

BABUA CAKAUDROVE KADAVULAU LOMAIVITIMACUATA

REPORT OF THE
AUDITOR-GENERAL OF
THE REPUBLIC OF FIJI
Provincial Councils
Volume 6

NADROGA-NAVOSA NAITASIRINAMOSI RAREWA SERUATAILEVU



OFFICE of the AUDITOR GENERAL
Republic of Fiji



PARLIAMENT OF FIJI
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OFFICE of the AUDITOR GENERAL
Republic of Fiji



Location : Top Floor, Modyl Plaza
Karsanji Street, Vatuwaqa
Suva, Fiji

Postal Address : P O BOX 2214, Government Buildings
Suva, Fiji

Telephone : (679) 8921519

Email : info@auditorgeneral.gov.fj

Website : www.oag.gov.fj

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability Through Our Audits



Level 1, Modyl Plaza
Karsanji St, Vatuwaqa
P. O. Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 8921519
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



File: 102

31 July 2024

The Honorable Ratu Naiqama Lalabalavu
Speaker of the Parliament of the Republic of Fiji
Parliament Complex
Gladstone Road
SUVA

AUDIT REPORT ON PROVINCIAL COUNCILS – VOLUME 6

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 6.

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 sincerely

.....
Finau Seru Nagera
AUDITOR-GENERAL



Encl.

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

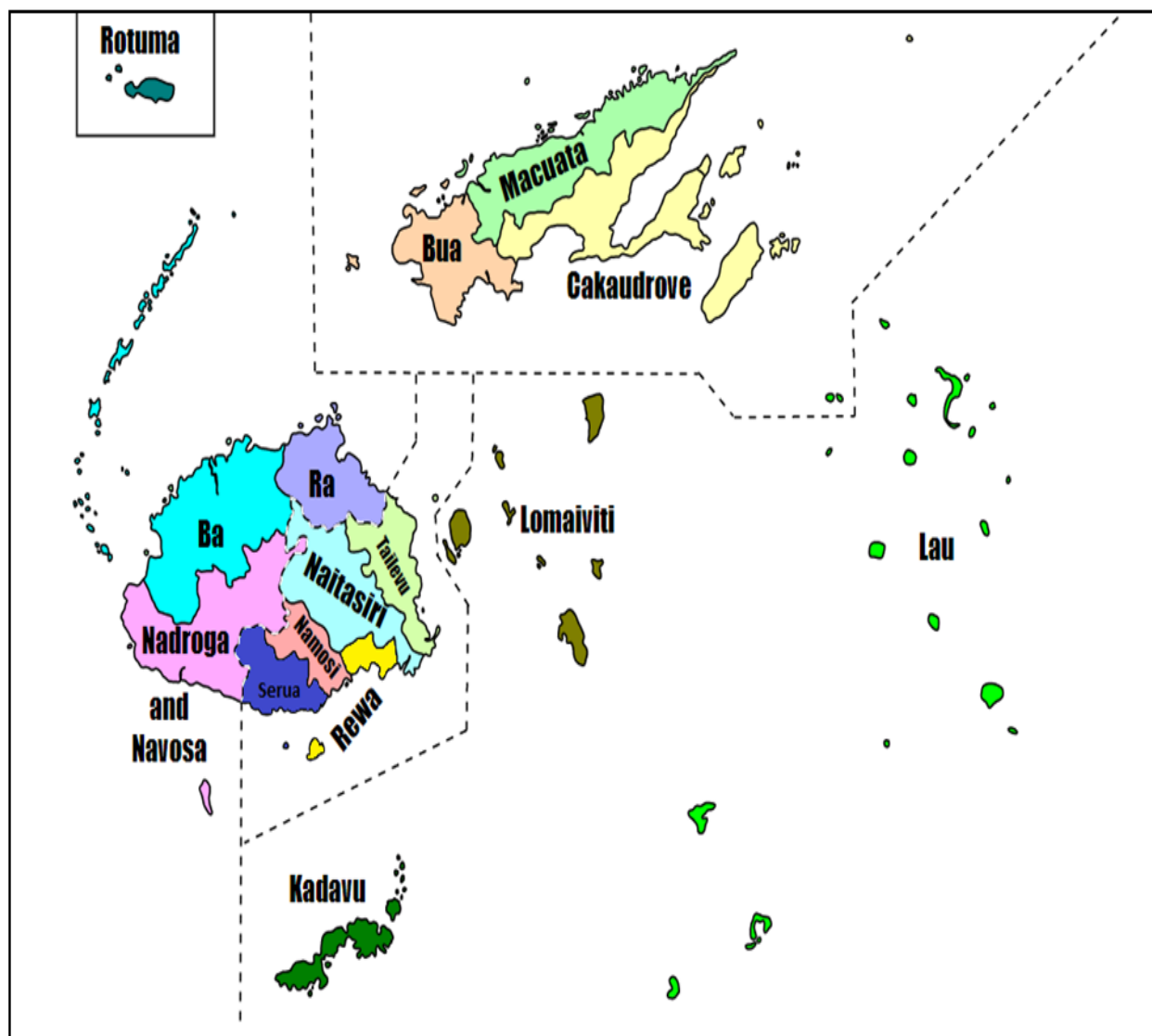
The roles and responsibilities of the Auditor-General include expressing an opinion on the financial statements of the 14 Provincial Councils. The Auditor-General has the mandate under the iTaukei Affairs (Provincial Councils) Regulations 1996 to audit the Provincial Councils. Sections 33(2) and 33(3) 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.

TABLE OF CONTENTS

AUDITOR-GENERAL’S FOREWORD	2
EXECUTIVE SUMMARY	4
1.0 Introduction	6
2.0 Financial Reporting	11
3.0 Internal Controls	15
4.0 Other Significant Matters	17
5.0 Audit Conclusion and Recommendations.....	22
6.0 Appendices.....	24
Appendix A: Limitation of Scope – Unsubstantiated Balances.....	24
Appendix B: Qualification Issues.....	30
Appendix C: Abridged Financial Statements	78
Cakaudrove Provincial Council.....	78
Lau Provincial Council	79
Macuata Provincial Council	81
Nadroga/ Navosa Provincial Council	82
Naitasiri Provincial Council.....	84
Namosi Provincial Council.....	85
Ra Provincial Council	87
Rewa Provincial Council	88
Serua Provincial Council	90
Tailevu Provincial Council.....	91
Appendix D: Responses from the iTaukei Affairs Board	93
Appendix E: Implementation of Prior Year Audit Recommendations.....	96
Appendix F: Glossary	97

AUDITOR-GENERAL'S FOREWORD

I am pleased to present the Volume 6 of the Auditor-General's Report on Provincial Councils. This report is in addition to Volumes 1 – 5 containing the results of the backlog audits for Provincial Councils.

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 are substantially behind by 5 years as financial statements were not submitted annually to the Auditor-General.

As mentioned in the previous Reports to Parliament, the enormous responsibility of resourcing the backlog audits of this huge number of draft financial statements continues to be a challenge which the Office of the Auditor General has embraced.

Report

Volume 6 contains the audit results of 20 financial statements for 10 Provincial Councils for the financial years ended 31 July 2017¹ and 2018. The audits for the remaining 4 Provincial Councils are still in progress as at the date of this report.

The report contains summaries and 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, 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 Ministry of iTaukei Affairs, iTaukei Affairs Board and the Provincial Councils to improve governance and financial accountability. Furthermore, I would like to commend the Board for its effort in progressively implementing the audit recommendations.

Status of the Audits


As at 31 July 2024, we have completed the audits of 213 of the 249 draft financial statements which were progressively submitted to the Office of the Auditor General over the past six years. The results of these audits are reported in this volume and in the earlier Volumes 1 to 5.

The audits for the financial years ended 31 July 2019 to 2022, consisting of 56 financial statements, are planned to be undertaken during the financial year beginning 1 August 2024 to 31 July 2025.

¹ Period of 19 months from 1st January 2016 to 31st July 2017 due to change in Councils financial year from 31st December to 31st July

The work of updating the backlog audits of all 14 Provincial Councils is expected to be completed by 31 July 2026.

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



Finau Seru Nagera
AUDITOR-GENERAL

EXECUTIVE SUMMARY

1. Introduction

Status of Audits

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.

The audits for all Provincial Councils are behind by 5 years and is primarily due to the non-submission of draft financial statements to the Auditor-General, by the legislated date of 1 April annually. Of the 249 draft financial statements received by the Auditor-General over the past six years, the audits of 213 (86%) financial statements have been completed for the financial years up to 31 July 2018. The results of the audits for the years 2017 and 2018 for 10 Provincial Councils are contained in Volume 6 while the audits of the remaining 4 Provincial Councils are still in progress.

The audits for the financial years ended 31 July 2019 to 2022, consisting of 56 financial statements, are planned to be undertaken during the financial year beginning 1 August 2024 to 31 July 2025.

2. Financial Reporting

Quality of Financial Reporting

The overall quality of financial reporting has been assessed as ineffective and requiring substantial improvements:

- As in previous years, the Auditor General continued to issue disclaimer of opinions on all 20 financial statements for the years 2017 and 2018.
- We reported to the iTaukei Affairs Board significant matters concerning material accounting issues and deficiencies in internal controls, most of which were recurring issues.

Timeliness of Financial Reporting

Timeliness of financial reporting has been assessed as ineffective and requiring substantial improvements.

3. Internal Controls

Significant breakdown in internal controls were noted across all Provincial Councils. There is a need to strengthen controls over cash management, investments, loans and advances, property and equipment, journals, payroll and purchases.

4. Other Significant Matters

Common Findings

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, (8) absence of confirmations of investment with Provincial Companies, (9) write off of investments and accounts receivable due to lack of documentation to support existence (10) lack of proper and updated records relating to transactions with Provincial Companies. These findings are recurring issues to be addressed by the Councils.

5. Audit Conclusion

Modified audit opinions (Disclaimer of Opinion) were issued on all the 20 financial statements audited. Urgent and close attention should be given to address matters highlighted in the Auditor's Reports including the other significant matters in Section 4 of this report.

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 and income earned from investments.

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. Subsequently, this will change due to the change in the Council’s financial year from 31 December to 31 July.

This report includes the audit results of 20 financial statements for the 10 Provincial Councils as follows:

Provincial Council	Year
1. Cakaudrove	2017 – 2018
2. Lau	2017 – 2018
3. Macuata	2017 – 2018
4. Nadroga/Navosa	2017 – 2018
5. Naitasiri	2017 – 2018
6. Namosi	2017 – 2018
7. Ra	2017 – 2018
8. Rewa	2017 – 2018
9. Serua	2017 – 2018
10. Tailevu	2017 – 2018

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 backlog audits of Provincial

Councils have been reduced to 5 years compared to 19 years when the task of auditing the accounts in backlog commenced seven years ago.

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 the 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 of the Regulation 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 Standards 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 International Standards on Auditing (ISA) 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, a 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. 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, we 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 July 2024, the audits of 213 of the 249 draft financial statements received have been completed. Due to the significant number of draft financials received progressively over the years, resourcing to promptly complete the audits of these draft financial statements continues to be a challenge.

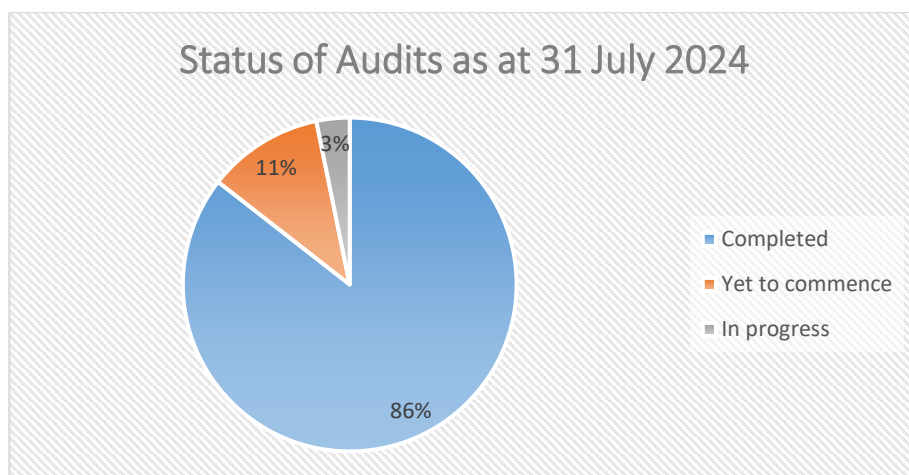
Below is a summary of the status of audits as at 31 July 2024.

Provincial Council	Draft Financials Statements Received ²	Audits Completed	Audits in Progress	Audits Yet to Commence	Draft Financial Statements not yet received for audit
Ba	2001 – 2022	2001 – 2015	2016 - 2018	2019 - 2022	2023
Bua	2003 - 2022	2003 – 2015	2016 - 2018	2019 - 2022	2023
Cakaudrove	2002 - 2018	2002 – 2018	-	-	2019 – 2023
Kadavu	2002 - 2022	2002 – 2015	2016 - 2018	2019 - 2022	2023
Lau	2003 - 2022	2003 – 2018	-	2019 - 2022	2023
Lomaiviti	2006 - 2018	2006 – 2015	2016 - 2018	-	2019 – 2023
Macuata	2005 - 2022	2005 – 2018	-	2019 - 2022	2023
Nadroga/Navosa	2002 - 2018	2002 – 2018	-	-	2019 – 2023
Naitasiri	2000 - 2018	2000 – 2018	-	-	2019 – 2023
Namosi	2001 - 2018	2001 – 2018	-	-	2019 – 2023
Ra	2000 - 2022	2000 – 2018	-	2019 - 2022	2023
Rewa	2002 - 2022	2002 – 2018	-	2019 - 2022	2023
Serua	2002 - 2018	2002 – 2018	-	-	2019 – 2023
Tailevu	2002 - 2018	2002 – 2018	-	-	2019 – 2023
Total	249	213	8	28	42

Of the 249 draft financial statements submitted to the Auditor-General:

- Audits of 213 financial statements have been completed and audit results of 20 financial statements are reported in this report; and
- Audits of the 56 financial statements for the financial years ended 31 July 2019 to 2022 are planned to be conducted in the 2024/2025 financial year including the 28 draft financial statements already received as at 31 July 2024.

² The financial statements for FY 31/7/2016 have been consolidated with FY 2016/2017 and is a period of 19 months.



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 by 31 July 2026.

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.

Responses were received from the iTaukei Affairs Board for all ten Provincial Councils reported in this report. The comments provided by the Board are summarised in [Appendix D](#).

It is important to note that the deficiencies detailed in this report were identified during the 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. Financial reporting for the Provincial Councils has been assessed on the following aspects:



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

2.1 Quality of financial reporting

The following two indicators assisted 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, the quality of financial reporting has been assessed 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 iTAB
 Ineffective	Modified opinions with significant issues reported to the Provincial Council through the iTAB

The modified audit opinions issued on all 20 financial statements and the prevalence of the significant matters reported across the Provincial Councils indicated that the overall quality of financial reporting were ineffective and require substantial improvement.

Audit opinions

The main outcome of the 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.

Modified audit opinions were issued on all the 20 financial statements of the 10 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
Cakaudrove	2017 - 2018	✓
Lau	2017 - 2018	✓
Macuata	2017 - 2018	✓
Nadroga/Navosa	2017 - 2018	✓
Naitasiri	2017 - 2018	✓
Namosi	2017 - 2018	✓
Ra	2017 - 2018	✓
Rewa	2017 - 2018	✓
Serua	2017 - 2018	✓
Tailevu	2017 - 2018	✓

Key Reasons for Modified Audit Opinions

Provincial Council	Year	Limitation of Scope	Non-Compliance with Accounting Standards	Significant Breakdown in internal controls
Cakaudrove	2017 - 2018	✓	✓	✓
Lau	2017 - 2018	✓	✓	✓
Macuata	2017 - 2018	✓	✓	✓
Nadroga/Navosa	2017 - 2018	✓	✓	✓
Naitasiri	2017 - 2018	✓	✓	✓
Namosi	2017 - 2018	✓	✓	✓
Ra	2017 - 2018	✓	✓	✓
Rewa	2017 - 2018	✓	✓	✓
Serua	2017 - 2018	✓	✓	✓
Tailevu	2017 - 2018	✓	✓	✓

Audit opinions were disclaimed due to the following major reasons:

- Limitation of scope – 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's financial statements are prepared under the International Financial Reporting for Small and Medium – sized Entities (IFRS for SMEs). Some Councils have reported Prior Year

Adjustments which are not in compliance with Section 10 - Accounting Policies, Estimates and Errors of IFRS for SMEs. In addition, grants for allowances for Turaga Ni Koro and Matana Ni Tikina were not accounted as income upon realization.

- 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 disclaimer issues raised in the Auditors' Reports issued to the 10 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.

The issues identified from the audit as significant 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.

Audit reported to the Provincial Councils through the iTaukei Affairs Board 163 significant matters on the audit of the 20 financial statements for the 10 Provincial Councils.

