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## **TAVUA TOWN COUNCIL**

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### **Annual Report for the Year Ended 2015**

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# **ANNUAL REPORT**

**Section 19,  
Local Govt Act, Cap. 125  
For the Year Ended 31<sup>st</sup> December 2015**



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## **1.0 DIRECTORY**

**LOCATION : 6 NABUNA STREET  
TAVUA**

**TAVUA TOWN COUNCIL OFFICE AT  
NABUNA STREET**



7

**ADDRESS : P O BOX 532  
TAVUA, FIJI ISLANDS  
PHONE: (679) 6681010  
VODAFONE: (679) 9996130  
EMAIL: [ttc@connect.com.fj](mailto:ttc@connect.com.fj)**

**AUDITORS : AUDITOR GENERAL**

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

## **2.0 BACKGROUND**

### **2.1 HISTORY**

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

### **2.2 POPULATION**

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

### **2.3 ECONOMY OF TAVUA**

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

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

### **2.4 WEATHER OF TAVUA**

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

## **2.5 MEETINGS OF THE COUNCIL**

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

(a)	Ordinary Council Meeting	-	8
(b)	Special Council Meeting	-	2
(b)	Finance, Market and General Purpose Committee Meeting	-	10
(c)	Building, Health and Works Committee Meeting-	-	10
(d)	Parks, Gardens and Beautification	-	10
(e)	Traffic Management and Market	-	10

## **2.6 SPECIAL ADMINISTRATOR**

In the absence of an elected Council, the Minister of Local government with the Amended Local Government Act 125, section 9A, (1) & (2) Special Administrator's were in-charge of the Council's. Since the resignation of the former SA no one was appointed to the post.

## **2.7 PRINCIPAL OFFICERS OF THE COUNCIL**

The Principal Officers of the Council were:-

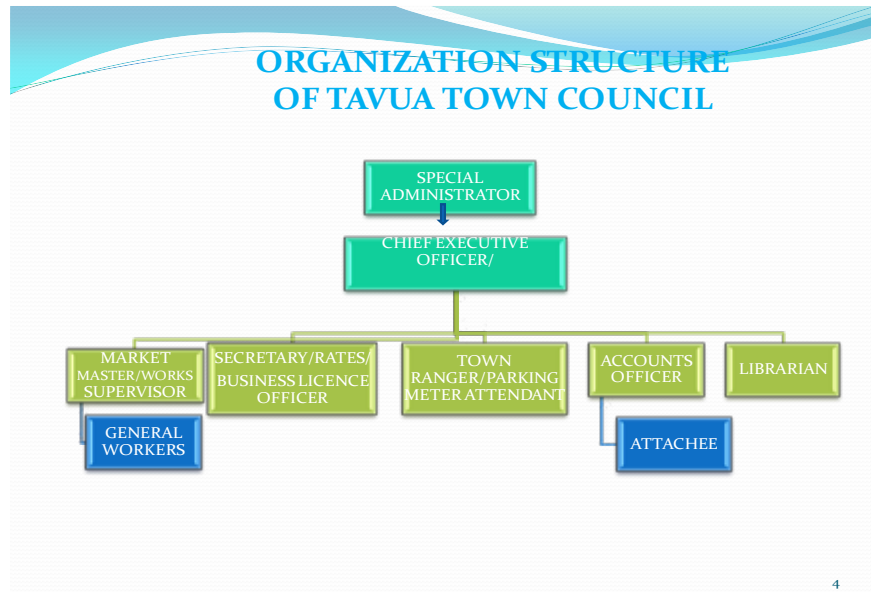
Chief Executive Officer	-	Temalesi Henfiro
Secretary/Rates/Business Licence Officer	-	Mrs. Praveen Lata Prakash
Market Master/ Works Supervisor	-	Mr. Robert Samuel Reuben
Town Ranger & Parking Meter Attendant	-	Vacant
Admin Clerk/Librarian	-	Arita Devi
Alvinesh Prashil Kumar	-	Enforcement Officer/Driver

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



## 2.8 UNESTABLISHED SECTION

Works Section - 12



## 2.9 SERVICES PROVIDED BY COUNCIL

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

- Street Cleaning
- Garbage Collection (household & garden refuse)
- Municipal Parks and Recreation area
- Council roads and storm water drainage
- Street Lights
- Sanitation Services

## 3.0 VISION

To work together to enhance our environment, to achieve an outstanding environment, which would be characterised by its natural beauty. (“Go

Green). The Council will support and promote active community participation to achieve a healthy environment, and an efficient infrastructure. (public participation – Talanoa Sessions etc).

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

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

### **3.1 MISSION**

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

## **4.0 HIGHLIGHTS OF YEAR 2015**

### **4.1 *Agriculture Show***

Agriculture show organized from 4<sup>th</sup> to 6<sup>th</sup> August by Ministry of Agriculture at Garvey Park assisted by Council. This brought all the people of Tavua together to witness and see varieties of activities conducted by the Ministry of Agriculture. It was also the first ever agriculture show to take place at Garvey Park.

