



OFFICE of the AUDITOR GENERAL
Republic of Fiji

REPORT OF THE AUDITOR-GENERAL REPUBLIC OF FIJI

PROVINCIAL COUNCIL VOL. 4





OFFICE of the AUDITOR GENERAL
Republic of Fiji



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File: 102

30 March 2023

The Honorable Ratu Naiqama Lalabalavu
Speaker of the Parliament of the Republic of Fiji
Government Buildings
Constitution Avenue
SUVA

Dear Sir

AUDIT REPORT ON PROVINCIAL COUNCILS – VOLUME 4

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on Provincial Councils – Volume 4.

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

Yours faithfully

Sairusi Dukuno
ACTING AUDITOR-GENERAL



Encl.

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

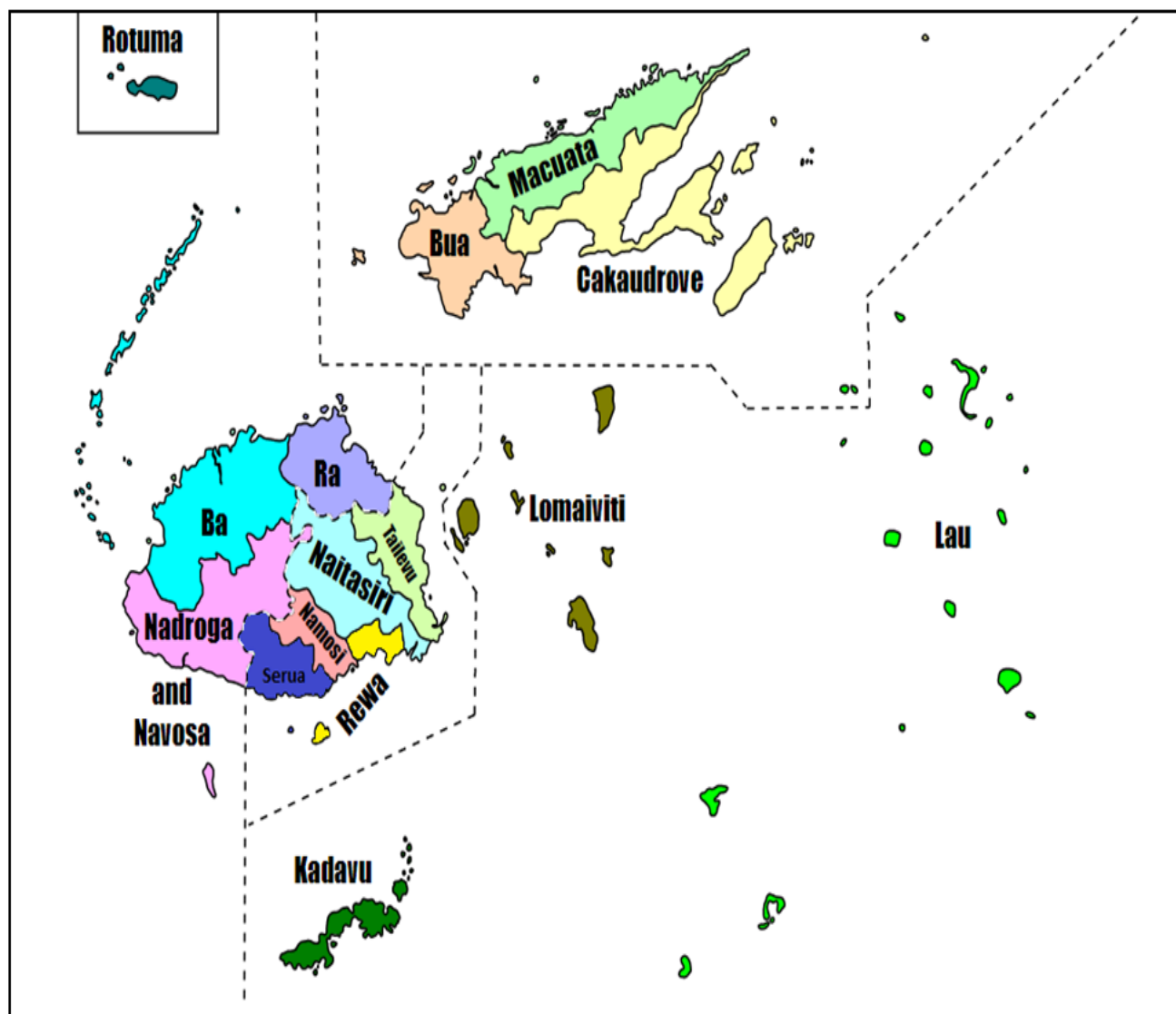
The roles and responsibilities of the Auditor-General include expressing an opinion on the financial statements of the 14 Provincial Councils. The Auditor-General has the mandate under the iTaukei Affairs (Provincial Councils) Regulations 1996 to audit the Provincial Councils. Sections 33(2) and 33(3) state that “*the accounts of every Council shall be audited by the Auditor-General*” and that financial statements are to be submitted to the Auditor-General by 1 April each year.

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

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

This report satisfies these requirements.

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



(Source - ([Fiji Province - Provinces of Fiji - Wikipedia](#)))

There are 14 Provinces in Fiji comprising of 190 districts and 1172 i-Taukei villages. A Provincial Council promotes the health, peace, order, welfare and good government of i-Taukei residing in that Province.

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AUDITOR-GENERAL'S FOREWORD



I am pleased to present the fourth volume report of the Auditor-General on Provincial Councils for financial years 2011 and 2012.

Section 33 of the iTaukei Affairs (Provincial Councils) Regulations 1996 provide the mandate for the Auditor-General to audit the accounts of the Provincial Councils. Financial accountability by the Provincial Councils in terms of financial reporting and making available audited financial statements to the members of the provinces and public is seriously lacking. The financial audits of all 14 Provincial Councils are substantially behind by 8 years as financial statements were not submitted annually to the Auditor-General.

Between 2015 and 31st January 2023, the Office of the Auditor-General received from the iTaukei Affairs Board 221 draft financial statements for Provincial Councils for audit. The emergence of COVID-19 presented challenges for the submission of the draft financial statements. All Provincial Councils have submitted for audit draft financial statements up to the year ended 31 July 2018. As mentioned in my previous Reports to Parliament, the enormous responsibility of resourcing the audits of this huge number of draft financial statements continues to be a challenge which my Office has embraced for the past five years. A team was established on 1 August 2017 to audit the financial statements of Provincial Councils.

Status of the Audits

I am pleased to report that we have completed the audits of 151 of the 221 financial statements and has been reported in this report and in Volumes 1, 2 & 3. The financial statements audits for the years 2013 to 2015 for the Provincial Councils are currently in progress.

Report

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

The issues discussed in this report require the immediate attention and prompt actions by the iTaukei Affairs Board and the Provincial Councils to improve governance and financial accountability. On the same note, I would like to acknowledge the efforts made by the iTaukei Affairs Board to improve financial reporting by the Provincial Councils.

My Office is committed to fulfilling the immense task of updating the audits of Provincial Councils and will continue to work with the iTaukei Affairs Board and the Provincial Councils to ensure that this is achieved.

Sairusi Dukuno
ACTING AUDITOR-GENERAL

EXECUTIVE SUMMARY

1. Introduction <i>Provincial Councils</i>	<p>There are 14 Provincial Councils which the Auditor-General has the mandate to audit under Section 33 of the iTaukei Affairs (Provincial Councils) Regulations 1996.</p>
<i>Status of Audits</i>	<p>The audits for all Provincial Councils are in backlog by 8 years. The delay in the audits is primarily due to the non-submission of draft financial statements to the Auditor-General for audit, by the legislated date of 1 April annually. Of the 221 draft financial statements received by the Auditor-General, the audits of 151 financial statements for the 14 Provincial Councils have been completed and has been reported in this report and in Volumes 1, 2 & 3.</p>
2. Financial Reporting <i>Quality of Financial Reporting</i>	<p>The overall quality of financial reporting has been assessed as ineffective and requiring improvements:</p> <ul style="list-style-type: none"> • We issued modified (Disclaimer of Opinion) audit opinions on all 28 financial statements audited. • We reported to the iTaukei Affairs Board significant matters concerning material accounting issues and deficiencies in internal controls, most of which were recurring issues.
<i>Timeliness of Financial Reporting</i>	<p>Timeliness of financial reporting has been assessed as ineffective and requiring substantial improvements. The audits for Provincial Councils are in backlog by 8 years.</p>
3. Internal Controls <i>Assessment</i>	<p>Internal controls for the fourteen Provincial Councils have been assessed as ineffective. The Provincial Councils need to strengthen controls over cash management, investments, loans and advances, journals, payroll and purchases.</p>
4. Other Significant Matters <i>Common Findings</i>	<p>Other areas that require immediate attention by the iTaukei Affairs Board and the Provincial Councils for priority and prompt actions for resolutions include: (1) significant delays in submission of draft financial statements for audit, (2) non-compliance with the accounting standards, (3) limitation of scope due to insufficient supporting documents, (4) poor records management, (5) poor asset management, (6) lack of documentation for loans and advances to staff and public, (7) policies & procedures not updated or non-existent, (8) absence of confirmations of investment with Provincial Companies, (9) lack of proper and updated records relating to transactions with Provincial Companies.</p>
5. Audit Conclusion	<p>Disclaimer of Opinions (Modified audit opinion) were issued on all the 28 financial statements audited which reflected negatively on the iTaukei Affairs Board and the Provincial Councils. Urgent and close attention should be given to address matters highlighted in the Auditor's Reports including the significant matters raised in Sections 3 & 4.</p>

1.0 Introduction

The Provincial Councils (“Councils”) are established under Section 7 of the iTaukei Affairs Act 1944 and Section 3 of the iTaukei Affairs (Provincial Council) Regulation 1996. Each Provincial Council is a body corporate.

The functions of the Councils are:

- To formulate and implement policies for promoting the health, peace, order, welfare and good government of iTaukei residing in the Province;
- To formulate and implement policies for promoting the economic, cultural and social developments of the Province; and
- To carry out such other duties and functions, which the Minister for iTaukei Affairs or the Board may see fit to delegate to the Council.

The operations of the Councils are funded by Government subventions disbursed through the Ministry of iTaukei Affairs and the iTaukei Affairs Board. Other operational costs not covered by Government Subvention are funded through the collection of provincial rates.

The Auditor-General has the mandate under the iTaukei Affairs (Provincial Councils) Regulations 1996 to audit the Provincial Councils. Sections 33(2) and 33(3) state that “*the accounts of every Council shall be audited by the Auditor-General*” and that financial statements are to be submitted to the Auditor-General by 1 April each year.

This report includes the audit results of 28 financial statements for the fourteen Provincial Councils as follows:

Provincial Council	Year
1. Ba	2011 - 2012
2. Bua	2011 - 2012
3. Cakaudrove	2011 - 2012
4. Kadavu	2011 - 2012
5. Lau	2011 - 2012
6. Lomaiviti	2011 - 2012
7. Macuata	2011 - 2012
8. Nadroga/Navosa	2011 - 2012
9. Naitasiri	2011 - 2012
10. Namosi	2011 - 2012
11. Ra	2011 - 2012
12. Rewa	2011 - 2012
13. Serua	2011 - 2012
14. Tailevu	2011 - 2012

The audits of Provincial Councils have been extensively delayed and is due primarily to the non-submission of financial statements annually to the Auditor-General. The audits of Provincial Councils are now behind by 8 years compared to 19 years when the audit of accounts in back-log commenced.

An update on the progress of the Provincial Councils’ audits is provided under Section 1.4.

1.1 Legislative Framework

The following legislation establishes the financial accountability frameworks and legislative time frames to complete financial statements audits for the Provincial Councils:

1. iTaukei Affairs Act 1944
2. iTaukei Affairs (Provincial Councils) Regulations 1996
3. Audit Act 1969

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

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

1.2 Accountability and Audit Requirements

The Auditor-General has the mandate under the iTaukei Affairs (Provincial Councils) Regulations 1996 to audit the Provincial Councils. Sections 33 states that financial statements are to be submitted to the Auditor-General by 1 April each year. Therefore, all Provincial Councils come under the provision of the Audit Act 1969.

The Management of Provincial Councils and the iTaukei Affairs Board are responsible for the preparation and fair presentation of financial statements in accordance with applicable accounting standards, which is the International Financial Reporting for Small and Medium – sized Entities (IFRS for SMEs) for the financial statements reported and requirements of applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Auditor-General may conduct audits in the manner considered appropriate but must ensure that they are conducted in a competent manner having regard to assessment of effectiveness of any relevant internal control system. The Auditor-General must carry out the audit in accordance with the relevant provisions of the standards on auditing determined by the International Auditing and Assurance Standards Board or other relevant standards considered appropriate.

Following the completion of an audit, the Auditor-General must give an opinion on each set of financial statements audited. In addition, an audit memorandum or management letter should be issued to the responsible authority for each entity audited.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are

appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

1.3 Types of Audit Opinions

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

Modified Opinions:

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

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

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

1.4 Status of Audits – Update

As at 31 January 2023, a total of 221 draft financial statements for Provincial Councils were submitted to the Auditor-General for audit. Due to the significant number of draft financials received, resourcing to promptly complete these audits continue to be a challenge. In response to this challenge, a team was established from 1 August 2017 to undertake the backlog audits for the 14 Provincial Councils.

Below is a summary of the status of audits as at 31 January 2023.

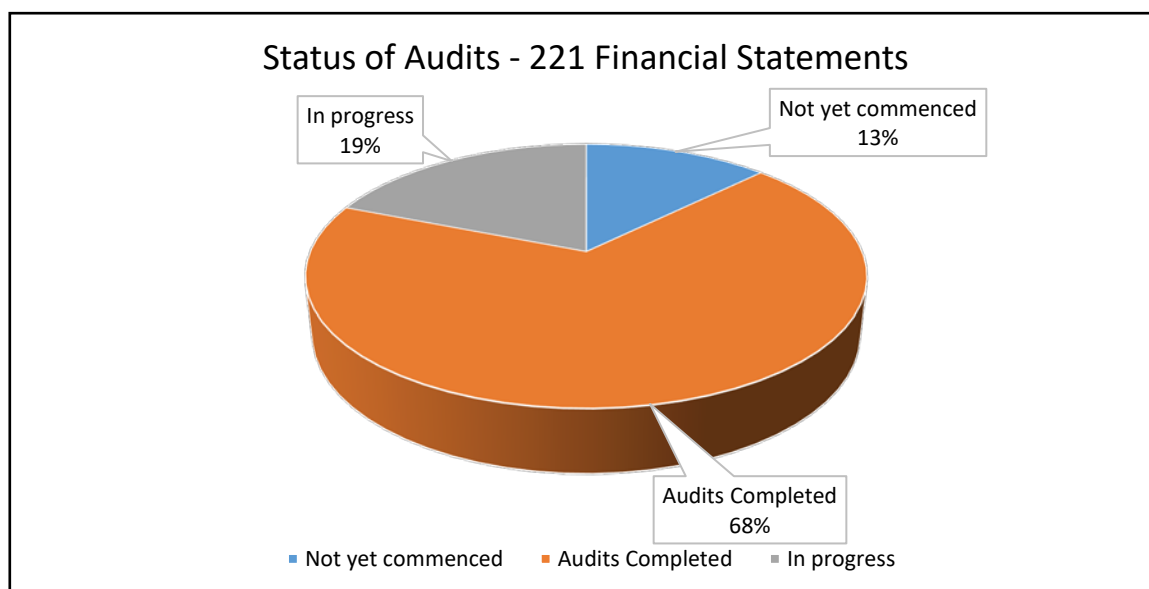
Provincial Council	Draft Financials Statements Received ¹	Audits Completed	Audits in Progress	Audits Yet to Commence	Draft Financial Statements not yet received for audit
Ba	2001 – 2018	2001 – 2012	2013 -2015	2016 - 2018	2019 - 2021
Bua	2003 - 2018	2003 – 2012	2013 -2015	2016 - 2018	2019 - 2021
Cakaudrove	2002 - 2018	2002 – 2012	2013 -2015	2016 - 2018	2019 - 2021
Kadavu	2002 - 2018	2002 – 2012	2013 -2015	2016 - 2018	2019 - 2021
Lau	2003 - 2018	2003 – 2012	2013 - 2015	2016 - 2018	2019 - 2021
Lomaiviti	2006 - 2018	2006 – 2012	2013 -2015	2016 - 2018	2019 - 2021
Macuata	2005 - 2018	2005 – 2012	2013 -2015	2016 - 2018	2019 - 2021
Nadroga/Navosa	2002 - 2018	2002 – 2012	2013 -2015	2016 - 2018	2019 - 2021
Naitasiri	2000 - 2018	2000 – 2012	2013 - 2015	2016 - 2018	2019 - 2021
Namosi	2001 - 2018	2001 – 2012	2013 -2015	2016 - 2018	2019 - 2021

¹ The financial statements for FY 31/7/2016 has been consolidated with FY 2016/2017

Provincial Council	Draft Financials Statements Received ¹	Audits Completed	Audits in Progress	Audits Yet to Commence	Draft Financial Statements not yet received for audit
Ra	2000 - 2018	2000 – 2012	2013 -2015	2016 - 2018	2019 - 2021
Rewa	2002 - 2018	2002 – 2012	2013 - 2015	2016 - 2018	2019 - 2021
Serua	2002 - 2018	2002 – 2012	2013 -2015	2016 - 2018	2019 - 2021
Tailevu	2002 - 2018	2002 – 2012	2013 -2015	2016 - 2018	2019 - 2021
Total	221	151	42	28	42

Of the 221 draft financial statements submitted to the Auditor-General:

- Audits of 151 financial statements have been completed and 28 financial statements are reported in this report; and
- Audits of 42 financial statements for financial years 2013 to 2015 are currently in progress; and
- Audits of the 28 financial statements for financial years 2016 to 2018 will be conducted in the 2023/2024 financial year.



The audits of financial statements for the years ended 31 December 2013 to 31 December 2015 for all fourteen Provincial Councils have been anticipated to be completed by 31 July 2023.

As the Auditor-General is mandated to audit the Provincial Councils, the Office of the Auditor-General is strongly committed to fulfilling this mandate and will continue to work closely with the iTaukei Affairs Board and the Provincial Councils to update the audits of all Provincial Councils.

1.5 Reference to Comments

The draft financial statements for the Provincial Councils were submitted to the Auditor-General by the iTaukei Affairs Board, as such all audited financial statements and management letters were issued to the Board.

As at 31 January 2023, we received responses from the iTaukei Affairs Board on the audits of 28 financial statements for all fourteen Provincial Councils reported in this report. The comments provided by the iTaukei Affairs Board are summarised on [Appendix E](#).

It is important to note that the deficiencies detailed in this report were identified during our audit and may have been subsequently resolved by the iTaukei Affairs Board and the Provincial Councils.

2.0 Financial Reporting

Sound financial management require the important elements of accurate and timely financial statements. They bring accountability and transparency to the way public resources are utilised by the Provincial Councils. We have assessed financial reporting for the Provincial Councils by the following aspects:

- quality of financial reporting; and
- timeliness of financial reporting

2.1 Quality of financial reporting

The following two indicators assisted us in assessing the quality of the Councils' financial statements:

- modified and unmodified audit opinions; and
- significant matters reported to management and those responsible for governance of the Councils, in this case the iTaukei Affairs Board.

As shown in the Table below, we assessed the quality of financial reporting by the type of audit opinion issued on the financial statements and the impact and number of significant issues reported to management and those charged with the governance of the Provincial Councils:

Rating	Quality of financial reporting assessment
Effective	Unmodified opinions with minimal issues reported to the Provincial Council through the iTaukei Affairs Board
Ineffective	Modified opinions with more than five significant issues reported to the Provincial Council through the iTaukei Affairs Board

The modified audit opinions issued on all 28 financial statements and the prevalence of the significant matters reported across the Provincial Councils indicated that the overall quality of financial reporting was ineffective and require substantial improvement.

Audit opinions

The main outcome of our audits are independent auditors' reports on the financial statements of the Provincial Councils that were produced and submitted to the Auditor-General by the iTaukei Affairs Board.

We issued 28 modified audit opinions on all the financial statements of the fourteen Provincial Councils reported in this report. The modified audit opinions were all Disclaimer of Opinions as shown in the table below:

Provincial Council	Year	Modified Opinion – Disclaimer of Opinion
Ba	2011 - 2012	✓
Bua	2011 - 2012	✓
Cakaudrove	2011 - 2012	✓
Kadavu	2011 - 2012	✓
Lau	2011 - 2012	✓
Lomaiviti	2011 - 2012	✓
Macuata	2011 - 2012	✓
Nadroga/Navosa	2011 - 2012	✓
Naitasiri	2011 - 2012	✓

Provincial Council	Year	Modified Opinion – Disclaimer of Opinion
Namosi	2011 - 2012	✓
Ra	2011 - 2012	✓
Rewa	2011 - 2012	✓
Serua	2011 - 2012	✓
Tailevu	2011 - 2012	✓

Key Reasons for Disclaimed Audit Opinions

Provincial Council	Year	Limitation of Scope	Non-Compliance with Accounting Standards	Significant Breakdown in internal controls
Ba	2011 - 2012	✓	✓	✓
Bua	2011 - 2012	✓	✓	✓
Cakaudrove	2011 - 2012	✓	✓	✓
Kadavu	2011 - 2012	✓	✓	✓
Lau	2011 - 2012	✓	✓	✓
Lomaiviti	2011 - 2012	✓	✓	✓
Macuata	2011 - 2012	✓	✓	✓
Nadroga/Navosa	2011 - 2012	✓	✓	✓
Naitasiri	2011 - 2012	✓	✓	✓
Namosi	2011 - 2012	✓	✓	✓
Ra	2011 - 2012	✓	✓	✓
Rewa	2011 - 2012	✓	✓	✓
Serua	2011 - 2012	✓	✓	✓
Tailevu	2011 - 2012	✓	✓	✓

Audit opinions were disclaimed due to the following major reasons:

- Limitation of scope – we were unable to obtain sufficient appropriate audit evidence to substantiate major components of the financial statements. The absence of accounting and other records created significant limitations on the scope of the audits and restricted the performing of necessary audit procedures. The limitations were pervasive and material to understanding the financial information disclosed in the financial statements.