Provincial Council	Year	No. of Significant Matters Reported
Cakaudrove	2017 - 2018	17
Lau	2017 - 2018	13
Macuata	2017 - 2018	15
Nadroga/Navosa	2017 - 2018	16
Naitasiri	2017 - 2018	16
Namosi	2017 - 2018	19
Ra	2017 - 2018	16
Rewa	2017 - 2018	17
Serua	2017 - 2018	21
Tailevu	2017 - 2018	13
Total		163

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 acceptable draft financial statements, audit compared the date the draft financial statements were received for audit after allowing for at least 30 days before the legislative deadlines for 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

All 10 Provincial Councils did not comply with the statutory requirements to submit to the Auditor-General the financial statements for audit by 1 April each year. The submissions of financial statements to the Auditor-General were 5 to 6 years behind the statutory deadline for financial year 2017 and 2018 respectively.

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 10 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
Cakaudrove	2017 - 2018	●	●
Lau	2017 - 2018	●	●
Macuata	2017 - 2018	●	●
Nadroga/Navosa	2017 - 2018	●	●
Naitasiri	2017 - 2018	●	●
Namosi	2017 - 2018	●	●
Ra	2017 - 2018	●	●
Rewa	2017 - 2018	●	●
Serua	2017 - 2018	●	●
Tailevu	2017 - 2018	●	●
T=Timeliness of financial reporting		Q=Quality of financial reporting	

3.0 Internal Controls

3.1 Common findings

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

- Cash management
- Journals and reconciliation
- Receipting controls for provincial rates
- Purchases and payments; and
- Payroll

Cash management

- Monthly bank reconciliations were not prepared on timely basis.
- Cash flow statements were not supported.
- Cash records such as lodgement books, cheque books, receipts 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 of Council funds.

Journals and Reconciliations

- Inadequate supporting documents for journals posted to the General Ledger.
- Reconciliations for other key account balances were not performed.

Journals without appropriate supporting documents and oversight increases the risk of error. The Provincial Councils need to improve the process in preparing and reviewing monthly account reconciliations statements 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, there were instances:

- 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.

- Misplaced/missing payment vouchers.

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 always supported with timesheets/timecards.
- Employee details for leave schedules were not maintained.

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, having effective payroll controls is crucial.

[Appendix D](#) provides a summary of the management comments received from the iTaukei Affairs Board.

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 actions necessary to address them are not taken.

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.

[Appendix D](#) provides a summary of the management comments received from the iTaukei Affairs Board.

4.1 Common Findings

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

- **Significant delays in submission of draft financial statements for audit** – As discussed in detail in [Section 2](#) of this report. Lack of capacity has been identified as a contributing factor to preparing timely and accurate draft financial statements.
- **Non-Compliance with the accounting standards** – Instances of non-compliance with the requirements of the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).
- **Limitation of scope** – Lack of sufficient and 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 components of the balances reflected in the financial statements.
- **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 adjustments to the balances for these loans and advances for the years audited.
- **Confirmations for Investment with Provincial Companies** – The Provincial Councils hold various shareholding with respective Provincial Holding Companies. Investment confirmations were not provided by the Provincial Holding Companies for some Provincial Council investments.

The above issues were also prevalent and reported in prior years.

4.2 Other Findings

4.2.1 Macuata Provincial Council

Absence of supporting documents for additions to building

The audit was not provided with the appropriate documentations to support the additions to Building of \$1,152,038 and \$93,260 for the financial years ended 2017 and 2018 respectively.

Audit gathered from a discussion³ with a senior officer of iTAB, that the addition was for the renovation of the Macuata House for which a contractor was engaged. However, this could not be substantiated as appropriate documentation to support these additions were not provided.

Due to the absence of appropriate supporting documents, the audit was unable to establish whether proper procurement processes were followed.

Repairs and Maintenance to Macuata House not completely supported

Audit found from the review of accounts relating to the repairs made on Macuata House, the Maintenance and Salaries account, that supporting documentation was not available to substantiate this account with balances of \$241,618 and \$134,435 for the years ended 31 July 2017 and 2018 respectively. The Council posted expenditures in the general ledger (GL) for this account through journal vouchers. In most instances, GL listing was attached to the journal vouchers to support the expenditure which is deemed insufficient.

³ Discussion on 6/5/24

In the absence of the appropriate and sufficient documentation, audit could not ascertain the accuracy and completeness of this account as reported in the financial statements and could not establish if proper procurement procedures were followed.

4.2.2 Lau Provincial Council

Lack of guidance in writing off investments

During the financial year 2017, the Council had written off investment of \$200,000 held with Lau Shipping Company Ltd due to the winding up of the company.

The iTAB and Provincial Council Finance Manual does not provide guidance on the process for write-off of investments.

In the absence of the supporting documents, audit was unable to establish whether proper processes were followed in writing off this investment.

4.2.3 Serua Provincial Council

Absence of supporting documents for approval for write-off

The Council reported receivable from Serua Provincial Investment Co-operative Limited of \$402,217 for financial year ended 31 December 2015. Audit gathered from discussion with a senior officer of iTAB, that the Council had obtained this loan from the Small Business Advisory Unit to financially assist the company thus recorded as receivable in the Council's financial statements.

During the audit of the financial year ended 31 July 2017, audit noted that the Council had written off \$121,340 of the \$402,217. Explanations gathered during the audit that the write off was due to Council utilizing the funds for its operation and was not disbursed to the company. However, there was no documents provided to support this justification.

Due to the absence of the supporting documents, audit was unable to establish whether the write-off was properly authorized.

Absence of supporting documents for approval for write-off of investment

During the financial year ended 31 July 2017, the Council disposed Available for Sale Financial Assets of \$725,289 from the \$825,289 it had with the Serua Provincial Investment Co-operative Ltd. While the journal voucher to write-off this investment was signed off by a Senior Executive of iTAB, other appropriate and sufficient documentation to verify proper approval of the write-off was not provided.

Due to absence of guidance in the iTAB and Provincial Councils Manual, the audit was unable to establish whether proper process was followed for the write-off.

4.2.4 Naitasiri Provincial Council

Lack of supporting documents for the Council's investment

The financial statements for the years ended 31 July 2017 and 2018 showed that the Council had invested \$104,052 and \$156,983 respectively in a listed public company. However, audit was not provided with supporting documents for the approval of these investments.

The Council indicated that the approval was made by the Senior Executive of iTAB after the Staff and Finance Committee's recommendation, however in this instance, the meeting records of the Staff and Finance Committee was not made available for verification.

In absence of the supporting documents, audit could not establish whether proper processes were followed in accordance with Section 14 of the iTAB and Provincial Council Finance Manual.

4.2.5 Ra Provincial Council

Documentation for approval for additional TAB loan not provided

The Council's financial statements for the financial year ended 31 July 2017 showed an increase in TAB loan by \$56,175. Audit was not provided with supporting documents to verify this increase.

Although the Small Business Advisory Unit Loan Statements were provided, the documents were not sufficient to support approval for the additional loan.

In the absence of the supporting documents, audit was unable to establish whether the additional loan from TAB was properly approved and used for the purpose the loan was obtained.

4.2.6 Rewa Provincial Council

Adjustment to Special Funds of \$80,000 not supported

Audit was not provided with appropriate and sufficient documentation for the adjustment of Special Funds of \$80,000 in the Statement of Financial Position.

The Council had been reporting Special Funds of \$80,000 in the Statement of Financial Position in the prior years. However, during the financial year ended 31 July 2017, the Council made an adjustment to write back this fund. Though, the Council indicated that a correction was made to

the financial statements for incorrect posting in prior years, the Council was unable to produce supporting documents or accounting records to support this adjustment.

In the absence of the supporting documents, this adjustment could not be substantiated.

Appendix D 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 20 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 Auditors' Reports including the significant matters raised in Management Letters.

Quality and timely financial reporting continue to be a major concern despite the recommendations for improvement in my earlier reports. This 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 providing opinions on them on a timely basis and informing Parliament and other stakeholders of the outcome of such audits.

Good governance and internal controls are generally lacking and should be given due consideration for effective control over the Councils operations. In addition, records management is poor resulting in missing financial records. There is no policy currently existing that is directed towards effective records management.

Policies and procedures were lacking in the write-off of investments. The Finance Manual does not provide guidance on write-off of investments. Hence, my audit was unable to substantiate the write-off of investments including the authority to approve such write-off.

Some 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 status of current operations of most Provincial Companies as information/records were not available.

5.2 Recommendations

1. 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 who are capable of preparing and presenting draft financial statements on time and in accordance with the requirements of the applicable financial reporting

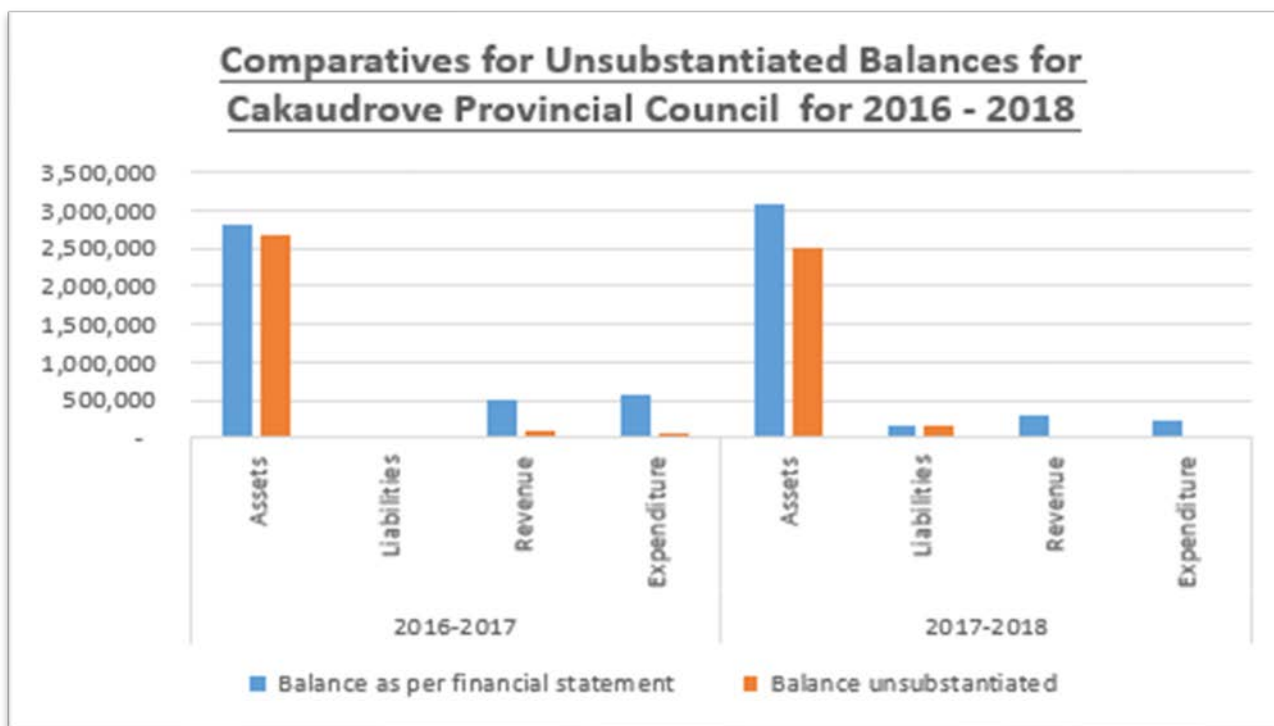
framework. In addition, personnel responsible for financial reporting should be provided with appropriate trainings to stay up to date and abreast with the changes in Accounting Standards.

3. The Internal Audit function should take a more proactive approach in reviewing the Councils key accounting systems and processes and compliance to IFRS for SMEs. Follow up audits should be progressively performed as well to ensure that the recommendations are implemented by the Councils.
4. The Board should continue to provide recommendations to the Finance and Audit Committee in addressing critical areas identified as recurring issues throughout the Provincial Council audits. In addition, the Audit Committee should regularly follow up on the implementation of the Auditor-General's recommendations.
5. Maintaining of accurate and updated records/information for the investments of Provincial Councils with respective Provincial Holding Companies should be done. These records should also include share certificates, list of investments and dividend received.
6. The processes for the write-off and adjustment of investments should be incorporated in the iTAB and Provincial Council Finance Manual, specifying the authority to approve and processes to be followed prior to such write-off and adjustment.
7. The iTaukei Affairs Board should carry out a review of the advances made by the Serua and Namosi Provincial Council to the respective Provincial Holding Companies to establish whether these loans/advances are appropriately approved, recorded and recoverable.
8. The iTaukei Affairs Board should carry out further investigation on the addition of \$1,152,038 and \$93,260 and repairs and maintenance of \$241,618 and \$134,435 for Macuata House for the financial years ended 31 July 2017 and 2018 respectively. The relevant supporting documents were not provided for verification. The investigation should include establishing whether proper procurement procedures were followed.

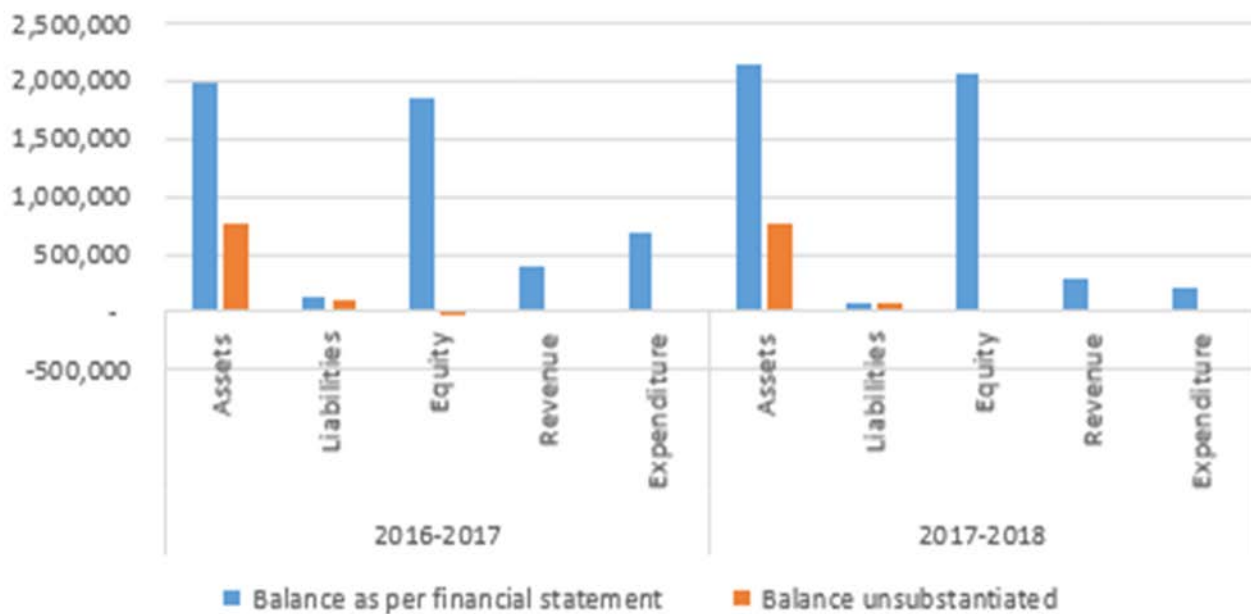
6.0 Appendices

Appendix A: Limitation of Scope – Unsubstantiated Balances

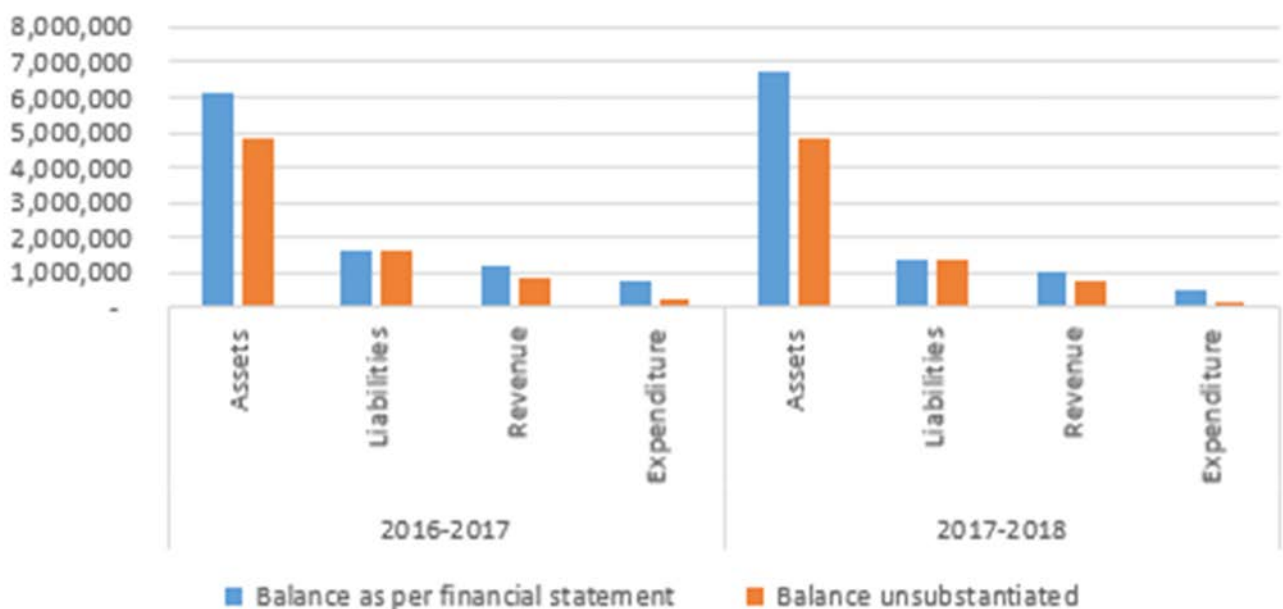
The audit was not provided with sufficient appropriate supporting documents to substantiate the balances reported in the financial statements. The graphs below show the unsubstantiated balances for 2016-2017 and 2017-2018 for the respective Provincial Councils.



