaimer of Opinion

1. The Council did not prepare and present a Statement of Changes in Equity as a component of the financial statements for the year ended 31 December 2014. This is a departure from the requirement of *International Accounting Standards (IAS) 1 – Presentation of Financial Statements*. As a result, the financial statements of the Council are not completely and fairly presented in accordance with all the requirements of International Financial Reporting Standards (IFRS).
2. The Council did not prepare and present a Statement of Cash Flows as a component of the financial statements for the year ended 31 December 2014, which is a departure from the requirement of *IAS 7 – Statement of Cash Flows*. As a result, the financial statements of the Council are not completely and fairly presented in accordance with all the requirements of IFRS.
3. I was not provided with the trust fund reconciliations to support the Parking Meter Fund of \$500,643 and Car Park Fund of \$328,031 reported in the Statement of Financial Position. As a result, I was unable to verify the completeness and accuracy of the amounts and also unable to determine whether any adjustments might have been necessary in respect of the parking meter fund and car park fund 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.
4. There was an unreconciled variance of \$590,416 between the Rates Receivable listings and amount reflected in Note 5 to the financial statements. In addition, there was an unreconciled variance of \$1,456,143 between the rates debtors' listings and arithmetic addition check done on the rates debtors' listings. The Council was unable to provide details of the variances and reconciliations of rates receivable to substantiate the variances. As a result, I was unable to verify the completeness and accuracy of the amounts and also unable to determine whether any adjustments might have been necessary in respect of the rates receivable balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.



5. I was not provided with the detail listings of debtors and the ageing of debtors that formed the basis to estimate the provision for doubtful debts of \$1,000,000 as reported in Note 5 to the financial statements. As a result, I was unable to verify the completeness and accuracy of the amounts and also unable to determine whether any adjustments might have been necessary in respect of the provision for doubtful debts balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.
6. I was not provided with the payment vouchers to support the acquisition details to land and building of \$19,970 and investment property of \$449,649 as disclosed in note 10 and note 11 respectively in the financial statements for the year under review. In addition, the parking meter assets with written down value of \$41,659 were not recorded in the financial statements. As a result, I was unable to verify the completeness and accuracy of the amounts and also unable to determine whether any adjustments might have been necessary in respect of the land and building and investment property 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.
7. The Council was unable to provide any invoices, receipts or payment voucher details to substantiate the debit and credit general journal entries recorded in the cash at bank general ledger accounts of \$7,821,990 and \$1,251,969 respectively. As a result, I was unable to verify the completeness and accuracy of the Cash at Bank and on Hand balance totaling \$5,799,801 and also unable to determine whether any adjustments might have been necessary in respect of the cash at bank and on hand 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.
8. The Council was unable to provide subsidiary ledgers of creditors and detail listings of creditors and refundable building deposits to substantiate Other Creditors balance of \$298,043 and Refundable Building deposits of \$62,034 reported in Note 7 to the financial statements. In addition, I was not provided with sundry creditors' reconciliations to substantiate the variances of \$22,832 between the sundry creditors and accruals' listings and amount reported in Note 7 to the financial statements. As a result, I was unable to verify the completeness and accuracy of the amounts and also unable to determine whether any adjustments might have been necessary in respect of the other creditors, refundable building deposits, and sundry creditors and accruals 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.
9. There was an unreconciled variance of \$452,286 between the rates income listings and amount reflected in the financial statements. The Council was unable to provide the reconciliations of the rates income to substantiate the variance. In addition, the rates income were recorded on a cash basis and contradicts Note 1.2 of the financial statements. As a result, I was unable to verify the completeness and accuracy of the amounts and also unable to determine whether any adjustments might have been necessary in respect of the rates 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.
10. The Council did not record rates, taxi, and mini bus income on accrual basis of accounting in accordance with the requirements IAS 1 – *Presentation of Financial Statements*, paragraph 1.27 of the IFRS and Note 1.2 of the financial statements. Consequently, there was an unreconciled variance of \$286,297, \$43,580, and \$4,193 between the independent

reconciliations performed by audit and amounts recorded in the general ledger of the rates, taxi, and minibus income respectively and disclosed as fees, charges and rents in the financial statements. The Council was unable to provide supporting documentations to substantiate the variances. As a result, I was unable to verify the completeness and accuracy of the amounts and also unable to determine whether any adjustments might have been necessary in respect of the rates, taxi, and mini bus 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.