### **4.2 *Visit by Assistant Minister Local Govt***

Visitation of the Assistant Minister for Local Govt Hon Lorna Eden to the Council on 30<sup>th</sup> July 2015.

### **4.3 *J.PRISIM – M/s Keiko visited the council.***

Follow up as well as inspection of CSP and composting to schools and homes.

#### **4.4 *Yellow Ribbon Project***

Meeting held with District Officer, Tavua and officers from the Corrections Office, Lautoka and Ba to engage offenders in Council and the establishment of ex offenders Association.

#### **4.5 *Clean Towns and Cities Award***

It was a proud moment for Tavua Town Council again this year as it won the award in Clean Small-Town category for the third time.

#### **4.6 *Visitation of Hon. Minister for Defence***

Meeting held with Hon Minister for Defence, Capt (N) of T.L Natuva on 11<sup>th</sup> December at Tavua College Board room and was attended by the Police Dept, representatives of the business houses and ratepayers, CEO and Market Vendors Association.

#### **4.7 *Interagency Meetings on Child Abuse Neglect and Abondment***

CEO attended meeting held at DO's conference room on issues of child abuse neglect and abandonment.

#### **4.8 *New Year Street Party***

Council organized first ever New Year Street Party on New Year's Eve. The party was a great success without any hiccups. Council wishes to thank the Police Dept as their presence was prominent

### **5.0 MEETINGS/TRAININGS/WORKSHOPS**

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

#### **5.1 *Workshop on Benchmarking of Local Govt***

Bench marking workshop for improving service delivery & Productivity held in Semarang, Central Java, Indonesia from 10<sup>th</sup> to 14<sup>th</sup> August 2015 attended by CEO Mrs. Temalesi Henfiro.

## **5.2 9<sup>th</sup> Advanced Capacity Building Program on “Municipal Finance, Expenditure, Management & Performance Outcomes**

The above course was held from 6<sup>th</sup> September to 3<sup>rd</sup> October 2015 in New Delhi India and was attended by Mrs. Praveen Lata Prakash

## **5.3 “No World Tobacco Day”**

Arita Devi and Jone Kuwe Ralulu attended the “No Tabacco Day workshop

## **5.4 Litter Enforcement Officer’s Workshop**

Three staff attended Robert Samuel Reuben, Arita Devi and Alvinesh Prashil Kumar attended the Litter Officer’s Workshop on 25<sup>th</sup> April.

## **5.5 Capacity Building**

Arita Devi and Jone Kuwe Ralulu attended debt collection techniques capacity building training conducted by Fiji National University.

## **5.6 Meeting with FRA**

Meeting with Mr. Rupeni Oli of FRA at Council Chambers on issues regarding regular maintenance by Council on road reserves, drains, chamber-drains.

## **5.7 Local Govt Forum**

CEO attended Local Govt Forum organized “by Ministry of Local Govt at Nadi Hexagon Hotel from 20<sup>th</sup> to 21<sup>st</sup> August 2015.

## **5.8 UN Women Meetings**

CEO and staff from the Market attended UN Women meetings and workshops organized by Un Women throughout the year to discuss on issues and projects funded by Unwomen.

## **5.9 Heads of Departments Meeting**

CEO attended regular meetings with HOD's to discuss on issues affecting Tavua.

# **6.0 ADMINISTRATION AND FINANCE**

## **6.1 LAND VALUATION AND RATE**

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

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

## **6.2 RATE LEVY FOR YEAR 2015**

<u><b>RATE</b></u>	<u><b>LEVY</b></u>	<u><b>UCV</b></u>	<u><b>RATE REVENUE</b></u>
General	\$0.0089c + VAT	\$4,302,300	\$43,077
Special Loan Rate	\$0.004 c + VAT	\$5,096,600	\$22,935
Agricultural	\$0.006c + VAT	\$ 207,600	\$ 1,401
<b>TOTAL</b>		<b>\$9,606,500</b>	<b>\$67,413</b>

### **6.3 RATE ASSESSMENTS/RATEPAYERS**

Total No. of Ratepayers - 247

### **6.4 DISCOUNT ON RATES**

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

- 10% to all ratepayers who pay their rates inclusive of arrears if any by 31<sup>st</sup> January 2015
- 7% to all ratepayers who pay their rates inclusive of arrears if any by 31<sup>st</sup> March 2015

### **6.5 RECURRENT REVENUE AND EXPENDITURE**

The total recurrent revenue and expenditure of the Council for fiscal year ending December 2015 were as follows:

	<b><u>RECURRENT REVENUE</u></b>	<b><u>RECURRENT EXPENDITURE</u></b>	<b><u>SURPLUS (DEFICIT)</u></b>
General Funds	\$431,583	\$437,781	(\$6198)
Parking Meter	\$11,279	\$10,230	\$1,049
<b>TOTAL</b>	<b>\$442,862</b>	<b>\$448,011</b>	<b>(\$5,149)</b>

## **6.6 RATES REPORT**

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

<b>RATES COLLECTED STATUS</b>	<b>AMOUNT</b>
Rates collected as at 31/12/15	\$54,751
% current Collected as at 31/12/15	65%
% Arrears Collected as at 31/12/15	25%

## **7.0 FIRE SERVICES**

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

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## **8.0 PARKS AND RECREATIONAL FACILITIES**

### **8.1 Garvey Park – Stadium**

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

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

### **8.2 Children's Park**

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

### **8.3 *Beautification***

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

### **8.4 *Streetlights***

Council continued to maintain 24 street lights that fell under the Council jurisdiction; the other 126 lights were repaired by FRA.

### **8.5 *GoldnWater Carnival***

GoldnWater Carnival organized by Council sponsored by Vodafone Fiji Ltd. Funds raised utilized for beautification works around the municipality.

## **9.0 PUBLIC HEALTH**

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

### **9.1 *Environmental Sanitation***

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

#### **9.1.1 Licenses/Registration of Premises: Under the Public Health Act**

Public Health Licence was issued for under mentioned premises for year 2015. Some were for renewal of existing premises and some for new operations.



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

### 9.1.2 Public Health

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

	<u><b>INSPECTIONS</b></u>	<u><b>REINSPECTIONS</b></u>	<u><b>TOTAL</b></u>
House to House Inspection Of District	265	265	530

Investigation of Complaints, Nuisances etc	20	20	40
New Building sites before approval	3	3	6
New Building Works in Progress			
Factories and Workshops			
Schools			
Hairdressers, Chiropodists etc			
Food shops, Food stores, Markets			
Eating Houses and Ice-cream Premises			
Bakehouses			
Butcher Shops			
Church			
Sanitary			
Hotels			
Business Houses			
Vacant Lots	30	30	60
<b><u>TOTAL</u></b>	<b>310</b>	<b>310</b>	<b>620</b>

### 9.1.3 Summary of Sanitary Improvements

<b><u>ITEMS</u></b>	<b><u>ORDERED</u></b>	<b><u>COMPLETED</u></b>
Repairing of Buildings		
Improvements to Lighting and Ventilation of Buildings		

Removal of Unauthorised Erections		
Provision of Garbage Tins		
Filling of Unsanitary Privies		
Repairing or cleansing of bathroom or washing Place		
New Kitchens		
Repairing or cleansing of Kitchens		
Provision of drains		
Repairing or Cleansing of Drains	49	49
Removal of accumulations of refuse etc	15	15
Clearing of overgrowth of grass	7	7
Abatement of nuisances from animals or Poultry	1	1
Abatement of mosquito breeding		
Cleansing of food premises		
Structural Improvements to Food Premises		
Cleansing of Food Vehicles		
Cleansing or improvement of hairdressers premises		
Improvement of Schools		
Bailing of Septic Tank		
Abatement of Noise Nuisance		
Impounding of Stray Cattle		
Provision of Garbage Tins		
Closing Order		
Public Health Nuisance	10	10
<b>TOTAL</b>	<b>82</b>	<b>82</b>

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

Intimation Notice Served	- 10
Statutory Notices Served	- 12

#### **9.1.5 Litter Prevention**

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

### **9.1.6 Garbage/Refuse Collection and Disposal**

The garbage collection and removal services were carried by council compactor truck. Household garbage collected 3 days in a week. Council workers involved in the collection and all wastes disposed at the Ba Town Council dump including refuse from the market. Clean up campaigns also conducted on quarterly basis. 3Rs concept is also practiced whereby the council has carried out awareness in residential areas and schools.

### **9.1.7 Overgrowth**

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

### **9.1.8 Regular Monthly Cleanups**

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

### **9.1.9 Public Convenience**

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

### **9.2.0 Health Inspections**

Council engaged the services of Health Inspector from Rakiraki Town Council and Ba Town Council from time to time.

### **9.2.1 Mosquito Control**

Routine house- to- house visits were carried by the health inspector to check potential breeding places of mosquitoes. The residents were advised on source reduction of mosquito by removing and

destruction of all potential breeding sites. Mosquito spraying carried out as and when required especially in the rainy season.