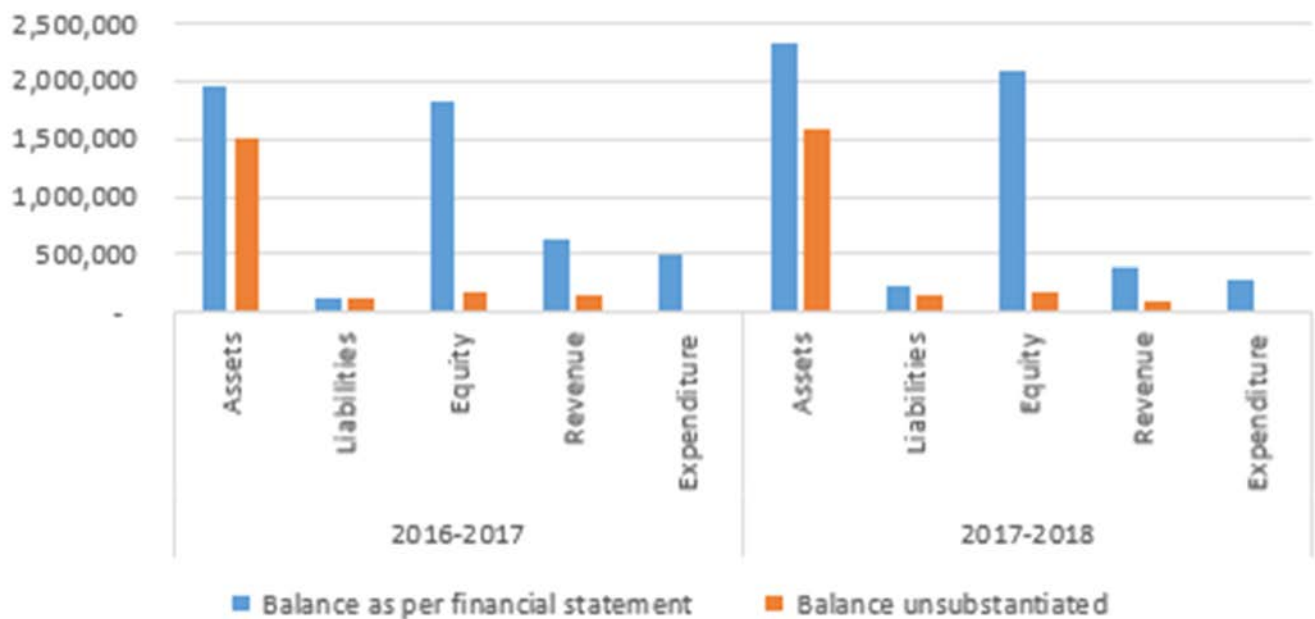
Comparatives for Unsubstantiated Balances for Lau Provincial Council for 2016 - 2018



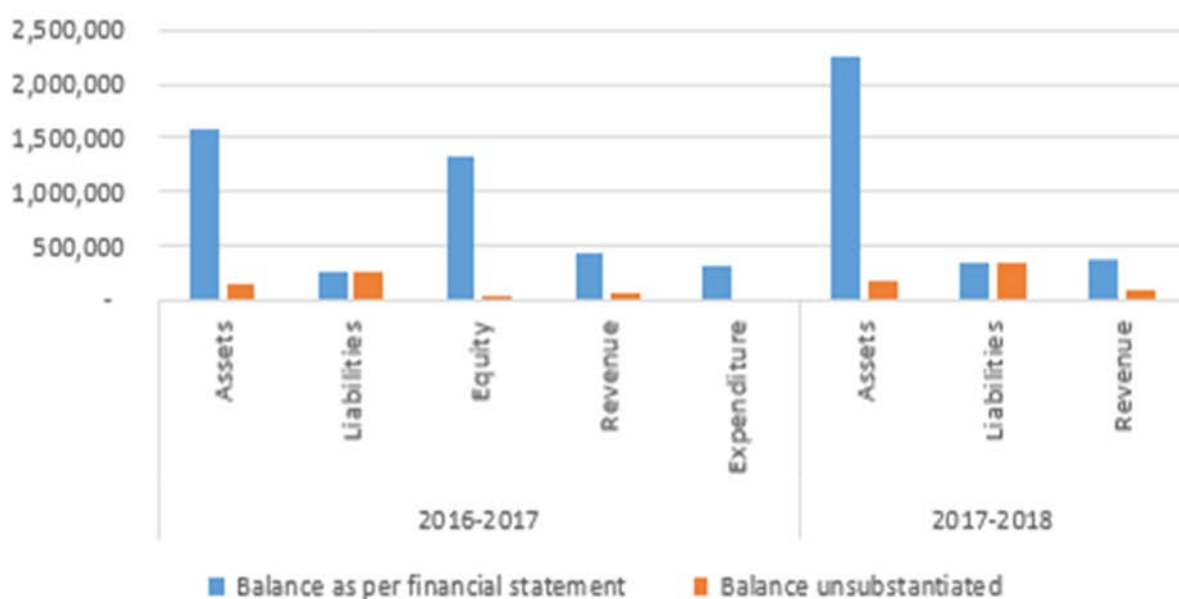
Comparatives for Unsubstantiated Balances for Macuata Provincial Council for 2016 - 2018

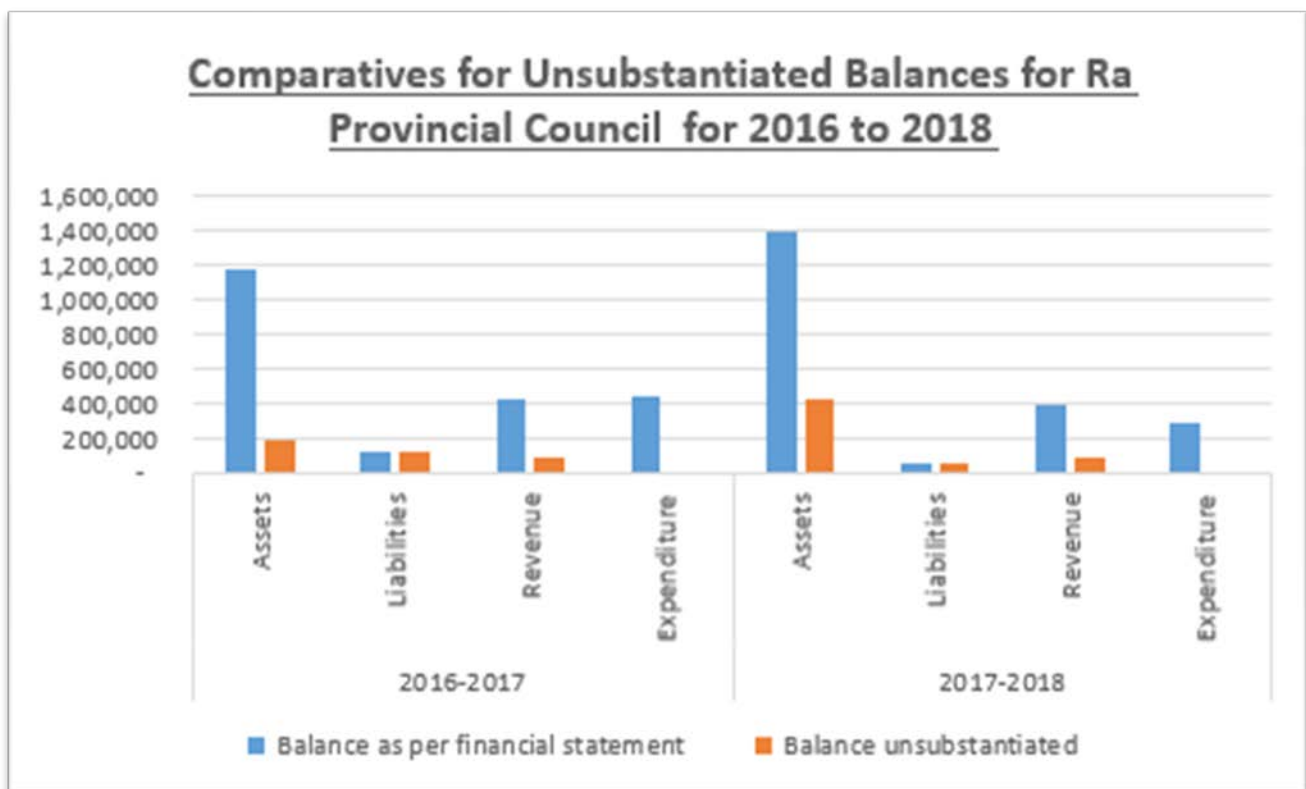
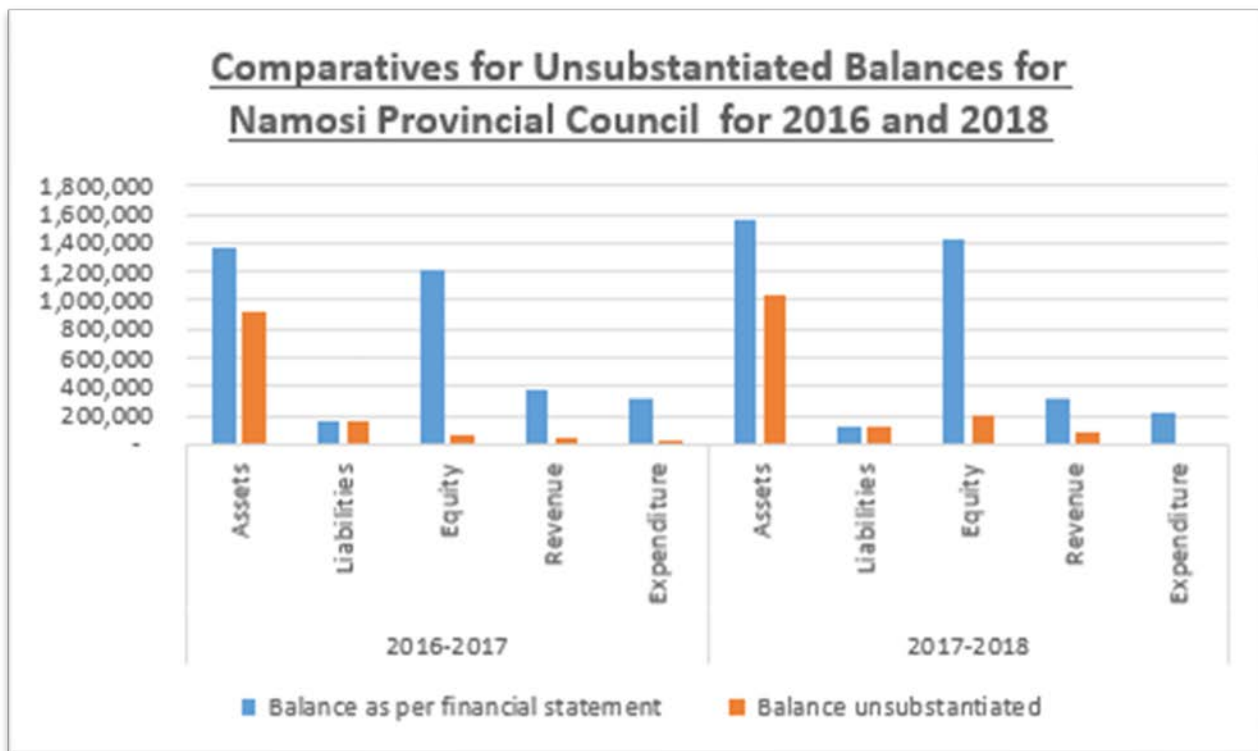


Comparatives for Unsubstantiated Balances for Nadroga/Navosa Provincial Council for 2016 - 2018

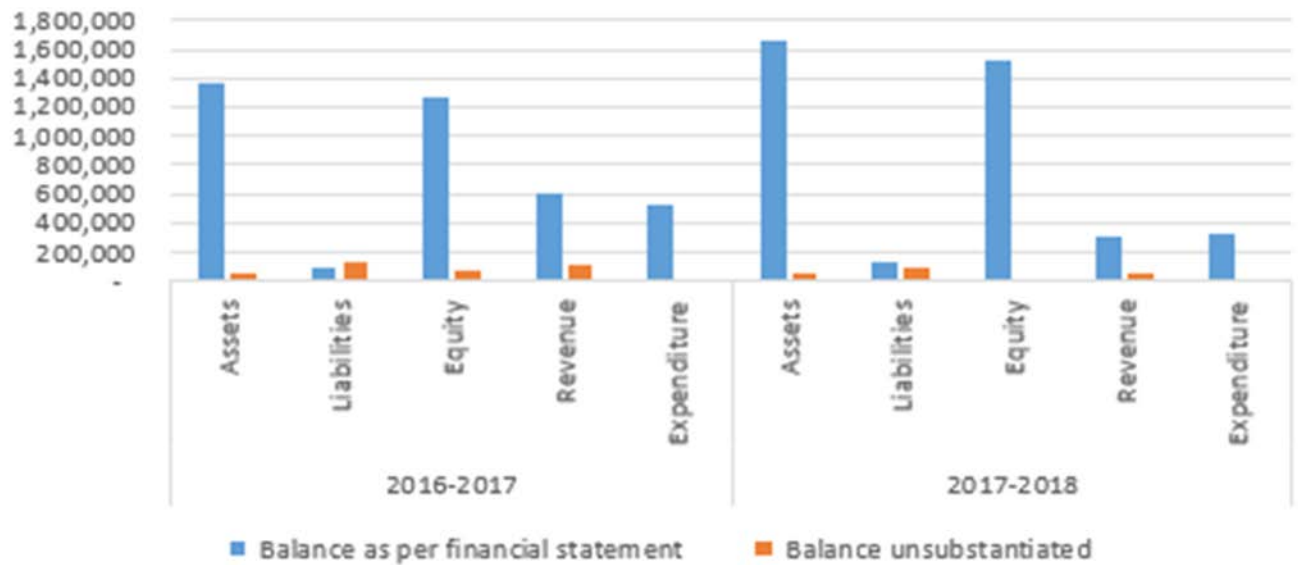


Comparatives for Unsubstantiated Balances for Naitasiri Provincial Council for 2016 and 2018