Appendix A demonstrates the unsubstantiated balances due to unavailability of accounting and related records, which also affected the ability to quantify the financial effects to adjust and correct the financial statements.

- Non-compliance with the disclosure requirements of the financial reporting framework used in the preparation and presentations of the financial statements for the Provincial Councils. The Council are now prepared under the International Financial Reporting for Small and Medium – sized Entities (IFRS for SMEs).
- Due to the nature of transactions inherent in the collection of provincial rates, it was not practicable to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Councils for provincial rates. Accordingly, the audit was unable to determine whether income from provincial rates/soli vakavanua were fairly stated in the financial statements.

Appendix B contains the qualification issues raised in the Auditors' Reports issued to the fourteen Provincial Councils.

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

Significant Matters Reported

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

As the audit for the two years were conducted concurrently, the issues identified from the audit as significant for the respective Provincial Councils were rated medium to high risks and were communicated to the iTaukei Affairs Board. Issues pertaining to control and compliance weaknesses will require immediate attention of the iTaukei Affairs Board and Provincial Councils for their resolutions.

We reported to the Provincial Councils through the iTaukei Affairs Board 255 significant matters on the audit of the 28 financial statements for the fourteen Provincial Councils.

Provincial Council	Year	No. of Significant Matters Reported
Ba	2011 - 2012	20
Bua	2011 - 2012	16
Cakaudrove	2011 - 2012	18
Kadavu	2011 - 2012	18
Lau	2011 - 2012	16
Lomaiviti	2011 - 2012	15
Macuata	2011 - 2012	18
Nadroga/Navosa	2011 - 2012	16
Naitasiri	2011 - 2012	20
Namosi	2011 - 2012	17
Ra	2011 - 2012	17
Rewa	2011 - 2012	24
Serua	2011 - 2012	22
Tailevu	2011 - 2012	18
Total		255

An analysis and common significant issues across the Provincial Councils are discussed further on Sections 3 & 4 of the report.

2.2 Timeliness of financial reporting

To assess the timeliness of draft acceptable financial statements, we have compared the date the draft financial statements were received for audit after allowing for at least 30 days before the legislative deadlines for our audit.

Rating	Timeliness of financial reporting assessment
Effective	Acceptable draft financial statements received by 1 April each year
Ineffective	Acceptable draft financial statements received more than 30 days after 1 April each year

A total of eight years have lapsed since the due date for submission of financial statements in this report.

All fourteen Provincial Councils did not comply with the statutory requirements to submit to the Auditor-General financial statements for audit by 1 April each year. The submissions of financial statements to the Auditor-General were 8 years behind the statutory deadlines. In some cases, multiples versions of the financial statements were presented for audit, which further delayed the audits.

The timeliness of financial reporting was ineffective due to the length of time it took the iTaukei Affairs Board and the Provincial Councils to prepare the financial statements and submit them to the Auditor-General for audit.

2.3 Results Summary

Both the quality and timeliness of financial reporting for the fourteen Provincial Councils have been assessed as ineffective and therefore require the immediate attention of the iTaukei Affairs Board and Provincial Councils for prompt resolutions.

The following table summarises our assessment of financial reporting processes:

Provincial Council	Year	Financial Reporting	
		Q	T
Ba	2011 - 2012	✖	✖
Bua	2011 - 2012	✖	✖
Cakaudrove	2011 - 2012	✖	✖
Kadavu	2011 - 2012	✖	✖
Lau	2011 - 2012	✖	✖
Lomaiviti	2011 - 2012	✖	✖
Macuata	2011 - 2012	✖	✖
Nadroga/Navosa	2011 - 2012	✖	✖
Naitasiri	2011 - 2012	✖	✖
Namosi	2011 - 2012	✖	✖
Ra	2011 - 2012	✖	✖
Rewa	2011 - 2012	✖	✖
Serua	2011 - 2012	✖	✖
Tailevu	2011 - 2012	✖	✖
T=Timeliness of financial reporting		Q=Quality of financial reporting	

3.0 Internal Controls

3.1 Internal Controls Assessments

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

We assess the financial controls used by the Provincial Councils using the following five key elements:

- (i) Control Environment (CE) – actions, attitudes and values that influence daily operations
- (ii) Risk Assessment (RA) – processes for identifying, assessing and managing risk
- (iii) Monitoring Activities (MA) – oversight of internal controls for existence and effectiveness
- (iv) Control activities (CA) – policies, procedures, and actions taken to prevent or detect errors
- (v) Information and Communication (IC) – systems to inform staff about control responsibilities

The five key elements are explained in detail on [Appendix D](#).



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

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

The Summary in Section 3.3 shows the result of our assessment of the financial controls for the fourteen Provincial Councils. Our audit indicated that all five components of financial controls were areas where significant deficiencies were identified.

In 2015, the iTaukei Affairs Board approved a new Financial Manual to supplement the existing Accounting Manual. However, we have yet to determine whether the five key elements of financial controls are incorporated into the Finance Manual.

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

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

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

3.2 Common findings

Internal control deficiencies identified were communicated to the iTaukei Affairs Board through our Management Letters. Common internal control weaknesses relate to the following main areas:

- Cash management
- Journals and reconciliation
- Purchases and payments; and
- Payroll

Our audits found the following internal control weaknesses to be prevalent with the Provincial Councils:

Cash management

- Monthly bank reconciliations were either not prepared or if performed were untimely.
- Cash flow statements were not supported.
- Cash records such as lodgement books, cheque books and cashbooks were not properly maintained resulting in the records not being able to be located for audit.

The various internal control weaknesses identified indicated that cash management for Provincial Councils is a high risk area that is susceptible to fraud and mismanagement.

Journals and Reconciliations

- Inadequate supporting documents for journals posted to the General Ledger.
- Reconciliations for other key account balances were not prepared. Reconciliation statements were not reviewed or if reviewed, were not done independently and in a timely manner.

Journals without appropriate controls and oversight increases the risk of error and fraud. The Provincial Councils need to improve the process in preparing and reviewing monthly account reconciliations by performing timely reconciliations that are independently reviewed.

Purchases and payments

Purchases and payments processes in the Financial Manual were not complied with. For example:

- Local Purchase Orders were not issued for purchases;
- Competitive quotations were not obtained;
- Payment vouchers and supporting documents were not stamped “PAID”.
- Payments were not always supported with proper and appropriate documentations; and
- Misplaced/missing payment vouchers.

Issues pertaining to purchases and payments anomalies will require immediate attention of the iTaukei Affairs Board and Provincial Councils for their resolutions. Improving the internal controls for purchases and payments functions are crucial to minimising the risks of unauthorised purchases and fraud.

Payroll

- Payments of wages were not supported with timesheets/timecards.
- Employee details were not updated in the Personnel Files such as Employment Agreements, salary rates and positions, and leave schedules.
- Personnel Files and Pay Run Reports were not provided for audit verification.

Weaknesses in payroll controls could result in payroll discrepancies and increase the risk of fraud and error. As salaries/wages and related costs represents the largest portion of total expenditures for Provincial Councils, effective payroll controls are crucial.

Appendix E provides a summary of the management comments received from the iTaukei Affairs Board.

3.3 Results Summary

For the years audited, we have assessed the internal controls for the Provincial Councils as ineffective. The common significant findings discussed in Sections 3 & 4 have contributed to this assessment.

The table below summarises our assessment of internal controls across the Provincial Councils which were audited.

Provincial Council	Year	Internal Controls				
		CE	RA	CA	IC	MA
Ba	2011 - 2012	✖	✖	✖	✖	✖
Bua	2011 - 2012	✖	✖	✖	✖	✖
Cakaudrove	2011 - 2012	✖	✖	✖	✖	✖
Kadavu	2011 - 2012	✖	✖	✖	✖	✖
Lau	2011 - 2012	✖	✖	✖	✖	✖
Lomaiviti	2011 - 2012	✖	✖	✖	✖	✖
Macuata	2011 - 2012	✖	✖	✖	✖	✖
Nadroga/Navosa	2011 - 2012	✖	✖	✖	✖	✖
Naitasiri	2011 - 2012	✖	✖	✖	✖	✖
Namosi	2011 - 2012	✖	✖	✖	✖	✖
Ra	2011 - 2012	✖	✖	✖	✖	✖
Rewa	2011 - 2012	✖	✖	✖	✖	✖
Serua	2011 - 2012	✖	✖	✖	✖	✖
Tailevu	2011 - 2012	✖	✖	✖	✖	✖

CE=Control Environment

RA=Risk Assessment

CA=Control Activities

IC=Information and Communication Control

MA=Monitoring Activities

4.0 Other Significant Matters

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

Other significant matters highlighted in this report, include control weaknesses which *could cause or is causing* severe disruption to the process or on the ability of the Provincial Councils to achieve process objectives and comply with relevant legislation, which are in addition to those discussed in [Section 3](#).

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

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

4.1 Common Findings

Other significant matters identified during the audit were communicated to the iTaukei Affairs Board through our Management Letters and they relate to the following areas:

- **Significant delay in submission of financial statements for audit** – Significant delays in the submission of draft financial statements for audit, which is discussed in detail in [Section 2](#) of this report. Lack of capacity has been identified as a contributing factor to preparing appropriate, timely and accurate draft financial statements.
- **Non-Compliance with the accounting standards** – Non-compliance with the requirements of the applicable financial reporting framework used.
- **Limitation of scope** – Lack of sufficient appropriate supporting documentations to substantiate the account balances reported in the financial statements. Refer to [Appendix A](#). The absence of records created a significant limitation on the scope of the audits and restricted the performing of necessary audit procedures.
- **Poor records management** – Records management for the Provincial Councils were generally poor resulting in missing financial and related records to support most of the balances reflected in the financial statements. In addition, records such as approved management meeting minutes and internal audit reports were not provided for verification.
- **No impairment assessment and capitalisation policy** - The impairment assessment were not performed by the Council. In addition, there was no capitalisation policy to set the threshold for recording expenditures related to fixed assets.
- **Ineffective management of loans and advances to staff and public** – Loans and advances to staff and public were not supported with appropriate documentations. The Provincial Councils were not effective in the recovery process of loans and advances resulting in substantial provisions for doubtful debts for the years audited.
- **Absence of policies and procedures** - Absence of clear policies that requires the development of strategic and operational plans. These include but is not limited to strategic and corporate plans,

business plans, risk management plans, disaster recovery plans and succession planning framework.

We also looked at whether policies and procedures for various aspects of the Provincial Councils' operations exist and were updated. For the years audited, we noted that policies and procedures were not reviewed and updated on a timely manner.

- **Rates Collection Register not maintained** – The Provincial Councils did not maintain Rates Collection Registers. Consequently, detailed listing of rates due and payable could not be determined.
- **Confirmations for Investment with Provincial Companies** – The Provincial Councils hold various shareholding with their respective Provincial Holding Companies. For 7 of the 14 Provincial Councils audited, investment confirmations were not provided by the Provincial Companies.

Appendix E provides a summary of the management comments received from the iTaukei Affairs Board.

5.0 Audit Conclusion and Recommendations

5.1 Audit Conclusion

Modified audit opinions (Disclaimer of Opinion) were issued on all the 28 financial statements audited which reflected negatively on the iTaukei Affairs Board and the Provincial Councils. Urgent and close attention should be given to address matters which have been highlighted in the Auditor's Reports including the significant matters raised in Management Letters.

Quality and timely financial reporting is a major concern that needs to be addressed by those charged with governance of the Provincial Councils. Delays in submission of financial statements for audit prevents the Auditor-General from giving an opinion on them on a timely basis and informing Parliament and other stakeholders of the outcome of such audits.

Good governance and internal controls are lacking because regulations, formal policies and procedures to govern all aspects of the Provincial Councils' operations were not reviewed and updated for a long period of time or they do not exist. This has not been given due consideration over the years. In addition, records management is poor resulting in missing financial records. There is no policy currently existing that is directed towards effective records management.

Seven Provincial Councils had made large investments and/or provided loans & advances to Provincial Companies. However, it was difficult to obtain confirmations and information on the establishment and the current operations of most Provincial Companies as information/records were not available.

The monitoring role of the iTaukei Affairs Board² on the operations of the Provincial Councils should be strengthened. It becomes a challenge for Provincial Councils to prepare annual financial statements when monitoring have not been done and the inability to attract and retain qualified accountants.

5.2 Recommendations

1. Management of the iTaukei Affairs Board and the Provincial Councils should urgently address all the issues that give rise to the audit qualifications, internal control deficiencies and other significant issues discussed and identified in Sections 3 & 4 and [Appendix B](#) of this report.
2. Improving the quality and timeliness of financial statements should be given the utmost priority. The quality of financial reporting can be improved by involving suitably qualified personnel in the Provincial Councils that are capable of preparing and presenting draft financial statements on time and in accordance with the requirements of the applicable financial reporting framework.
3. The iTaukei Affairs Board and Provincial Councils should consider the establishment of an audit committee to specifically look at the quality and timeliness of financial reporting by the Provincial Councils and formulate action plans to resolve governance and internal control deficiencies and significant audit findings reported by the Auditor-General.
4. The iTaukei Affairs Board and Provincial Councils should consider reviewing and strengthening the capability of its internal audit function to assist in reviewing the systems and processes for the Provincial Councils and develop recommendations for improvements to those charged with governance.

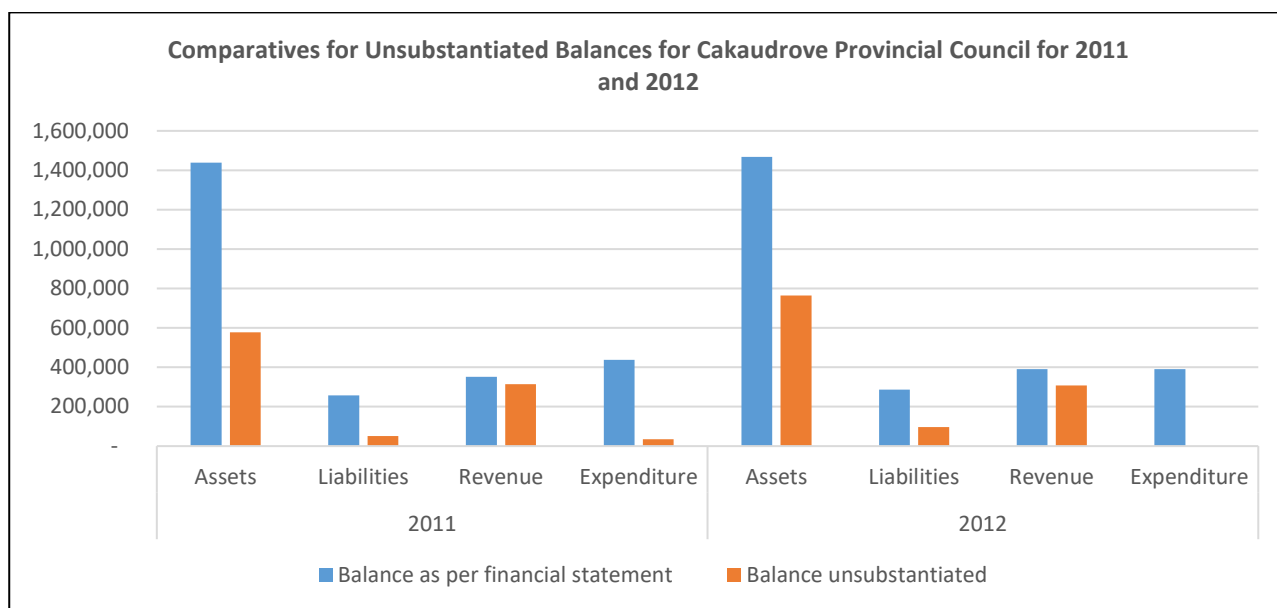
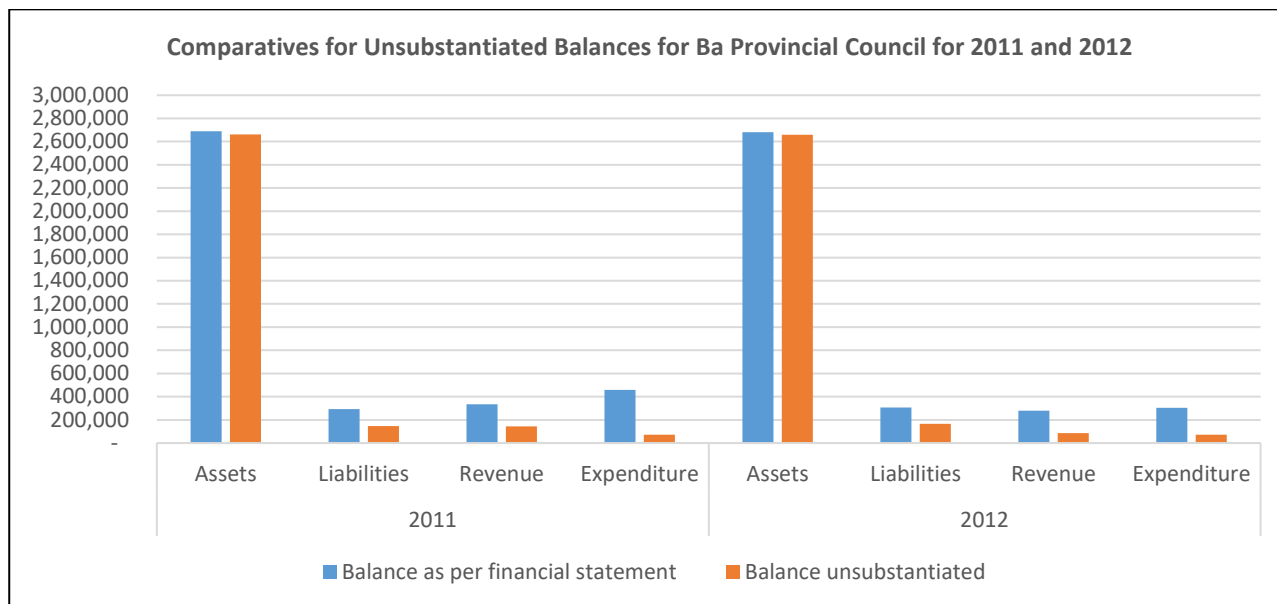
² iTaukei Affairs Act 1944

5. Formulation of strategic plans and corporate plans including risk management plans for the Provincial Councils should be given due consideration. Regulations and formal policies and procedures to support effective governance and internal controls should be regularly reviewed and kept up to date or established for those that do not exist.
6. The Provincial Councils need to ensure that plans, policies, standards and guidelines pertaining to its operations are made available to all staff.
7. The Provincial Councils should maintain accurate and updated records/information on their respective Provincial Holding Companies.
8. The monitoring role of the iTaukei Affairs Board on the operations of the Provincial Councils should be strengthened to improve financial accountability.

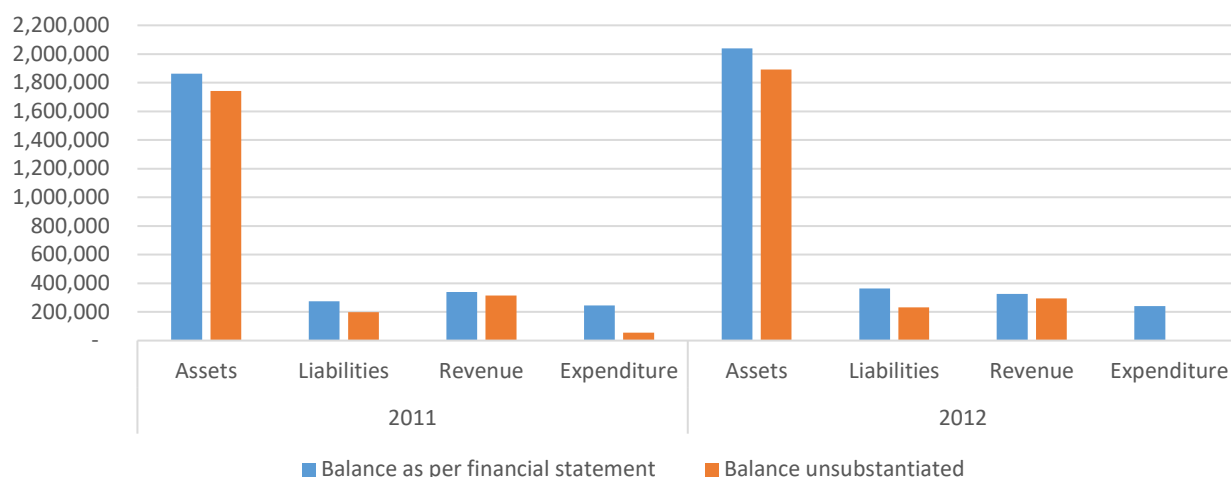
6.0 Appendices

Appendix A: Limitation of Scope – Unsubstantiated Balances

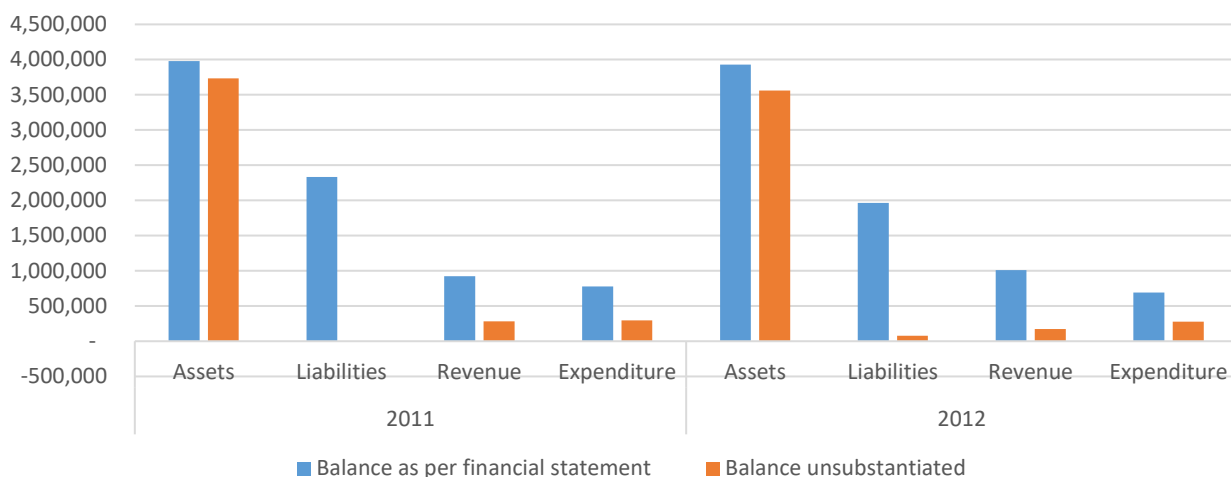
The audit was not provided with sufficient appropriate supporting documents to substantiate the balances reported in the financial statements. The graphs below show the unsubstantiated balances for 2011 and 2012 for the respective Provincial Councils.