### 9.2.2 Dog Trapping Exercise

The Town ranger and the veterinary Officer made house to house visitation and the dog trapping exercise was carried out. Was compiled:

❖ Total dogs trapped	-	45
❖ Total house visited	-	15
❖ Total licensed	-	6

## 10.0 TOWN PLANNING AND BUILDING

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

### 10.1 Building Statistics

#### 10.1.1 Building Applications Received for Consideration

<b><u>TYPE OF DEVELOPMENT</u></b>	<b><u>NUMBER</u></b>	<b><u>VALUE</u></b>
Commercial Buildings/Extension	4	\$3,060,000
Residential	1	\$100,000
Miscellaneous Works	1	\$100,000
<b>TOTAL</b>	<b>7</b>	<b>\$5,060,000</b>

### 10.1.2 Building Applications Approved

<u>TYPE OF DEVELOPMENT</u>	<u>NUMBER</u>	<u>VALUE</u>
Commercial Extension	4	\$3,060,000
Residential	1	\$100,000
Miscellaneous Works	Nil	Nil
<b>TOTAL</b>	<b>5</b>	<b>\$4,060,000</b>

### 10.1.3 Completion Certificate Issued

<u>TYPE OF DEVELOPMENT</u>	<u>NUMBER</u>	<u>VALUE</u>
New Dwelling	-	-
Commercial	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

### 10.1.4 Building Permit Fees

The total revenue for issuance of building permit was \$4,588.00

## 11.0 MARKET

The Market was under the management of a Market Master.

### **11.1 Revenue**

Breakdown of revenue received from Market is as follows.

<b>SOURCE</b>	<b>2015</b>	<b>2014</b>
Market Stall Fees	\$82,711	\$84,753
Fish Market Fees	\$3,116	\$4,322
Lockup Shop Rental	\$12,654	\$9,325
<b>TOTAL</b>	<b>\$98,481</b>	<b>\$98,400</b>

### **11.2 Market Washing**

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

## **12.0 BUSINESS LICENSING**

The Council is the Licensing Authority under Business Licensing Act, Cap 204 and businesses were issued with Licenses to operate. Total Business Licence fee collected for year 2015 - \$63,996.00.

## **13.0 LIBRARY SERVICES.**

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

## **14.0 DRAIN CLEANING**

Council carried out regular drain cleaning works. Tavualevu village drain cleaned by-monthly by Loto ni Koro group and Cawa group. Council paid them \$150.00 per cleanup.

## **15.0 PARKING METERS AND OTHER TRAFFIC RELATED ISSUES**

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

Total meters in operation	-	56
Total revenue collected during the year	-	\$11,279
Total Expenditure for the year	-	\$10,230

## **16.0 PROJECTS UNDERTAKEN**

### ***16.1 Multipurpose Hall***

Multipurpose Hall constructed with \$92,500 funding from the Government. The hall is given for hire and is a revenue generating for the council.

### ***16.2 Street Lights***

New streetlight installed at the rear of Vatukoula Road (back of ANZ) and a total of 6 lights installed in bus/taxi/carrier shelters



## 17.0 CONCLUSION

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

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

Further I wish to endorse my appreciation and gratitude for support and cooperation of Ministry of Local Government and other government departments and non-government organization, other municipalities and the Ratepayers and Citizens of Tavua.

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

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

# OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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File: 987/1

7 December 2020

Mr. Mark Hirst Tuilau  
Chairman Special Administrators  
Tavua Town Council  
P O Box 532  
**TAVUA**

Dear Mr. Tuilau

**TAVUA TOWN COUNCIL**

**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

The audited financial statements for Tavua Town Council for the year ended 31 December 2015 together with my audit report on them are enclosed.

Particulars of 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. Salosi Sawana, Chief Executive Officer, Tavua Town Council.

Encl.

TAVUA TOWN COUNCIL  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015

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# OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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



## INDEPENDENT AUDITOR'S REPORT

To the Special Administrators of Tavua Town Council

### Report on the Audit of the Financial Statements

#### Opinion

I have audited the financial statements of Tavua Town Council, which comprise the Statement of Financial Position as at 31 December 2015, the Statement of Comprehensive Income and Retained Earnings, and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

I do not express an opinion on the accompanying financial statements of Tavua Town 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 recorded trade and other receivables balance of \$43,230 in the Statement of Financial Position as at 31 December 2015. Included in the amount are trade receivables of \$28,280, enforcement and parking meter infringement of \$3,500, and other debtors of \$11,450. The Council was unable to provide debtors listings, subsidiary ledgers and reconciliations to support the above balances. Furthermore, the Council has not provided evidence of impairment assessment carried out on its receivable balance. Consequently, I am unable to ascertain if the trade and other receivables balance of \$43,230 is fairly stated in the financial statements.
2. The Council has not commenced a full review on impairment exercise of the assets with zero written down totaling \$41,255 by performing a review of the depreciation rates and assessing the remaining economic useful lives of individual major classes of property, plant and equipment in a progressive and structured manner. These assets with zero written value are recorded under plant and machinery, office equipment, and parking meter classes. As a result, I was unable to determine the remaining economic useful life and the correct carrying amount and whether these assets are overstated and to determine whether any adjustments might have been necessary in respect of the Property, Plant and Equipment at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income Statement of Financial Position.
3. The Council was unable to provide reconciliations to support the VAT payable balance of \$41,473 reported in Note 11 to the financial statements for the year ended 31 December 2015. Consequently, I was unable to obtain sufficient audit evidence to ascertain the accuracy of VAT payable as stated in the financial statements.