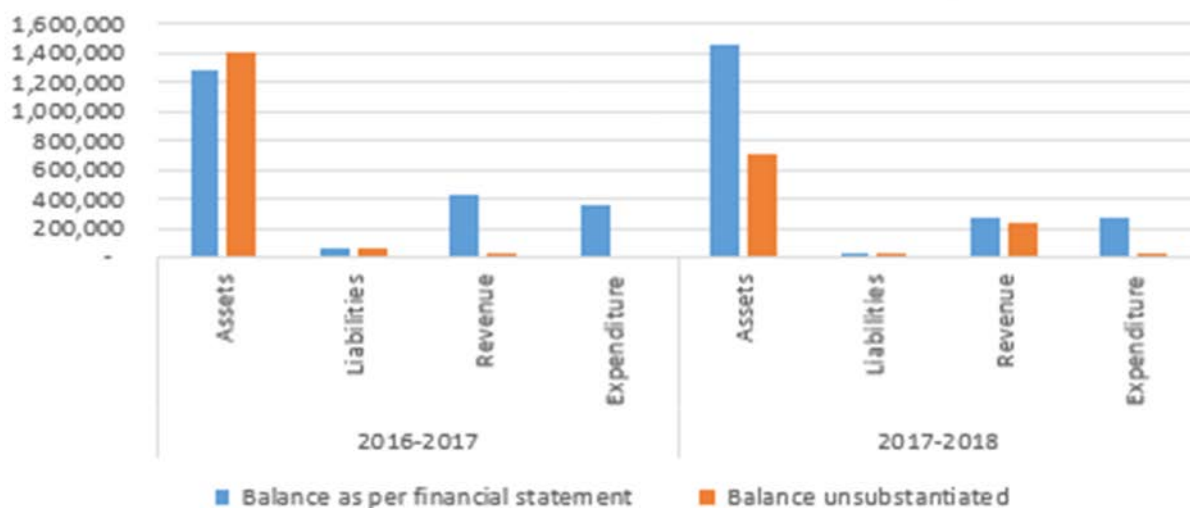


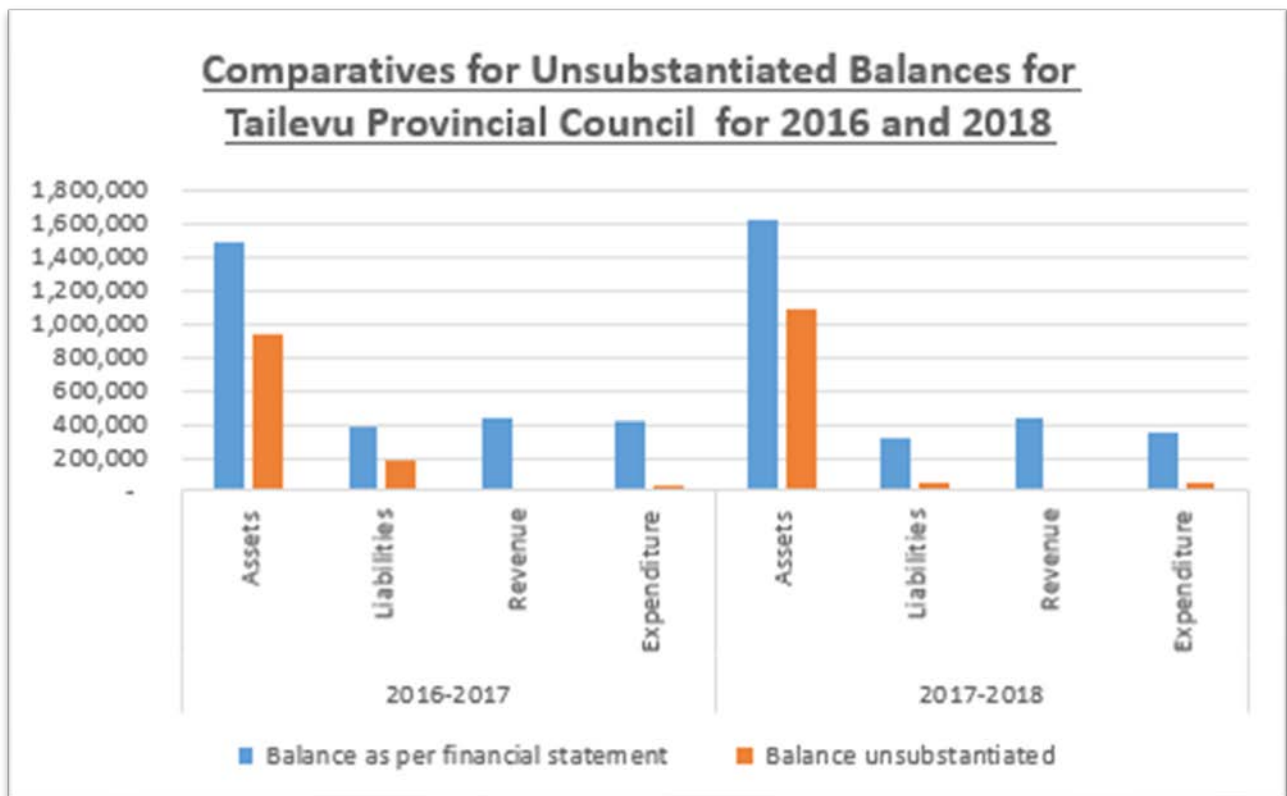


Comparatives for Unsubstantiated Balances for Rewa Provincial Council for 2016 and 2018



Comparatives for Unsubstantiated Balances for Serua Provincial Council for 2016 and 2018





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
Cakaudrove:	
2017	<ol style="list-style-type: none"> 1. A disclaimer of opinion was issued for the Council's 2015 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Held to Maturity Investment, Available for Sale Financial Assets, Property, Plant and Equipment, Cakaudrove Holding Limited, Payables and Borrowings. Therefore, I am unable to satisfy myself concerning the opening balances of these accounts disclosed in the Statement of Financial Position and the impact it may have on the determination of the closing balances of the 2017 financial statements. 2. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows. 3. The Council recorded Receivables of \$2,704 and Payables of \$17,234 in the Statement of Financial Position as at 31 July 2017. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. 4. The Council recorded Borrowings of \$8,734 in the Statement of Financial Position as at 31 July 2017 which includes TAB Loan and advance for which I was not provided with appropriate and sufficient documentation. As a result, I was unable to satisfy myself on the accuracy of the Borrowings of \$8,734 as stated in the Statement of Financial Position as at 31 July 2017.

Provincial Council	Qualification Issues
	<p>5. The Council recorded Property, Plant and Equipment of \$397,462 in the Statement of Financial Position as at 31 July 2017 which included disposal of \$116,429. I was not provided with adequate and sufficient documentation which was necessary to verify this disposal. As a result, I was unable to satisfy myself on the accuracy of the Property, Plant and Equipment in the Statement of Financial Position.</p> <p>6. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under <i>Unutilized Turaga Ni Koro and Mata Ni Tikina allowance</i> account. The liability account with a balance of \$16,210 is disclosed in Note 13. Income and expenditures were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>7. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentations and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>8. The Council recorded Prior year adjustment of \$15,938 in the Statement of Changes in Equity for the period ended 31 July 2017 which is not in accordance with Section 10 – Accounting Policies, Estimates and Errors of the IFRS for SMEs. In addition, the Council was unable to provide appropriate supporting documents for these adjustments made to the general ledger. Consequently, Prior Year Adjustment is not correctly reported in the financial statements.</p> <p>9. The Council recorded Available for Sale Financial Assets of \$290,330 in the Statement of Financial Position as at 31 July 2017 which included</p>

Provincial Council	Qualification Issues
	<p>investment with Unit Trust of Fiji held under Trust investment of \$240,393 and Fijian Holding Unit Trust of \$49,937. I was not provided with the investment confirmations which was necessary to confirm the existence and valuation of these investments. As a result, I could not ascertain the accuracy of investments totaling \$290,330 in the Statement of Financial Position.</p> <p>10. The Council recorded Held to Maturity investment with Bank of South Pacific of \$11,429 in the Statement of Financial Position as at 31 July 2017. I was not provided with the audit confirmation for the existence of this investment. As a result, I could not ascertain the accuracy of the investment in the statement of Financial Position.</p> <p>11. Included in the Statement of Changes in Equity is Investment Revaluation Reserve (IRR) of \$54,161 as at 31 July 2017. I was unable to reconcile this amount to the balance disclosed in Note 11 of the financial statements, the reconciliation of the Available for Sale Financial Asset, which has not disclosed any gain on the re measurement of the investments. As a result, I could not ascertain the accuracy of the Investment Revaluation Reserve as stated in the Statement of Changes in Equity.</p> <p>12. 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. Accordingly, I am unable to determine whether income from provincial rates of \$66,314 is fairly stated in the financial statements.</p> <p>13. Included under Non-Current Assets in the Statement of Financial Position and Note 10 of the Financial Statements is investment with Cakaudrove Provincial Holdings Limited of \$2,000,000. I was only provided with share certificates of \$1,000,000. Consequently, I was unable to satisfy myself on the existence and valuation of this investment. As a result, I was unable to ascertain the accuracy of this investment stated in the Statement of Financial Position.</p> <p>14. The Council recorded Income from Investment of \$47,383 in the Statement of Comprehensive Income for the period ended 31 July 2017 which included income from Fijian Holding Limited of \$25,510. I was not provided with the investment confirmation which was necessary to confirm the accuracy of this income. I was also unable to verify this</p>

Provincial Council	Qualification Issues
	income through other alternative procedures. As a result, I could not ascertain the accuracy of this Income in the Statement of Comprehensive Income.
2018	<ol style="list-style-type: none"> 1. A disclaimer of opinion was issued for the Council's 2017 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Held to Maturity Investment, Available for Sale Financial Assets, Property, Plant and Equipment, Cakaudrove Holding Limited, Payables and Borrowings. Therefore, I am unable to satisfy myself concerning the opening balances of these accounts disclosed in the Statement of Financial Position and the impact it may have on the determination of the closing balances of the 2018 financial statements. 2. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows. 3. The Council recorded Receivables of \$11,693 and Payables of \$168,434. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. 4. The Council recorded Borrowings of \$2,868 in the Statement of Financial Position as at 31 July 2018 which includes TAB Loan and advance for which I was not provided with appropriate and sufficient documentation. As a result, I was unable to satisfy myself on the accuracy of the Borrowings of \$2,868 as stated in the Statement of Financial Position as at 31 July 2018.

Provincial Council	Qualification Issues
	<p>5. The Council recorded Property, Plant and Equipment (PPE) at a net value of \$450,796 in the Statement of Financial Position as at 31 July 2018. I was not provided with fixed asset register which was necessary to perform audit procedures to confirm existence, valuation and completeness of PPE balance. As a result, I was unable to satisfy myself on the, accuracy of PPE as stated in the Statement of Financial Position.</p> <p>6. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under <i>Unutilized Turaga Ni Koro and Mata Ni Tikina allowance</i> account. The liability account with a balance of \$21,979 is disclosed in Note 13 Income and expenditures were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>7. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentation and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>8. The Council recorded Available for Sale Financial Assets of \$57,399 in the Statement of Financial Position as at 31 July 2018 which included investment with Unit Trust of Fiji held under Trust investment of \$4,218 and Fijian Holding Unit Trust of \$53,181. I was not provided with the investment confirmations which was necessary to confirm the existence and valuation of these investments. As a result, I could not ascertain the</p>

Provincial Council	Qualification Issues
	<p>accuracy of investments totaling \$57,399 in the Statement of Financial Position.</p> <p>9. Included in the Statement of Changes in Equity is Investment Revaluation Reserve (IRR) of \$121,005 as at 31 July 2018. I was unable to reconcile this amount to the reconciliation of the Available for Sale Financial Asset as disclosed in Note 11 of the financial statements, which has disclosed gain on the re measurement of the investments. As a result, I could not ascertain the accuracy of the Investment Revaluation Reserve as stated in the Statement of Changes in Equity.</p> <p>10. 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. Accordingly, I am unable to determine whether income from provincial rates of \$36,535 is fairly stated in the financial statements.</p> <p>11. Included under Non-Current Assets in the Statement of Financial Position and Note 10 of the Financial Statements is investment with Cakaudrove Provincial Holdings Limited of \$2,000,000 for the year ended 31 July 2018. I was only provided with share certificates of \$1,000,000. Consequently, I was unable to satisfy myself on the existence and valuation of this investment. As a result, I was unable to ascertain the accuracy of this investment stated in the Statement of Financial Position.</p> <p>12. The Council recorded Held to Maturity investment with Bank of South Pacific of \$11,722 in the Statement of Financial Position as at 31 July 2018. I was not provided with the audit confirmation on the existence of this investment. As a result, I could not ascertain the accuracy of this investment in the statement of Financial Position.</p>
Lau:	
2017	<p>1. A disclaimer of opinion was issued on the 2015 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Property, Plant and Equipment and Payables. Therefore, I am unable to satisfy myself concerning the opening balances disclosed</p>

Provincial Council	Qualification Issues
	<p>in the Statement of Financial Position of the Council and the impact it may have on the determination of the closing balances of the 2017 financial statements.</p> <ol style="list-style-type: none"> <li data-bbox="432 405 1437 573">2. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows. <li data-bbox="432 629 1437 1066">3. The Council recorded Receivables of \$32,883 and Payables of \$109,406 in the Statement of Financial Position as at 31 July 2017. The Council was unable to provide me with appropriate and sufficient documentations and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. <li data-bbox="432 1133 1437 1346">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. Accordingly, I am unable to determine whether income from provincial rates of \$42,318 is fairly stated in the financial statements. <li data-bbox="432 1413 1437 1895">5. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account, with a balance of \$52,423, is disclosed in Note 12. Income and expenditure were not recognized upon payments of the allowances from this account. I was not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. <li data-bbox="432 1951 1437 2029">6. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient

Provincial Council	Qualification Issues
	<p>documentations and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine the completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p>
2018	<ol style="list-style-type: none"> 1. A disclaimer of opinion was issued on the 2017 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Property, Plant and Equipment and Payables. Therefore, I am unable to satisfy myself concerning the opening balances disclosed in the Statement of Financial Position of the Council and the impact it may have on the determination of the closing balances of the 2018 financial statements. 2. The Council was unable to provide appropriate and sufficient accounting records and information to support the balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows. 3. The Council recorded Receivables of \$16,880 and Payables of \$69,398 in the Statement of Financial Position as at 31 July 2018. The Council was unable to provide me with appropriate and sufficient documentations and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. 4. 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

Provincial Council	Qualification Issues
	<p>the Council. Accordingly, I am unable to determine whether income from provincial rates of \$35,033 is fairly stated in the financial statements.</p> <p>5. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under <i>Unutilized Turaga Ni Koro and Mata Ni Tikina allowance</i> account. The liability account, with a balance of \$57,280, is disclosed in Note 12. Income and expenditure were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>6. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentations and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine the completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p>
Macuata:	
2017	<p>1. A disclaimer of opinion was issued for the Council's 2015 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Available for Sale Financial Assets, Property, Plant and Equipment, Payables and Borrowings. Therefore, I am unable to satisfy myself concerning the opening balances of these accounts disclosed in the Statement of Financial Position and the impact it may have on the determination of the closing balances of the 2017 financial statements.</p> <p>2. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement</p>

Provincial Council	Qualification Issues
	<p>of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows.</p> <p>3. The Council recorded Receivables of \$150 and Payables of \$59,801. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>4. The Council recorded Borrowings of \$1,586,059 in the Statement of Financial Position as at 31 July 2017 which includes Fiji Development Bank (FDB) Loan of \$1,579,918. I was not provided with the independent confirmation for this loan. As a result, I was unable to confirm the accuracy of this loan in the financial statements.</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. Accordingly, I am unable to determine whether income from provincial rates of \$68,722 is fairly stated in the financial statements.</p> <p>6. The Council recorded Property, Plant and Equipment (PPE) at a net value of \$4,624,296 in the Statement of Financial Position as at 31 July 2017. I was not provided with sufficient and appropriate documentations for the additions to the PPE during the year for the renovation of Macuata House of \$1,152,038. In addition, PPE includes Macuata House of \$3,980,998 which is leased to tenants. The Council has not accounted the Macuata House as an Investment Property in accordance with Section 16 – Investment Property of the IFRS for SMEs.</p> <p>As a result, I was unable to satisfy myself on the accuracy of the PPE balance of \$4,624,296 as stated in the Statement of Financial Position and unable to determine whether any adjustments might have been necessary in respect of the additions to PPE at the end of the financial year and any corresponding adjustments to the elements making up the</p>

Provincial Council	Qualification Issues
	<p>Statement of Comprehensive Income and Statement of Financial Position.</p> <p>7. The Council recorded rental income from Macuata House of \$814,398 in the Statement of Comprehensive Income for the period ended 31 July 2017. The Council was unable to provide me with all the tenancy agreements. I was also unable to satisfy myself through other alternative audit procedures to determine the annual rental income. As a result, I was unable to verify the completeness of the rental income and unable to determine whether any adjustments might have been necessary in respect of these income balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>8. The Council recorded Macuata House Repairs and Maintenance and Salaries of \$283,696 in the Statement of Comprehensive Income for the period ended 31 July 2017. The Council was unable to provide me with sufficient documentation to support this balance. As a result, I was unable to verify the accuracy of this balance and unable to determine whether any adjustments might have been necessary in respect of these income balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>9. The Council has recorded rental income from Macuata House of \$814,398 in the Statement of Comprehensive Income for the period ended 31 July 2017. While the Council is exempted from Income Tax in accordance with Part 7 (2) of the Income Tax (Exempt Income) Act 2016, the rental income from Macuata House is a taxable activity. The Council has not made any provisions for income tax in the financial statements. I was also not provided with sufficient documentation and information to determine the tax implication. As a result, I was unable to determine income tax implication arising from rental revenue on the Council's financial statements.</p> <p>10. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account with a balance of \$57,042 is disclosed in Note 12. Income and expenditures were not recognized upon payments of the allowances from this account. I was</p>

Provincial Council	Qualification Issues
	<p>also not provided with sufficient and appropriate documentation and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>11. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentation and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>12. The Council recorded Prior year adjustment of \$1,760 in the Statement of Changes in Equity for the period ended 31 July 2017 which is not in accordance with Section 10 – Accounting Policies, Estimates and Errors of the IFRS for SMEs. In addition, the Council was unable to provide appropriate supporting documents for these adjustments made to the general ledger. Consequently, Prior Year Adjustment is not correctly reported in the financial statements.</p>
2018	<p>1. A disclaimer of opinion was issued for the Council's 2017 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Loans and Advances, Available for Sale Financial Assets, Property, Plant and Equipment, Payables and Borrowings. Therefore, I am unable to satisfy myself concerning the opening balances of these accounts disclosed in the Statement of Financial Position and the impact it may have on the determination of the closing balances of the 2018 financial statements.</p> <p>2. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement</p>