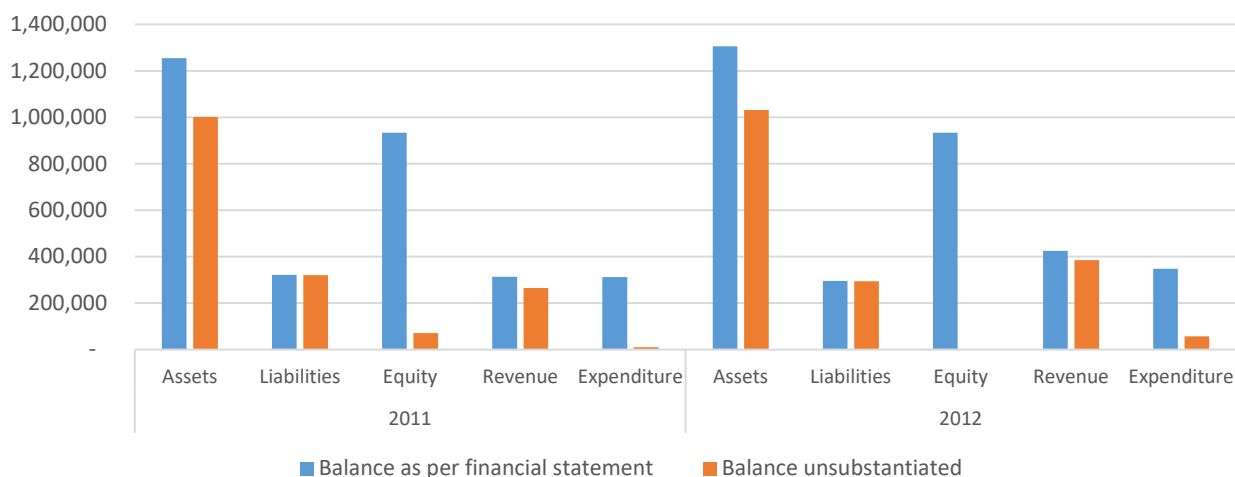
Comparatives for Unsubstantiated Balances for Lomaiviti Provincial Council for 2011 and 2012



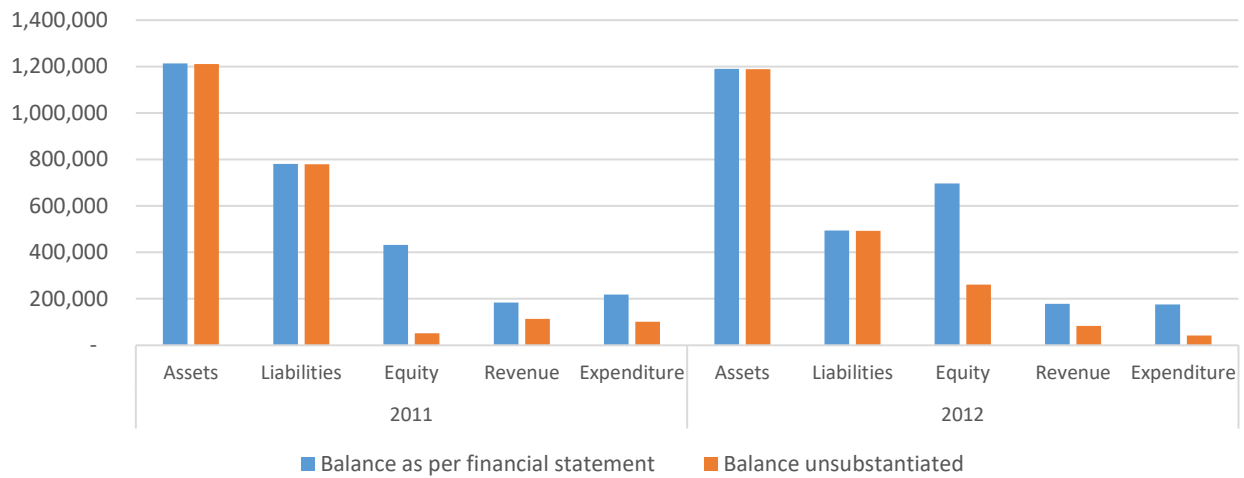
Comparatives for Unsubstantiated Balances for Macuata Provincial Council for 2011 and 2012



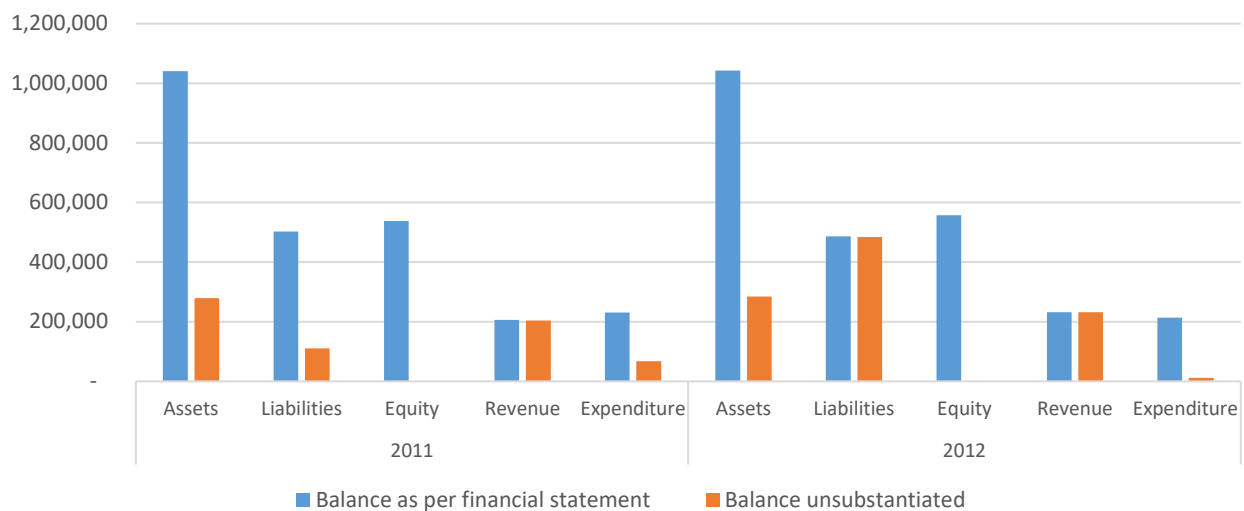
Comparatives for Unsubstantiated Balances for Nadroga/Navosa Provincial Council for 2011 and 2012

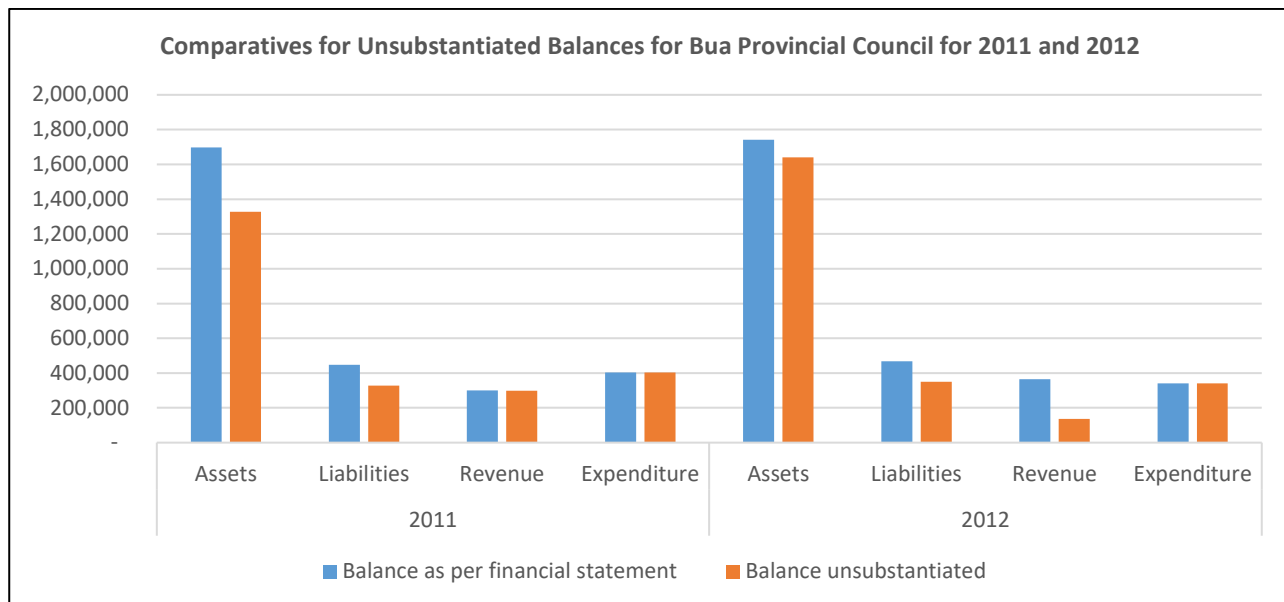
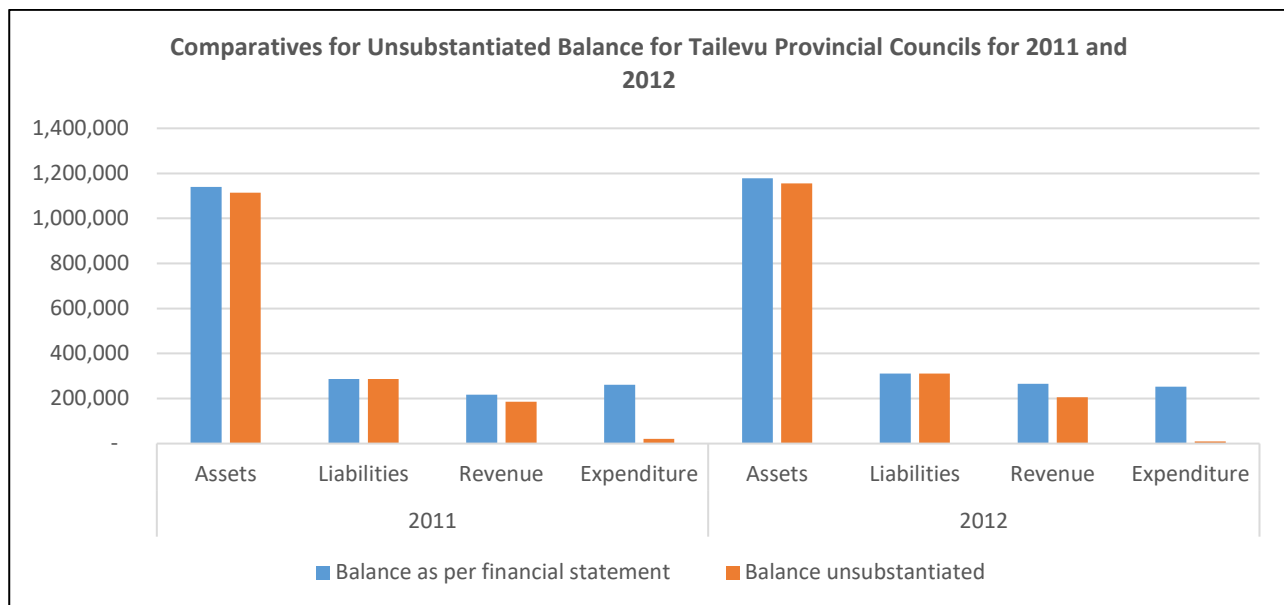


Comparatives for Unsubstantiated Balances for Namosi Provincial Council for 2011 and 2012

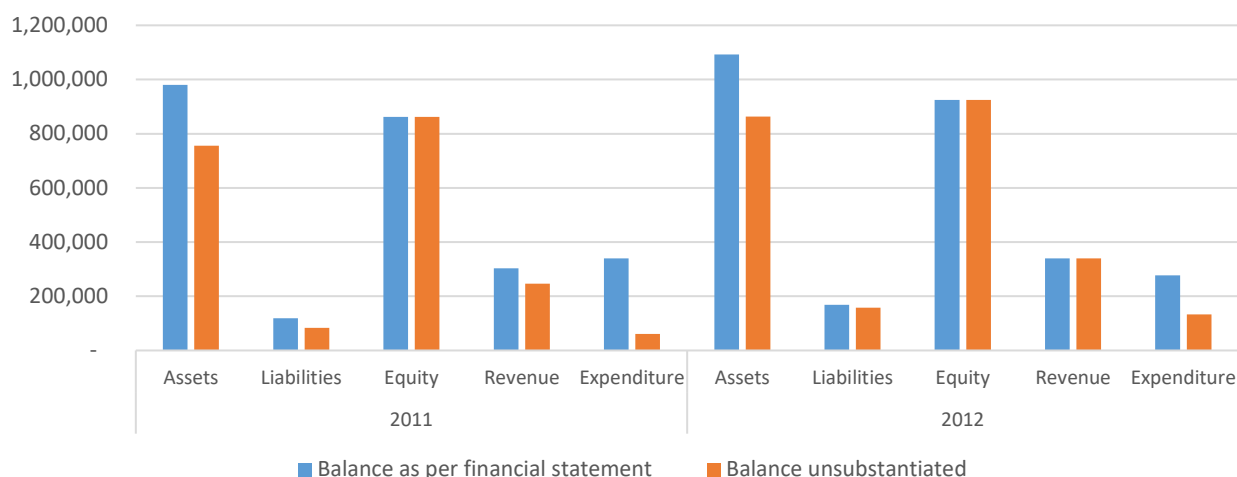


Comparatives for Unsubstantiated Balances for Rewa Provincial Council for 2011 and 2012

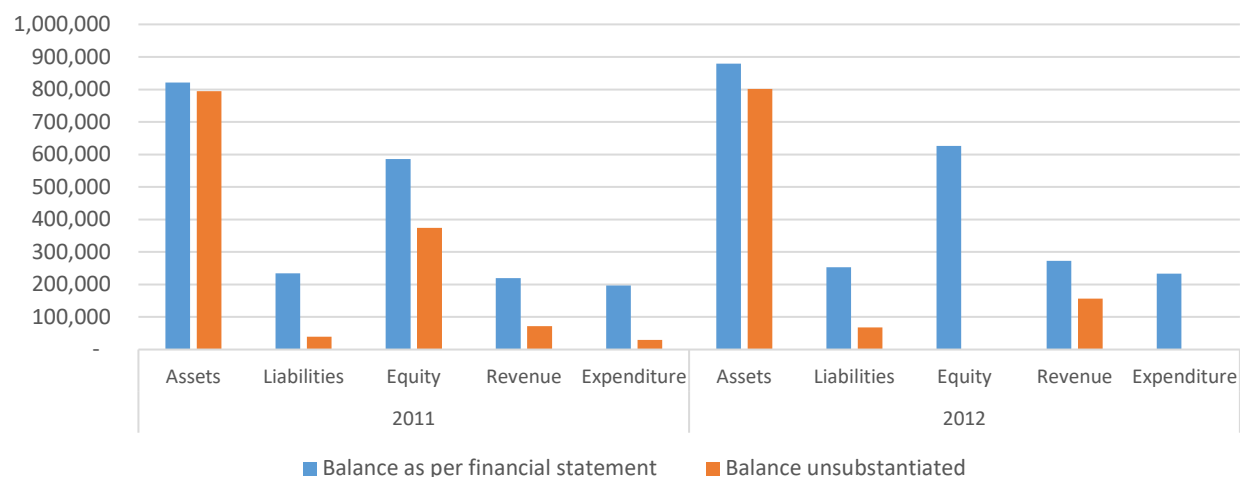




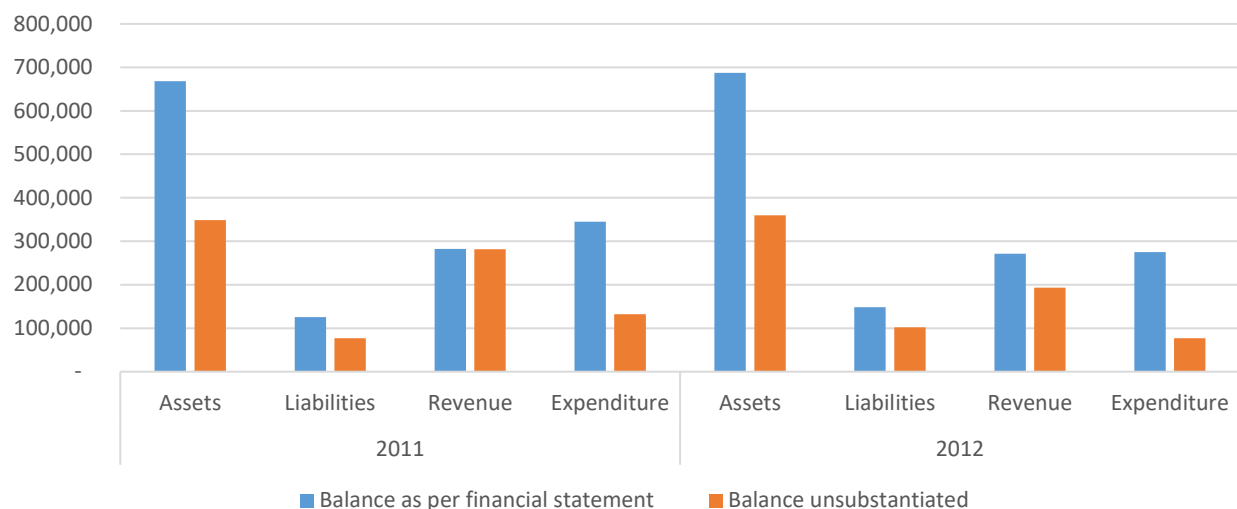
Comparatives for Unsubstantiated Balances for Kadavu Provincial Council for 2011 and 2012

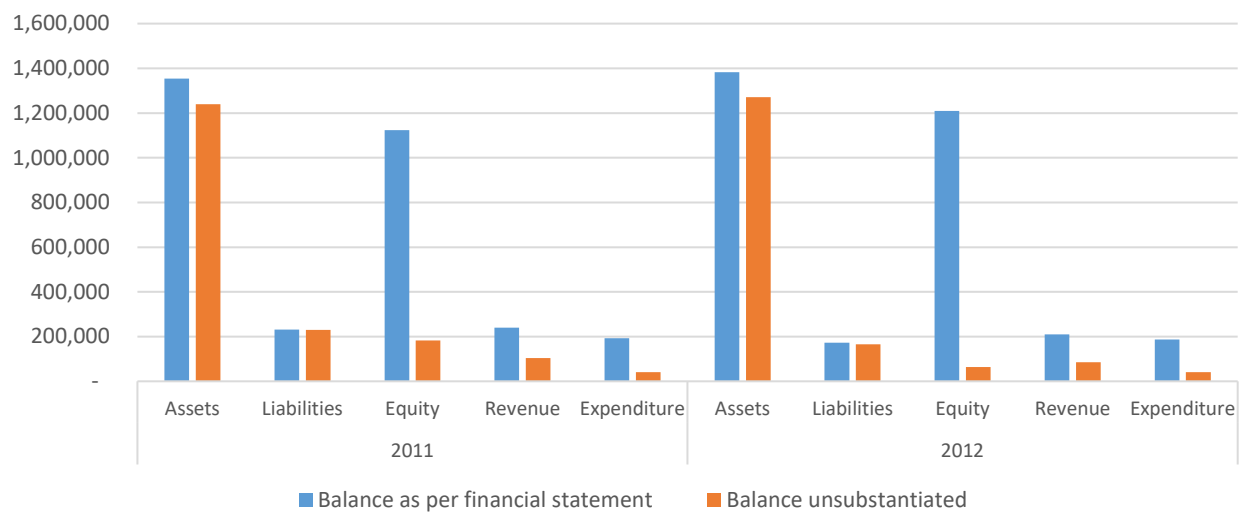
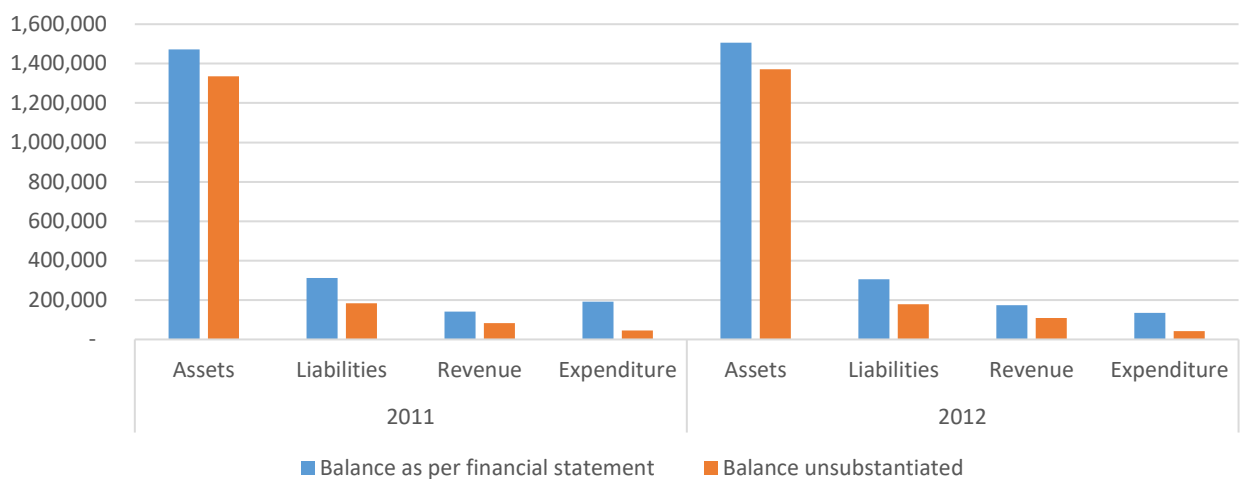


Comparatives for Unsubstantiated Balances for Naitasiri Provincial Council for 2011 and 2012



Comparatives for Unsubstantiated Balances for Ra Provincial Council for 2011 and 2012



Comparatives for Unsubstantiated Balances for Lau Provincial Councils for 2011 and 2012**Comparatives for Unsubstantiated Balances for Serua Provincial Councils for 2011 and 2012**

Appendix B: Qualification Issues

Due to the absence of documentations to appropriately support the various balances reflected in the financial statements, we were unable to determine the necessary adjustments to correct the financial statements. Tabulated below are the qualifications for the respective Provincial Councils.