11. The Council was unable to provide me with the relevant audit trail to confirm that sub lease rental income of \$163,200, bus station fees income of \$14,240, and rent received in advance of \$652,800 was recorded in the general ledger and financial statements. As a result, I was unable to verify the completeness and accuracy of the amounts and also unable to determine whether any adjustments might have been necessary in respect of the sub lease rental income, bus station fees income, and rent received in advance 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.
12. The Council was unable to provide me with the detail listings of business license to support Business License Fees of \$448,535 reported in Statement of Comprehensive Income. In addition, I was not provided with supporting documentations to substantiate Parking Meter Fees totaling \$69,147 recorded in the Parking Meter balance of \$261,513, and fees, charges and rent totaling \$83,191 recorded in the Fees, Charges and Rent balance of \$2,790,078 in the Statement of Comprehensive Income. As a result, I was unable to verify the completeness and accuracy of the amounts and also unable to determine whether any adjustments might have been necessary in respect of the business license fees 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.
13. The Council was unable to provide me with the details of sundries income and any documentations to support sundries income of \$550,556 included in the total Other Income balance of \$559,346 in the Statement of Comprehensive Income for the year ended 31 December 2014. As a result, I was unable to verify the completeness and accuracy of the amounts and also unable to determine whether any adjustments might have been necessary in respect of the sundries 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.
14. The Council was unable to provide me payment vouchers, invoices and or receipts to support transactions totaling \$125,370 which are for non-payroll expenditure from the total expenditure of \$6,304,300 disclosed in the Statement of Comprehensive Income for the year ended 31 December 2014. In addition, the Council was unable to provide satisfactory explanations/records to substantiate the principle loan repayment of \$438,847 recorded as an expenses in the Statement of Comprehensive Income. 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 the various expenses account 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.
15. There was an unreconciled variance of \$8,135 between the annual wages and salaries report provided by the Council and the amount reflected in the financial statements. The Council was

unable to provide salaries and wages reconciliations to substantiate the variance. As a result, I was unable to verify the completeness and accuracy of the amounts and also unable to determine whether any adjustments might have been necessary in respect of the salaries and wages 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.

16. The Council did not provide solicitors confirmation at balance date. Consequently, I was unable to determine whether any disclosures to the financial statements in respect of contingent liabilities were necessary.
17. The Council did not disclose or provide confirmations on events subsequent to balance date. Consequently, I was unable to determine whether any disclosures to the financial statements in respect of subsequent events were necessary.
18. The Council did not disclose or provide confirmations on capital and operating lease commitments at balance date. Consequently, I was unable to determine whether any disclosures to the financial statements in respect of commitments were necessary.

#### **Responsibilities of Management for the Financial Statements,**

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

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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



Ajay Nand  
**AUDITOR-GENERAL**



Suva, Fiji  
22 June, 2020

**LAUTOKA CITY COUNCIL**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

<b>Income</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Rates</b>		
General	2,511,681	2,155,771
Loan	1,874,905	1,755,022
Parking Meter	261,513	272,229
	<u>4,648,099</u>	<u>4,183,022</u>
<b>Other Income</b>		
Amortization of capital grant	93,727	93,727
Business license fees	448,535	428,672
Fees, charges and rent	2,790,078	3,374,690
Premium on sub-lease of land	138,591	408,000
Interest	247,313	214,694
Others	559,346	1,395,597
	<u>8,925,689</u>	<u>10,098,402</u>
<b>Expenses</b>		
Administrative and operating costs	850,293	1,969,248
Auditor's remuneration	8,696	8,696
Depreciation and amortization	584,831	624,809
Interest	354,160	393,525
Principal repayment	438,847	426,834
Legal and professional fee	86,335	38,206
Parks, gardens and public amenities	505,696	612,998
Rate payer services	1,103,404	1,317,317
Salary and wages	2,206,778	1,385,139
Street light and street maintenance costs	165,260	787,215
	<u>6,304,300</u>	<u>7,563,987</u>
Operating surplus for the year	2,621,389	2,534,415
Other comprehensive income	-	-
Total comprehensive income	<u>2,621,389</u>	<u>2,534,415</u>