Provincial Council	Qualification Issues
	<p>of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows.</p> <p>3. The Council recorded Receivables of \$359 and Payables of \$80,362. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>4. The Council recorded Borrowings of \$1,274,740 in the Statement of Financial Position as at 31 July 2018 which includes Fiji Development Bank (FDB) Loan of \$1,269,910. I was not provided with the independent confirmation for this loan. As a result, I was unable to confirm the accuracy of this loan in the financial statements.</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. Accordingly, I am unable to determine whether income from provincial rates of \$43,327 is fairly stated in the financial statements.</p> <p>6. The Council recorded Property, Plant and Equipment (PPE) at a net value of \$4,630,955 in the Statement of Financial Position as at 31 July 2018. I was not provided with sufficient and appropriate documentations for the additions to the PPE during the year for the renovation of Macuata House of \$93,260. In addition, PPE, includes Macuata House of \$4,013,680 which is leased to tenants. The Council has not accounted the Macuata House as an Investment Property in accordance with Section 16 of International Financial Reporting Standards for Small and Medium- sized Entity (IFRS for SMEs). As a result, I was unable to satisfy myself on the accuracy of the PPE balance of \$4,630,955 as stated in the Statement of Financial Position and unable to determine whether any adjustments might have been necessary in respect of the additions to PPE at the end of the financial year and any corresponding adjustments to the elements</p>

Provincial Council	Qualification Issues
	<p>making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>7. The Council recorded rental income from Macuata House of \$718,522 in the Statement of Comprehensive Income for the year ended 31 July 2018. The Council was unable to provide me with all the tenancy agreements. I was also unable to satisfy myself through other alternative audit procedures to determine the annual rental income. As a result, I was unable to verify the completeness of the rental income and unable to determine whether any adjustments might have been necessary in respect of these income balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>8. The Council recorded Macuata House Repairs and Maintenance and Salaries of \$138,911 in the Statement of Comprehensive Income for the year ended 31 July 2018. The Council was unable to provide me with sufficient documentation to support this balance. As a result, I was unable to verify the accuracy of this balance and unable to determine whether any adjustments might have been necessary in respect of these income balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>9. The Council has recorded rental income from Macuata House of \$718,522 in the Statement of Comprehensive Income. While the Council is exempted from Income Tax in accordance with Part 7 (2) of the Income Tax (Exempt Income) Act 2016, the rental income from Macuata House is a taxable activity. The Council has not made any provisions for income tax in the financial statements. I was also not provided with sufficient documentation and information to determine tax implication. As a result, I was unable to determine income tax implication arising from rental revenue on the Council's financial statements.</p> <p>10. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under <i>Unutilized Turaga Ni Koro and Mata Ni Tikina allowance</i> account. The liability account with a balance of \$75,603 is disclosed in Note 12. Income and expenditures were not recognized upon payments of the allowances from this account. I was</p>

Provincial Council	Qualification Issues
	<p>also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>11. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentation and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p>
Nadroga/Navosa:	
2017	<ol style="list-style-type: none"> 1. A disclaimer of opinion was issued for the Council's 2015 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Held to Maturity Investment, Available for Sale Financial Assets, Property, Plant and Equipment and Payables. Therefore, I am unable to satisfy myself concerning the opening balances of these accounts disclosed in the Statement of Financial Position and the impact it may have on the determination of the closing balances of the 2017 financial statements. 2. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of Statement of Cash Flows. 3. The Council recorded Cash at Bank and on Hand of \$287,688 in the Statement of Financial Position which comprises of Cash at Bank Current account of \$149,332, Cash at Bank Trust account of \$118,710 and Cash at Bank Adi Nadroga Navosa festival account of \$19,646 as at 31 July 2017. The Council was unable to provide me with complete set of receipt

Provincial Council	Qualification Issues
	<p>books and payment records for these accounts for the period ended 31 July 2017. Therefore, this has provided limitation of scope for me to substantiate the accuracy of the bank reconciliation and the general ledger for Cash at Bank and Hand. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's Cash at Bank and on Hand balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>4. The Council recorded Receivables of \$212,699, Payables of \$114,715 and Adi Nadroga Festival Trust of \$19,645. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</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. Accordingly, I am unable to determine whether income from provincial rates of \$160,485 is fairly stated in the financial statements.</p> <p>6. The Council recorded Held to Maturity Investments with ANZ Bank of \$56,668 in the Statement of Financial Position as at 31 July 2017. I was not provided with the bank confirmation for the existence of this investment. As a result, I could not ascertain the accuracy of the investment in the Statement of Financial Position.</p> <p>7. The Council recorded Property, Plant and Equipment (PPE) at a net value of \$527,193 in the Statement of Financial Position as at 31 July 2017. I was not provided with sufficient and appropriate documentation for the additions of \$144,687 to the PPE during the year. As a result, I was unable to satisfy myself on the accuracy of the PPE of \$527,193 as stated in the Statement of Financial Position.</p>

Provincial Council	Qualification Issues
	<p>8. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account with a balance of \$20,926 is disclosed in Note 13. Income and expenditures were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>9. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentations and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>10. The Council recorded Prior Year Adjustment of \$162,082 in the Statement of Changes in Equity for the year ended 31 July 2017 which is not in accordance with Section 10 – Accounting Policies, Estimates and Errors of the IFRS for SMEs. In addition, the Council was unable to provide appropriate supporting documents for these adjustments made to the general ledger. Consequently, Prior Year Adjustment is not correctly reported in the financial statements of the Council.</p> <p>11. The Council recorded Available for Sale Financial Assets of \$879,557 in the Statement of Financial Position as at 31 July 2017 which included investments with Nadroga Navosa PC Corporation of \$289,603, Unit Trust of Fiji of \$24,353 and Fijian Holding Unit Trust of \$95,601. I was not provided with the investment confirmations necessary to confirm the existence and valuation of these investments. As a result, I could not ascertain the accuracy of investments totaling \$409,557 in the Statement of Financial Position.</p>

Provincial Council	Qualification Issues
	<p>12. The Council has recorded Investment Revaluation Reserve (IRR) of \$342,818 in the Statement of Changes in Equity. There is a variance of \$6,841 between the IRR and reconciliation of Available for Sale Financial Assets as disclosed in Note 11 of the financial statements. As a result, I could not ascertain the accuracy of the IRR as stated in the Statement of Changes in Equity.</p>
2018	<ol style="list-style-type: none"> 1. A disclaimer of opinion was issued for the Council's 2017 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Held to Maturity Investment, Available for Sale Financial Assets, Property, Plant and Equipment and Payables. Therefore, I am unable to satisfy myself concerning the opening balances of these accounts disclosed in the Statement of Financial Position and the impact it may have on the determination of the closing balances of the 2018 financial statements. 2. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of Statement of Cash Flows. 3. The Council recorded Cash at Bank and on Hand of \$469,966 in the Statement of Financial Position which comprises of Cash at Bank Current account of \$99,819, Cash at Bank Trust account of \$268,283 and Cash at Bank Adi Nadroga Navosa festival account of \$101,863 as at 31 July 2018. The Council was unable to provide me with complete set of receipt books and payment records for these accounts for the year ended 31 July 2018. Therefore, this has provided limitation of scope for me to substantiate the accuracy of the bank reconciliation and the general ledger for Cash at Bank and Hand. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's Cash at Bank and on Hand balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. 4. The Council recorded Receivables of \$236,094, Payables of \$133,426 and Adi Nadroga Festival Trust of \$101,863. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable

Provincial Council	Qualification Issues
	<p>to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</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. Accordingly, I am unable to determine whether income from provincial rates of \$104,825 is fairly stated in the financial statements.⁷</p> <p>6. The Council recorded Held to Maturity investments with ANZ Bank of \$56,668 in the Statement of Financial Position as at 31 July 2018. I was not provided with the audit confirmation for the existence of this investment. As a result, I could not ascertain the accuracy of the investment in the statement of Financial Position.</p> <p>7. The Council recorded Property, Plant and Equipment (PPE) at a net value of \$499,250 in the Statement of Financial Position as at 31 July 2018. I was not provided with sufficient and appropriate documentation for the additions and disposals to the PPE of \$16,929 and \$3,200 respectively during the year. As a result, I was unable to satisfy myself on the accuracy of the PPE of \$499,250 as stated in the Statement of Financial Position.</p> <p>8. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account with a balance of \$18,465 is disclosed in Note 13. Income and expenditures were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>9. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentations and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to</p>

Provincial Council	Qualification Issues
	<p>determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>10. The Council recorded Prior Year Adjustment of \$170,182 in the Statement of Changes in Equity for the year ended 31 July 2018 which is not in accordance with Section 10 – Accounting Policies, Estimates and Errors of the IFRS for SMEs. In addition, the Council was unable to provide appropriate supporting documents for these adjustments made to the general ledger. Consequently, Prior Year Adjustment is not correctly reported in the financial statements.</p> <p>11. The Council recorded Available for Sale Financial Assets of \$1,056,502 in the Statement of Financial Position as at 31 July 2018 which included investments with Nadroga Navosa PC Corporation of \$289,383 and Unit Trust of Fiji of \$28,826. I was not provided with the investment confirmations necessary to confirm the existence and valuation of these investments. As a result, I could not ascertain the accuracy of investments totaling \$318,209 in the Statement of Financial Position.</p> <p>12. The Council has recorded addition to Investment Revaluation Reserve (IRR) of \$326,446 in the Statement of Changes in Equity. There is a variance of \$148,981 between the IRR and reconciliation of Available for Sale Financial Assets as disclosed in Note 11 of the financial statements. As a result, I could not ascertain the accuracy of the IRR as stated in the Statement of Changes in Equity.</p>
Naitasiri:	
2017	<p>1. A disclaimer of opinion was issued on the 2015 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Available for Sale Financial Assets for Special Funds, Property, Plant and Equipment, Payables, Borrowings and Special Funds. Therefore, I am unable to satisfy myself concerning the opening balances disclosed in the Statement of Financial Position of the Council and the</p>

Provincial Council	Qualification Issues
	<p>impact it may have on the determination of the closing balances of the 2017 financial statements.</p> <ol style="list-style-type: none"> <li data-bbox="432 353 1437 667">2. The Council recorded Cash at Bank and on Hand of \$218,144 in the Statement of Financial Position as at 31 July 2017. Included in this balance is Cash at Bank Savings Account of \$3,318. The Council was unable to provide me with appropriate and sufficient documentation to perform the necessary audit procedures to verify accuracy of this account. As a result, I was unable to satisfy myself whether Cash at Bank - Savings Account of \$3,318 is correctly reported in the Financial Statements. <li data-bbox="432 723 1437 891">3. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows. <li data-bbox="432 947 1437 1395">4. The Council recorded Receivables of \$8,174, Payables of \$100,948 and Special Funds of \$170,364 in the Statement of Financial Position as at 31 July 2017. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. <li data-bbox="432 1451 1437 1765">5. The Council recorded Available for Sale Financial Assets of \$879,596 in the Statement of Financial Position as at 31 July 2017. Included in this balance is a Scholarship Fund of \$130,889 comprising of investments held with Fijian Holdings Limited of \$54,900, ATH of \$8,894 and Unit Trust of Fiji of \$67,095. I was not provided with independent confirmations of these balances. As a result, I could not ascertain the accuracy of the Scholarship Fund investments in the financial statements. <li data-bbox="432 1821 1437 2022">6. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account with a balance of \$26,253 is disclosed in Note 12. Income and expenditures were not recognized upon payments of the allowances from this account. I was

Provincial Council	Qualification Issues
	<p>also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>7. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentations and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>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. Accordingly, I am unable to satisfy myself whether income from provincial rates of \$59,407 is completely stated in the financial statements.</p> <p>9. The Council recorded Prior year adjustment of \$8,206 in the Statement of Changes in Equity for the period ended 31 July 2017 which is not in accordance with Section 10 – Accounting Policies, Estimates and Errors of the IFRS for SMEs. In addition, the Council was unable to provide appropriate supporting documents for these adjustments made to the general ledger. Consequently, Prior Year Adjustment is not correctly reported in the financial statements.</p>
2018	<p>1. A disclaimer of opinion was issued on the 2017 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Available for sale financial assets for special funds, Property, Plant and Equipment, Payables, and Special Funds. Therefore, I am unable to satisfy myself concerning the opening balances disclosed in the</p>

Provincial Council	Qualification Issues
	<p>Statement of Financial Position of the Council and the impact it may have on the determination of the closing balances of the 2018 financial statements.</p> <ol style="list-style-type: none"> 2. The Council recorded Cash at Bank and on Hand of \$417,895 in the Statement of Financial Position as at 31 July 2018. Included in this balance is Cash at Bank - Savings Account of \$3,218. The Council was unable to provide me with appropriate and sufficient documentation to perform the necessary audit procedures to verify accuracy of this account balance. As a result, I was unable to satisfy myself whether Cash at Bank - Savings Account of \$3,218 is correctly reported in the Financial Statements. 3. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows. 4. The Council recorded Receivables of \$19,376, Payables of \$93,835 and Special Funds of \$251,953 in the Statement of Financial Position as at 31 July 2018. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. 5. The Council recorded Available for Sale Financial Assets of \$1,369,520 in the Statement of Financial Position as at 31 July 2018. Included in this balance is a Scholarship Fund of \$140,767 comprising of investments held with Fijian Holdings Limited of \$64,778, ATH of \$8,894 and Unit Trust of Fiji of \$67,095. I was not provided with the independent confirmations of these balances. As a result, I could not ascertain the accuracy of the Scholarship Fund investments in the financial statements. 6. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under <i>Unutilized Turaga Ni Koro and Mata Ni Tikina allowance</i> account. The liability account with a balance of

Provincial Council	Qualification Issues
	<p>\$10,560 is disclosed in Note 12. Income and expenditures were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentation and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>7. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentations and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>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. Accordingly, I am unable to satisfy myself whether income from provincial rates of \$90,081 is completely recorded in the financial statements.</p> <p>9. The Council recorded Prior year adjustment of \$13,032 in the Statement of Changes in Equity for the year ended 31 July 2018 which is not in accordance with Section 10 – Accounting Policies, Estimates and Errors of the IFRS for SMEs. In addition, the Council was unable to provide appropriate supporting documents for these adjustments made to the general ledger. Consequently, Prior Year Adjustment is not correctly reported in the financial statements.</p> <p>10. The Council was unable to provide journal vouchers relating to expenses not covered by subvention of \$33,652. As a result, I was unable to verify the accuracy of the transactions recorded through these journal vouchers. Consequently, I am unable to ascertain whether the expenditure not</p>

Provincial Council	Qualification Issues
	covered by subvention of \$161,999 is fairly stated in the Statement of Comprehensive Income.
Namosi:	
2017	<ol style="list-style-type: none"> 1. A disclaimer of opinion was issued for the Council's 2015 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Held to Maturity Assets, Available for Sale Financial Assets for Special Funds, Property, Plant and Equipment, Payables, Borrowings and Special Funds. Therefore, I am unable to satisfy myself concerning the opening balances of these accounts disclosed in the Statement of Financial Position and the impact it may have on the determination of the closing balances of the 2017 financial statements. 2. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows. 3. The Council recorded Receivables of \$796,844, Other Assets of \$19,612, Payables of \$41,754 and Special Funds of \$58,216 in the Statement of Financial Position as at 31 July 2017. I was not provided with appropriate and sufficient documentation, accounting records and confirmations for these balances. As a result, I was unable to verify the accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. 4. The Council recorded Property, Plant and Equipment (PPE) at a net value of \$294,373 in the Statement of Financial Position as at 31 July 2017. I was not provided with appropriate and sufficient documentation for the additions to PPE of \$16,676. As a result, I was unable to confirm the accuracy of the PPE balance and unable to determine whether any adjustments might have been necessary in respect of PPE balances at the end of the financial year and any corresponding adjustments to the

Provincial Council	Qualification Issues
	<p>elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>5. The Council recorded Borrowings of \$56,250 in the Statement of Financial Position as at 31 July 2017. I was not provided with appropriate and sufficient documentation and confirmations which was necessary to confirm the existence, completeness and valuation of this balance and also unable to determine whether any adjustments might have been necessary in respect of Borrowings at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</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. Accordingly, I am unable to satisfy myself whether income from provincial rates of \$42,858 is completely stated in the financial statements.</p> <p>7. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account with a balance of \$14,593 is disclosed in Note 13. Income and expenditures were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>8. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentation and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the</p>

Provincial Council	Qualification Issues
	<p>Statement of Comprehensive Income and Statement of Financial Position.</p> <p>9. The Council has recorded Investment Revaluation Reserve (IRR) of \$113,935 in the Statement of Changes in Equity for the period ended 31 July 2017. Included in this Reserve are increment in value for the Available- for- Sale Financial Assets at Fijian Holdings Limited Held in Trust for Veivatuloa and Wainikoroiluva Tikina of \$37,222 and \$31,694 respectively. Since, this gain relates to the Trust, its inclusion has resulted in the overstatement of the IRR by \$68,916.</p> <p>10. The Council was unable to provide journal vouchers relating to expenses not covered by subvention totaling \$33,603. As a result, I was unable to verify the accuracy of these transactions and unable to determine whether any adjustments might have been necessary in respect of expenses at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>11. Included in the Available for Sale Financial Assets of \$156,448, Note 11, is investment with Fijian Holdings Limited totaling \$88,012 which is allocated between the Council, Wainikoroiluva Trust and Veivatuloa Trust of \$470, \$40,260 and \$47,282 respectively. The Council has not provided me with records to verify how the investment was allocated between the Council and the Trusts. As a result, I am unable to satisfy myself on the accuracy of these allocations as disclosed in the financial statements.</p>
2018	<p>1. A disclaimer of opinion was issued for the Council's 2017 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Held to Maturity Assets, Available for Sale Financial Assets for Special Funds, Property, Plant and Equipment, Payables, Borrowings and Special Funds. Therefore, I am unable to satisfy myself concerning the opening balances of these accounts disclosed in the Statement of Financial Position and the impact it may have on the determination of the closing balances of the 2018 financial statements.</p> <p>2. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement</p>

Provincial Council	Qualification Issues
	<p>of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows.</p> <ol style="list-style-type: none"> <li data-bbox="432 353 1436 797">3. The Council recorded Receivables of \$798,149 Other Assets of \$13,449, Payables of \$55,917 and Special Funds of \$48,408 in the Statement of Financial Position as at 31 July 2018. I was not provided with appropriate and sufficient documentation, accounting records and confirmations to verify the existence and accuracy of these balances. As a result, I was unable to verify the accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. <li data-bbox="432 853 1436 1249">4. The Council recorded Property, Plant and Equipment (PPE) at a net value of \$317,212 in the Statement of Financial Position as at 31 July 2018. I was not provided with appropriate and sufficient documentation for the additions to PPE of \$27,998. As a result, I was unable to confirm the accuracy of the PPE balance and unable to determine whether any adjustments might have been necessary in respect of PPE balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. <li data-bbox="432 1305 1436 1702">5. The Council recorded Borrowings of \$21,357 in the Statement of Financial Position as at 31 July 2018. I was not provided with appropriate and sufficient documentation and confirmations which was necessary to confirm the existence, completeness and valuation of this balance and unable to determine whether any adjustments might have been necessary in respect of Borrowings at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. <li data-bbox="432 1771 1436 2024">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. Accordingly, I am unable to satisfy myself whether income from provincial rates of \$74,646 is completely stated in the financial statements.