Provincial Council	Qualification Issues
Ba:	
2011	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$19,376 in the Statement of Financial Position as at 31 December 2011. Included in the balance were cash at bank - current account of \$16,507, cash at bank - dividend account of \$2,552, and cash on hand of \$317. The Council was unable to provide me with documentations which included the bank audit certificate, bank reconciliation statements, cash receipts statements, cash payments statements, receipts, payment vouchers and bank audit certificate for the dividend account; supporting documents to adjustments made to the general ledger of \$54,762 and confirmation to support the cash on hand balance. 2. The Council recorded gross receivables of \$245,500, provision of doubtful debts of \$26,056, payables of \$56,180, and a component of borrowings of \$90,412 in the Statement of Financial Position as at 31 December 2011. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements, loan confirmations, loan statements and relevant supporting documents to substantiate adjustments made to the general ledger to support the above balances. 3. The Council recorded financial assets available for sale of \$1,987,644 in the Statement of Financial Position as at 31 December 2011. I was not provided with investment confirmations which was necessary to confirm the existence and completeness of the investment balance. 4. The Council recorded Property, Plant and Equipment at a written down value of \$463,193 in the Statement of Financial Position as at 31 December 2011. Included in the balance were land of \$125,235, building of \$267,962 and motor vehicle of \$41,800 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances. 5. The Council recorded part of prior year adjustments of \$496,626 which is not in accordance with IFRS for SMEs in the Statement of Changes in Equity for the year ended 31 December 2011. The Council was unable to provide appropriate documentations such as supporting documentations to journal adjustments made to the general ledger to support the prior year adjustments. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$62,766 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011. 7. The Council recorded total income of \$334,895 in the Statement of Income and Expenditure for the year ended 31 December 2011 which included other income of \$30,076 and income from investment of \$49,925. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance.

Provincial Council	Qualification Issues
	<p>8. The Council recorded total expenditure of \$457,693 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance were personnel cost - salaries of \$69,037 and travelling and subsistence of \$3,650. The Council was unable to provide payment vouchers, supporting documents for journal adjustments made to the general ledger, and payroll documents to support the salary rates.</p> <p>9. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Ba Holdings), the non-adjusting events after end of the reporting period, key management compensation, related party transactions and the nature of the change in accounting policies resulting from the transition to IFRS for SMEs in the notes forming part of the financial statements. This is a departure from the requirements of IFRS for SMEs Section 2 - Concepts and Pervasive Principles, Section 32 - Events after the end of the Reporting Date, Section 33 - Related Party Disclosures and Section 35- Transition to the IFRS for SMEs.</p>
2012	<p>1. The Council recorded cash at bank and on hand of \$51,356 in the Statement of Financial Position as at 31 December 2012. Included in the balance were cash at bank- current account of \$50,438, cash at bank- dividend account of \$601, and cash on hand of \$317. The Council was unable to provide me with documentations which included the bank audit certificate, bank reconciliation statements, cash receipts statements, cash payments statements, receipts, payment vouchers and bank audit certificate for the dividend account; supporting documents to substantiate adjustments made to the general ledger of \$10,901 and confirmation to support the cash on hand balance.</p> <p>2. The Council recorded gross receivables of \$234,064, provision of doubtful debt of \$26,056, payables of \$74,648, and a component of borrowings of \$90,412 in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements, loan confirmations, loan statements and relevant supporting documents to substantiate adjustments made to the general ledger to support the above balances.</p> <p>3. The Council recorded financial assets available for sale of \$1,987,644 in the Statement of Financial Position as at 31 December 2012. I was not provided with investment confirmations which was necessary to confirm the existence and completeness of the investment balance.</p> <p>4. The Council recorded Property, Plant and Equipment at a written down value of \$433,640 in the Statement of Financial Position as at 31 December 2012. Included in the balance were land of \$123,448, building of \$259,534 and motor vehicle of \$28,600 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances.</p> <p>5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$22,985 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012.</p> <p>6. The Council recorded total income of \$280,078 in the Statement of Income and Expenditure for the year ended 31 December 2012 which included other income of \$29,374 and income from investment of \$32,633. The Council was unable to</p>

Provincial Council	Qualification Issues
	<p>provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance.</p> <p>7. The Council recorded total expenditure of \$305,157 in the Statement of Income and Expenditure for the year ended 31 December 2012. Included in the balance were personnel cost- salaries of \$51,851, travelling and subsistence of \$3,862, special events of \$6,058, repairs and maintenance of \$7,715 and sundry expenses of \$2,263. The Council was unable to provide payment vouchers, supporting documents for journal adjustments made to the general ledger, and payroll documents to support the salary rates.</p> <p>8. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Ba Holdings), the non-adjusting events after end of the reporting period, key management compensation, related party transactions. This is a departure from the requirements of IFRS for SMEs Section 2 - Concepts and Pervasive Principles, Section 32 - Events after the end of the Reporting Date and Section 33 - Related Party Disclosures.</p>
Bua:	
2011	<p>1. The Council recorded cash at bank and on hand of \$345,022 in the Statement of Financial Position as at 31 December 2011. Included in the balance were \$171,207 for 'Bua Provincial Council Investment' account, \$85,86 for current account, \$27,835 under 'Primary School Development' account, \$35,127 under 'Scholarship' account, \$5,495 under 'Naulumatua' account, and cash on hand of \$19,522. The Council was unable to provide me with appropriate documentations which included cashbook reconciliations, some receipt books and payment vouchers for the current account, 'Naulumatua' account, savings accounts, primary school development ad scholarship accounts; confirmations to support the cash on hand balance; and supporting documents to adjustments made to the general ledger of \$86,257.</p> <p>2. The Council was unable to provide appropriate documentations to support balances reported in the statement of cash flows.</p> <p>3. The Council recorded receivables of \$96,318 in the Statement of Financial Position as at 31 December 2011. Included in the balance were advances and loan to staff of \$16,042, subvention claim not received of \$5,345 and accrued interest of \$862. The Council was unable to provide me those appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers and relevant supporting documents to adjustments made to the general ledger, to support the above balances.</p> <p>4. The Council recorded payables of \$18,251 and special funds of \$309,594 in the Statement of Financial Position as at 31 December 2011. The Council was unable to provide me those appropriate documentations such as payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances.</p> <p>5. The Council recorded available for sale financial assets of \$459,602 in the Statement of Financial Position as at 31 December 2011. Included in the balance were investments with Fijian Holding Limited of \$137,102, Bulacakau Limited of \$22,500, Fijian Holding Unit Trust of \$100,000 and Unit Trust of Fiji of \$200,000. I was not provided with the investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances. .</p>

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> <li data-bbox="432 181 1445 360">6. The Council recorded property, plant and equipment at a written down value of \$796,276 in the Statement of Financial Position as at 31 December 2011. Included in the balance were land of \$30,000, building of \$738,123 and motor vehicle of \$6,600 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances. <li data-bbox="432 394 1445 517">7. The Council records prior year adjustment of \$16,597 in the Statement of Changes in Equity for the year ended 1 December 2011. The Council was unable to provide me with appropriate documentation included Supporting documents to adjustments made to the general ledger to support the above balances. <li data-bbox="432 551 1445 763">8. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$26,176 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011. <li data-bbox="432 797 1445 976">9. The Council recorded total income of \$300,543 in the Statement of Income and Expenditure for the year ended 31 December 2011 which included income from government subvention of \$98,558, income from investment of \$10,190 and other income of \$162,932. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance. <li data-bbox="432 1010 1445 1155">10. The Council recorded total expenditure of \$402,828 in the Statement of Income and Expenditure for the year ended 31 December 2011. The Council was unable to provide appropriate supporting documentations such as payment vouchers and supporting documents for journal adjustments made to the general ledger. The missing record has provided a limitation to the scope of my audit. <li data-bbox="432 1189 1445 1491">11. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the non-adjusting events after end of the reporting period, key management compensation; related party transactions and the nature of the change in accounting policies resulting from the transition to IFRS for SMEs in the notes forming part of the financial statements. This is a departure from the requirements of IFRS for SMEs Section 32 - Events after the end of the Reporting Date, Section 33 - Related Party Disclosures and Section 35 - Transition to the IFRS for SMEs.
2012	<ol style="list-style-type: none"> <li data-bbox="432 1525 1445 1861">1. The Council recorded cash at bank and on hand of \$314,208 in the Statement of Financial Position as at 31 December 2012. Included in the balance were \$64,793 for 'Bua Provincial Council Investment' account, \$100,525 for current account, \$32,536 under 'Primary School Development' account, \$40,002 under 'Scholarship' account, \$58,513 under 'Naulumatua' account, and cash on hand of \$17,839. The Council was unable to provide me with appropriate documentations which included cashbook reconciliations, receipt books and payment vouchers for the current account, 'Naulumatua' account, savings accounts, primary school development and scholarship accounts and confirmations to support the cash on hand balance; and supporting documents to adjustments made to the general ledger of \$86,508. <li data-bbox="432 1895 1445 1951">2. The Council was unable to provide appropriate documentations to support balances reported in the statement of cash flows.

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> <li data-bbox="432 181 1445 398">3. The Council recorded receivables of \$99,324 in the Statement of Financial Position as at 31 December 2012. Included in the balance were advances and loan to staff of \$23,016, prepayments of \$1,377 and accrued interest of \$862. The Council was unable to provide me those appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers and relevant supporting documents to adjustments made to the general ledger, to support the above balances. <li data-bbox="432 427 1445 607">4. The Council recorded payables of \$41,263 and special funds of \$309,594 in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide me those appropriate documentations such as payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances. <li data-bbox="432 636 1445 815">5. The Council recorded available for sale financial assets of \$512,447 in the Statement of Financial Position as at 31 December 2012. Included in the balance were investments with Fijian Holding Limited of \$137,102, Bulacakau Limited of \$22,500, Fijian Holding Unit Trust of \$150,000 and Unit Trust of Fiji of \$202,845. I was not provided with the investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances. <li data-bbox="432 844 1445 1023">6. The Council recorded property, plant and equipment at a written down value of \$815,601 in the Statement of Financial Position as at 31 December 2012. Included in the balance were land of \$30,000, building of \$758,073 for which I was not provided with the title deeds for land and building to confirm the existence and completeness of the balances. <li data-bbox="432 1030 1445 1254">7. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$32,986 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012. <li data-bbox="432 1283 1445 1462">8. The Council recorded total income of \$364,024 in the Statement of Income and Expenditure for the year ended 31 December 2012 which included income from government subvention of \$102,556. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance. <li data-bbox="432 1491 1445 1671">9. The Council recorded total expenditure of \$339, 987 in the Statement of Income and Expenditure for the year ended 31 December 2012. The Council was unable to provide appropriate supporting documentations such as payment vouchers and supporting documents for journal adjustments made to the general ledger. The missing record has provided a limitation to the scope of my audit. <li data-bbox="432 1677 1445 1924">10. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the non-adjusting events after end of the reporting period, key management compensation and related party. Transactions. This is a departure from the requirements of IFRS for SMEs Section 32 - Events after the end of the Reporting Date and Section 33 - Related Party Disclosures.
Cakaudrove:	

Provincial Council	Qualification Issues
2011	<ol style="list-style-type: none"> <li data-bbox="432 181 1445 427">1. The Council recorded cash at bank and on hand of \$8,766 in the Statement of Financial Position as at 31 December 2011. Included in the balance were \$4,218 for the bank savings account, \$804 under bank current account, and cash on hand of \$3,744. The Council was unable to provide me with appropriate documentations which included cheque butts, lodgement books, some receipts books, cashbook reconciliations for savings and current account, confirmations to support the cash on hand balance and supporting documents to adjustments made to the general ledger of \$13,000. <li data-bbox="432 456 1445 669">2. The Council recorded net receivables of \$49,445, loan to Cakaudrove Holding advance account of \$156,547 and payables of \$51,839 in the Statement of Financial Position as at 31 December 2011. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances. <li data-bbox="432 698 1445 882">3. The Council recorded property, plant and equipment at a written down value of \$544,506 in the Statement of Financial Position as at 31 December 2011. Included in the balance were leasehold land of \$31,110, building of \$427,779 and motor vehicle of \$59,900 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances. <li data-bbox="432 911 1445 1124">4. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$72,243 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011. <li data-bbox="432 1153 1445 1366">5. The Council recorded total income of \$351,965 in the Statement of Income and Expenditure for the year ended 31 December 2011 which included income from government subvention of \$182,673, income from investment with Yasana Holdings of \$24,655 and other income of \$34,154. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance. <li data-bbox="432 1395 1445 1767">6. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation, related party transactions and the nature of the change in accounting policies resulting from the transition to IFRS for SMEs in the notes forming part of the financial statements. This is a departure from the requirements of IFRS for SMEs Section 2- Concepts and Pervasive Principles, Section 32- Events after the end of the Reporting Date, Section 33 - Related Party Disclosures and Section 35 – Transition to the IFRS for SMEs.
2012	<ol style="list-style-type: none"> <li data-bbox="432 1800 1445 2016">1. The Council recorded cash at bank and on hand of \$75,950 in the Statement of Financial Position as at 31 December 2012. Included in the balance were \$68,840 for the bank current account, \$3,399 under bank savings account, \$63 under bank "Taveuni" account and cash on hand of \$3,648. The Council was unable to provide me with appropriate documentations which included cheque butts, lodgement books, some receipt books, cashbook reconciliations for current, savings and imprest account, confirmations to support the cash on hand

Provincial Council	Qualification Issues
	<p>balance and supporting documents to adjustments made to the general ledger of \$3,054.</p> <ol style="list-style-type: none"> 2. The Council recorded net receivables of \$51,795 and payables of \$95,877 in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliations, statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances. 3. The Council recorded Loans to Cakaudrove Holding Limited of \$675,261 in the statement of financial position as at 31 December 2012 which included an opening balance of \$156,547. The Council was unable to provide me with appropriate documentations such as payment vouchers to support the opening balance. 4. The Council recorded property, plant and equipment at a written down value of \$502,165 in the Statement of Financial Position as at 31 December 2012. Included in the balance were leasehold land of \$30,757, building of \$414,867 and motor vehicle of \$35,000 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$73,790 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012. 6. The Council recorded total income of \$391,156 in the Statement of Income and Expenditure for the year ended 31 December 2012 which included income from government subvention of \$233, 436. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance. 7. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation and related party transactions. This is a departure from the requirements of IFRS for SMEs Section 2 - Concepts and Pervasive Principles, Section 32 - Events after the end of the Reporting Date and Section 33 - Related Party Disclosures.
Kadavu:	
2011	<ol style="list-style-type: none"> 1. The Council recorded cash at bank of \$174,574 in the Statement of Financial Position as at 31 December 2011. Included in the balance were \$165,297 for the bank current account and \$9,277 for the bank trust account. The Council was unable to provide me with documentations which included cash receipts statements, cash payments statements, receipts, payment vouchers for the trust account and confirmation to support the cash on hand balance. 2. The Council recorded current receivables of \$180,095, payables of \$70,232 and special funds of \$38,129 in the Statement of Financial Position as at 31 December 2011. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment

Provincial Council	Qualification Issues
	<p>vouchers, creditors' ledgers, account reconciliation statements, special funds confirmation for FHL investment held totalling \$13,000 and relevant supporting documents to adjustments made to the general ledger, to support the above balances.</p> <ol style="list-style-type: none"> 3. The Council recorded held to maturity investments of \$106,673 and available for sale financial assets of \$273,103 in the Statement of Financial Position as at 31 December 2011. Included in the balance were Bank of South Pacific Term Deposits and Kadavu Development Company for \$106,673 and \$64,000 respectively. I was not provided with investment confirmation and bank audit certificate which was necessary to confirm the existence and completeness of the balances. 4. The Council recorded property, plant and equipment at a written down value of \$246,334 in the Statement of Financial Position as at 31 December 2011. Included in the balance were building of \$227,847 and motor vehicle of \$2,575 for which I was not provided with the title deeds for building and the registration details for motor vehicle to confirm the existence and completeness of the balances. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$86,253 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011. 6. The Council recorded income from government subvention for operating expenses of \$149,121 and other income of \$11,600 in the Statement of Income and Expenditure for the year ended 31 December 2011. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance. 7. The Council recorded total expenditure of \$340,208 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance were administration cost of \$9,338, bank charges of \$1,471, travel and subsistence expenses of \$32,744 and special events expenses of \$17,751. The Council was unable to provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, and documents to support the expenses. 8. The Council did not disclose that the fact that it has departed from the requirements of IFRS for SMEs and the impact of the departure. The departures included the non-disclosure of the market value of available for sale financial assets, non-adjusting events after the end of the reporting period, key management personnel compensation, related party transactions and description of the nature of the change in accounting policies resulting from the transition to IFRS for SMEs. This is a departure from the requirements of the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) on Section 2- Concepts and Pervasive Principles, Section 32 - Events after the end of the Reporting Date, Section 33 - Related Party Disclosures and Section 35 - Transition to the IFRS for SMEs.
2012	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$307,493 in the Statement of Financial Position as at 31 December 2012. Included in the balance were \$272,821 for the bank current account and \$34,672 for the bank trust account. The Council was unable to provide me with documentations which included cash receipts statements, cash payments statements, receipts, payment vouchers for the trust account and confirmation to support the cash on hand balance.