LAUTOKA CITY COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014

	Notes	2014 \$	2013 \$
<b>Current assets</b>			
Cash at bank and on hand	2	5,799,801	3,599,765
Held-to-maturity investments	3	1,407,245	1,481,120
Inventories	4	26,141	20,140
Receivables	5	4,681,960	5,992,354
Other receivables	6	36,288	44,858
<b>Total current assets</b>		<b>11,951,435</b>	<b>11,138,237</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	3,432,599	3,187,697
Investment properties	11	6,480,036	6,662,157
<b>Total non-current assets</b>		<b>9,912,635</b>	<b>9,849,854</b>
<b>TOTAL ASSETS</b>		<b>21,864,070</b>	<b>20,988,091</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Council Municipal Funds</b>			
Accumulated surplus		10,828,214	8,206,825
Reserves	12	455,490	455,490
<b>Council Trust Funds</b>			
Parking meter fund		500,643	500,450
Car park fund		328,031	327,093
<b>Total funds</b>		<b>12,112,378</b>	<b>9,489,858</b>
<b>Current liabilities</b>			
Creditors and accruals	7	870,620	2,586,577
Provisions	8	114,831	154,676
Interest bearing borrowings	9	488,672	527,506
<b>Total current liabilities</b>		<b>1,474,123</b>	<b>3,268,759</b>
<b>Non-current liabilities</b>			
Provisions	8	137,606	95,771
Interest bearing borrowings	9	7,330,401	7,730,414
Capital grant in aid	13	809,562	403,289
<b>Total non-current liabilities</b>		<b>8,277,569</b>	<b>8,229,474</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,864,070</b>	<b>20,988,091</b>

The accompanying notes form an integral part of the Statement of Financial Position.

For and on behalf of the Council.

 16/06/2020  
.....  
Chief Executive Officer



**LAUTOKA CITY COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**1. Corporate Information**

The financial statements of Lautoka City Council ("the Council") for the year ended 31 December 2014 were authorized for by the Chief Executive Officer on 16/06/2020. The Council was incorporated in Fiji under the Local Government Act, 1972.

**1.2 Basis of preparation of the Financial Statements**

The financial statements have been prepared on accrual basis under the historical cost convention using the accounting policies described below and except where stated, do not take into account current valuation of non - current assets. The financial statements are presented in Fijian dollars.

**Statement of compliance**

The financial statements of Lautoka City Council have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and the Local Government Act.

**1.3 The Lautoka City Council Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of these financial statements.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds have been eliminated.

**Trust Funds**

The Lautoka City Council has received parking monies in compliance with the Traffic Act and contributions from developers under the Town Planning Act. As the Council performs a custodial role, these funds are excluded from Council Funds.

**1.4 Significant accounting judgments, estimates and assumptions**

The preparation of the Council's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**Judgments**

In the process of applying the Council's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements:

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

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**Estimations and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below:

**Impairment of non-financial assets**

The Council assesses whether there are any indicators of impairment for all non-financial assets at each reporting date.

Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

**Impairment losses on rates and fees receivable**

The council reviewed its rates and fee receivables at each reporting date to assess whether an allowance for impairment should be recorded in the statement of comprehensive income. In particular, judgment by council is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

**1.5 Summary of significant accounting policies**

**a) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

**b) Inventories**

Inventories, comprising of maintenance materials, concrete products, steel, iron, mechanical spares, uniforms, stationery and miscellaneous items are valued at the lower of cost and net realizable value. Cost is assigned on a first-in-first-out basis.

**c) Investments and other financial assets**

***Initial recognition of financial instruments***

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit and loss, any directly attributable incremental costs of acquisition or issue.

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

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*Receivables*

Rates receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Rates receivables are initially recognized as receivables from the commencement of each rating period (inclusive of VAT where applicable). After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains or losses are recognized in the statement of comprehensive income when the receivables are derecognized or impaired, as well as through the amortization process. Bad debts are written-off as incurred. Rates received in advance of the rating period are recognized as a liability.

*Held to maturity financial investments*

Held-to-maturity financial investments are those which carry fixed or determinable payments and have fixed maturities and which the company has the intention and the ability to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently measured at amortized cost using the effective interest rate method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Amortization is included as 'Interest income' in the statement of comprehensive income. The losses arising from impairment of such investment are recognized in the statement of comprehensive income line 'Impairment losses on financial investments'.

d) **Impairment of financial assets**

The council assesses at each Statement of Financial Position date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the statement of comprehensive income.