### **Basis for Disclaimer of Opinion (Con't)**

4. The Council did not comply with the requirements of *IFRS for SMEs Section 24 – Government Grants* by not recognizing government grant totaling \$8,597 when performance conditions are met. In addition, the accounting policy on deferred income as disclosed on Note 2(h) to the financial statements is not in accordance with paragraph 24 of the IFRS for SMEs. Furthermore, the Council has not disclosed the nature and amounts and unfulfilled conditions of government grants received during the year. Consequently, I was not able to satisfy myself on the accuracy of the deferred income of \$113,781 stated in the financial statements.
5. The Council did not provide for employee entitlement in the statement of financial position for the year ended 31 December 2015, which is a departure from the requirement of paragraph 28 – Employee Benefits, of IFRS for SMEs. As a result, I was unable to determine whether any adjustments might have been necessary in respect of the provision of annual leave 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. The Council recorded total revenue of \$442,862 in the Statement of Comprehensive Income for the year ended 31 December 2015. Included in this balance is business, trading and license fees of \$63,996. The Council was unable to provide detailed listing of business license fees to support the above balances. As a result, I was unable to ascertain the accuracy and completeness of the total revenue balance of \$442,862 reflected in the financial statements.
7. The Council did not maintain a certificate of the amounts collected from each parking meter as required by the Manual of Accounts for Municipal Councils in Fiji, section 7.7. Accordingly, I was unable to ascertain the accuracy and completeness of the parking meter revenue amounting to \$11,279 reflected in the financial statements.

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

### **Emphasis of Matter**

Without further qualifying the opinion expressed above, I draw attention to the following:

1. Excluding restricted cash of \$113,210, the Council would have recorded a negative working capital. This indicates that the Council is not generating adequate cash to be able to pay its debts as and when they fall due.
2. Note 14(b) to the financial statements notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2015 and how this has been considered by the Council in the preparation of the financial statements. As set out in Note 14, no adjustments have been made to the financial statements as at 31 December 2015. However, the Council notes that the impact of COVID-19 global pandemic will have a significant impact on all the major revenue streams of the Council in financial year 2020 and beyond.

## **Other Matters**

1. The Council is yet to finalize the Human Resources Policy, and put in place Risk Management Policy, Asset Capitalization Policy, Disaster Recovery Plan/Business Continuity Plan, Strategic Plan, and Business Plan.
2. Note 14(a) to the financial statements notes the recent amendment made to the Local Government Act 1972 through Local Government (Budget Amendment) Act 2020 which will require all Municipal Councils to update the audit of annual financial statements up to 31 July 2020 and have them published in an English language newspaper in Fiji by 31 March 2021. As a result of the amendment, the Council will need to prepare and submit for audit, accounts for the seven-month period from 1 January to 31 July 2020.
3. Generally, internal control function of the Council were found to be weak. Monthly bank reconciliations were not prepared, separation of duties in receipting, banking, updating of accounting records were not practiced, journal voucher system was not maintained, annual board of survey not conducted, and assets were not tagged.
4. There was no evidence to indicate that the budget for the year 2015 was approved as required under section 46 of the Local Government Act 1972.
5. A total of 40 audit findings were noted during the audit of which 28 or 70% were recurring issues from prior years. The oversight responsibility of the Special Administrators, Chief Executive Officer and senior officers of the Council needs to be strengthened to effectively implement the audit recommendations in a timely manner.

## **Responsibilities of the management and those charged with governance for financial statements**

The management of the Council is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs and the Local Government Act 1972 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.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was unable to provide a basis for an audit opinion of these financial statements.

### **Auditor's Responsibilities for the Audit of the Financial Statements (con't)**

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



Ajay Nand  
**AUDITOR-GENERAL**



Suva, Fiji  
07 December, 2020

**TAVUA TOWN COUNCIL**  
**STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 \$	Restated 2014 \$
Revenue	3	442,862	596,387
Total revenue		<u>442,862</u>	<u>596,387</u>
Depreciation and amortisation		84,280	66,442
Operating expenses	4	<u>363,731</u>	<u>373,273</u>
		<u>448,011</u>	<u>439,715</u>
Net (loss)/profit for the year		<b>(5,149)</b>	<b>156,672</b>
Accumulated loss at the beginning of the year		(1,030,029)	(1,186,701)
Accumulated loss at the end of the year		<u><b>(1,035,178)</b></u>	<u><b>(1,030,029)</b></u>

The statement of comprehensive income and retained earnings is to be read in conjunction with the Notes to the Financial Statements as set out on pages 9 to 14.