Provincial Council	Qualification Issues
	<p>7. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account with a balance of \$19,800 is disclosed in Note 13. Income and expenditures were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>8. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentation and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>9. The Council has recorded Investment Revaluation Reserve (IRR) of \$240,984 in the Statement of Changes in Equity for the period ended 31 July 2018. Included in this Reserve are increment in value for the Available-for-Sale Financial Assets at Fijian Holdings Limited Held in Trust for Veivatuola and Wainikoroiluva Tikina of \$102,271 and \$87,082 respectively. Since, this gain is relating to the Trust, its inclusion has resulted in the overstatement of the IRR by \$189,353.</p> <p>10. The Council recorded Prior year adjustment of \$1,906 in the Statement of Changes in Equity for the year ended 31 July 2018 which is not in accordance with Section 10 – Accounting Policies, Estimates and Errors of the IFRS for SMEs. In addition, the Council was unable to provide appropriate supporting documents for these adjustments made to the general ledger. Consequently, Prior Year Adjustment is not correctly reported in the financial statements.</p>

Provincial Council	Qualification Issues
	<p>11. Included in the Available for Sale Financial Assets of \$329,826, Note 11, is Investment with Fijian Holdings Limited totaling \$190,370 which is allocated between the Council, Wainikoroiluva Trust and Veivatulua Trust of \$1,017, \$102,271 and \$87,082 respectively. The Council has not provided me with records to verify how the investment was allocated between the Council and the Trusts. As a result, I am unable to satisfy myself on the accuracy of these allocations as disclosed in the financial statements.</p>
Ra:	
2017	<ol style="list-style-type: none"> 1. A disclaimer of opinion was issued for the Council's 2015 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Available for Sale Financial Assets, Property, Plant and Equipment, Payables and Borrowings. Therefore, I am unable to satisfy myself concerning the opening balances of these accounts disclosed in the Statement of Financial Position and the impact it may have on the determination of the closing balances of the 2017 financial statements. 2. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows. 3. The Council recorded Receivables of \$11,608 and Payables of \$30,211. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. 4. The Council recorded Borrowings of \$102,178 in the Statement of Financial Position as at 31 July 2017 which include loans from TAB of \$57,035 and Fiji Development Bank of \$7,757. I was not provided with confirmations from these institutions which was necessary to confirm the

Provincial Council	Qualification Issues
	<p>existence and valuation of these loans. As a result, I was unable to satisfy myself on the accuracy of the Borrowings in the Statement of Financial Position.</p> <p>5. The Council recorded Property, Plant and Equipment (PPE) at a net value of \$373,579 in the Statement of Financial Position as at 31 July 2017. I was not provided with sufficient and appropriate documentation for the additions and disposals to the PPE of \$12,705 and \$65,000 respectively during the year. As a result, I was unable to satisfy myself on the accuracy of the PPE in the Statement of Financial Position.</p> <p>6. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account with a balance of \$7,894 is disclosed in Note 12. Income and expenditures were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>7. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentations and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>8. The Council recorded Prior Year Adjustment of \$3,419 in the Statement of Changes in Equity for the year ended 31 July 2017 which is not in accordance with Section 10 – Accounting Policies, Estimates and Errors of the IFRS for SMEs. In addition, the Council was unable to provide appropriate supporting documents for these adjustments made to the</p>

Provincial Council	Qualification Issues
	<p>general ledger. Consequently, Prior Year Adjustment is not correctly reported in the financial statements.</p> <p>9. The Council recorded Financial Assets Available for Sale of \$575,608 in the Statement of Financial Position as at 31 July 2017 which included investments with Unit Trust of Fiji of \$145,168 and Amalgamated Telecom Holdings Limited of \$79,849. I was not provided with the investment confirmations which was necessary to confirm the existence and valuation of these investments. As a result, I could not ascertain the accuracy of these investments totaling \$225,017 in the Statement of Financial Position.</p> <p>10. The Council has recorded addition to Investment Revaluation Reserve (IRR) of \$315,016 in the Statement of Changes in Equity. There is a variance of \$20,957 between the IRR and reconciliation of Available for Sale Financial Assets as disclosed in Note 10 of the financial statements. As a result, I could not ascertain the accuracy of the IRR as stated in the Statement of Changes in Equity.</p> <p>11. 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. Accordingly, I am unable to determine whether income from provincial rates of \$95,820 is fairly stated in the financial statements.</p>
2018	<p>1. A disclaimer of opinion was issued for the Council's 2017 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Available for Sale Financial Assets, Property, Plant and Equipment, Payables and Borrowings. Therefore, I am unable to satisfy myself concerning the opening balances disclosed in the Statement of Financial Position of the Council and the impact it may have on the determination of the closing balances of the 2018 financial statements.</p> <p>2. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows.</p>

Provincial Council	Qualification Issues
	<p>3. The Council recorded Receivables of \$21,328 and Payables of \$19,200. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>4. The Council recorded Borrowings of \$42,021 in the Statement of Financial Position as at 31 July 2018 which include loan from TAB of \$17,829. I was not provided with confirmation from TAB which was necessary to confirm the existence and valuation of this loan. As a result, I was unable to satisfy myself on the accuracy of the Borrowings in the Statement of Financial Position.</p> <p>5. The Council recorded Property, Plant and Equipment at a net value of \$391,453 in the Statement of Financial Position as at 31 July 2018. I was not provided with sufficient and appropriate documentation to verify work in progress of \$51,253. As a result, I was unable to satisfy myself on the accuracy of the PPE in the Statement of Financial Position.</p> <p>6. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account with a balance of \$6,012 is disclosed in Note 12. Income and expenditures were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>7. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentations and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As</p>

Provincial Council	Qualification Issues
	<p>a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>8. The Council recorded Financial Assets Available for Sale of \$792,833 in the Statement of Financial Position as at 31 July 2018 which included investments with Unit Trust of Fiji of \$193,647 and Amalgamated Telecom Holdings Limited of \$156,068. I was not provided with the investment confirmations which was necessary to confirm the existence and valuation of these investments. As a result, I could not ascertain the accuracy of these investments totaling \$349,715 in the Statement of Financial Position.</p> <p>9. The Council has recorded addition to Investment Revaluation Reserve (IRR) of \$512,391 in the Statement of Changes in Equity. There is a variance of \$49,191 between the IRR and reconciliation of Available for Sale Financial Assets as disclosed in Note 10 of the financial statements. As a result, I could not ascertain the accuracy of the IRR as stated in the Statement of Changes in Equity.</p> <p>10. 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. Accordingly, I am unable to determine whether income from provincial rates of \$84,590 is fairly stated in the financial statements.</p>
Rewa:	
2017	<p>1. A disclaimer of opinion was issued on the 2015 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Other Assets, Property, Plant and Equipment, Payables, Borrowings and Special Funds. Therefore, I am unable to satisfy myself concerning the opening balances disclosed in the Statement of Financial Position of the Council and the impact it may have on the determination of the closing balances of the 2017 financial statements.</p>

Provincial Council	Qualification Issues
	<ol style="list-style-type: none"> <li data-bbox="432 226 1430 394">2. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows. <li data-bbox="432 450 1430 931">3. The Council recorded Receivables of \$49,407, Other assets of \$8,911, Payables of \$28,486, TAB Loan of \$29,652 and SBAU Loan of nil balance in the Statement of Financial Position as at 31 July 2017. The Council was unable to provide me with appropriate and sufficient documentations and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Income and Expenditure and Statement of Financial Position. <li data-bbox="432 987 1430 1469">4. The Council recorded a nil balance under Special Funds in the Statement of Financial Position as at 31 July 2017 compared to \$80,000 as at 31 December 2015. The Council was unable to provide me with appropriate and sufficient documentations and accounting records to verify the movement of Special Funds of nil balance. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of the special fund balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Income and Expenditure and Statement of Financial Position. <li data-bbox="432 1525 1430 1749">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. Accordingly, I am unable to determine whether income from provincial rates of \$107,981 is fairly stated in the financial statements. <li data-bbox="432 1805 1430 2018">6. The Council recorded prior year adjustment of \$77,856 in the Statement of Changes in Equity for the period ended 31 July 2017 which is not in accordance with Section 10 of International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs). In addition, the Council was unable to provide appropriate supporting

Provincial Council	Qualification Issues
	<p>documents for these adjustments made to the general ledger. Consequently, prior year adjustment is not accurately reported in the financial statements.</p> <p>7. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under the Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account with a balance of \$15,824 is disclosed in Note 12. Income and expenditures were not recognized upon payments of allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>8. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentations and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p>
2018	<p>1. A disclaimer of opinion was issued on the 2017 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Other Assets, Property, Plant and Equipment, Payables, Borrowings and Special Funds. Therefore, I am unable to satisfy myself concerning the opening balances disclosed in the Statement of Financial Position of the Council and the impact it may have on the determination of the closing balances of the 2018 financial statements.</p> <p>2. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement</p>

Provincial Council	Qualification Issues
	<p>of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows.</p> <p>3. The Council recorded Receivables of \$55,455, Other assets of \$4,733, Payables of \$87,925, TAB Loan of \$30,282 and SBAU Loan of nil balance in the Statement of Financial Position as at 31 July 2018. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of the receivables, other assets, and payables balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>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. Accordingly, I am unable to determine whether income from provincial rates of \$62,100 is fairly stated in the financial statements.</p> <p>5. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account with a balance of \$41,562 is disclosed in Note 14. Income and expenditure were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position</p> <p>6. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentations and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the</p>

Provincial Council	Qualification Issues
	Statement of Comprehensive Income and Statement of Financial Position.
Serua:	
2017	<ol style="list-style-type: none"> 1. A disclaimer of opinion was issued for the Council's 2015 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Available for Sale Financial Assets, Property, Plant and Equipment, Payables, Borrowings and Special Funds. Therefore, I am unable to satisfy myself concerning the opening balances of these accounts disclosed in the Statement of Financial Position and the impact it may have on the determination of the closing balances of the 2017 financial statements. 2. The Council recorded Cash at Bank and on Hand of \$205,797 which comprises of Cash at Bank Current Account of \$126,534, Cash at Bank Trust Account of \$73,689, and Cash at Bank Scholarship Funds of \$5,574 in the Statement of Financial Position as at 31 July 2017. The Council was unable to provide me with complete set of receipt books and payment records for these accounts for the period ended 31 July 2017. Therefore, this provided limitation of scope for me to substantiate accuracy of the bank reconciliation and the general ledger for Cash at Bank and on Hand. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's Cash at Bank and on Hand balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. 3. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows. 4. The Council recorded Receivables of \$306,755, Payables of \$34,893 and Special Funds of \$5,574 in the Statement of Financial Position as at 31 July 2017. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and

Provincial Council	Qualification Issues
	<p>accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>5. The Council recorded Available for Sale Financial Assets of \$664,322 in the Statement of Financial Position as at 31 July 2017 which included the investment with Serua Provincial Council Investment Company Limited of \$100,000 and Unit Trust of Fiji of \$57,173. I was not provided with the investment confirmations which was necessary to confirm the existence and valuation of these investments. In addition, investment with Serua Provincial Investment Co-operative Limited was adjusted from \$825,289 to \$100,000 during the financial year for which I was not provided with appropriate and sufficient documentation. As a result, I could not ascertain the accuracy of Available for Sale Financial Assets reported in the Statement of Financial Position.</p> <p>6. The Council recorded Borrowings of \$24,703 in the Statement of Financial Position as at 31 July 2017. I was not provided with appropriate and sufficient documentation and confirmations for these borrowing which was necessary to confirm the existence, completeness and valuation of this balance. As a result, I was unable to confirm the accuracy of this balance and unable to determine whether any adjustments might have been necessary in respect of borrowings at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</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. Accordingly, I am unable to determine whether income from provincial rates of \$29,280 is fairly stated in the financial statements.</p> <p>8. The Council recorded Income from Investment of \$46,659 and Other Income of \$260,533 in the Statement of Comprehensive Income for the period ended 31 July 2017. The Council was unable to provide appropriate and sufficient documentation to support these balances including journal adjustments made to the general ledger in respect to</p>

Provincial Council	Qualification Issues
	<p>these balances. As a result, I could not ascertain the accuracy of these income totaling \$307,192 in the Statement of Comprehensive Income.</p> <p>9. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account with a balance of \$19,484 is disclosed in Note 12. Income and expenditures were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>10. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentations and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>11. The Council has recorded Investment Revaluation Reserve of \$375,207 in the Statement of Changes in Equity for the period ended 31 July 2017 which includes gain in value for the Available for Sale Financial Assets for Unit Trust of Fiji of \$15,160. I was not provided with the investment confirmation from Unit Trust of Fiji which was necessary to verify the gain in the fair value of this investment. As a result, I could not ascertain the accuracy of this gain reported in the Investment Revaluation Reserve.</p> <p>12. The Council recorded Prior year adjustment of \$760,915 in the Statement of Changes in Equity for the year ended 31 July 2017 which is not in accordance with Section 10 – Accounting Policies, Estimates and Errors of the IFRS for SMEs. In addition, the Council was unable to provide appropriate supporting documents for these adjustments made to the</p>

Provincial Council	Qualification Issues
	<p>general ledger. Consequently, Prior Year Adjustment is not correctly reported in the financial statements.</p>
2018	<ol style="list-style-type: none"> <li data-bbox="432 315 1437 707">1. A disclaimer of opinion was issued for the Council's 2017 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Available for Sale Financial Assets, Property, Plant and Equipment, Payables, Borrowings and Special Funds. Therefore, I am unable to satisfy myself concerning the opening balances of these accounts disclosed in the Statement of Financial Position and the impact it may have on the determination of the closing balances of the 2018 financial statements. <li data-bbox="432 763 1437 1346">2. The Council recorded Cash at Bank and on Hand of \$209,647 which comprises of Cash at Bank Current Account of \$79,307, Cash at Bank Trust Account of \$123,634, and Cash at Bank Scholarship Funds of \$6,706 in the Statement of Financial Position as at 31 July 2018. The Council was unable to provide me with complete set of receipt books and payment records for these accounts for the year ended 31 July 2018. Therefore, this provided limitation of scope for me to substantiate accuracy of the bank reconciliation and the general ledger for Cash at Bank and on Hand. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's Cash at Bank and on Hand balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. <li data-bbox="432 1424 1437 1592">3. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows. <li data-bbox="432 1648 1437 2000">4. The Council recorded Receivables of \$296,493, Payables of \$7,019 and Special Funds of \$6,706 in the Statement of Financial Position as at 31 July 2018. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the