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> <li data-bbox="427 215 1436 456">2. The Council recorded current receivables of \$161,140, payables of \$118,091 and special funds of \$40,156 in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements, special funds confirmation for FHL investment held totalling \$13,000 and relevant supporting documents to adjustments made to the general ledger, to support the above balances. <li data-bbox="427 490 1436 701">3. The Council recorded held to maturity investments of \$107,315 and available for sale financial assets of \$280,907 in the Statement of Financial Position as at 31 December 2012. Included in the balance were Bank of South Pacific Term Deposits and Kadavu Development Company for \$107,315 and \$64,000 respectively. I was not provided with investment confirmation and bank audit certificate which was necessary to confirm the existence and completeness of the balances. <li data-bbox="427 734 1436 853">4. The Council recorded property, plant and equipment at a written down value of \$235,622 in the Statement of Financial Position as at 31 December 2012. Included in the balance was building of \$222,949 for which I was not provided with the title deeds to confirm the existence and completeness of the balance. <li data-bbox="427 887 1436 1097">5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$101,679 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012. <li data-bbox="427 1131 1436 1317">6. The Council recorded income from government subvention for operating expenses of \$145,704, income from investment of \$62,467 and other income of \$29,436 in the Statement of Income and Expenditure for the year ended 31 December 2012. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance. <li data-bbox="427 1350 1436 1621">7. The Council recorded total expenditure of \$277,474 in the Statement of Income and Expenditure for the year ended 31 December 2012. Included in the balance were Mata Ni Tikina allowance expense of \$14,070, travel and subsistence expenses of \$25,897, special events expenses of \$22,006, insurance expenses of \$2,679, scholarships expenses of \$57,708, Soqosoqo Vakamarama expenses of \$8,500 and youth expenses of \$2,560. The Council was unable to provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, and documents to support the expenses. <li data-bbox="427 1655 1436 1897">8. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for SMEs (IFRS for SMEs) and the impact of the departure. The departures included the non-disclosure of the market value of available for sale financial assets, non-adjusting events after the end of the reporting period, key management personnel compensation and related party transactions. This is a departure from the requirements of IFRS for SMEs on Section 2- Concepts and Pervasive Principles, Section 32 - Events after the end of the Reporting Date and Section 33 - Related Party Disclosures.
Lau:	
2011	<ol style="list-style-type: none"> <li data-bbox="427 1962 1436 2016">1. The Council recorded cash at bank and on hand of \$110,195 in the Statement of Financial Position as at 31 December 2011. Included in the balance were cash

Provincial Council	Qualification Issues
	<p>at bank current account of \$64,812, cash at bank savings account of \$37,845, Lau Provincial Council savings account of \$7,324, Vatu Lau interest savings account of \$7, and cash on hand of \$207. The Council was unable to provide me with documentations which included some receipts and payments vouchers for current account, bank reconciliation statements, cashbook reconciliation, cash receipts statements, cash payments statements, receipts and payment vouchers for the savings accounts; and confirmations to support cash on hand.</p> <ol style="list-style-type: none"> 2. The Council recorded receivables of \$304,408, payables of \$147,241, and part of borrowings of \$24,286 (Note 15) in the Statement of Financial Position as at 31 December 2011. The Council was unable - to provide me with appropriate documentations such as subsidiary debtors' ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances. 3. The Council recorded property, plant and equipment at a written down value of \$47,933 in the Statement of Financial Position as at 31 December 2011. Included in the balance were land of \$5,134 and buildings of \$28,281 for which I was not provided with the title deeds for land and buildings to confirm the existence and completeness of the balances. 4. The Council recorded financial assets available for sale of \$842,048 in the Statement of Financial Position as at 31 December 2011 which included the investment with Fijian Holdings Limited of \$67,501, Yatu Lau Company Limited of \$503,242, Yatu Lau Company Limited (special fund) of \$20,696 and Lau Shipping Company of \$200,000. I was not provided with investment confirmations from the companies which was necessary to confirm the existence and completeness of the investment balance. 5. The Council recorded prior year adjustment of \$204,090 in the Statement of Changes in Equity for the year ended 31 December 2011 which included an adjustment to account for investment with Yatu Lau Company of \$183,217. The Council was unable to provide appropriate supporting documents such as investment confirmations and relevant supporting documents to adjustments made to the general ledger, to support the above balance. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$21,764 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011. 7. The Council recorded total income of \$239,421 in the Statement of Income and Expenditure for the year ended 31 December 2011 which included income from investment of \$103,723. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balances. 8. The Council recorded total expenditure of \$192,855 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance were salary, wages allowance and related payments of \$34,471 and personnel cost, allowances and related payments of \$6,624. The Council was unable to provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, and documents to support the salary rates. 9. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized

Provincial Council	Qualification Issues
	<p>Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available-for-sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation, related party transactions and the nature of the change in accounting policies resulting from the transition to IFRS for SMEs in the notes forming part of the financial statements. This is a departure from the requirements of IFRS for SMEs Section 2 - Concepts and Pervasive Principles, Section 32 - Events after the end of the Reporting Date, Section 33 - Related Party Disclosures and Section 35- Transition to the IFRS for SMEs.</p>
2012	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$147,575 in the Statement of Financial Position as at 31 December 2012. Included in the balance were cash at bank current account of \$102,526, cash at bank savings account of \$13,260, Lau Provincial Council savings account of \$31,754, Vatu Lau interest savings account of \$7, and cash on hand of \$28. The Council was unable to provide me with documentations which include-d some receipts and payments vouchers for current account, bank reconciliation statements, cashbook reconciliation, cash receipts statements, cash payments statements, receipts and payment vouchers for the savings accounts; and confirmations to support cash on hand. 2. The Council recorded receivables of \$299,624, payables of \$152,218, and part of borrowings of \$24,286 in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide me with appropriate documentations such as subsidiary debtors' ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger to support the above balances. 3. The Council recorded property, plant and equipment at a written down value of \$43,257 in the Statement of Financial Position as at 31 December 2012. Included in the balance were land of \$5,134 and buildings of \$27,643 for which I was not provided with the title deeds for land and buildings to confirm the existence and completeness of the balances. 4. The Council recorded financial assets available-for-sale of \$842,464 in the Statement of Financial Position as at 31 December 2012 which included the investment with Fijian Holdings Limited of \$67,501, Yatu Lau Company Limited of \$503,242, Yatu Lau Company Limited (special fund) of \$20,696 and Lau Shipping Company of \$200,000. I was not provided with investment confirmations from the companies which was necessary to confirm the existence and completeness of the investment balance. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$18,788 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012. 6. The Council recorded total income of \$209,872 in the Statement of Income and Expenditure for the year ended 31 December 2012 which included income from investment of \$66,006. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balances. 7. The Council recorded total expenditure of \$186,477 in the Statement of Income and Expenditure for the year ended 31 December 2012. Included in the balance were salary, wages allowance and related payments of \$36,168 and personnel cost, allowances and related payments of \$4,953. The Council was unable to

Provincial Council	Qualification Issues
	<p>provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, and documents to support the salary rates.</p> <p>8. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation and related party transactions. This is a departure from the requirements of IFRS for SMEs Section 2 - Concepts and Pervasive Principles, Section 32 - Events after the end of the Reporting Date and Section 33 - Related Party Disclosures.</p>
Lomaiviti:	
2011	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$170,489 in the Statement of Financial Position as at 31 December 2011. Included in the balance were \$111,418 for current account, \$49,720 for savings account, \$6,466 for house rent account and \$2,885 for cash on hand. The Council was unable to provide me with documentations which included cashbook reconciliations for the current account; receipt books, payment vouchers, cashbook reconciliations, cheque books and lodgement books for the savings and house rent accounts and confirmation to support the cash on hand balance; and supporting documents to journal adjustments made to the general ledger of \$42,339. 2. The Council was unable to provide appropriate documentations to support balances reported in the statement of cash flows. 3. The Council recorded total receivables of \$347,930 in the Statement of Financial Position as at 31 December 2011. Included in the balance were Small Business Advisory Unit Loan to Provincial Company of \$261,379, advances to staff of \$47,260, loan to staff of \$22,191, subvention claimed not received of \$7,698 and sundry debtors of \$2,847. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts and relevant supporting documents to adjustments made to the general ledger, to support the above balances. 4. The Council recorded payables of \$46,503 and held to maturity of \$2,946 in the Statement of Financial Position as at 31 December 2011. The Council was unable to provide me with appropriate documentations such as, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the payable balance. 5. The Council recorded available for sale financial assets of \$209,180 in the Statement of Financial Position as at 31 December 2011. Included in the balance were investments with Fijian Holdings Limited of \$55,100 and Unit Trust of Fiji of \$54,080. I was not provided with the investment confirmations which was necessary to confirm the existence and completeness of the investment with Fijian Holdings and Unit Trust of Fiji. 6. The Council recorded property, plant and equipment at a written down value of \$1,131,707 in the Statement of Financial Position as at 31 December 2011. Included in the balance were land of \$90,000, building of \$1,005,608 and motor vehicle of \$21,267 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances. 7. The Council recorded Special Funds of \$66,502 in the Statement of Financial Position as at 31 December 2011. Included in the balance were investments with

Provincial Council	Qualification Issues
	<p>Unit Trust of Fiji (CADG and Education Fund) of \$60,036. I was not provided with the investment confirmations which was necessary to confirm the existence and completeness of the investment with Unit Trust of Fiji.</p> <p>8. The Council recorded borrowings totalling \$159,873 in the Statement of Financial Position as at 31 December 2011. Included in the balance were long term borrowings with iTaukei Affairs Board (iTAB) of \$92,318. I was not provided with the loan confirmations which was necessary to confirm the existence and completeness of the long term borrowings with iTAB.</p> <p>9. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$94,125 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011.</p> <p>10. The Council recorded total income of \$337,909 in the Statement of Income and Expenditure for the year ended 31 December 2011 which included income from government subvention of \$134,066, income from investment from Fijian Holding Limited of \$15,118 and other income of \$71,858. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance.</p> <p>11. The Council recorded total expenditure not covered by subvention of \$112,843 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance were travelling and subsistence expenses of \$5,149, sundry expenses of \$39,403, rates refund of \$3,770 and interest and financial cost of \$5,842. The Council was unable to provide appropriate supporting documentations such as payment vouchers and supporting documents for journal adjustments made to the general ledger.</p> <p>12. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the non-adjusting events after end of the reporting period, key management compensation, related party transactions and the nature of the change in accounting policies resulting from the transition to IFRS for SMEs in the notes forming part of the financial statements. This is a departure from the requirements of IFRS for SMEs Section 32 – Events after the end of the Reporting Date, Section 33 – Related Party Disclosures and Section 35 – Transition to the IFRS for SMEs.</p>
2012	<p>1. The Council recorded cash at bank and on hand of \$303,155 in the Statement of Financial Position as at 31 December 2012. Included in the balance were current account of \$221,333, savings account of \$45,480, house rent account of \$11,778, trust account of \$21,701 and cash on hand of \$2,863. The Council was unable to provide me with documentations which included cashbook reconciliations for the current account; receipt books, payment vouchers, cashbook reconciliations, cheque books and lodgement books for the savings and house rent accounts and confirmation to support the cash on hand balance.</p> <p>2. The Council was unable to provide appropriate documentations to support balances reported in the statement of cash flows.</p> <p>3. The Council recorded total receivables of \$361,303 in the Statement of Financial Position as at 31 December 2012. Included in the balance were Small Business Advisory Unit Loan to Provincial Company of \$260,879, advances to staff of</p>

Provincial Council	Qualification Issues
	<p>\$47,379, loan to staff of \$22,191 and sundry debtors of \$2,847. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts and relevant supporting documents to adjustments made to the general ledger, to support the above balances.</p> <ol style="list-style-type: none"> <li data-bbox="432 338 1445 517">4. The Council recorded payables of \$76,040 and held to maturity of \$2,946 in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide me with appropriate documentations such as, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the payable balance. <li data-bbox="432 551 1445 730">5. The Council recorded available for sale financial assets of \$211,915 in the Statement of Financial Position as at 31 December 2012. Included in the balance were investments with Fijian Holdings Limited of \$55,100 and Unit Trust of Fiji of \$56,815. I was not provided with the investment confirmations which was necessary to confirm the existence and completeness of the investment with Fijian Holdings and Unit Trust of Fiji. <li data-bbox="432 763 1445 943">6. The Council recorded property, plant and equipment at a written down value of \$1,159,412 in the Statement of Financial Position as at 31 December 2012. Included in the balance were land of \$90,000, building of \$989,501 and motor vehicle of \$60,200 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances. <li data-bbox="432 976 1445 1133">7. The Council recorded Special Funds of \$74,075 in the Statement of Financial Position as at 31 December 2012. Included in the balance were investments with Unit Trust of Fiji (CADG and Education Fund) of \$62,297. I was not provided with the investment confirmations which was necessary to confirm the existence and completeness of the investment with Unit Trust of Fiji. <li data-bbox="432 1167 1445 1312">8. The Council recorded borrowings totalling \$213,211 in the Statement of Financial Position as at 31 December 2012. Included in the balance were long term borrowings with iTaukei Affairs Board (iTAB) of \$92,318. I was not provided with the loan confirmations which was necessary to confirm the existence and completeness of the long term borrowings with iTAB. <li data-bbox="432 1346 1445 1559">9. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$130,094 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012. <li data-bbox="432 1592 1445 1771">10. The Council recorded total income of \$326,225 in the Statement of Income and Expenditure for the year ended 31 December 2012 which included income from government subvention of \$125,542 and income from investment of \$38,579. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance. <li data-bbox="432 1805 1445 1984">11. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the non-adjusting events after end of the reporting period, key management compensation and related party transactions. This is a departure from the requirements of IFRS for SMEs Section

Provincial Council	Qualification Issues
	32 – Events after the end of the Reporting Date and Section 33 – Related Party Disclosures.
Macuata:	
2011	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$23,140 in the Statement of Financial Position as at 31 December 2011. Included in the balance were sinking fund of \$22,670, savings account of \$286 and cash on hand of \$184. The Council was unable to provide me with documentations which included cheque butts, lodgement books, some receipt books, some bank reconciliation statements, some cash receipts and payment statements, some payment vouchers for current and sinking fund account and confirmation to support the cash on hand balance. 2. The Council recorded credit balance of net receivables of \$19,367 in the Statement of Financial Position as at 31 December 2012. Included in the balance were Loans to Public of \$100,000, and Provision for doubtful debts of \$63,635. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances and the over reporting of provisions. 3. The Council recorded debit balance of payables of \$7,885 in the Statement of Financial Position as at 31 December 2012. Included in the balance were Accruals of \$5,194, Development Assistance Scheme (DAS) funds of \$10,107, and deductions of \$830 and Payables to public with a debit balance of \$24,016. The Council was unable to provide me with appropriate documentations such as payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances. 4. The Council recorded available for sale financial assets of \$291,702 in the Statement of Financial Position as at 31 December 2011. Included in the balance were investments with Macuata Fijian Cane Farmers of \$4,861. I was not provided with the investment confirmations which was necessary to confirm the existence and completeness of the investment with Macuata Fijian Cane Farmers. 5. The Council recorded property, plant and equipment at a written down value of \$3,685,675 in the Statement of Financial Position as at 31 December 2011. Included in the balance were land of \$372,291, building of \$3,228,842 and motor vehicle of \$69,416 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances. 6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$32,435 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011. 7. The Council recorded total income of \$925,141 in the Statement of Income and Expenditure for the year ended 31 December 2011 which included income from government subvention of \$159,607 and other income (from other operations) of \$89,874. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance.

Provincial Council	Qualification Issues
	<p>8. The Council recorded total expenditures not covered by subvention of \$646,537 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance were Macuata House repairs and maintenance of \$230,366, occupancy expenses of \$14,958, sundry expenses of \$24,622 and Value Added Tax of \$27,688. The Council was unable to provide appropriate supporting documentations such as payment vouchers and supporting documents for journal adjustments made to the general ledger.</p> <p>9. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation, related party transactions and the nature of the change in accounting policies resulting from the transition to IFRS for SMEs in the notes forming part of the financial statements. This is a departure from the requirements of IFRS for SMEs Section 2 - Concepts and Pervasive Principles, Section 3 - Financial Statement Presentation, Section 32 - Events after the end of the Reporting Date, Section 33 - Related Party Disclosures and Section 35 -Transition to the IFRS for SMEs.</p>
2012	<p>1. The Council recorded cash at bank and on hand of \$37,345 in the Statement of Financial Position as at 31 December 2012. Included in the balance were sinking fund of \$23,261, cash at bank- current account of \$13,868, savings account of \$32 and cash on hand of \$184. The Council was unable to provide me with documentations which included cheque butts, lodgement books, some receipt books, some bank reconciliation statements, some cash receipts and payment statements, some payment vouchers for current and sinking fund account and confirmation to support the cash on hand balance.</p> <p>2. The Council recorded credit balance of net receivables of \$10,367 in the Statement of Financial Position as at 31 December 2012. Included in the balance were Loans to Public of \$100,000, other assets of \$1,781 and Provision for doubtful debts of \$179,767. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances and the over reporting of provisions.</p> <p>3. The Council recorded debit balance of payables of \$1,974 in the Statement of Financial Position as at 31 December 2012. Included in the balance were Accruals of \$14,050, Development Assistance Scheme (DAS) funds of \$10,107, deductions and intercompany zero account of \$1,833 and Payables to public with a debit balance of \$24,016. The Council was unable to provide me with appropriate documentations such as payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances.</p> <p>4. The Council recorded available for sale financial assets of \$291,995 in the Statement of Financial Position as at 31 December 2012. Included in the balance were investments with Macuata Fijian Cane Farmers of \$4,861. I was not provided with the investment confirmations which was necessary to confirm the existence and completeness of the investment with Macuata Fijian Cane Farmers.</p> <p>5. The Council recorded property, plant and equipment at a written down value of \$3,610,548 in the Statement of Financial Position as at 31 December 2012. Included in the balance were leasehold land of \$372,291, building of \$3,179,329 and motor vehicle of \$46,216 for which I was not provided with the</p>

Provincial Council	Qualification Issues
	<p>title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances.</p> <p>6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$28,359 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012.</p> <p>7. The Council recorded total income of \$1,009,335 in the Statement of Income and Expenditure for the year ended 31 December 2012 which included income from government subvention of \$145,873. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance.</p> <p>8. The Council recorded total expenditures of \$691,313 in the Statement of Income and Expenditure for the year ended 31 December 2012. Included in the balance were travelling, subsistence and accommodation of \$5,040, Macuata House repairs and maintenance of \$241,421, youth and sports expenses of \$7,525, sundry expenses of \$9,820 and Value Added Tax of \$13,106. The Council was unable to provide appropriate supporting documentations such as payment vouchers and supporting documents for journal adjustments made to the general ledger.</p> <p>9. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation, related party transactions This is a departure from the requirements of IFRS for SMEs Section 2- Concepts and Pervasive Principles, Section 32 - Events after the end of the Reporting Date and Section 33 - Related Party Disclosures.</p>
Nadroga/Navosa:	
2011	<p>1. The Council recorded cash at bank and on hand of \$313,989 in the Statement of Financial Position as at 31 December 2011. Included in the balance were \$34,391 for current account, \$136,762 for Adi Nadroga Festival account and \$142,836 for the trust account. The Council was unable to provide me with documentations which included bank reconciliation statements, cashbook reconciliation, receipt books, payments vouchers, cash receipts and payments for the Adi Nadroga Festival and trust accounts and cashbook reconciliation for current account.</p> <p>2. The Council was unable to provide appropriate documentations to support balances reported in the statement of cash flows.</p> <p>3. The Council recorded current receivables of \$40,484, non-current receivables of \$128,545, payables of \$113,051, and special funds of \$206,823 in the Statement of Financial Position as at 31 December 2011. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances.</p> <p>4. The Council recorded held to maturity investments of \$73,433 and available for sale financial assets of \$474,656 in the Statement of Financial Position as at 31 December 2011. Included in the balance were investments with Nadroga/Navosa</p>

Provincial Council	Qualification Issues
	<p>Corporation Ltd and Bank of South Pacific Term Deposits for \$289,383 and \$22,223 respectively. I was not provided with investment confirmation and bank audit certificate which was necessary to confirm the existence and completeness of the balances</p> <p>5. The Council recorded property, plant and equipment at a written down value of \$224,404 in the Statement of Financial Position as at 31 December 2011. Included in the balance were land of \$12,259, building of \$133,933 and motor vehicle of \$60,350 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances.</p> <p>6. The Council recorded prior year adjustment of \$71,352 in the Statement of Changes in Equity for the year ended 31 December 2011. The Council was unable to provide me with appropriate documentations which included supporting documents to adjustments made to the general ledger to support the above balances.</p> <p>7. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$101,657 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011.</p> <p>8. The Council recorded income from government subvention for operating expenses of \$154,989 and other income of \$7,996 in the Statement of Income and Expenditure for the year ended 31 December 2011. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance.</p> <p>9. The Council recorded total expenditure of \$312,636 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance were insurance expense of \$2,951, administration cost of \$5,412 and traveling, subsistence and accommodation expense of \$2,050. The Council was unable to provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, and documents to support the expenses.</p> <p>10. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-- disclosure of the non-adjusting events after the end of the reporting period, key management personnel compensation, related party transactions and description of the nature of the change in accounting policies resulting from the transition to IFRS for SMEs. This is a departure from the requirements of the IFRS for SMEs on Section 32 - Events after the end of the Reporting Date, Section 33 - Related Party Disclosures and Section 35- Transition to the IFRS for SMEs.</p>
2012	<p>1. The Council recorded cash at bank and on hand of \$347,336 in the Statement of Financial Position as at 31 December 2012. Included in the balance were \$32,692 for the current account, \$107,397 for Adi Nadroga Festival account and \$207,247 for the trust account. The Council was unable to provide me with documentations which included bank reconciliation statements, cashbook reconciliation, cash receipt and payments statements for Adi Nadroga Festival and trust accounts and cashbook reconciliation for current account.</p>

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> <li data-bbox="432 181 1445 248">2. The Council was unable to provide appropriate documentations to support balances reported in the statement of cash flows. <li data-bbox="432 271 1445 483">3. The Council recorded current receivables of \$31,983, non-current receivables of \$128,545 and payables of \$116,816 and special funds of \$177,459 in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger to support the above balances. <li data-bbox="432 517 1445 763">4. The Council recorded held to maturity investments of \$78,891 and available for sale financial assets of \$475,615 in the Statement of Financial Position as at 31 December 2012. Included in the balance were investments with Nadroga/Navosa Corporation Ltd and Bank of South Pacific Term Deposits for \$289,383 and \$22,223 respectively. I was not provided with investment confirmation and bank audit certificate which was necessary to confirm the existence and completeness of the balances. In addition, the fair value of the investment with Nadroga/Navosa Corporation Ltd was not available when financial statements were prepared. <li data-bbox="432 797 1445 976">5. The Council recorded property, plant and equipment at a written down value of \$243,309 in the Statement of Financial Position as at 31 December 2012. Included in the balance were land of \$12,259, building of \$162,543 and motor vehicle of \$37,190 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances. <li data-bbox="432 1010 1445 1223">6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$203,327 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012. <li data-bbox="432 1256 1445 1435">7. The Council recorded income from government subvention for operating expenses of \$153,380 and other income of \$28,429 in the Statement of Income and Expenditure for the year ended 31 December 2012. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance. <li data-bbox="432 1469 1445 1682">8. The Council recorded total expenditure of \$348,623 in the Statement of Income and Expenditure for the year ended 31 December 2012. Included in the balance were repairs and maintenance expense of \$47,598, other expenses of \$3,883, insurance expenses of \$3,054 and traveling, subsistence and accommodation expense of \$2,079. The Council was unable to provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, and documents to support the expenses. <li data-bbox="432 1715 1445 1962">9. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium- sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the non-adjusting events after the end of the reporting period, key management personnel compensation and related party transactions. This is a departure from the requirements of IFRS for SMEs on Section 32- Events after the end of the Reporting Date and Section 33- Related Party Disclosures.
Naitasiri:	

Provincial Council	Qualification Issues
2011	<ol style="list-style-type: none"> <li data-bbox="432 181 1445 456">1. The Council recorded cash at bank and on hand of \$160,970 in the Statement of Financial Position as at 31 December 2011. Included in the balance were cash at bank current account of \$37,492, cash at bank savings account of \$2,576, cash at bank dividend account of \$115,131 and cash on hand of \$5,771. The Council was unable to provide me with documentations which included receipts and payments vouchers for current account, bank reconciliation statements, cashbook reconciliation, cash receipts statements, cash payments statements, receipts and payment vouchers for the savings and dividend accounts; and confirmations to support cash on hand. <li data-bbox="432 488 1445 674">2. The Council recorded receivables of \$20,891 and payables of \$39,868 in the Statement of Financial Position as at 31 December 2011. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances. <li data-bbox="432 705 1445 853">3. There is an unreconciled variance of \$44,461 between the investment statement for Unit Trust of Fiji and the balance in the financial statement for special funds. Consequently, I was unable to establish the accuracy of the special funds balance recorded in the Statement of Financial Position of \$130,405 as at 31 December 2011. <li data-bbox="432 884 1445 1032">4. The Council recorded property, plant and equipment at a written down value of \$471,167 in the Statement of Financial Position as at 31 December 2011. Included in the balance were land of \$64,025 and building of \$389,189 for which I was not provided with the title deeds for land and building to confirm the existence and completeness of the balances. <li data-bbox="432 1064 1445 1312">5. The Council recorded financial assets available for sale of \$167,722 in the Statement of Financial Position as at 31 December 2011 which included the investment with Fijian Holdings Limited of \$93,478. In addition, the Council withdrew its investment with Fiji Development Bank of \$66,000 as at 31 December 2011. I was not provided with investment confirmations from the Company and appropriate documentations on the withdrawal of investments which was necessary to confirm the existence and completeness of the investment balance. <li data-bbox="432 1344 1445 1559">6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$28,571 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011. <li data-bbox="432 1590 1445 1776">7. The Council recorded total income of \$219,718 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance were income from investment of \$22,529 and other income of \$20,597. The Council was unable to provide appropriate supporting documentations such as receipts, rent agreements for provincial quarters and supporting documents to journal adjustments made to the general ledger to support the above balances. <li data-bbox="432 1807 1445 2042">8. The Council recorded total expenditure of \$197,102 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance were travelling, subsistence and accommodation of \$4,410, administration cost of \$5,070, repairs and maintenance of \$2,324, motor vehicle fuel expenses of \$3,820, insurance cost of \$1,945, and personnel cost of \$11,917. The Council was unable to provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, and documents to support the salary rates and pay run reports.