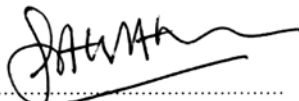


**TAVUA TOWN COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015**

	Notes	2015 \$	Restated 2014 \$
<b>Current Assets</b>			
Cash and cash equivalent	5	115,057	105,559
Trade and other receivables	6	43,230	35,333
<b>Total current assets</b>		<u>158,287</u>	<u>140,892</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	9	1,447,165	1,422,046
Intangible asset	7	8,766	10,957
<b>Total non current assets</b>		<u>1,455,931</u>	<u>1,433,003</u>
<b>TOTAL ASSETS</b>		<u><b>1,614,218</b></u>	<u><b>1,573,895</b></u>
<b>Current Liabilities</b>			
Bank overdraft	10	1,749	1,452
Trade and other payables	11	97,745	67,576
<b>Total current liabilities</b>		<u>99,494</u>	<u>69,028</u>
<b>Non-Current Liabilities</b>			
Deferred income	8	113,781	98,775
<b>Total non-current liabilities</b>		<u>113,781</u>	<u>98,775</u>
<b>TOTAL LIABILITIES</b>		<u><b>213,275</b></u>	<u><b>167,803</b></u>
<b>NET ASSETS</b>		<u><b>1,400,943</b></u>	<u><b>1,406,092</b></u>
<b>Municipal Funds</b>			
Accumulated losses		(1,035,178)	(1,030,029)
Asset revaluation reserves		2,436,121	2,436,121
<b>TOTAL MUNICIPAL FUNDS</b>		<u><b>1,400,943</b></u>	<u><b>1,406,092</b></u>

The statement of financial position is to be read in conjunction with the Notes to the Financial Statements as set out on pages 9 to 14.

In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Tavua Town Council's operations for the year ended 31 December 2015 and the state of affairs as at that date.

  
.....  
Salosi Sawana  
Chief Executive Officer  
Date: 9/11/20

  
.....  
Mark Hirst Tuilau  
Special Administrator  
Date: 205/4/20

**TAVUA TOWN COUNCIL  
STATEMENT OF CASH FLOWS  
AS AT 31 DECEMBER 2015**

	<b>Notes</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		449,285	627,986
Payments to suppliers and employees		(332,876)	(353,477)
<b>Net cash provided by operating activities</b>		<u>116,409</u>	<u>274,509</u>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		(107,208)	(254,536)
Payment for intangible assets		-	(10,957)
<b>Net cash used in investing activities</b>		<u>(107,208)</u>	<u>(265,493)</u>
Net increase in cash and cash equivalents		9,201	9,016
Cash and cash equivalent at the beginning of the year		104,107	95,091
<b>Net cash at the end of the reporting period</b>	<b>15</b>	<u><b>113,308</b></u>	<u><b>104,107</b></u>

The statement of cash flows is to be read in conjunction with the Notes to the Financial Statements as set out on pages 9 to 14.

**TAVUA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**NOTE 1. GENERAL INFORMATION**

Tavua Town Council was established under Local Government Act. The address of its registered office and principle place is Nabuna Street, Tavua Town. The principle activity of the council is to provide for health, welfare and convenience of the Tavua Town Municipality and to preserve the amenities or credit thereof. The financial statements of Tavua Town Council for the year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Special Administrator and Management.

**NOTE 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

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

**(a) Summary of significant accounting policies**

The principal accounting policies adopted by the Council are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

**(b) Revenue recognition**

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

**(c) Income tax**

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

**(d) Property, plant and equipment**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

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

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

**(e) Trade and other receivables**

Most sales are made on the basis of normal credit terms and the receivables does not bear any interest where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(f) Trade and other payables**

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

**(g) Intangible assets**

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

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

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

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

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

**(h) Deferred Income**

Government and other grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match them with the related costs which the grant are intended to compensate income where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related assets.

**(i) Impairment of assets**

At each reporting date, property, plant and equipment, intangible assets, and investments in associates are reviewed to determine whether there is any indication that those assets have suffered impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

**TAVUA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(j) Cash and cash equivalents**

Cash and short term deposits in the statement of financial position comprise cash at banks and cash on hand and short-term deposits with a maturity of three months or less. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

<b>NOTE 3. REVENUE</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
General funds revenue	431,583	587,087
Parking meter revenue	11,279	9,300
	<b>442,862</b>	<b>596,387</b>

**NOTE 4. OPERATING EXPENSES**

Advertising	5,145	3,146
Accounting fees	5,273	2,844
Audit fees	9,779	9,815
Bank fees and charges	1,281	1,031
Casual wages	11,517	17,205
Clean-up campaign and waste minimization	13,925	3,536
Electricity and water	17,036	23,940
FNU Levy	1,871	1,268
FNPF Contribution	16,624	20,565
Garbage services	11,933	31,558
Insurance	12,083	1,224
Legal expenses	11,722	351
Motor vehicle running	11,603	8,465
Parks and beautification	7,737	1,241
Printing, stationery and office expense	5,758	3,024
Rent and rates	300	1,000
Repair and maintenance	6,608	15,798
Roads, drains and footpath improvements	24,046	77,585
Salaries, wages and related payments	146,286	123,117
Staff Training	-	535
Telephone and internet	4,379	2,182
Travelling, subsistence and incidentals	5,350	278
Other operating expenses	33,475	23,565
	<b>363,731</b>	<b>373,273</b>