**LAUTOKA CITY COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are de-recognized when they are assessed as uncollectible.

**e) Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of comprehensive income as incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Leasehold land	over life of lease
Buildings	2.50%
Furniture and fittings	20%
Plant and equipment	20%
Office equipment	20%
Motor Vehicles	20%
Road, footpath and drains	1%

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognized. The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

**f) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of comprehensive income in the year in which the expenditure is incurred. The useful lives of intangible assets for the company are assessed to be finite.

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

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

Gain or losses arising from the de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is de-recognized.

g) **Impairment of non-financial assets**

The Council assesses at each reporting date or more frequently if events or changes and circumstances indicate that the carrying value may be impaired, whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Council makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the asset (or cash generating unit) is considered impaired and is written down to its recoverable amount.

For assets an assignment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount.

h) **Investment Property**

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the investment property when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the investment property as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of comprehensive income as incurred.



**LAUTOKA CITY COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Building	2.50%
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Premiums on leasehold land are capitalized and amortized over the term of the lease.

An item of investment property is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognized.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

**i) Fund accounting**

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

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

Details of Special Purpose Funds maintained by the Council are:

**Parking meter fund**

The Council, in compliance with the Traffic Act, has to maintain a separate account for the operation of Parking meters in designated areas of roads within the city.

**Car park fund**

This fund has been created for contributions received from developers under the Town Planning Act. The fund is used to construct and develop car parks.

**j) Financial liabilities**

Interest bearing loans and borrowings

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs, and have not been designated 'as at fair value through profit or loss'.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

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

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k) **Provisions**

Provisions are recognized when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Where the Council expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when reimbursement is virtually certain.

l) **Provisions continued**

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

**Employee entitlements**

Employee entitlements relating to wages, salaries, annual leave, sick leave, long service leave and retirement benefit represents the amount which the Council has a present obligation to pay resulting from the employees' services provided up to balance date.

**Wages and salaries, sick leave and annual leave**

Liabilities for wages and salaries and annual leave are recognized, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

**Provision for long service leave**

A liability for long service leave is recognized, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

m) **Leased assets**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

**LAUTOKA CITY COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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**Council as a lessee**

Finance leases, which transfer to the Council substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are reflected in the statement of comprehensive income.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Board will obtain ownership by the end of the lease term.

Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight line basis over the lease term.

**n) Trade and other payables**

Liabilities for other payables are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

**o) Revenue recognition**

Revenue is recognized in the financial statements using the accrual concept of accounting.

**p) Income tax**

The Council is exempt from income tax in accordance with the provisions of Section 17(4) of the Income Tax Act.

**q) Comparative figures**

Comparative figures have been amended where necessary, for changes in presentation in the current year.

**LAUTOKA CITY COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**2. CASH AT BANKS AND ON HAND**

	2014	2013
	\$	\$
Cash at bank - General fund	1,130,067	(49,344)
Cash at bank - Parking meter funds	534,146	534,146
Savings account BSP	4,134,588	3,113,963
Cash on hand	1,000	1,000
<b>Total cash at banks and on hand</b>	<b><u>5,799,801</u></b>	<b><u>3,599,765</u></b>

As the Council performs a custodian role, Cash at bank - Parking Meter Funds are only to be used for development of car parks, parking meter areas and capital projects.

Capital grant in aid funds of \$500,000 received from the Ministry of Local Government in 2014 and held in the BSP General Fund bank account are only to be used for the construction of the Market Open Shed.

**3. HELD AT MATURITY INVESTMENTS**

	2014	2013
	\$	\$
Westpac Banking Corporation	1,112,000	1,187,000
Bank of South Pacific	295,245	294,120
	<b><u>1,407,245</u></b>	<b><u>1,481,120</u></b>

Interest earned at 2.5% from the above term deposits are credited to General Fund

**4. INVENTORIES**

Materials	24,515	15,116
Fuel and oil	1,626	5,024
	<b><u>26,141</u></b>	<b><u>20,140</u></b>

**LAUTOKA CITY COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**5. RECEIVABLES**

	2014	2013
	\$	\$
Rates receivables	5,011,035	5,575,704
Less: provision for doubtful debts	<u>(1,000,000)</u>	<u>(1,000,000)</u>
	4,011,035	4,575,704
Other debtors	<u>670,925</u>	<u>1,416,650</u>
Total receivables	<u>4,681,960</u>	<u>5,992,354</u>