Provincial Council	Qualification Issues
	<p>9. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation, related party transactions and the nature of the change in accounting policies resulting from the transition to IFRS for SMEs in the notes forming part of the financial statements. This is a departure from the requirements of IFRS for SMEs Section 2 – Concepts and Pervasive Principles, Section 32 – Events after the end of the Reporting Date, Section 33 – Related Party Disclosures and Section 35 – Transition to the IFRS for SMEs.</p>
2012	<p>1. The Council recorded cash at bank and on hand of \$228,342 in the Statement of Financial Position as at 31 December 2012. Included in the balance were cash at bank current account of \$95,512, cash at bank savings account of \$3,318, cash at bank dividend account of \$128,212 and cash on hand of \$1,300. The Council was unable to provide me with documentations which included receipts and payments vouchers for current account, bank reconciliation statements, cashbook reconciliation, cash receipts statements, cash payments statements, receipts and payment vouchers for the savings and dividend accounts; and confirmations to support cash on hand.</p> <p>2. The Council recorded receivables of \$17,330 and payables of \$67,740 in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances.</p> <p>3. The Council recorded property, plant and equipment at a written down value of \$462,575 in the Statement of Financial Position as at 31 December 2012. Included in the balance were land of \$64,025 and building of \$382,503 for which I was not provided with the title deeds for land and building to confirm the existence and completeness of the balances.</p> <p>4. The Council recorded financial assets available for sale of \$170,951 in the Statement of Financial Position as at 31 December 2012 which included the investment with Fijian Holdings Limited of \$93,478. I was not provided with investment confirmations from the Company which was necessary to confirm the existence and completeness of the investment balance.</p> <p>5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$42,350 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012.</p> <p>6. The Council recorded total income of \$273,150 in the Statement of Income and Expenditure for the year ended 31 December 2012. Included in the balance were income from investment of \$59,481 and other income of \$27,761. The Council was unable to provide appropriate supporting documentations such as receipts, rent agreements for provincial quarters and supporting documents to journal adjustments made to the general ledger to support the above balances. In addition, income from investment of \$59,481 also includes income for prior year periods of \$24,655.</p>

Provincial Council	Qualification Issues
	<p>7. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation, related party transactions. This is a departure from the requirements of IFRS for SMEs Section 2 – Concepts and Pervasive Principles, Section 32 – Events after the end of the Reporting Date, and Section 33 – Related Party Disclosures.</p>
Namosi:	
2011	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$33,591 in the Statement of Financial Position as at 31 December 2011. Included in the balance were cash at bank- current account of \$8,206, cash at bank trust account of \$24,689, bank - trust account of \$200 and cash on hand of \$496. The Council was unable to provide me with documentations which included the bank audit certificate for current account, bank reconciliation statements, cashbook reconciliation, cash receipts statements, cash payments statements, receipts, payment vouchers and bank audit certificate for the trust accounts; and confirmation to support the cash on hand balance. 2. The Council was unable to provide appropriate documentations to support balances reported in the statement of cash flows. 3. The Council recorded receivables of \$849,118, other assets of \$20,784, payables of \$110,892, borrowings of \$608,705 and special funds of \$59,999 in the Statement of Financial Position as at 31 December 2011. The Council was unable to provide me with appropriate subsidiary records such as debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances. 4. The Council recorded financial assets available for sale of \$18,726 in the Statement of Financial Position as at 31 December 2011 being the investment with Fijian Holdings Limited of \$18,726. I was not provided with investment confirmations which was necessary to confirm the existence and completeness of the investment balance. 5. The Council recorded Property, Plant and Equipment at a written down value of \$291,118 in the Statement of Financial Position as at 31 December 2011. Included in the balance were land of \$25,000, building of \$209,358 and motor vehicle of \$54,676 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances. 6. The Council recorded prior year adjustments of \$51,878 in the Statement of Changes in Equity for the year ended 31 December 2011. The adjustments were not in accordance with IFRS for SME requirements. Moreover, the Council was unable to provide appropriate documentations such as supporting documentations to journal adjustments made to the general ledger to support the prior year adjustments. 7. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$64,414 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011.

Provincial Council	Qualification Issues
	<p>8. The Council recorded total income of \$184,050 in the Statement of Income and Expenditure for the year ended 31 December 2011 which included other income of \$22,485 and income from investment of \$26,528. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance.</p> <p>9. The Council recorded total expenditure of \$218,552 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance were personnel cost- salaries of \$15,563, occupancy cost of \$5,296, motor vehicle expenses of \$3,961, repairs and maintenance of \$47,700, administration cost of \$860, special events of \$6,058, rates refund of \$17,951 and sundry expenses of \$4,647. The Council was unable to provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, and documents to support the salary rates.</p> <p>10. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation, related party transactions and the nature of the change in accounting policies resulting from the transition to IFRS for SMEs in the notes forming part of the financial statements. This is a departure from the requirements of IFRS for SMEs Section 2 - Concepts and Pervasive Principles, Section 32 - Events after the end of the Reporting Date, Section 33- Related Party Disclosures and Section 35- Transition to the IFRS for SMEs.</p>
2012	<p>1. The Council recorded cash at bank and on hand of \$36,353 in the Statement of Financial Position as at 31 December 2012. Included in the balance were cash at bank- current account of \$5,951, cash at bank trust account of \$29,609, bank-trust account of \$200 and cash on hand of \$593. The Council was unable to provide me with documentations which included the bank audit certificate for current account, bank reconciliation statement's, cashbook reconciliation, cash receipts statements, cash payments statements, receipts, payment vouchers and bank audit certificate for the trust accounts; and confirmation to support the cash on hand balance.</p> <p>2. The Council was unable to provide appropriate documentations to support balances reported in the statement of cash flows.</p> <p>3. The Council recorded receivables of \$849,064, other assets of \$16,627, payables of \$100,267, borrowings of \$334,759 and special funds of \$58,199 in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide me with appropriate subsidiary records such as debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances.</p> <p>4. The Council recorded financial assets available for sale of \$18,726 in the Statement of Financial Position as at 31 December 2012 being the investment with Fijian Holdings Limited of \$18,726. I was not provided with investment confirmations which was necessary to confirm the existence and completeness of the investment balance.</p> <p>5. The Council recorded Property, Plant and Equipment at a written down value of \$269,868 in the Statement of Financial Position as at 31 December 2012. Included in the balance were land of \$25,000, building of \$202,645 and motor vehicle of \$40,716 for which I was not provided with the title deeds for land and</p>

Provincial Council	Qualification Issues
	<p>building and the registration details for motor vehicle to confirm the existence and completeness of the balances.</p> <p>6. The Council recorded prior year adjustments of \$261,376 in the Statement of Changes in Equity for the year ended 31 December 2012. The adjustments were not in accordance with IFRS for SME requirements. Moreover, the Council was unable to provide appropriate documentations such as supporting documentations to journal adjustments made to the general ledger to support the prior year adjustments.</p> <p>7. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$48,744 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012.</p> <p>8. The Council recorded total expenditure of \$176,339 in the Statement of Income and Expenditure for the year ended 31 December 2012. Included in the balance were personnel cost- salaries of \$15,592, 'soqosoqo vakamarama' cost of \$10,818, interest and financial costs of \$4,157, youth and sports of \$3,464 and sundry expenses of \$7,489. The Council was unable to provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, and documents to support the salary rates.</p> <p>9. The Council recorded total income of \$179,030 in the Statement of Income and Expenditure for the year ended 31 December 2012 which included income from investment of \$35,204. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance.</p> <p>10. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation and related party transactions. This is a departure from the requirements of IFRS for SMEs Section 2 - Concepts and Pervasive Principles, Section 32 - Events after the end of the Reporting Date, Section 33 - Related Party Disclosures.</p>
Ra:	
2011	<p>1. The Council recorded cash at bank and on hand of \$18,515 in the Statement of Financial Position as at 31 December 2011. Included in the balance were cash at bank current account of \$17,829, cash at bank trust account of \$358 and cash on hand of \$328. The Council was unable to provide me with documentations which included some receipts and payments vouchers for current account, bank reconciliation statements, cashbook reconciliation, cash receipts statements, cash payments statements, receipts and payment vouchers for the savings accounts; confirmations to support cash on hand; and supporting documents to journal adjustments made to the cash General Ledger of \$41, 511.</p> <p>2. The Council recorded receivables of \$52,312 in the Statement of Financial Position as at 31 December 2011. Included in the balance were advances to staff of \$14,275 and provision for doubtful debts of \$16,526. The Council was unable to provide appropriate documentations such as loan approvals, debtors' ledger receipts and supporting documents for journal adjustments made to the general ledger, to support the above balances.</p>

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> <li data-bbox="432 215 1437 398">3. The Council recorded property, plant and equipment at a written down value of \$352,760 in the Statement of Financial Position as at 31 December 2011. Included in the balance were land of \$22,400, building of \$263,699 and motor vehicle of \$46,450 for which I was not provided with the title deeds for land and building and registration details for motor vehicle to confirm the existence and completeness of the balances. <li data-bbox="432 432 1437 584">4. The Council recorded payables of \$76,749 in the Statement of Financial Position as at 31 December 2011. The Council was unable to provide me with appropriate documentations such as, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the payable balance. <li data-bbox="432 618 1437 770">5. The Council recorded prior year adjustment of \$25,416 in the Statement of Changes in Equity for the year ended 31 December 2011. The Council was unable to provide me with appropriate documentations which included supporting documents to adjustments made to the general ledger to support the above balances. <li data-bbox="432 804 1437 1014">6. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$22,337 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011. <li data-bbox="432 1048 1437 1258">7. The Council recorded total income of \$282,134 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance was income from government subvention of \$130,252, income from investment of \$80,391 and other income of \$48,633. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger, to support the above balance. <li data-bbox="432 1292 1437 1659">8. The Council recorded total expenditure of \$344,987 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance were subvention expenditures – insurance of \$6,308, motor vehicle cost of \$34,826, administration cost of \$6,042, special events of \$17,551, mata ni tikina allowance of \$17,238, travel, subsistence and accommodation expenditure of \$15,861, repairs and maintenance of \$8,173, non-subvention expenditures – payroll of \$8,272, ka vakavanua expenditure of \$6,320, travel and subsistence of \$7,917 and sundry expense of \$3,504. The Council was unable to provide appropriate supporting documentations such as payment vouchers for the months of January, February, March, April, May June and August, supporting documents for journal adjustments made to the general ledger, documents to support the salary rates and pay run reports. <li data-bbox="432 1693 1437 1986">9. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings Limited and Amalgamated Telecom Holdings), the non-adjusting events after end of the reporting period, key management compensation, related party transactions and the nature of the change in accounting policies resulting from the transition to IFRS for SMEs in the notes forming part of the financial statements. This is a departure from the requirements of IFRS for SMEs Section 2 – Concepts and Pervasive Principles, Section 32 –

Provincial Council	Qualification Issues
	Events after the end of the Reporting Date, Section 33 – Related Party Disclosures and Section 35 – Transition to the IFRS for SMEs.
2012	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$53,758 in the Statement of Financial Position as at 31 December 2012. Included in the balance were cash at bank current account of \$53,385 cash at bank trust account of \$42 and cash on hand of \$331. The Council was unable to provide me with documentations which included some receipts and payments vouchers for current account, bank reconciliation statements, cashbook reconciliation, cash receipts statements, cash payments statements, receipts and payment vouchers for the savings accounts; confirmations to support cash on hand; and supporting documents to journal adjustments made to the cash General Ledger of \$32,244. 2. The Council recorded receivables of \$40,704 in the Statement of Financial Position as at 31 December 2012. Included in the balance were advances to staff of \$11, 272 and provision for doubtful debts of \$16,526. The Council was unable to provide appropriate documentations such as loan approvals, debtors' ledger receipts and supporting documents for journal adjustments made to the general ledger, to support the above balances. 3. The Council recorded property, plant and equipment at a written down value of \$338,637 in the Statement of Financial Position as at 31 December 2012. Included in the balance were land of \$22,400, building of \$258,102 and motor vehicle of \$31,050 for which I was not provided with the title deeds for land and building and registration details for motor vehicle to confirm the existence and completeness of the balances. 4. The Council recorded payables of \$102,262 in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide me with appropriate documentations such as, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the payable balance. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$24,640 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012. 6. The Council recorded total income of \$271,225 in the Statement of Income and Expenditure for the year ended 31 December 2012. Included in the balance was income from government subvention of \$129,670 and other income of \$38,957. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger, to support the above balance. 7. The Council recorded total expenditure of \$274,796 in the Statement of Income and Expenditure for the year ended 31 December 2012. Included in the balance was subvention expenditures - mata ni tikina allowance of \$15,607, non-subvention expenditures – payroll of \$9,745, repairs and maintenance of \$15,005, administration cost of \$4,430, sundry expenses of \$13,190, occupancy of \$13,133 and special events of \$5,787. The Council was unable to provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, documents to support the salary expenditures. 8. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized

Provincial Council	Qualification Issues
	<p>Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings and Amalgamated Telecom Holdings), the non-adjusting events after end of the reporting period, key management compensation, and related party. This is a departure from the requirements of IFRS for SMEs Section 2 – Concepts and Pervasive Principles, Section 32 – Events after the end of the Reporting Date and Section 33 – Related Party Disclosures.</p>
Rewa:	
2011	<ol style="list-style-type: none"> 1. The Council recorded cash at bank and on hand of \$91,623 in the Statement of Financial Position as at 31 December 2011. Included in the balance were \$76,499 for the bank current account, \$15,087 for the bank trust account and cash on hand of \$37. The Council was unable to provide me with cash receipts statements, cash payments statements, receipts, payment vouchers for the trust account and confirmation to support the cash on hand balance. 2. The Council recorded current receivables of \$65,989, payables of \$15,925 and special funds of \$95,087 in the Statement of Financial Position as at 31 December 2011. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements, special funds confirmation and supporting documents for Tikina funds totalling \$80,000, relevant receipts and payment vouchers for Development Funds amounting to \$15,087 and relevant supporting documents to adjustments made to the general ledger, to support the above balances. 3. The Council recorded property, plant and equipment at a written down value of \$139,286 in the Statement of Financial Position as at 31 December 2011. Included in the balance were building of \$95,667 and motor vehicle of \$26,266 for which I was not provided with the title deeds for building and the registration details for motor vehicle to confirm the existence and completeness of the balances. 4. The Council recorded borrowings of \$388,835 in the Statement of Financial Position as at 31 December 2011. Included in the balance were term loan – Credit Corporation of \$35,990, long term borrowing – SBAU of \$338,558 and long term borrowing – TAB of \$14,287. I was not provided with loan agreements for the borrowings and loan confirmation for long term borrowing – TAB. 5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$43,604 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011. 6. The Council recorded income from government subvention for operating expenses of \$112,172 and income from investment of \$47,627 in the Statement of Income and Expenditure for the year ended 31 December 2011. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance. 7. The Council recorded total expenditure of \$230,448 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance were insurance of \$1,929, bank charges of \$910, administration cost (non-subvention) of \$3,176, repair and maintenance/insurance of \$5,356, fuel of \$2,395, sundry (non-subvention) of \$28,058, ka vakavanua (non-subvention) of

Provincial Council	Qualification Issues
	<p>\$6,008, special funds (non-subvention) of \$9,352, youth and sports (non-subvention) of \$5,982, soqosoqo vakamarama of \$1,178 and travelling, subsistence and meals of \$3,512. The Council was unable to provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, and documents to support the expenses.</p> <p>8. The Council did not disclose the fact that it has departed from the requirements of IFRS for SMEs and the impact of the departure. The departures included the non-disclosure of the non-adjusting events after the end of the reporting period, key management personnel compensation, related party transactions and description of the nature of the change in accounting policies resulting from the transition to IFRS for SMEs. This is a departure from the requirements of the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) on Section 2 – Concepts and Pervasive Principles, Section 32 – Events after the end of the Reporting Date, Section 33 – Related Party Disclosures and Section 35 – Transition to the IFRS for SMEs.</p>
2012	<p>1. The Council recorded cash at bank and on hand of \$107,827 in the Statement of Financial Position as at 31 December 2012. Included in the balance were \$105,192 for the bank current account, \$2,658 for the bank trust account and cash on hand of (\$23). The Council was unable to provide me with documentations which included cash receipts statements, cash payments statements, receipts, payment vouchers for the trust account and confirmation to support the cash on hand balance.</p> <p>2. The Council recorded current receivables of \$70,126, payables of \$33,026 and special funds of \$82,658 in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements, special funds confirmation and supporting documents for Tikina funds of \$80,000, relevant receipts and payment vouchers for Development Funds amounting to \$2,658 and relevant supporting documents to adjustments made to the general ledger, to support the above balances.</p> <p>3. The Council recorded property, plant and equipment at a written down value of \$125,118 in the Statement of Financial Position as at 31 December 2012. Included in the balance were building of \$92,167 and motor vehicle of \$14,292 for which I was not provided with the title deeds for building and the registration details for motor vehicle to confirm the existence and completeness of the balances.</p> <p>4. The Council recorded borrowings of \$368,877 in the Statement of Financial Position as at 31 December 2012. Included in the balance were term loan – Credit Corporation of \$22,068, long term borrowing – SBAU of \$332,522 and long term borrowing – TAB of \$14,287. I was not provided with loan agreements for the borrowings and loan confirmation for long term borrowing – TAB.</p> <p>5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$59,507 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012.</p> <p>6. The Council recorded income from government subvention for operating expenses of \$96,121, other income of \$18,107 and income from investment of \$57,733 in the Statement of Income and Expenditure for the year ended 31 December 2012. The Council was unable to provide appropriate supporting</p>

Provincial Council	Qualification Issues
	<p>documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance.</p> <p>7. The Council recorded total expenditure of \$213,642 in the Statement of Income and Expenditure for the year ended 31 December 2012. Included in the balance were special events of \$6,962 and Turaga ni Koro of \$4,680. The Council was unable to provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, and documents to support the expenses.</p> <p>8. The Council did not disclose that it has departed from the requirements of IFRS for SMEs and the impact of the departure. The departures included the non-disclosure of the non-adjusting events after the end of the reporting period, key management personnel compensation and related party transactions. This is a departure from the requirements of the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) on Section 2 – Concepts and Pervasive Principles, Section 32 – Events after the end of the Reporting Date and Section 33 – Related Party Disclosures.</p>
Serua:	
2011	<p>1. The Council recorded cash at bank of \$14,958 in the Statement of Financial Position as at 31 December 2011. Included in the balance were bank overdraft for the current account of \$3,594, cash at bank trust account of \$2,834, and cash at bank scholarship fund of \$15,718. The Council was unable to provide me with documentations which included receipts, payments vouchers, bank audit certificate, bank reconciliation statements, cash receipts statements, cash payments statements for the trust and scholarship accounts.</p> <p>2. The Council recorded net receivables of \$411,474, payables of \$83,015, and special funds of \$115,718 in the Statement of Financial Position as at 31 December 2011. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances.</p> <p>3. The Council recorded property, plant and equipment at a written down value of \$99,360 in the Statement of Financial Position as at 31 December 2011. Included in the balance were land of \$45,000, building of \$4,100 and motor vehicle of \$28,167 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances.</p> <p>4. The Council recorded held to maturity investments of \$6,774 and financial assets available for sale of \$940,187 in the Statement of Financial Position as at 31 December 2011 which included the investment with ANZ Banking Corporation Limited of \$6,774 and Serua Provincial Council Investment Company Limited of \$825,289. I was not provided with investment confirmations which was necessary to confirm the existence and completeness of the investment balance.</p> <p>5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$18,987 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011.</p> <p>6. The Council recorded total income of \$141,364 in the Statement of Income and Expenditure for the year ended 31 December 2011 which included income from</p>