**NOTE 5. CASH AND CASH EQUIVALENTS**

Petty cash	50	50
Special community account	164	8,287
Challenge funds	113,210	72,341
Citywide project account	-	24,478
Parking meter account	1,633	403
	<b>115,057</b>	<b>105,559</b>

The cash and cash equivalents balance totaling \$113,210 (2014 - \$72,341) is not available for use except for the following purpose:

- (i) \$69,000 - purchase of 5 tonne truck for garbage collection
- (ii) \$44,210 - construction of Multipurpose Hall at Garvey Park.

**TAVUA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
<b>NOTE 6. TRADE AND OTHER RECEIVABLES</b>		
Trade receivables	28,280	20,687
Enforcement and parking meter infringement	3,500	2,330
Other debtors	11,450	12,316
	<u>43,230</u>	<u>35,333</u>
<b>NOTE 7. INTANGIBLE ASSET</b>		
Software installation	10,957	10,957
Amortization of software	(2,191)	-
	<u>8,766</u>	<u>10,957</u>
<b>NOTE 8. DEFERRED INCOME</b>		
Deferred income	113,781	98,775
	<u>113,781</u>	<u>98,775</u>
<b>NOTE 9. PROPERTY, PLANT AND EQUIPMENT</b>		
Land-at cost	310,000	310,000
Net book value	<u>310,000</u>	<u>310,000</u>
Building- at cost	1,124,404	1,026,890
Accumulated depreciation	(200,411)	(167,000)
Net book value	<u>923,993</u>	<u>859,890</u>
Plant and machinery- at cost	46,777	44,969
Accumulated depreciation	(38,268)	(35,166)
Net book value	<u>8,509</u>	<u>9,803</u>
Motor vehicle-at cost	179,353	179,353
Accumulated depreciation	(76,635)	(32,754)
Net book value	<u>102,718</u>	<u>146,599</u>
Office equipment- at cost	12,001	1,520,474
Accumulated depreciation	(10,922)	(1,517,780)
Net book value	<u>1,079</u>	<u>2,694</u>
Parking meter- at cost	132	212
Accumulated depreciation	(80)	(80)
Net book value	<u>52</u>	<u>132</u>
<u>Work in Progress</u>		
Multi-purpose court	-	92,928
Multi-purpose hall	100,814	-
At 31 December	<u>100,814</u>	<u>92,928</u>
Total written down amount	<u>1,447,165</u>	<u>1,422,046</u>

**TAVUA TOWN COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 9. PROPERTY, PLANT AND EQUIPMENT (continued)**

**2015**                      **2014**

**(b) Movements in carrying amounts**

Land

Carrying amounts at beginning	310,000	310,000
Net book value	310,000	310,000

Building

Carrying amounts at beginning	859,890	893,301
Additions	97,514	-
Depreciation expense	(33,411)	(33,411)
Net book value	923,993	859,890

Plant and machinery

Carrying amounts at beginning	9,803	14,404
Additions	1,808	1,386
Depreciation expense	(3,102)	(5,987)
Net book value	8,509	9,803

Motor vehicle

Carrying amounts at beginning	146,599	11,479
Additions	-	160,222
Depreciation expense	(43,881)	(25,102)
Net book value	102,718	146,599

Office equipment

Carrying amounts at beginning	2,694	4,556
Depreciation expense	(1,615)	(1,862)
Net book value	1,079	2,694

Parking meter

Carrying amounts at beginning	132	212
Depreciation expense	(80)	(80)
Net book value	52	132

Work in Progress

At 1 January	92,928	-
Multi-purpose court	(92,928)	92,928
Multi-purpose hall	100,814	-
At 31 December	100,814	92,928

Total written down amount

**1,447,165**                      **1,422,046**

**NOTE 10. BANK OVERDRAFT**

Citywide project account	26	-
General fund account	1,723	1,452
	<b>1,749</b>	<b>1,452</b>

**NOTE 11. TRADE AND OTHER PAYABLES**

Value added tax	41,473	23,880
Trade payables and accruals	49,038	37,937
Trade and other payable- Parking meter	7,234	5,759
	<b>97,745</b>	<b>67,576</b>

**TAVUA TOWN COUNCIL  
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 DECEMBER 2015**

**NOTE 12. CAPITAL COMMITMENTS**

Capital commitments as at 31 December 2015 amounted to \$113,210 for the purchase of the garbage truck, and construction of the Multipurpose Hall at Garvey Park. (2014: \$Nil)

**NOTE 13. CONTINGENT LIABILITIES**

At balance date there are no known contingent liabilities (2014: NIL). Tavua Town Council has not granted any securities in respect of liabilities payable by any other party whatsoever.