Movement in the provision for doubtful debts of receivables were as follows:

Rates receivables

At 1 January	1,000,000	1,000,000
Movement, net	-	-
31 December	<u>1,000,000</u>	<u>1,000,000</u>

**6. OTHER RECEIVABLES**

Prepayments	<u>36,288</u>	<u>44,858</u>
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**7. CREDITORS AND ACCRUALS**

Sundry creditors and accruals	281,569	1,120,106
Other creditors	298,043	1,205,166
Security deposits	228,974	200,802
Refundable building deposits	<u>62,034</u>	<u>60,503</u>
	<u>870,620</u>	<u>2,586,577</u>

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 60 day term;

Other payables are non-interest bearing and have an average term of six months; and

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

8. PROVISIONS

	2014 \$	2013 \$
<b><u>Long service leave</u></b>		
At 1 January	95,771	95,245
Net arising during the year	41,835	526
At 31 December	137,606	95,771
<b><u>Annual leave</u></b>		
At 1 January	154,676	103,021
Net arising during the year	123,567	123,566
Net Utilized	(163,412)	(71,911)
At 31 December	114,831	154,676
Total provisions	252,437	250,447
<b>Disclosed as:</b>		
Current	114,831	154,676
Non-current	137,606	95,771
Total provisions	252,437	250,447

9. INTEREST BEARING LOANS AND BORROWINGS

<b>Current</b>		
Bank of South Pacific	488,672	527,506
Total current	(a) 488,672	527,506
<b>Non-current</b>		
Bank of South Pacific	7,330,401	7,730,414
Total non-current	7,330,401	7,730,414

**Particulars relating to interest bearing loans and borrowings**

- a) The loan from Bank of South Pacific and Westpac Banking Corporation are secured by pari passu debenture deeds of \$10,611,358 over all of the Council's assets and undertakings without any preference or priority of existing debentures one over another.



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

10. PROPERTY, PLANT & EQUIPMENT

	2014	2013
	\$	\$
<b><u>Land and buildings</u></b>		
Deemed cost:		
At 1 January	3,614,067	3,256,965
Additions	19,970	357,102
<b>At 31 December</b>	<b><u>3,634,037</u></b>	<b><u>3,614,067</u></b>
Depreciation and impairment		
At 1 January	1,078,016	989,359
Depreciation charge for the year	87,905	88,657
<b>At 31 December</b>	<b><u>1,165,921</u></b>	<b><u>1,078,016</u></b>
<b>Net book value</b>	<b><u>2,468,116</u></b>	<b><u>2,536,051</u></b>
<b><u>Plant and equipment</u></b>		
Deemed cost:		
At 1 January	315,119	1,006,428
Additions	30,378	67,800
Disposals	-	(758,874)
Re-classification	-	(235)
<b>At 31 December</b>	<b><u>345,497</u></b>	<b><u>315,119</u></b>
Depreciation and impairment		
At 1 January	208,030	829,842
Depreciation charge for the year	46,658	48,899
Disposals	-	(670,711)
<b>At 31 December</b>	<b><u>254,688</u></b>	<b><u>208,030</u></b>
<b>Net book value</b>	<b><u>90,809</u></b>	<b><u>107,089</u></b>

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

10. PROPERTY, PLANT & EQUIPMENT (CONT'D)

Furniture and fittings

	2014	2013
	\$	\$
Deemed cost:		
At 1 January	203,397	202,006
Additions	-	1,391
<b>At 31 December</b>	<b>203,397</b>	<b>203,397</b>
Depreciation and impairment		
At 1 January	185,984	153,993
Depreciation charge for the year	13,186	31,991
<b>At 31 December</b>	<b>199,170</b>	<b>185,984</b>
<b>Net book value</b>	<b>4,227</b>	<b>17,413</b>

Office equipment

Deemed cost:		
At 1 January	307,547	284,792
Additions	13,274	22,755
<b>At 31 December</b>	<b>320,821</b>	<b>307,547</b>
Depreciation and impairment		
At 1 January	227,053	171,426
Depreciation charge for the year	52,793	55,627
<b>At 31 December</b>	<b>279,846</b>	<b>227,053</b>
<b>Net book value</b>	<b>40,975</b>	<b>80,494</b>