Provincial Council	Qualification Issues
	<p>investment of \$48,618 and other income of \$15,095. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balances.</p> <p>7. The Council recorded total expenditure of \$191,793 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance were insurance of \$4,266, interest and financial cost of \$6,691, personnel cost – salaries of \$10,949, 'soqosoqo vakamarama' of \$2,000, repairs and maintenance of \$12,237, 'Roko Tui' workshop of \$830, development fund of \$1,145, and youth and sports of \$8,063. The Council was unable to provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, and documents to support the salary expenditures.</p> <p>8. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation, related party transactions and the nature of the change in accounting policies resulting from the transition to IFRS for SMEs in the notes forming part of the financial statements. This is a departure from the requirements of IFRS for SMEs Section 2 – Concepts and Pervasive Principles, Section 32 – Events after the end of the Reporting Date, Section 33 – Related Party Disclosures and Section 35 – Transition to the IFRS for SMEs.</p>
2012	<p>1. The Council recorded cash at bank of \$68,800 in the Statement of Financial Position as at 31 December 2012. Included in the balance were cash at bank current account of \$37,532, cash at bank trust account of \$654, and cash at bank scholarship funds of \$30,614. The Council was unable to provide me with documentations which included some receipts, payments vouchers and bank audit certificate for current account, bank reconciliation statements, cashbook reconciliation, cash receipts statements, cash payments statements, receipts, payment vouchers and bank audit certificate for the trust and scholarship accounts.</p> <p>2. The Council recorded net receivables of \$406,544, payables of \$78,575 and special funds of \$130,614 in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditor's ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances.</p> <p>3. The Council recorded property, plant and equipment at a written down value of \$82,214 in the Statement of Financial Position as at 31 December 2012. Included in the balance were land of \$45,000, building of \$3,950 and motor vehicle of \$15,167 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances.</p> <p>4. The Council recorded held to maturity investments of \$6,839 and financial assets available for sale of \$941,237 in the Statement of Financial Position as at 31 December 2012 which included the term deposits with ANZ Banking Corporation Limited of \$6,839 and Serua Provincial Council Investment Company Limited of \$825,289. I was not provided with investment confirmations which was necessary to confirm the existence and completeness of the investment balance.</p>

Provincial Council	Qualification Issues
	<p>5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates of \$23,875 is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012.</p> <p>6. The Council recorded total income of \$173,184 in the Statement of Income and Expenditure for the year ended 31 December 2012 which included income from investment of \$84,647. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balances.</p> <p>7. The Council recorded total expenditure of \$134,285 in the Statement of Income and Expenditure for the year ended 31 December 2012. Included in the balance were travelling, subsistence and accommodation of \$5,922 insurance of \$2,909, interest and financial cost of \$5,582, special events of \$18,194, occupancy of \$3,030, and personnel cost – salaries of \$6,804. The Council was unable to provide appropriate supporting documentations such as payment vouchers, supporting documents for journal adjustments made to the general ledger, and documents to support the salary expenditures.</p> <p>8. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation, and related party transactions. This is a departure from the requirements of IFRS for SMEs Section 2 – Concepts and Pervasive Principles, Section 32 – Events after the end of the Reporting Date and Section 33 – Related Party Disclosures.</p>
Tailevu:	
2011	<p>1. The Council recorded cash at bank and on hand of \$99,314 in the Statement of Financial Position as at 31 December 2011. Included in the balance were cash at bank – current account of \$3,893, cash at bank savings account of \$94,687 and cash on hand of \$734. The Council was unable to provide me with documentations which included cheque butts, lodgement books, receipts and cashbook reconciliations for current account, bank reconciliation statements, cashbook reconciliation, cash receipts statements, cash payments statements, receipts, payment vouchers, cheque butts and lodgement book for the savings passbook account; and confirmation to support the cash on hand balance.</p> <p>2. The Council recorded receivables of \$7,537, held to maturity investments of \$10,416, payables of \$78,688, and special funds of \$208,586 in the Statement of Financial Position as at 31 December 2011. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipt books, payment vouchers, creditors' ledgers, account reconciliation statements and relevant supporting documents to adjustments made to the general ledger, to support the above balances.</p> <p>3. The Council recorded available for sale financial assets of \$793,837 in the Statement of Financial Position as at 31 December 2011. Included in the balance were investments with Tailevu Holding Dairy Cooperative of \$41,900 and Tailevu Holdings Limited Tikina Investment Trust of \$208,586 and Tailevu Holdings Limited - Council Investment of \$523,400. I was not provided with the investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances.</p>

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> <li data-bbox="432 181 1441 365">4. The Council recorded property, plant and equipment at a written down value of \$228,711 in the Statement of Financial Position as at 31 December 2011. Included in the balance were leasehold land of \$31,778, building of \$173,317 and motor vehicle of \$18,383 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances. <li data-bbox="432 398 1441 611">5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I am unable to determine whether income from provincial rates is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2011. <li data-bbox="432 645 1441 824">6. The Council recorded total income of \$217,324 in the Statement of Income and Expenditure for the year ended 31 December 2011 which included income from government subvention of \$185,612. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance. <li data-bbox="432 857 1441 1070">7. The Council recorded total expenditure of \$261,358 in the Statement of Income and Expenditure for the year ended 31 December 2011. Included in the balance were travelling and subsistence expenses of \$4,001, special events expense of \$11,098, donations of \$3,835 and occupancy cost of \$1,393. The Council was unable to provide appropriate supporting documentations such as payment vouchers and supporting documents for journal adjustments made to the general ledger. <li data-bbox="432 1104 1441 1473">8. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation, related party transactions and the nature of the change in accounting policies resulting from the transition to IFRS for SMEs in the notes forming part of the financial statements. This is a departure from the requirements of IFRS for SMEs Section 2 – Concepts and Pervasive Principles, Section 32 – Events after the end of the Reporting Date, Section 33 – Related Party Disclosures and Section 35 – Transition to the IFRS for SMEs.
2012	<ol style="list-style-type: none"> <li data-bbox="432 1496 1441 1809">1. The Council recorded cash at bank and on hand of \$154,555 in the Statement of Financial Position as at 31 December 2012. Included in the balance were cash at bank – current account of \$49,882, cash at bank savings account of \$80,054 and cash on hand of \$24,619. The Council was unable to provide me with documentations which included which included cheque butts, lodgement books, cashbook reconciliations and payment vouchers for current account, bank reconciliation statements, cashbook reconciliation, cash receipts statements, cash payments statements, receipts, payment vouchers, cheque book and lodgement book for the savings passbook account; and confirmation to support the cash on hand balance. <li data-bbox="432 1843 1441 1989">2. The Council recorded receivables of \$7,050, held to maturity of \$10,600, payables of \$104,989, and special funds of \$206,459 in the Statement of Financial Position as at 31 December 2012. The Council was unable to provide me with appropriate documentations such as subsidiary debtor's ledgers, receipts, payment vouchers, creditors' ledgers, account reconciliation statements

Provincial Council	Qualification Issues
	<p>and relevant supporting documents to adjustments made to the general ledger, to support the above balances.</p> <ol style="list-style-type: none"> <li data-bbox="432 277 1445 488">3. The Council recorded available for sale financial assets of \$793,837 in the Statement of Financial Position as at 31 December 2012. Included in the balance were investments with Tailevu Holding Dairy Cooperative of \$41,900 and Tailevu Holdings Limited Tikina Investment Trust of \$208,586 and Tailevu Holdings Limited - Council Investment of \$523,400. I was not provided with the investment confirmations from the companies which was necessary to confirm the existence and completeness of the balances. <li data-bbox="432 521 1445 703">4. The Council recorded property, plant and equipment at a written down value of \$211,456 in the Statement of Financial Position as at 31 December 2012. Included in the balance were leasehold land of \$31,667, building of \$167,942 and motor vehicle of \$9,559 for which I was not provided with the title deeds for land and building and the registration details for motor vehicle to confirm the existence and completeness of the balances. <li data-bbox="432 736 1445 947">5. Due to the nature of transactions inherent in the collection of provincial rates, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts issued by the Council for provincial rates. Accordingly, I was unable to determine whether income from provincial rates is fairly stated in the financial statements and whether any adjustment might have been necessary in respect of the provincial rates income for the year ended 31 December 2012. <li data-bbox="432 981 1445 1162">6. The Council recorded total income of \$265,860 in the Statement of Income and Expenditure for the year ended 31 December 2012 which included income from government subvention of \$206,329. The Council was unable to provide appropriate supporting documentations such as receipts and supporting documents to journal adjustments made to the general ledger to support the above balance. <li data-bbox="432 1196 1445 1346">7. The Council recorded donation of \$4,930 and sundry expenses of \$4,520 in the Statement of Income and Expenditure for the year ended 31 December 2012. The Council was unable to provide appropriate supporting documentations such as payment vouchers and supporting documents for journal adjustments made to the general ledger. <li data-bbox="432 1379 1445 1648">8. The Council did not disclose the fact that it has departed from the requirements of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) together with the impact of the departures. The departures included the non-disclosure of the market value of available for sale financial assets (Fijian Holdings), the non-adjusting events after end of the reporting period, key management compensation and related party transactions. This is a departure from the requirements of IFRS for SMEs Section 2 – Concepts and Pervasive Principles, Section 32 – Events after the end of the Reporting Date and Section 33 – Related Party Disclosures.

Appendix C: Abridged Financial Statements

Tabulated below are the Abridged Financial Statements for the respective Provincial Councils.

Ba Provincial Council

Abridged Statement of Financial Performance

	2011 \$	2012 \$
Govt Subvention for operating expenses	191,595	194,633
Govt Subvention for fixed assets	533	453
Provincial Rates	62,766	22,985
Income from Investment	49,925	32,633
Other Income	30,076	29,374
Total Income	334,895	280,078
Personal Cost	40,301	43,566
Travelling and Subsistence	3,650	3,862
Motor vehicle insurance and fuel	7,982	5,050
Administration	8,606	4,155
Special Events	26,165	6,058
Repairs and maintenance	4,868	2,290
Occupancy	10,055	4,051
Turaga ni Koro allowance	64,200	63,980
Mata ni Tikina allowance	23,567	28,905
Other Expenses	1,062	318
Total Expenses covered by subvention	190,456	162,235
Personal cost-salaries	69,037	51,851
Depreciation-expenses	42,887	30,199
Other Expenses	155,313	60,872
Total Expenses not covered by subvention	267,237	142,922
TOTAL EXPENDITURE	457,693	305,157
Net deficit	(122,798)	(25,079)

Abridged Statement of Financial Position.

	2011 \$	2012 \$
Cash at bank and on hand	19,376	51,356
Receivables	219,444	208,008
Property, plant and equipment	463,193	433,640
Available for sale financial assets	1,987,644	1,987,644
TOTAL ASSETS	2,689,657	2,680,648
Payables	56,180	74,648
Borrowings	235,317	233,372
Deferred income	475	22
TOTAL LIABILITIES	291,972	308,042

	2011 \$	2012 \$
NET ASSETS	2,397,685	2,372,606
Accumulated Funds	2,397,685	2,372,606
TOTAL FUNDS EMPLOYED	2,397,685	2,372,606

Bua Provincial Council

Abridged Statement of Financial Performance

	2011 \$	2012 \$
Govt Subvention for operating expenses	98,558	102,556
Govt Subvention for fixed assets	2,687	2,687
Provincial Rates	26,176	32,986
Income from Investment	10,190	101,957
Other Income	162,932	123,838
Total Income	300,543	364,024
Personal Cost	30,127	17,033
Travelling and Subsistence	2,745	-
Motor vehicle insurance and fuel	2,179	3,507
Administration	9,714	6,681
Special Events	10,774	8,378
Repairs and maintenance	2,133	4,791
Occupancy	642	1,722
Turaga ni Koro allowance	31,055	35,128
Mata ni Tikina allowance	10,132	10,306
Other Expenses	7,822	13,488
Total Expenses covered by subvention	107,323	101,034
Personal cost-salaries	1,470	17,263
Depreciation-expenses	32,244	30,168
Other Expenses	261,791	191,522
Total Expenses not covered by subvention	295,505	238,953
TOTAL EXPENDITURE	402,828	339,987
Net (deficit)/profit	(102,285)	24,037

Abridged Statement of Financial Position.

	2011 \$	2012 \$
Cash at bank and on hand	345,022	314,208
Receivables	96,318	99,324
Property, plant and equipment	796,276	815,601
Available for sale financial assets	459,602	512,447
TOTAL ASSETS	1,697,218	1,741,580

	2011 \$	2012 \$
Payables	18,251	41,263
Deferred income	120,504	117,817
Special funds	309,594	309,594
TOTAL LIABILITIES	448,349	468,674
NET ASSETS	1,248,869	1,272,906
Accumulated Funds	1,248,869	1,272,906
TOTAL FUNDS EMPLOYED	1,248,869	1,272,906

Cakaudrove Provincial Council

Abridged Statement of Financial Performance

	2011 \$	2012 \$
Govt Subvention for operating expenses	182,673	233,436
Provincial Rates	72,423	73,790
Income from Investment	62,715	61,114
Other Income	34,154	22,816
Total Income	351,965	391,156
Personal Cost	38,155	46,253
Travelling and Subsistence	7,670	4,489
Repairs and maintenance	12,891	7,044
Administration	11,977	1,099
Special Events	4,898	83,800
Turaga ni Koro allowance	79,800	42,461
Mata ni Tikina allowance	22,678	-
Other Expenses	6,674	19,584
Total Expenses covered by subvention	184,743	204,730
Personal cost-salaries	37,584	27,716
Depreciation-expenses	44,951	45,340
Other Expenses	170,219	112,933
Total Expenses not covered by subvention	252,754	185,989
TOTAL EXPENDITURE	437,497	390,719
Net (deficit)/profit	(85,532)	437

Abridged Statement of Financial Position.

	2011 \$	2012 \$
Cash at bank and on hand	8,766	75,950
Other current assets	68,313	66,480
Property, plant and equipment	544,506	502,165
Available for sale financial assets	660,557	148,422
Loan Cakaudrove Holding Limited	156,547	675,261

	2011 \$	2012 \$
TOTAL ASSETS	1,438,689	1,468,278
Other creditors	51,839	95,877
Borrowings	63,986	42,521
Special funds	141,843	148,422
TOTAL LIABILITIES	257,668	286,820
NET ASSETS	1,181,021	1,181,458
Accumulated Funds	1,181,021	1,181,458
TOTAL FUNDS EMPLOYED	1,181,021	1,181,458

Kadavu Provincial Council

Abridged Statement of Financial Performance

	2011 \$	2012 \$
Govt Subvention for operating expenses	149,121	145,704
Provincial Rates	86,253	101,679
Income from Investment	56,654	62,467
Other Income	11,600	29,436
Total Income	303,628	339,286
Personal Cost	13,620	27,557
Travelling and Subsistence	15,974	8,163
Fuel, repair and maintenance motor vehicle	15,600	9,592
Administration	9,338	6,356
Special Events	14,568	12,342
Turaga ni Koro allowance	45,000	47,500
Mata Ni Tikina	20,537	14,070
Other Expenses	7,166	6,711
Total Expenses covered by subvention	141,803	132,291
Personal cost-salaries	21,897	18,468
Depreciation-expenses	20,906	12,337
Other Expenses	155,602	114,378
Total Expenses not covered by subvention	198,405	145,183
TOTAL EXPENDITURE	340,208	277,474
Net (deficit)/profit	(36,580)	61,812

Abridged Statement of Financial Position.

	2011 \$	2012 \$
Cash at bank and on hand	174,574	307,493
Other current assets	180,095	161,140
Loans to public	-	-

	2011 \$	2012 \$
Property, plant and equipment	246,334	235,622
Investments	379,776	388,222
TOTAL ASSETS	980,779	1,092,477
Other creditors	70,232	118,091
Interest bearing borrowings	10,000	10,000
Special funds	38,129	40,156
TOTAL LIABILITIES	118,361	168,247
NET ASSETS	862,418	924,230
Accumulated Funds	862,418	924,230
TOTAL FUNDS EMPLOYED	862,418	924,230

Lau Provincial Council

Abridged Statement of Financial Performance

	2011 \$	2012 \$
Govt Subvention for operating expenses	112,647	124,175
Govt Subvention for fixed assets	473	388
Provincial Rates	21,764	18,788
Income from Investment	103,723	66,006
Other Income	814	515
Total Income	239,421	209,872
Personal Cost	34,471	36,168
Travelling and Subsistence	15,986	9,243
Repair and maintenance	1,662	1,990
Administration	5,991	5,104
Special Events	7,757	4,936
Turaga ni Koro allowance	44,086	47,239
Mata ni Tikina allowance	15,382	12,887
Other Expenses	10,830	3,549
Total Expenses covered by subvention	136,165	121,116
Personal cost-salaries	6,624	4,953
Depreciation-expenses	4,478	4,287
Other Expenses	45,588	56,121
Total Expenses not covered by subvention	56,690	65,361
TOTAL EXPENDITURE	192,855	186,477
Net Profit	46,566	23,395

Abridged Statement of Financial Position

	2011 \$	2012 \$
Cash at bank and on hand	110,195	147,575
Receivables	304,408	299,624
Held to maturity investments	50,000	50,000
Available for sale financial assets	842,048	842,464
Property, plant and equipment	47,933	43,257
TOTAL ASSETS	1,354,584	1,382,920
Other creditors	147,241	152,218
Interest bearing borrowings	13,733	13,733
Deferred Income	963	575
Special funds	69,394	6,604
TOTAL LIABILITIES	231,331	173,130
NET ASSETS	1,123,253	1,209,790
Accumulated Funds	1,123,253	1,209,790
TOTAL FUNDS EMPLOYED	1,123,253	1,209,790

Lomaiviti Provincial Council

Abridged Statement of Financial Performance

	2011 \$	2012 \$
Govt Subvention for operating expenses	134,066	125,542
Govt Subvention for fixed assets	653	585
Provincial Rates	94,125	130,094
Income from Investment	37,207	38,579
Other Income	71,858	31,425
Total Income	337,909	326,225
Personal Cost	36,518	37,614
Travelling and Subsistence	8,968	7,163
Repairs and maintenance	6,001	2,624
Administration	10,979	5,404
Special Events	9,750	5,870
Turaga ni Koro allowance	42,911	46,884
Mata Ni Tikina	11,450	8,414
Other Expenses	5,092	6,881
Total Expenses covered by subvention	131,669	120,854
Personal cost-salaries	888	2,982
Depreciation-expenses	29,354	27,088
Other Expenses	82,601	88,685
Total Expenses not covered by subvention	112,843	118,755
TOTAL EXPENDITURE	244,512	239,609
Net Profit	93,397	86,616

Abridged Statement of Financial Position.

	2011 \$	2012 \$
Cash at bank and on hand	170,489	303,155
Receivables	347,930	361,303
Held to maturity investments	2,946	2,946
Available for sale financial assets	209,180	211,915
Property, plant and equipment	1,131,707	1,159,412
TOTAL ASSETS	1,862,252	2,038,731
Other creditors	46,503	76,040
Borrowings	159,873	213,211
Deferred Income	1,650	1,065
Special funds	66,502	74,075
TOTAL LIABILITIES	274,528	364,391
NET ASSETS	1,587,724	1,674,340
Accumulated Funds	1,587,617	1,674,340
TOTAL FUNDS EMPLOYED	1,587,617	1,674,340

Macuata Provincial Council**Abridged Statement of Financial Performance**

	2011 \$	2012 \$
Govt Subvention for operating expenses	159,607	145,873
Provincial Rates	32,435	28,359
Income from Investment	34,350	84,534
Other Income	698,749	750,569
Total Income	925,141	1,009,335
Personal Cost	41,008	36,829
Travelling and Subsistence	3,477	5,040
Repair and maintenance	2,898	1,664
Administration	2,547	2,361
Special Events	5,272	700
Turaga ni Koro allowance	50,600	68,200
Mata ni Tikina allowance	20,500	15,457
Other Expenses	5,002	1,761
Total Expenses covered by subvention	131,304	132,012
Personal cost-salaries	6,729	8,461
Depreciation-expenses	75,564	75,128
Macuata house repairs and maintenance	230,366	241,421
Interest and financial costs	192,973	174,549
Other Expenses	140,905	59,742
Total Expenses not covered by subvention	646,537	559,301

	2011 \$	2012 \$
TOTAL EXPENDITURE	777,841	691,313
Net Profit	147,300	318,022

Abridged Statement of Financial Position.

	2011 \$	2012 \$
Cash at bank and on hand	23,140	37,345
Receivables	(19,637)	(10,367)
Available for sale financial assets	291,702	291,995
Property, plant and equipment	3,685,675	3,610,548
TOTAL ASSETS	3,980,880	3,929,521
Bank Overdraft	12,150	-
Other creditors	(7,885)	1,974
Borrowings	2,330,641	1,963,550
TOTAL LIABILITIES	2,334,906	1,965,524
NET ASSETS	1,645,974	1,963,997
Accumulated Funds	1,645,974	1,963,997
TOTAL FUNDS EMPLOYED	1,645,974	1,963,997

Nadroga Provincial Council

Abridged Statement of Financial Performance

	2011 \$	2012 \$
Govt Subvention for operating expenses	154,989	153,380
Govt Subvention for fixed assets	660	660
Provincial Rates	101,657	203,327
Income from investment	48,580	39,254
Other Income	7,996	28,429
Total Income	313,882	425,050
Salary, Wages Allowances and Related Payments	28,017	44,221
Travelling, Subsistence and Accommodation	2,050	2,079
Fuel, repair and maintenance motor vehicle	7,630	-
Administration	5,412	1,257
Special Events	120	4,753
Turaga ni Koro allowance	72,600	76,000
Mata ni Tikina allowance	17,012	12,754
Other Expenses	6,194	3,714
Total Expenses covered by subvention	139,035	144,778
Personal cost-salaries	51,189	36,869
Depreciation-expenses	30,771	32,853
Other Expenses	91,641	134,123

	2011 \$	2012 \$
Total Expenses not covered by subvention	173,601	203,845
TOTAL EXPENDITURE	312,636	348,623
Net Profit	1,246	76,427

Abridged Statement of Financial Position.