Provincial Council	Qualification Issues
	<p>elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <ol style="list-style-type: none"> <li data-bbox="432 353 1445 712">5. The Council recorded Available for Sale Financial Assets of \$867,626 in the Statement of Financial Position as at 31 July 2018 which included the investment with Serua Provincial Council Investment Company Limited of \$100,000 and Unit Trust of Fiji of \$105,053. I was not provided with the investment confirmations which was necessary to confirm the existence and valuation of these investments. As a result, I could not ascertain the accuracy of these investments totaling \$205,053 in the Statement of Financial Position <li data-bbox="432 763 1445 1211">6. The Council recorded Borrowings of \$13,844 in the Statement of Financial Position as at 31 July 2018. I was not provided with appropriate and sufficient documentation and confirmations for these borrowings which was necessary to confirm the existence, completeness and valuation of this balance. As a result, I was unable to confirm the accuracy of this balance and unable to determine whether any adjustments might have been necessary in respect of borrowings at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. <li data-bbox="432 1263 1445 1532">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 \$30,947 is fairly stated in the financial statements. <li data-bbox="432 1583 1445 1897">8. The Council recorded Income from Investment of \$49,703 and Other Income of \$155,918 in the Statement of Comprehensive Income for the year ended 31 July 2018. The Council was unable to provide appropriate and sufficient documentation to support these balances including journal adjustments made to the general ledger in respect to these balances. As a result, I could not ascertain the accuracy of these Income totaling \$205,621 in the Statement of Comprehensive Income. <li data-bbox="432 1948 1445 2029">9. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and

Provincial Council	Qualification Issues
	<p>Mata Ni Tikina allowance account. The liability account with a balance of \$1,100 is disclosed in Note 12. Income and expenditures were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>10. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentations and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>11. The Council has recorded Investment Revaluation Reserve of \$578,512 in the Statement of Changes in Equity for the year ended 31 July 2018 which included gain in value for the Available for Sale Financial Assets for Unit Trust of Fiji of \$47,880. I was not provided with the investment confirmation which was necessary to verify gain in the fair value of this investment. As a result, I could not ascertain the accuracy of this gain reported in the Investment Revaluation Reserve.</p> <p>12. The Council recorded Prior year adjustment of \$10,242 in the Statement of Changes in Equity for the year ended 31 July 2018 which is not in accordance with Section 10 – Accounting Policies, Estimates and Errors of the IFRS for SMEs. In addition, the Council was unable to provide appropriate supporting documents for these adjustments made to the general ledger. Consequently, Prior Year Adjustment is not correctly reported in the financial statements.</p> <p>13. The Council did not record salaries covered by subvention totaling \$9,613 in the general ledger. In addition, salaries were overstated in the general ledger by \$2,719. As a result, I was unable to ascertain whether</p>

Provincial Council	Qualification Issues
	the salaries covered by subvention t of \$35,317 is fairly stated in the Financial Statements as at 31 July 2018.
Tailevu:	
2017	<ol style="list-style-type: none"> 1. A disclaimer of opinion was issued on the 2015 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Held to maturity investments, Available for sale Financial Assets, Property, Plant and Equipment, Payables, Borrowings and Special Funds. Therefore, I am unable to satisfy myself concerning the opening balances disclosed in the Statement of Financial Position of the Council and the impact it may have on the determination of the closing balances of the 2017 financial statements. 2. The Council recorded Cash at Bank and on Hand of \$152,610 in the Statement of Financial Position as at 31 July 2017. Included in the balance was Cash at Bank-Trust account of \$26,158. The Council was unable to provide me with complete set of receipt books and payment records for this account. This has provided limitation of scope for me to substantiate the accuracy of the bank reconciliation and the general ledger for Cash at Bank-Trust Account. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's Cash at Bank and on Hand balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position. 3. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows reported in the financial statements. 4. The Council recorded Receivables of \$142,659 and Payables of \$182,235 in the Statement of Financial Position as at 31 July 2017. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any

Provincial Council	Qualification Issues
	<p>corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>5. The Council recorded Available-for-Sale Financial Assets of \$893,048 in the Statement of Financial Position as at 31 July 2017 which included the investment with Tailevu Holding Dairy Co-operative of \$41,900 and Tailevu Holding Ltd of \$731,986. I was not provided with investment confirmations which was necessary to confirm the existence and valuations of these investments. As a result, I could not ascertain the accuracy of investments totaling \$773,886 in the Statement of Financial Position.</p> <p>6. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account with a balance of \$146,864 is disclosed in Note 13. Income and expenditures were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentation and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>7. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentation and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>8. The Council was unable to provide payment vouchers to support transactions totaling \$11,125 and journal vouchers totaling \$18,189 relating to total expenses not covered by subvention in the Statement of Comprehensive Income. As a result, I was unable to verify the occurrence and accuracy of these transactions and unable to determine whether any</p>

Provincial Council	Qualification Issues
	<p>adjustments might have been necessary in respect of the expenses at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>9. The Council recorded Prior year adjustment of \$649 in the Statement of Changes in Equity for the period ended 31 July 2017 which is not in accordance with Section 10 – Accounting Policies, Estimates and Errors of the IFRS for SMEs. In addition, the Council was unable to provide appropriate supporting documents for these adjustments. Consequently, Prior Year Adjustment is not correctly reported in the financial statements.</p>
2018	<p>1. A disclaimer of opinion was issued on the 2017 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances of Cash at Bank and on Hand, Receivables, Held to maturity investments, Available for sale financial assets, Property, Plant and Equipment, Payables, Borrowings and Special Funds. Therefore, I am unable to satisfy myself concerning the opening balances disclosed in the Statement of Financial Position of the Council and the impact it may have on the determination of the closing balances of the 2018 financial statements.</p> <p>2. The Council recorded Cash at Bank and on Hand of \$318,585 in the Statement of Financial Position as at 31 July 2018. Included in the balance was Cash at Bank-Trust account of \$213,999. The Council was unable to provide me with complete set of receipt books and payment records for this account. This has provided limitation of scope for me to substantiate the accuracy of the bank reconciliation and the general ledger for Cash at Bank-Trust Account. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's Cash at Bank and on Hand balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>3. The Council was unable to provide appropriate and sufficient accounting records and information to support balances reported in the Statement of Cash Flows. As a result, I am unable to satisfy myself on the accuracy of the Statement of Cash Flows reported in the financial statements.</p>

Provincial Council	Qualification Issues
	<p>4. The Council recorded Receivables of \$96,852 and Payables of \$50,804 in the Statement of Financial Position as at 31 July 2018. The Council was unable to provide me with appropriate and sufficient documentation and accounting records to support these balances. As a result, I was unable to verify the completeness and accuracy of these balances and unable to determine whether any adjustments might have been necessary in respect of these balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>5. The Council recorded Available-for-Sale Financial Assets of \$935,735 in the Statement of Financial Position as at 31 July 2018 which included the investment with Tailevu Holding Dairy Co-operative of \$41,900 and Tailevu Holding Ltd – PC Investment of \$731,986. I was not provided with investment confirmations which was necessary to confirm the existence and valuations of these investments. As a result, I could not ascertain the accuracy of investments totaling \$773,886 in the Statement of Financial Position.</p> <p>6. The Council recorded grant receipt and payments for allowances for the Turaga Ni Koro and Mata Ni Tikina under Unutilized Turaga Ni Koro and Mata Ni Tikina allowance account. The liability account with a balance of \$4,779 is disclosed in Note 13. Income and expenditures were not recognized upon payments of the allowances from this account. I was also not provided with sufficient and appropriate documentations and accounting records to determine whether any adjustment might have been necessary in respect of these grant income and expenditure at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.</p> <p>7. The Council did not record provision for annual leave in the Statement of Financial Position. I was not provided with appropriate and sufficient documentation and accounting records in relation to annual leave. This has limited my ability to perform necessary audit procedures to determine completeness and accuracy of the annual leave provision. As a result, I was unable to determine whether any adjustment might have been necessary in respect of the Council's annual leave provision at year end and any corresponding adjustments to the elements making up the</p>

Provincial Council	Qualification Issues
	<p>Statement of Comprehensive Income and Statement of Financial Position.</p> <p>8. The Council was unable to provide payment vouchers to support transactions totaling \$12,421 and journal vouchers totaling \$29,469 relating to the total expenses not covered by subvention in the Statement of Comprehensive Income. As a result, I was unable to verify the occurrence and accuracy of these transactions and unable to determine whether any adjustments might have been necessary in respect of the expenses at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position</p> <p>9. The Council recorded Prior year adjustment of \$111,341 in the Statement of Changes in Equity for the year ended 31 July 2018 which is not in accordance with Section 10 – Accounting Policies, Estimates and Errors of the IFRS for SMEs. In addition, the Council was unable to provide appropriate supporting documents for these adjustments. Consequently, Prior Year Adjustment is not accurately reported in the financial statements.</p> <p>10. 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. Accordingly, I am unable to determine whether income from provincial rates of \$9,235 is fairly stated in the financial statements.</p>

Appendix C: Abridged Financial Statements

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

Cakaudrove Provincial Council

Abridged Statement of Financial Performance

	2017 \$	2018 \$
Govt Subvention for operating expenses	139,744	76,029
Provincial Rates	66,314	36,535
Income from Investment	47,383	12,193
Other Income	236,778	168,715
Total Income	490,219	293,472
Salaries, wages allowance and related payments	137,462	73,748
Total Expenses covered by subvention	137,462	73,748
Depreciation	53,053	29,280
Personal cost- Salaries	65,810	24,663
Soqosoqo Vakamarama	5,280	3,469
Interest and financial costs	1,632	629
Ka Vakavanua	13,336	6,875
Youth and Sports	2,633	1,443
Administration costs	24,965	9,018
Sundry Expenses	10,027	1,552
Doubtful debts	4,126	2,511
Repair and maintenance	123,249	34,639
Other costs (Special Events)	28,367	35,189
Occupancy	10,581	7,118
Loss on disposal of fixed assets	67,678	-
Travelling and accommodation	40,099	21,805
Total Expenses not covered by subvention	450,836	178,191
TOTAL EXPENDITURE	588,298	251,939
Net (Loss)/Surplus	(98,079)	41,533
Gain on Revaluation of Investments	54,161	66,844
Total Comprehensive Income	(43,918)	108,377

Abridged Statement of Financial Position

	2017 \$	2018 \$
Cash at bank and on hand	125,785	549,811
Receivables	2,704	11,693
Held to Maturity investment	11,429	11,722
Property, plant and equipment	397,462	450,796
Available for sale financial assets	290,330	57,399
Cakaudrove Holding Limited	2,000,000	2,000,000
TOTAL ASSETS	2,827,710	3,081,421
Payables	17,234	168,434
Borrowings	8,734	2,868
TOTAL LIABILITIES	25,968	171,302
NET ASSETS	2,801,742	2,910,119
Accumulated Funds	2,801,742	2,910,119
TOTAL FUNDS EMPLOYED	2,801,742	2,910,119

Lau Provincial Council

Abridged Statement of Financial Performance

	2017 \$	2018 \$
Govt Subvention for operating expenses	88,440	74,098
Provincial Rates	42,318	35,033
Income from Investment	48,600	23,693
Other Income	217,353	146,131
Total Income	396,711	278,955
Salaries, wages allowance and related payments	88,634	74,098
Total Expenses covered by subvention	88,634	74,098
Depreciation	5,260	3,518
Traveling and subsistence	52,013	32,591
Outboard Expenses	8,770	3,870
Personal cost, allowance and related payment	9,022	11,743
Repairs & maintenance	7,137	465
Interest and financial costs	892	486
Administration costs	26,268	8,952

	2017 \$	2018 \$
Occupancy cost	53,187	33,108
Ka Vakavanua	13,206	9,547
Special Events	24,204	6,812
Rates refund	1,697	-
Donations	625	650
Grants to school	3,420	-
Prison Rehabilitation	194	500
SSV and Youths	2,498	1,010
Doubtful debts	163,789	8,918
Lau Day Expenses	25,008	-
Sundry Expenses	2,247	17,210
Write-off of Investment	200,000	-
Total Expenses not covered by subvention	599,437	139,380
TOTAL EXPENDITURE	688,071	213,478
Net Surplus	(291,360)	65,477
Gain on Revaluation of Investments	821,313	973,970
Total Comprehensive Income	529,953	1,039,447

Abridged Statement of Financial Position.

	2017 \$	2018 \$
Cash at bank and on hand	318,416	355,496
Receivables	32,883	16,880
Property, plant and equipment	100,205	104,500
Held to maturity investment	93,000	93,000
Available for sale financial assets	1,427,485	1,584,511
TOTAL ASSETS	1,971,989	2,154,387
Payables	109,406	69,398
Special funds- Investment in UTOF	12,793	17,065
TOTAL LIABILITIES	122,199	86,463
NET ASSETS	1,849,790	2,067,924
Accumulated Funds	1,849,790	2,067,924
TOTAL FUNDS EMPLOYED	1,849,790	2,067,924

Macuata Provincial Council

Abridged Statement of Financial Performance

	2017 \$	2018 \$
Govt Subvention for operating expenses	83,681	60,070
Provincial Rates	68,722	43,327
Macuata House Rental Income	814,398	718,522
Income from Investment	61,801	43,653
Other Income	196,173	150,446
Total Income	1,224,775	1,016,018
Salary, wages allowance and related payments	83,681	60,070
Total Expenses covered by subvention	83,681	60,070
Depreciation	100,882	86,601
Personal cost – Salaries	17,014	6,216
Travelling, subsistence and accommodation	23,095	27,877
Occupancy	12,531	12,218
Administration costs	17,419	15,856
Motor vehicle & repair & maintenance	40,534	32,245
Ka vakavanua	9,345	12,011
Special events	10,977	11,174
Soqosoqo vakamarama	1,359	520
Youth and sports	90	510
Donation and farm expenses	179	1,071
Doubtful debts	7,602	-
Sundry expenses	-	3,022
Macuata House repairs and maintenance and salaries	283,696	138,911
Interest and financial costs	192,035	126,686
Value added tax	42,078	4,476
Total Expenses not covered by subvention	716,758	474,919
TOTAL EXPENDITURE	800,439	534,989
Net Surplus	424,336	481,029
Gain on Revaluation of Investments	791,309	408,315
Total Comprehensive Income	1,215,645	889,344

Abridged Statement of Financial Position.

	2017 \$	2018 \$
Cash at bank and on hand	346,741	517,673
Receivables	150	359
Property, plant and equipment	4,624,296	4,630,955
Available for sale financial assets	1,192,610	1,613,396
TOTAL ASSETS	6,163,797	6,762,383
Payables	59,801	80,362
Borrowings	1,586,059	1,274,740
TOTAL LIABILITIES	1,645,860	1,355,102
NET ASSETS	4,517,937	5,407,281
Accumulated Funds	4,517,937	5,407,281
TOTAL FUNDS EMPLOYED	4,517,937	5,407,281

Nadroga/ Navosa Provincial Council

Abridged Statement of Financial Performance

	2017 \$	2018 \$
Govt Subvention for operating expenses	94,996	62,279
Govt Subvention for fixed assets	516	-
Provincial Rates	160,485	104,825
Income from Investment	14,592	59,748
Other Income	361,270	158,347
Total Income	631,859	385,199
Salary, wages allowance and related payments	95,206	62,123
Depreciation	156	
Total Expenses covered by subvention	95,362	62,123
Depreciation	75,437	47,341
Traveling, Subsistence and Accommodation	12,141	4,381
Occupancy	26,408	18,928
Insurance- Building	19,477	12,076
Interest charges	1,355	1,737
Personal cost- Salaries	111,289	61,916
Admin cost	25,586	14,718
Soqosoqo Vakamarama	4,677	824
Fuel Expense	14,322	8,579

	2017 \$	2018 \$
Repairs and Maintenance	27,166	12,160
Special Events	34,990	21,220
Ka Vakavanua	49,710	11,409
Sundry	5,305	-
Doubtful loans & advances	1,292	3,610
Other Expenses	-	896
Youth and Sport	2,937	1,815
Loss on Disposal of Fixed Assets	-	3,468
Total Expenses not covered by subvention	412,092	225,078
TOTAL EXPENDITURE	507,454	287,201
Net Surplus	124,405	97,998
Gain on Revaluation of Investments	342,818	326,446
Total Comprehensive Income	467,223	424,444

Abridged Statement of Financial Position.