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

10. PROPERTY, PLANT & EQUIPMENT (CONT'D)

	2014	2013
	\$	\$
<u>Motor vehicles</u>		
Deemed cost:		
At 1 January	1,077,956	1,034,232
Additions	40,870	121,839
Disposals	-	(78,115)
<b>At 31 December</b>	<b>1,118,826</b>	<b>1,077,956</b>
Depreciation and impairment		
At 1 January	684,706	566,675
Depreciation charge for the year	172,192	184,084
Disposals	-	(66,053)
<b>At 31 December</b>	<b>856,898</b>	<b>684,706</b>
<b>Net book value</b>	<b>261,928</b>	<b>393,250</b>
<u>Roads, drains and footpaths</u>		
Deemed cost:		
At 1 January	-	50,623,532
Disposals	-	(50,623,532)
<b>At 31 December</b>	<b>-</b>	<b>-</b>
Depreciation and impairment		
At 1 January	-	4,724,808
Disposals	-	(4,724,808)
<b>At 31 December</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>	<b>-</b>	<b>-</b>
Net Book Value (Parking Meters-Equip)	-	53,400
Work In Progress	566,544	-
<b>At 31 December</b>	<b>566,544</b>	<b>53,400</b>
<b>Total property, plant and equipment</b>	<b>3,432,599</b>	<b>3,187,697</b>

**LAUTOKA CITY COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

**11. INVESTMENT PROPERTIES**

	2014	2013
	\$	\$
Deemed cost:		
At 1 January	8,152,449	8,129,772
Additions	449,649	22,677
<b>At 31 December</b>	<b>8,602,098</b>	<b>8,152,449</b>
Depreciation and impairment		
At 1 January	1,490,292	1,286,481
Depreciation charge for the year	631,770	203,811
<b>At 31 December</b>	<b>2,122,062</b>	<b>1,490,292</b>
Net book value	<b>6,480,036</b>	<b>6,662,157</b>

**12. RESERVES**

Other reserves		
In-house cyclone reserves	418,490	418,490
Workmen's compensation reserve	9,000	9,000
Cyclone reserves	28,000	28,000
<b>Total reserves</b>	<b>455,490</b>	<b>455,490</b>

**13. CAPITAL GRANT**

At 1 January	403,289	497,016
Additional Grant Received in 2014	500,000	-
Released to the statement of comprehensive income	(93,727)	(93,727)
<b>Closing balance at 31 December</b>	<b>809,562</b>	<b>403,289</b>

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

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14. RELATED PARTY TRANSACTIONS

(a) Administrator - Mr. Praveen Bala

(b) Transactions with related parties are as follows:

Transactions with related parties during the year ended 31 December 2014 with approximate transaction value are summarized as follows:

	2014	2013
	\$	\$
Administrator - Honorarium	21,466	32,200

These transactions with related parties were made on normal commercial terms and conditions.

## LAUTOKA CITY COUNCIL

No	Vacant lots	
	Assessment	Ratepayer
1	3485/7	Malakai Batuilula
2	5633/11	Josaia Salasiga
3	5338	PARWATI
4	6932	Lesuma Melaia
5	6947	SALESH KUMAR & HELLEN KUMAR
6	960/244	ANDREW SAMY & SANJAY KRISHNA
7	3477	RUDESH KRISHNA RAJ
8	6942	APOROSA VIRIA
9	960/35	Etuate Matawalu
10	5042	Isimeli Waqabaca
11	224	Young Women Christian Association
12	79/19	Shiri Ram
13	5785/6	Matai Chong Sue
14	5742	Satya Narayan F/N Bhagwan Din
15	7018	NACANIELI NAKORONIVALU
16	5633/10	Etuate Uluinaceva
17	5896	Chandra Lal F/N Ram Lal
18	7029	SATENDRA PRATAP F/N SATENDRA PRATAP
19	6945	ARTI NAIDU & GANGAMMA
20	5390	SEREANA VAKANADAKUYA & LAINI DAUVEIQARAVI
21	5142	Balbeer Singh f/n Suranjan Prasad
22	7142	Rohit R Bhan
23	7133	Dewa Nandan Mudaliar F/N Arunajalam Mudaliar
24	7165	Amit Lal
25	3485/6	Hari Narayan
26	6895	Maika Navila
27	4406/42	RAKESH KUMAR F/N RAMESH
28	2188	Roshni Nanda
29	5144	MONI KITIONE
30	4672/1	Satendra Singh F/N Mansa Ram Singh &
31	2879	ERONI SOWAKULA & MERE SOWAKULA
32	4992	Luisa Ranadi Danuitutu
33	3479	Aktar Ali F/N Manuwar Ali & S Executor & Trustee
34	5785	Matai Chong Sue
35	5342	Samuela Raiqavi
36	5785/5	Matai Chong Sue
37	3730	Tomasi Petero
38	5785/1	Matai Chong Sue
39	5785/4	Matai Chong Sue
40	5785/2	Matai Chong Sue
41	5785/3	Matai Chong Sue
42	5330	Sailosi Vunibola Sovui & Melera Baleibualagi
43	6839	Housing Authority
44	3289	Amit Kumar
45	786/35	Michael Johns & Emma Veresoni
46	2266	RAJ RATNAM
47	786/21	Ganeshwar Reddy
48	5189	JOELI BALELEVUKA