	2011 \$	2012 \$
Cash at bank and on hand	313,989	347,336
Receivables	169,029	160,528
Held-to-maturity investments	73,433	78,891
Available-for-sale financial assets	474,656	475,615
Property, Plant and Equipment	224,404	243,309
TOTAL ASSETS	1,255,511	1,305,679
Payables	113,051	116,816
Adi Nadroga Festival Trust	206,823	177,459
Deferred Fixed Assets	1,896	1,236
TOTAL LIABILITIES	321,770	295,511
NET ASSETS	933,741	1,010,168
Accumulated Funds	933,741	1,010,168
Asset revaluation reserve	-	-
TOTAL FUNDS EMPLOYED	933,741	1,010,168

Naitasiri Provincial Council

Abridged Statement of Financial Performance

	2011 \$	2012 \$
Govt Subvention for operating expenses	147,046	142,583
Govt Subvention for fixed assets	975	975
Provincial Rates	28,571	42,350
Income from Investment	22,529	59,481
Other Income	20,597	27,761
Total Income	219,718	273,150
Personal Cost	42,633	46,020
Travelling and Subsistence	4,410	1,713
Fuel, Repair and maintenance (Motor Vehicle)	6,144	6,957
Administration	5,070	4,984
Special Events	8,959	5,449
Turaga ni Koro allowance	54,600	54,600
Mata ni Tikina allowance	11,984	19,750
Other Expenses	4,308	1,839
Total Expenses covered by subvention	138,108	141,312

	2011 \$	2012 \$
Personal cost-salaries	11,917	11,967
Depreciation-expenses	14,123	8,517
Other Expenses	32,954	71,621
Total Expenses not covered by subvention	58,994	92,105
TOTAL EXPENDITURE	197,102	233,417
Net Profit	22,616	39,733

Abridged Statement of Financial Position.

	2011 \$	2012 \$
Cash at bank and on hand	160,970	228,342
Receivables	20,891	17,330
Available for sale financial assets	167,722	462,575
Property, plant and equipment	471,167	170,951
TOTAL ASSETS	820,750	879,198
Other creditors	39,868	67,740
Borrowings	58,518	46,517
Deferred Income	5,602	4,627
Special Funds	130,405	134,224
TOTAL LIABILITIES	234,393	253,108
NET ASSETS	586,357	626,090
Accumulated Funds	586,357	626,090
TOTAL FUNDS EMPLOYED	586,657	626,090

Namosi Provincial Council

Abridged Statement of Financial Performance

	2011 \$	2012 \$
Govt Subvention for operating expenses	70,623	68,882
Provincial Rates	64,414	48,744
Income from Investment	26,528	35,204
Other Income	22,485	26,200
Total Income	184,050	179,030
Personal Cost	18,289	26,033
Travelling and Subsistence	3,501	1,223
Repair and maintenance	8,782	6,797
Special Events	7,371	2,804
Turaga ni Koro allowance	15,600	15,600
Mata Ni Tikina	6,191	6,126
Other Expenses	18,134	7,426
Total Expenses covered by subvention	77,868	66,009

	2011 \$	2012 \$
Personal cost-salaries	15,563	15,592
Depreciation-expenses	20,979	21,353
Other Expenses	104,142	73,385
Total Expenses not covered by subvention	140,684	110,330
TOTAL EXPENDITURE	218,552	176,339
Net (deficit)/profit	(34,502)	2,691

Abridged Statement of Financial Position.

	2011 \$	2012 \$
Cash at bank and on hand	33,591	36,353
Other current assets	869,902	865,691
Available for sale financial assets	18,726	18,726
Property, plant and equipment	291,118	269,868
TOTAL ASSETS	1,213,337	1,190,638
Other creditors	110,892	100,267
Interest bearing borrowings	608,705	334,759
Deferred Income	1,514	1,119
Special funds	59,999	58,199
TOTAL LIABILITIES	781,110	494,344
NET ASSETS	432,227	696,294
Accumulated Funds	432,227	696,294
TOTAL FUNDS EMPLOYED	432,227	696,294

Ra Provincial Council

Abridged Statement of Financial Performance

	2011 \$	2012 \$
Govt Subvention for operating expenses	130,252	129,670
Govt Subvention for fixed assets	521	136
Provincial Rates	22,337	24,640
Income from Investment	80,391	77,822
Other Income	48,633	38,957
Total Income	282,134	271,225
Personal Cost	49,847	48,100
Travelling and Subsistence	15,861	1,528
Fuel, Repair and Maintenance (Motor Vehicle)	6,348	-
Administration	-	5,436
Special Events	17,551	7,378
Turaga ni Koro allowance	56,700	55,800
Mata Ni Tikina	17,238	15,607
Other Expenses	56,433	8,292

	2011 \$	2012 \$
Total Expenses covered by subvention	219,978	142,141
Personal cost-salaries	8,272	9,745
Depreciation-expenses	26,656	23,973
Other Expenses	90,081	98,937
Total Expenses not covered by subvention	125,009	132,655
TOTAL EXPENDITURE	344,987	274,796
Net deficit	(62,853)	(3,571)

Abridged Statement of Financial Position.

	2011 \$	2012 \$
Cash at bank and on hand	18,515	53,758
Receivables	52,312	40,704
Property, plant and equipment	352,760	338,637
Available for sale financial assets	244,828	254,518
TOTAL ASSETS	668,415	687,617
Other Creditors	76,749	102,262
Borrowings	48,757	46,153
Deferred Income	136	-
TOTAL LIABILITIES	125,642	148,415
NET ASSETS	542,773	539,202
Accumulated Funds	542,773	539,202
TOTAL FUNDS EMPLOYED	542,773	539,202

Rewa Provincial Council

Abridged Statement of Financial Performance

	2011 \$	2012 \$
Govt Subvention for Operating Expenses	112,172	96,121
Govt Subvention for Fixed Assets	832	832
Provincial Rates	43,604	59,507
Income from Investment	47,702	57,733
Other Income	1,879	18,107
Total Income	206,189	232,300
Personal Cost	45,271	43,641
Travelling and Subsistence	4,482	-
Fuel, Repair and maintenance (Motor Vehicle)	5,469	1,129
Administration	5,503	1,062
Special Events	5,539	1,648
Turaga ni Koro allowance	36,270	31,945
Other Expenses	14,154	12,577

	2011 \$	2012 \$
Total Expenses covered by subvention	116,688	92,002
Personal cost-salaries	3,535	4,376
Depreciation-expenses	17,835	17,334
Other Expenses	92,390	99,930
Total Expenses not covered by subvention	113,760	121,640
TOTAL EXPENDITURE	230,448	213,642
Net (deficit)/profit	(24,259)	18,658

Abridged Statement of Financial Position.

	2011 \$	2012 \$
Cash at bank and on hand	91,623	107,827
Other current assets	87,958	87,899
Property, plant and equipment	139,286	125,118
Available for sale financial assets	721,606	722,169
TOTAL ASSETS	1,040,473	1,043,013
Other creditors	15,925	33,026
Interest bearing borrowings	388,835	368,877
Deferred Income	2,257	1,425
Special funds	95,087	82,658
TOTAL LIABILITIES	502,104	485,986
NET ASSETS	538,369	557,027
Accumulated Funds	538,369	557,027
TOTAL FUNDS EMPLOYED	538,369	557,027

Serua Provincial Council

Abridged Statement of Financial Performance

	2011 \$	2012 \$
Govt Subvention for operating expenses	58,664	58,085
Provincial Rates	18,987	23,875
Income from Investment	48,618	84,647
Other Income	15,095	6,577
Total Income	141,364	173,184
Personal Cost	26,603	29,375
Travelling and Subsistence	3,810	2,162
Fuel Expenses	3,287	1,500
Administration	3,491	2,815
Special Events	10,674	3,221
Turaga ni Koro allowance	15,750	14,400
Mata Ni Tikina allowance	3,097	3,045

	2011 \$	2012 \$
Other Expenses	10,767	4,220
Total Expenses covered by subvention	77,479	60,738
Personal cost-salaries	10,949	6,804
Depreciation-expenses	16,658	17,147
Other Expenses	86,707	49,596
Total Expenses not covered by subvention	114,314	73,547
TOTAL EXPENDITURE	191,793	134,285
Net (deficit)/profit	(50,429)	38,899

Abridged Statement of Financial Position.

	2011 \$	2012 \$
Cash at bank and on hand	14,958	68,800
Receivables	411,474	406,544
Held to maturity investments	6,774	6,839
Available for sale financial assets	940,187	941,237
Property, plant and equipment	99,360	82,214
TOTAL ASSETS	1,472,753	1,505,634
Other creditors	83,015	78,575
Borrowings	113,006	96,532
Special funds	115,718	130,614
TOTAL LIABILITIES	311,739	305,721
NET ASSETS	1,161,014	1,199,913
Accumulated Funds	1,161,014	1,199,913
TOTAL FUNDS EMPLOYED	1,161,014	1,199,913

Tailevu Provincial Council

Abridged Statement of Financial Performance

	2011 \$	2012 \$
Govt Subvention for operating expenses	185,612	206,329
Income from Investment	24,706	50,557
Other Income	7,006	8,974
Total Income	217,324	265,860
Personal Cost	63,828	52,178
Travelling and Subsistence	4,001	1,647
Repair, Maintenance and Administration Cost	12,927	10,556
Special Events	5,833	15,613
Turaga ni Koro allowance	82,800	83,490
Mata Ni Tikina Allowance	20,046	15,926
Other Expenses	18,852	11,561

	2011 \$	2012 \$
Total Expenses covered by subvention	208,287	190,971
Personal cost-salaries	3,020	2,755
Depreciation-expenses	17,451	17,256
Other Expenses	32,600	41,369
Total Expenses not covered by subvention	53,071	61,380
TOTAL EXPENDITURE	261,358	252,351
Net (deficit)/profit	(44,034)	13,509

Abridged Statement of Financial Position.

	2011 \$	2012 \$
Cash at bank and on hand	99,314	154,555
Receivables	7,537	7,050
Held to maturity investments	10,416	10,600
Available for sale financial assets	793,837	793,837
Property, plant and equipment	228,711	211,456
TOTAL ASSETS	1,139,815	1,177,498
Other creditors	78,688	104,989
Special Funds	208,586	206,459
TOTAL LIABILITIES	287,274	311,448
NET ASSETS	852,541	866,050
Accumulated Funds	852,541	866,050
TOTAL FUNDS EMPLOYED	852,541	866,050

Appendix D: Key Elements of Internal Control Assessments

Internal controls are categorised against the following five components of internal control:

Control Environment

The set of standards, processes and structures that provide the basis for carrying out internal controls across the Provincial Council. These include commitment to integrity and ethical values, independence of management to exercise oversight for the development and performance of internal control, documented structures, reporting lines and appropriate authorities such as delegated levels of authority and responsibilities in the pursuit of the entity's objectives. It also includes commitment to attract, develop and retain competent individuals, and holding them accountable for their internal control responsibilities.

Examples of issues which fall under this category are ethical breaches, gaps in internal controls or controls are non-existent, individuals are not held accountable for breaches in control or entities code of ethics, staff recruitment, and training and professional development, performance assessment and succession planning matters.

Risk Assessment

This involves a dynamic process for identifying and analysing risks to achieve the entity's objectives, forming a basis for determining how risks should be managed.

Examples of issues which would fall under this category are absence of risk management framework, operational including fraud and enterprise risks not identified, assessed and mitigated and impact of changes in business processes on controls not identified and assessed.

Control Activities

These are established by policies and procedures to help ensure that management's directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of an entity and at various stages within business processes, and over the technology environment.

Examples of issues which would fall under this category are general controls relating to information technology, documentation of procedures which have in-built checks and balances which are aligned to the policies of the entity. Specific control activities include those relating to authorisation, performance reviews, information processing, physical controls, and segregation of duties.

Information and Communication Control

Information is necessary for the entity to carry out internal control responsibilities in support of achievement of its objectives. Communication occurs both internally and externally and provides the entity with the information needed to carry out day-to-day controls. Communication enables personnel to understand internal control responsibilities and their importance for the achievement of objectives.

Examples of issues which would fall under this category are reporting to the Council and the iTaukei Affairs Board and Ministry of iTaukei Affairs on matters relating to internal controls.

Monitoring Activities

On-going evaluations, separate evaluations or some combination of the two are used to ascertain whether controls are present and functioning. Findings are evaluated and deficiencies are communicated in a timely manner.

Examples of issues which would fall under this category are self-assessment by entities to determine whether internal controls are present and function. This may include the establishment of independent internal audit functions within entities which would assist in identifying any gaps in controls.

Appendix E: Responses from iTaukei Affairs Board

We provided the Final Management Letters for the fourteen Provincial Councils to the Chief Executive Officer of the iTaukei Affairs Board. The iTaukei Affairs Board is responsible for the accuracy, fairness and balance of the comments for the Provincial Councils.

The table below provides a summary of management comments received from the iTaukei Affairs Board on the significant issues highlighted in Sections 3 & 4.

Section 3: Internal Controls

Cash Management:
Major drawback was missing records. Proper bank reconciliations are carried out from 2011 onwards. Cashbooks are now subject to spot-check and regular monitoring.
Receipts and payments records are now updated and kept well. Daily banking has now been strengthened.
Journals & Reconciliations
This is primarily due to missing records. The auditors were provided with the records that were available at the time of the audit.
Purchases & Payments
As part of the corrective actions introduced, Finance Manual and Standards Operating Procedures have been developed and compliance is strictly monitored by Supervisors and by the Internal Audit Function.
Quality Assurance Check is conducted in-house on financial returns received from Provincial Councils on a bimonthly basis. This is to ensure that anomalies are identified and addressed in a timely manner.
Roko Tui now no longer approve their own expenditure.
Payroll
Missing records continue to impede the effectiveness of reporting. As part of corrective actions, filing system at the HR unit has been improved for ease of reference

Section 4: Other Significant Matters

Submission of financial statements for audit
The iTaukei Affairs Board has developed submission targets to clear the pending audit from 2013 - 2020 and it will continue to efficiently allocate its resources to meet the timeline.
Compliance with the accounting standards
IFRS Training was organised for officers and Board will continue to build capacity of existing resources and ensure that qualified personnel is recruited for the Taskforce. Relevant trainings will be provided on financial reporting standards during Treasurers workshops.
Improvements have been made in the 2013 financial statement. Transition reports were provided when changing from FAS to IFRS for SMEs.
Limitation of scope
Unavailability of supporting documents is a major drawback. The auditors were provided with the records that were available at the time of the audit.
Records management
Records management has been improved and auditors will notice a vast improvement from 2013 onwards.
Loans and advances to staff and public

The Provincial Councils have ceased loans to staff and public. The 2015 Finance Manual has clear provision on staff advances including a surcharge of 10% for late retirements. List of all staff imprest issued and retirements is reported during the monthly Senior Management Board meeting.

Internal control has been strengthened such as all advances issued to Roko Tui requires Head Office assessment and approval. Strict measures now put in place for advances to staff. Retirement must be made within 7 days of return to station. No new advances issued to officers with outstanding imprest.

Policies & Procedures

ITAB and PCs now have a four year Strategic Development Plan (SDP) and an Annual Operations Plan (AOP). The Monitoring and Evaluation Unit has been established to monitor achievements of SDP and AOP targets on a monthly basis, quarterly and annual basis.

Guideline for capitalising versus expenses acquisition has been developed and captured in the Finance Manual.

Provincial Rates

Rates reports are now maintained and updated daily. Quarterly reports are prepared and sent to HQ for monitoring and follow ups. Rates awareness is done in every Tikina Council meeting. TNKs have been advised to have this information disseminated and discussed at village council meetings.

Confirmations for Investment with Provincial Companies

Requests for audit confirmations were sent, however, no confirmation received till to date. Discussions on the issue is currently ongoing between the office of the Permanent Secretary and the Independent Directors of the Companies.

Appendix F: Glossary

Term	Definition
Accountability	Responsibility of public sector entities to achieve their objectives in reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws.
Audit evidence	Information used by the auditor in arriving at the conclusions on which the auditor's opinion is based. Audit evidence includes both information contained in the accounting records underlying the financial statements and other information.
Audit Memorandum	Management Letter highlighting areas where improvements can be made by an entity following an audit.
Audit Strategy	The strategy that sets the scope, timing and direction of the audit, and guides the development of the more detailed audit plan.
Business continuity risk	Business interruption can result from natural occurrences and accidental or deliberate criminal acts. Those interruptions can have significant financial and operational ramifications. Over time, an organisation will experience an event that will result in the loss of information, access to properties (tangible or intangible), or the services of personnel. Exposure to those types of risks and the planning for business continuity is an integral part of an organisation's risk management process.
Capital works	Amount capitalised to the balance sheet for contributions by an entity to major assets owned by the entity, including expenditure on: <ul style="list-style-type: none"> capital renewal of existing assets that returns the service potential or the life of the asset to that which it had originally capital expansion which extends an existing asset at the same standard to a new group of users.
Deficiency	Failing, weakness or shortcoming.
Deposits from public	Deposits received from the public for specific purpose.
Depreciation	The systematic allocation of a fixed asset's capital value as an expense over its expected useful life to take account of normal usage, obsolescence, or the passage of time.
Development Assistance Scheme	Funds provided for capital assistance for the villages within the boundaries of the respective Provincial Councils.
Disclaimer of opinion	The auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion. It is therefore not possible to form an opinion on the financial statements.
Express an opinion	A written expression of the auditor's overall conclusion on the financial report based on audit evidence obtained.
Fraud	An intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.
Governance	Governance is defined as the manner in which those in vested authority uses its powers to achieve the institution's objectives, including its powers

	to design, implement and innovate the organisation's policies, rules, systems and processes and to engage and involve its stakeholders.
Governing bodies/ Charged with governance	A body of persons or officers having ultimate control. They are mainly constituted for the purpose of administration.
Government subvention for operating expenses	This is financial assistance provided by the Government to the Provincial Councils for the operational expenditures.
Impairment	When an asset's carrying amount exceeds the amount that can be recovered through use or sale of the asset.
International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs)	A set of international accounting requirements developed specifically for small and medium-sized entities, adopted by Fiji Institute of Accountants and made effective for accounting periods beginning from 01 January 2011.
"i-Taukei"	Includes every member of an aboriginal race indigenous to the Fiji. Also included every member of aboriginal race indigenous to Melanesia, Micronesia and Polynesia living in Fiji who has elected to live in an iTaukei village.
"Ka Vakavanua"	A customary thing or way of the land. Expenses related to "Ka Vakavanua" include kava, mats, whale's teeth, etc.
"Koro"	A village.
Management	Those with the executive responsibility for conducting an entity's operations.
"Mata ni Tikina" (MNT)	Elected person from a <i>Tikina</i> who is appointed by the Minister of iTaukei Affairs to link the traditional structure (or Vanua) for his or her <i>Tikina</i> and the Provincial Council. He or she represents the <i>Tikina</i> at Provincial Council meetings. The MNT submit a monthly report on the physical development such as schools, hospitals and roads in the villages and outside the villages to the Provincial Council. The report is analysed by the Provincial Council and is used to justify the payment of the allowance.
Material misstatement	A significant difference between the amounts, classification, presentation, or disclosure of a reported financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework.
Materiality	The size or nature of the item or error judged in the particular circumstances of its omission or misstatement. Information is material if its omission or misstatement could influence the economic decisions of users, taken on the basis of the financial statements.
Misstatement	A difference between the amounts, classification, presentation, or disclosure of a reported financial report item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework. Misstatements can arise from error or fraud.
Non-government subvention expenditures	Generally refers to non-operating expenses. The expenses incurred that are unrelated to the Council's core operations.
Other significant matters	Include control weaknesses which <i>could cause</i> or <i>are causing</i> severe disruption of the process or severe adverse effects on the ability of an

	auditee to achieve process objectives and comply with relevant legislation. It is likely that these issues may have an impact on the operations of the entities in future, if action is not taken to address them.
Provincial rates	A rate imposed by the Council upon every <i>iTaukei</i> male of a Province between the ages of twenty one and sixty years. The rates are collected on a communal basis and used to fund expenditures not covered by Government Subvention.
Revaluation	The action of assessing the value of something again.
Risks	The probability or threat of quantifiable damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through pre-emptive action.
“Roko Tui”	Chief Executive Officer, Chief Accounting Officer and Secretarial to the Council. The <i>Roko Tui</i> is the main communication link between the modern and traditional government systems.
“Soqosoqo Vakamarama”	The <i>iTaukei</i> women’s organisation that operates at a village level. Expenses related to <i>Soqosoqo Vakamarama</i> include contributions of the Council to women’s projects.
Standards on auditing	International Standards on Auditing adopted by the Fiji Institute of Accountants and applied by the Office of the Auditor-General for audits carried out.
“Tikina”	A District – established under the <i>iTaukei</i> Affairs Act 1944 or By-Laws.
“Turaga-ni-Koro”(TNK)	A village member elected by the village council and approved by the <i>Tikina</i> council or appointed in such manner as may be prescribed by the Board, to see to the carrying out of social services or to undertake such duties as may be prescribed. The TNK submits a monthly report on all issues including environmental, political and social at village level to the Provincial Council. The report is analysed by the Council and is used to justify the payment of the allowances.
Valuation	The process of determining the fair value of an asset.
Value-adding	Financial or non-financial gains arising from improved compliance or mitigation of risks.
“Yasana”	A Province – established under the <i>iTaukei</i> Affairs Act 1944 or By-Laws.



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