	2017 \$	2018 \$
Cash at bank and on hand	287,688	469,966
Receivables	212,699	236,094
Property, plant and equipment	527,193	499,250
Available for sale financial assets	879,557	1,056,502
Held to maturity investments	56,668	56,668
TOTAL ASSETS	1,963,805	2,318,480
Payables	114,715	133,426
Adi Nadroga Festival Trust	19,645	101,863
Deferred Fixed Asset	516	-
TOTAL LIABILITIES	134,876	235,289
NET ASSETS	1,828,929	2,083,191
Accumulated Funds	1,828,929	2,083,191
TOTAL FUNDS EMPLOYED	1,828,929	2,083,191

Naitasiri Provincial Council

Abridged Statement of Financial Performance

	2017 \$	2018 \$
Govt Subvention for operating expenses	85,014	70,318
Govt Subvention for fixed assets	330	330
Income from investment	47,029	45,049
Other income	238,492	164,416
Provincial rates	59,407	90,081
Total Income	430,272	370,194
Salaries, wages allowance and related payments	85,014	70,318
Depreciation	330	330
Total Expenses covered by subvention	85,344	70,648
Depreciation	62,321	36,039
Occupancy	18,812	7,964
Personal cost- salaries other related expenses	32,169	18,292
Travelling and accommodation	4,536	3,093
Insurance expenses	11,237	5,055
Administration cost	14,959	20,005
Soqosoqo Vakamarama	-	650
Fuel expenses	8,370	4,995
Repairs and maintenance	23,281	10,679
Interest and financial costs	7,108	4,527
Sundry expenses	704	1,143
Special events	19,735	23,589
Show Case Expenses	6,400	12,980
Doubtful debts	2,316	1,362
Development Expenses	1,020	680
Ka Vakavanua	5,998	4,883
Youth and Sports	716	6,064
Total Expenses not covered by subvention	219,682	162,000
TOTAL EXPENDITURE	305,026	232,648
Net Surplus	125,246	137,546
Gain on Revaluation of Investments	191,398	440,133
Total Comprehensive Income	316,644	577,679

Abridged Statement of Financial Position.

	2017 \$	2018 \$
Cash at bank and on hand	218,144	417,895
Receivables	8,174	19,376
Property, plant and equipment	484,477	448,457
Available for sale financial assets	879,596	1,369,520
TOTAL ASSETS	1,590,391	2,255,248
Payables	100,948	93,835
Deferred income	1,941	1,611
Special funds	170,364	251,953
TOTAL LIABILITIES	273,253	347,399
NET ASSETS	1,317,138	1,907,849
Accumulated Funds	1,317,138	1,907,849
TOTAL FUNDS EMPLOYED	1,317,138	1,907,849

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

	2017 \$	2018 \$
Govt Subvention for operating expenses	93,685	65,545
Provincial Rates	42,858	74,646
Income from Investment	47	4,568
Other Income	239,534	175,559
Total Income	376,124	320,318
Salary, wages allowance and related payments	93,685	65,545
Total Expenses covered by subvention	93,685	65,545
Depreciation	41,042	27,680
Personnel cost- salaries	20,512	2,750
Meals, Accommodation and Traveling	27,329	22,073
Occupancy cost	4,487	6,189
Motor vehicle expenses	21,632	18,260
Repairs and Maintenance	16,613	25,168
Interest and Financial costs	16,757	6,711

	2017 \$	2018 \$
Administration cost	16,150	11,701
Ka Vakavanua	20,331	10,459
Special Events	21,580	18,134
Scholarship and grants to school/donations	500	690
Soqosoqo Vakamarama	760	9,152
Youth and sports	646	491
Sundry Expenses	5,490	1,118
Development Funds	11,630	1,270
Doubtful Loans & Advances	1,437	946
Loss on Disposal	712	-
Total Expenses not covered by subvention	227,606	162,792
TOTAL EXPENDITURE	321,291	228,337
Net Surplus	54,833	91,981
Gain on Revaluation of Investments	113,935	127,048
Total Comprehensive Income	168,768	219,029

Abridged Statement of Financial Position.

	2017 \$	2018 \$
Cash at bank and on hand	37,941	95,861
Receivables	796,844	798,149
Other Assets	19,612	13,449
Held to maturity assets	60,000	-
Property, plant and equipment	294,373	317,212
Available for sale financial assets	156,448	329,826
TOTAL ASSETS	1,365,218	1,554,497
Payables	41,754	55,917
Borrowings	56,250	21,357
Deferred income	1,118	-
Special funds	58,216	48,408
TOTAL LIABILITIES	157,338	125,682
NET ASSETS	1,207,880	1,428,815
Accumulated Funds	1,207,880	1,428,815
TOTAL FUNDS EMPLOYED	1,207,880	1,428,815

Ra Provincial Council

Abridged Statement of Financial Performance

	2017 \$	2018 \$
Govt Subvention for operating expenses	90,012	78,884
Provincial Rates	95,820	84,590
Income from Investment	35,189	69,040
Other Income	211,659	154,241
Total Income	432,680	386,755
Salary, wages allowances and related payments	90,012	78,884
Total Expenses covered by subvention	90,012	78,884
Administration cost	34,056	27,738
Bank charges	9,271	5,210
Depreciation	58,681	37,767
Development fund	26,332	17,163
Ka vakavanua	14,116	17,613
Motor vehicle cost	23,438	13,697
Occupancy cost	23,337	13,079
OHS Expenses	156	-
Personal cost – salaries	39,013	30,532
Prison rehabilitation	249	-
Repairs and maintenance	95,779	38,573
Soqosoqo vakamarama	480	983
Special events	24,395	11,023
Travel and subsistence	7,839	3,217
Youth and sports	1,652	1,000
Sundry Expenses	75	65
Total Expenses not covered by subvention	358,869	217,660
TOTAL EXPENDITURE	448,881	296,544
Net (Loss)/Surplus	(16,201)	90,211
Gain on Revaluation of Investments	315,016	197,375
Total Comprehensive Income	298,815	287,586

Abridged Statement of Financial Position.

	2017 \$	2018 \$
Cash at bank and on hand	227,939	199,537
Receivables	11,608	21,328
Property, plant and equipment	373,579	391,453
Available for sale financial assets	575,608	792,833
TOTAL ASSETS	1,188,734	1,405,151
Payables	30,211	19,200
Borrowings	102,178	42,021
TOTAL LIABILITIES	132,389	61,221
NET ASSETS	1,056,345	1,343,930
Accumulated Funds	1,056,345	1,343,930
TOTAL FUNDS EMPLOYED	1,056,345	1,343,930

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

	2017 \$	2018 \$
Govt Subvention for operating expenses	99,293	66,396
Provincial Rates	107,981	62,100
Income from Investment	85,297	36,265
Other Income	319,720	146,398
Total Income	612,291	311,159
Personal costs- salaries	99,293	63,889
Special Events	-	2,507
		-
Total Expenses covered by subvention	99,293	66,396
Depreciation	32,808	21,538
Administration Expense	21,349	22,740
Personal cost-salaries	6,289	15,280
Repair and maintenance/ Insurance	21,946	13,696
Interest and financial costs	7,999	5,107
Fuel	8,965	7,100
Occupancy	3,125	13,251
Sundry expenses	77,183	13,105

	2017 \$	2018 \$
Ka Vakavanua	33,092	13,423
Special Events	56,883	60,444
Scholarships and Grants to schools/Donations	74,999	9,750
Turaga ni Koro	8,240	4,680
Rates Refund	7,167	9,750
Youth and Sports	22,189	18,412
Soqosoqo Vakamarama	1,818	3,500
Traveling, subsistence and meals	27,684	24,388
Other Expenses	17,548	10,992
Total Expenses not covered by subvention	429,284	267,156
TOTAL EXPENDITURE	528,577	333,552
Net Surplus/(Loss)	83,714	(22,393)
Gain on Revaluation of Investments	397,246	676,669
Total Comprehensive Income	480,960	654,276

Abridged Statement of Financial Position.

	2017 \$	2018 \$
Cash at bank and on hand	59,298	90,349
Receivables	49,407	55,455
Property, plant and equipment	126,806	112,710
Available for sale financial Assets	1,120,538	1,400,821
Other Assets	8,911	4,733
TOTAL ASSETS	1,364,960	1,664,068
Payables	28,486	87,925
Borrowings	66,890	49,530
TOTAL LIABILITIES	95,376	137,455
NET ASSETS	1,269,584	1,526,613
Accumulated Funds	1,269,584	1,526,613
TOTAL FUNDS EMPLOYED	1,269,584	1,526,613

Serua Provincial Council

Abridged Statement of Financial Performance

	2017 \$	2018 \$
Govt Subvention for operating expenses	82,890	35,317
Provincial Rates	29,280	30,947
Income from Investment	46,659	49,704
Other Income	260,533	155,918
Total Income	419,362	271,886
Salary, wages allowances and related payments	82,742	35,317
Total Expenses covered by subvention	82,742	35,317
Depreciation	28,487	19,554
Travelling and subsistence	11,088	10,235
Occupancy	10,076	5,470
Personal cost- salaries other related expenses	29,669	56,306
Administration cost	6,613	6,495
Soqosoqo Vakamarama	4,184	3,195
Printing and Stationery	12,849	10,370
Telephone Costs	12,862	10,248
Fuel expenses	9,894	6,015
Repairs and maintenance	22,277	26,414
Interest and financial costs	6,320	2,403
Reguregu	3,890	-
Members Travel and allowances	-	5,705
Scholarship	32,122	-
Special Events	29,728	24,903
Ka Vakavanua	16,320	12,443
Development Fund	9,917	1,501
Sundry Expenses	9,238	9,615
Doubtful Debt Loan & Advances	-	2,245
Provincial Council Committee & Sub Committee	16,431	13,910
Youth and sports	5,788	3,418
Total Expenses not covered by subvention	277,753	230,445
TOTAL EXPENDITURE	360,495	265,762

	2017 \$	2018 \$
Net Surplus	58,867	6,124
Gain on Revaluation of Investments	375,207	203,305
Total Comprehensive Income	434,074	209,429

Abridged Statement of Financial Position.

	2017 \$	2018 \$
Cash at bank and on hand	205,797	209,647
Receivables	306,755	296,493
Property, plant and equipment	102,494	87,670
Available for sale financial assets	664,322	867,626
TOTAL ASSETS	1,279,368	1,461,436
Payables	34,894	7,019
Borrowings	24,703	13,844
Special funds	5,574	6,706
TOTAL LIABILITIES	65,171	27,569
NET ASSETS	1,214,197	1,433,867
Accumulated Funds	1,214,197	1,433,867
TOTAL FUNDS EMPLOYED	1,214,197	1,433,867

Tailevu Provincial Council

Abridged Statement of Financial Performance

	2017 \$	2018 \$
Govt Subvention for operating expenses	151,684	111,266
Provincial Rates	-	9,235
Income from Investment	20,208	11,902
Other Income	258,903	295,490
Total Income	430,795	427,893
Personal costs- salaries	151,684	111,266
Total Expenses covered by subvention	151,684	111,266
Depreciation	34,049	21,974
Personal costs- Salaries and meals	32,128	21,099
Accommodation and traveling	7,480	16,724
Occupancy	12,193	10,143

	2017 \$	2018 \$
Repair and Maintenance	52,954	31,831
Fuel	9,734	9,597
Administration Expenses	24,441	14,436
Interest and Financial Costs	2,285	773
Sundry Expenses	4,425	14,181
Special Events	1,970	19,978
Provincial Council meeting	17,840	17,390
Sports	1,000	800
Ka Vakavanua	18,271	17,529
Donations	-	1,900
Soqosoqo Vakamarama	400	200
Bad Debts	38,489	37,253
Youth	819	700
Total Expenses not covered by subvention	258,478	236,508
TOTAL EXPENDITURE	410,162	347,774
Net Surplus	20,633	80,119
Gain on Revaluation of Investments	73,818	33,595
Total Comprehensive Income	94,451	113,714

Abridged Statement of Financial Position.

	2017 \$	2018 \$
Cash at bank and on hand	152,610	318,585
Receivables	142,659	96,852
Property, plant and equipment	200,584	183,260
Held to maturity investments	95,066	96,475
Available for sale financial assets	893,048	935,735
TOTAL ASSETS	1,483,967	1,630,907
Payables	182,235	50,804
Special funds- Investment in Tailevu Holdings Ltd	206,459	259,776
TOTAL LIABILITIES	388,694	310,580
NET ASSETS	1,095,273	1,320,327
Accumulated Funds	1,095,273	1,320,327
TOTAL FUNDS EMPLOYED	1,095,273	1,320,327

Appendix D: Responses from the iTaukei Affairs Board

We provided the Management Letters for the ten 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:
Absence of records continue to challenge the effectiveness of reporting. Documentations have gradually improved as we roll up the audit. Management aims to clear the backlog by June 2024 so that auditors can have access to current period documents.
Journals & Reconciliations
Auditors were provided with information available at the time of audit. This would gradually improve as we get current with the audit. Where possible, adjusting entries supported with available GL listings for journal vouchers.
Purchases & Payments
Absence of records continue to challenge the effectiveness of reporting. Documentations have gradually improved as we roll up the audit. Management aims to clear the backlog by June 2024 so that auditors can have access to current period documents.
Payroll
Leave provisions were not calculated as leaves were made mandatory to be taken due to the manual process. TAB has acquired a HR information system and is currently being set-up by the vendor.

Section 4: Other Significant Matters

Common Findings

Submission of financial statements for audit
The financial statements for the period 2018 – 2022 have been submitted for audit for Rewa, Ra, Macuata, Ba, Bua, Kadavu and Lau. The remaining financial statements for 2018-2022 are currently under review with Management and will then be submitted to OAG.
Compliance with the accounting standards
Asset Valuation conducted in 2019. Proper measurement and adjustments made in FY2019.

Limitation of scope
Absence of records continue to challenge the effectiveness of reporting. Documentations have gradually improved as we roll up the audit. Management aims to clear the backlog by June 2024 so that auditors can have access to current period documents.
Records management
Absence of records continue to challenge the effectiveness of reporting. Documentations have gradually improved as we roll up the audit. Management aims to clear the backlog by June 2024 so that auditors can have access to current period documents.
Loans and advances to staff and public
With the help of the advance register, all outstanding accountable advances have been reconciled and retired in Financial Year 2019.
Confirmations for Investment with Provincial Companies
Discussions are on-going with the respective Provincial Holding companies and related companies to confirm the balances in the Councils financial statements. Some confirmations and change in share certificates were obtained after the financial year ended.

Other Findings

Absence of supporting documents for addition to building – Macuata Provincial Council
There was a major renovation on the Macuata House which was financed through a loan top-up from Fiji Development Bank (FDB). Work was endorsed through Staff & Finance committee with the support of the Macuata PC Chairman. The internal audit team reported some anomalies in the process followed that led to the dismissal of Provincial Treasurer. Auditors were provided with the information available at the time of audit.
Repairs and maintenance to Macuata House not completely supported – Macuata Provincial Council
There are payment vouchers available and cashbook to support these expenses. The JVs were passed to ensure that all expenses related to Macuata House operations are reflected in a line item.
Lack of guidance in writing off Investments – Lau Provincial Council
Lau Shipping had wound up and it makes no business sense to still record this under Investments, hence the write off.
Absence of supporting documents for approval for write-off – Serua Provincial Council
The matter was discussed during Exit meeting. The initial entry in GL could not be substantiated as these are brought forward balances and was raised in the previous audit report. In addressing the audit issues,

matter was raised with the Serua Investment Cooperative Ltd and Serua Provincial Council during a joint meeting whereby it was resolved that the loan from SBAU initially intended for Serua Investment Corporation Ltd to acquire a farm land was purely used by the Serua PC on labor costs and purchase of dalo tops and working capital. Farm land was not purchased by Serua investment Corporation Ltd. Hence the adjustments.
Absence of supporting documents for approval of write-off of Investment – Serua Provincial Council
The adjustment was passed in alignment to the Investment confirmation received from Department of Cooperative. The Board has approved that PSTA/CEO-TAB signs off any accounts and/or adjustments pertaining to backlog of accounts. Adjustment journals was approved by PSTA.
Adjustments to special funds of \$80,000 not supported – Rewa Provincial Council
These are one of the unsubstantiated entries/balances brought forward from previous years.
Lack of supporting documents for the councils investment– Naitasiri Provincial Council
Investment approval are made by the Staff and Finance Committee which can be viewed from the meeting minutes. Final endorsement is granted by the office of the Permanent Secretary.
Documentation for approval for additional TAB loan not provided – Ra Provincial Council
Supporting documents were provided.

Appendix E: Implementation of Prior Year Audit Recommendations

We assessed the implementation of the prior year audit recommendations that I provided in my earlier reports.

The table below provides summary of improvements and actions taken to implement prior year's audit recommendations.

Recommendation	Status
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.	iTAB has established Finance and Audit Committee.
The Provincial Councils should check and ensure that it maintains accurate and updated records/information for their investments with respective Provincial Holding Companies. These should include share certificates, list of investments and dividend records. Where this is not maintained, the Councils should update its record immediately.	Improvements are noted as the Board is making effort to confirm balances with Provincial Holding Companies and at the same time updating the Council's records.
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 who are capable of preparing and presenting draft financial statements on time and in accordance with the requirements of the applicable financial reporting framework. In addition, personnel responsible for financial reporting should be provided with appropriate trainings to stay up to date and abreast with the changes in Accounting Standards.	The Board is now facilitating the relevant training to the Council Treasurers.

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 iTaukei 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 Chartered 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 iTaukei Affairs Act 1944 or By-Laws.



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