**NOTE 14. SUBSEQUENT EVENTS**

**(a) Amendments to the Local Government Act 1972**

A recent amendment made to the Local Government Act 1972 through Local Government (Budget Amendment) Act 2020 will require all Municipal Councils to update the audit of annual financial statements up to 31 July 2020 and have them published in an English language newspaper in Fiji by 31 March 2021. As a result of the amendment, all Councils will need to prepare and submit for audit, accounts for the seven-month period from 1 January to 31 July 2020.

**(b) COVID-19 Outbreak**

Subsequent to year end, the World Health Organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2015 financial statements is not expected to be material.

However, in financial year 2020 and beyond, it is expected that the effect of the pandemic will be substantial on our major revenue streams such as general rates, market fees and rental income. This will eventually affect the Council's operations and cash flow.

Other than the above mentioned events, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the council, the results of those operations, or the state of affairs of the council in future financial years.

**NOTE 15. STATEMENT OF CASH FLOWS**

Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the financial position as follows: -

	2015	2014
	\$	\$
Petty cash	50	50
Special community account	164	8,287
Challenge funds	113,210	72,341
Citywide project account	-	24,478
Parking meter account	1,633	403
Citywide project account	(26)	-
General fund account	(1,723)	(1,452)
	<u>113,308</u>	<u>104,107</u>

**NOTE 16. RESTATEMENT OF PRIOR YEAR BALANCE**

The audit fees due for financial years 2011, 2012 and 2014 as at 31 December 2015 were not taken into account by the Council. The 2014 figures have been restated to correct this error. The effect of this restatement is a \$17,315 increase in trade and other payables account and a \$17,315 increase in the accumulated loss balance as at 31 December 2015.



**TAVUA TOWN COUNCIL**  
**DETAILED INCOME STATEMENT - GENERAL FUND**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	Restated 2014
	\$	\$
<b>Revenue</b>		
Building fees	4,588	12,487
Business, trading and licence	63,996	67,888
Government grant	141,156	306,800
General rates	54,751	49,233
Interest on overdue rates	56	45
Library	14	-
Market fees and charges	85,557	88,358
Miscellaneous	23,922	20,928
Park fee	11,213	9,616
Rent from property	19,926	8,980
Taxi, bus and carrier stand fees	26,404	22,752
<b>Total Revenue</b>	<b>431,583</b>	<b>587,087</b>
<b>Expenses</b>		
Administration	4,916	3,661
Advertising	5,145	3,146
Accounting fees	5,273	2,844
Audit fees	9,779	9,815
Bank charges	1,042	824
Casual wages	11,517	17,205
Clean-up campaign and waste minimization	13,925	3,536
Depreciation	82,009	66,362
Amortisation of intangible asset	2,191	-
Electricity and water	17,036	23,940
FNPF Contribution	15,139	19,550
FNU Levy	1,786	1,210
Garbage services	11,933	31,558
Insurance	12,083	1,224
Legal expenses	11,722	231
Meeting expenses	-	1,101
Miscellaneous	2,639	3,844
Motor vehicle expenses	11,603	8,368
Parks and beautification	7,737	1,241
Postal and courier	-	53
Printing, stationery and office expense	5,680	2,835
Rent and rates	300	1,000
Repair and maintenance	6,608	15,798
Roads, drains and footpath improvements	24,046	77,585
Salaries, wages and related payments	139,296	116,981
Staff expense	15,342	12,811
Staff Training	-	535
Subscription	320	320
Telephone and internet	4,379	2,016
Travelling, subsistence and incidentals	5,350	278
Entertainment	8,985	-
<b>Total Expenses</b>	<b>437,781</b>	<b>429,872</b>
<b>Net profit for the year</b>	<b>(6,198)</b>	<b>157,215</b>

**TAVUA TOWN COUNCIL**  
**DETAILED INCOME STATEMENT - PARKING METER FUND**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015	2014
	\$	\$
<b>Revenue</b>		
Infringement fines	-	-
Meter tolls and infringement fines	11,279	9,300
<b>Total Revenue</b>	<b>11,279</b>	<b>9,300</b>
<b>Expenses</b>		
Bank fees and charges	239	207
Depreciation	80	80
FNPF contribution	1,485	1,015
Legal fees	-	120
Motor vehicle running	-	97
Miscellaneous	1,273	1,237
Printing and stationery	78	189
Salaries and wages	6,990	6,136
FNU Levy	85	58
Staff expenses	-	538
Telephone	-	166
<b>Total Expenses</b>	<b>10,230</b>	<b>9,843</b>
<b>Net profit/(loss) for the year</b>	<b>1,049</b>	<b>(543)</b>