## LAUTOKA CITY COUNCIL

49	2685	ARUN SINGH F/N KUAR SINGH & MANGELA UMAR
50	1176	SIKELI RATU
51	3205	Mohammed Azam Khan F/N M Khan
52	2831	Kitty Katherine Boyle
53	3478	Haji Mohammed Rasul & Hajim Shafique
54	3199	Colati Vakaloloma
55	6737	Eliki Tiko
56	5152	ILAITIA KOTO & SERA WORK
57	5143	SEMITI CAKAU TAWAKE AND CAROLINE
58	5353	RAGHWAN F/N POLANI
59	4968	SHIRLEY SASHI REKHA & BRAKASH DEVI PREM
60	599	RAMBHA MAHARAJ AS ADMINISTRATRIX TO THE ESTATE OF
61	7038	Ratu Isoa Vodivakawalu & Jotivini Tisaru
62	5133	PENTICOSTAL CHURCH OF FIJI
63	844/48	Ashneel Naidu & Susan Radhika Naidu F/N Saha Deo
64	6720	Pardeep Kumar
65	5495	Latchmi f/n Shiu Raj
66	6048	Mohammed Fariaz
67	6041	Ram Raj

# LAUTOKA CITY COUNCIL FINANCE & ADMINISTRATION DEPARTMENT



HEAD OF FINANCE &  
ADMINISTRATION

Secretary to F&A

Senior Accounts  
Officer

## Rates

Rates Clerk  
Rates Debt Collector  
Asst. Rates Clerk x 2

Cashier  
Accounts Clerk  
Accounts Officer  
Receptionist  
Registry Clerk  
Purchasing Officer x 1

**Parking Meter  
Supervisor**  
2 x Technicians  
1 x Clerk

**City Ranger  
(Enforcement)**  
1 x Asst. CR  
1 x Clerk  
1.4 x Attendants  
4 x Enforcement  
Officers  
(Litter Prevention,  
Nuisances & Traffic  
Offences)

DIGITAL  
COMMUNICATIONS  
OFFICER

IT & Media  
Assistant

HR & IR  
ADMINISTRATOR

Admin/Transport  
Officer

City Lawyer

Legal  
Assistant/Prosecutor

**Supplementary Response by the  
Lautoka City Council**

## **Lautoka City Council**

### **Supplementary Questions to the Written Response**

1. Response to question 4:

- i. (d) – We note that the Council works closely with the Social Welfare Department and the Fiji Police Force in identifying street dwellers and beggars. Can the council provide us with statistics on the total numbers of cases referred to the Social Welfare Department and Fiji Police Force from 2006 - 2014?

A total of 24 street dwellers and 40 street beggars were profiled during joint operations with Social Welfare and Fiji Police Force.

2. What action has been taken by the Council to address the issue of stray dogs wandering in public places and harming people?

Council is working closely with Ministry of Agriculture who are the custodians of the Dog Act with any complaints which are received from Public. Team is continuously updating information's and complain log on viber groups for actions.

Council together with Ministry of Agriculture officers go around the streets and create dog licensing awareness, conducts dog trapping exercise where stray dogs are trapped and treated by qualified Veterinarian before releasing them back into the environment.

One such program has started on 19<sup>th</sup> April till 21<sup>st</sup> April and will be conducted around Natokowaqa area, Kashmir area, Adam street, Field 40, Simla, Tomuka, Waiyavi area Kadavu street & Dravuni street.