



OFFICE *of the* AUDITOR GENERAL
Republic of Fiji

REPORT OF THE AUDITOR- GENERAL OF THE REPUBLIC OF FIJI

2023 Financial Statements of Government



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 17 of 2025



Location : Level 1, 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 Street, 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

16 June 2025

The Honourable Filimone Jitoko
Speaker of the Parliament of the Republic of Fiji
Government Buildings
Constitution Avenue
SUVA

Dear Sir

AUDIT REPORT ON 2023 FINANCIAL STATEMENTS OF GOVERNMENT

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on the 2023 Financial Statements of Government.

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

Yours faithfully

Finau Seru Nagera
AUDITOR-GENERAL



Encl.

The Office of the Auditor-General – Republic of Fiji

The Office of the Auditor-General is established as an Independent Office by the Constitution of the Republic of Fiji. Its roles and responsibilities include the audit of the accounts of the Consolidated Fund and Financial Statements of Government and Annual Appropriation Statement required to be included in the Whole of Government annual report for a financial year under the *Financial Management Act 2004*. The audit extends to the audit of the accounts of all money received or held by a state entity, whether or not for purposes of Government. These audits are carried out by the Auditor-General 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 to its stakeholders as well.

Acronyms

Term	Definition
ADB	Asian Development Bank
AFS	Agency Financial Statement
CA	Control Activities
CE	Control Environment
COP 23	Conference of the Parties 23
COSO	Committee of the Sponsoring Organisations of the Treadway Commission
CP	Cabinet Paper
ECAL	Environment & Climate Adaptation Levy
EDF	European Development Fund
EU	European Union
FBOS	Fiji Bureau of Statistics
FCCC	Fijian Competition & Consumer Commission
FCS	Fiji Corrections Services
FDB	Fiji Development Bank
FI 2010	Finance Instructions 2010
FMA 2004	Financial Management Act 2004
FMIS	Financial Management Information System
FNPF	Fiji National Provident Fund
FNU	Fiji National University
FPO	Fiji Procurement Office
FRCS	Fiji Revenue and Customs Service
FRA	Fiji Roads Authority
FSG	Financial Statements of Government
FX	Foreign Exchange
FY	Financial Year
GDP	Gross Domestic Product
GWE	Government Wage Earner
IBRD	International Bank for Reconstruction and Development
IC	Information and Communication Control
IFAD	International Fund for Agricultural Development
IHRDP	Integrated Human Resource Development Programme
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standards on Auditing
ISSAI	International Standards for Supreme Audit Institutions
ITC	Information Technology and Computing Services
JEE	Job Evaluation Exercise
NAMF	National Asset Management Framework
NDP	National Development Plan
NFAMF	National Fixed Asset Management Framework
OAG	Office of the Auditor-General
PFTAC	Pacific Financial Technical Assistance Centre
PR	Public Relations
RA	Risk Assessment
SEG	Standard Expenditure Group

Term	Definition
SLG	Standard Liability Group
SPO	Strategic Planning Office
TELS	Tertiary Education Loans Scheme
TMA	Trading and Manufacturing Account/Activity
TSF	Tuna Stabilisation Fund
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
WOG	Whole of Government

CONTENTS

Part A: **Report on the Audit of the Financial
Statements of Government**

Part B: **2023 Financial Statements of
Government**

Part A: Report on the Financial Statements of Government

TABLE OF CONTENTS

1.0	SUMMARY	10
1.1	Quality and Timeliness of Financial Statements of Government	10
1.2	Financial Performance, Position and Sustainability	10
1.3	Reference to Comments	16
2.0	CONTEXT	17
2.1	Legislative Framework	17
2.2	Consolidation Process	17
2.3	Role of the Auditor-General	18
2.4	Types of Audit Opinion	18
3.0	FINANCIAL STATEMENTS OF GOVERNMENT	20
3.1	Introduction	20
3.2	Submission of Draft Financial Statements of Government	21
3.3	Audit Results	21
4.0	SIGNIFICANT AUDIT MATTERS	23
4.1	Accounting policies - Recurring	23
4.2	Unutilised Budget - Recurring	24
4.3	Detailed Listing not maintained for Main Trust Fund Account - Recurring	28
4.4	Variances between FMIS GL and Bank Reconciliation Statement - Recurring	28
4.5	Significant Arrears of Revenue - Recurring	29
APPENDIX A:	AUDIT OPINION RESULTS	31
APPENDIX B:	OTHER MEASURES OF FINANCIAL VULNERABILITY	33
APPENDIX C:	MODIFIED AUDIT OPINION - QUALIFICATION	40
APPENDIX D:	DETAILED LISTINGS NOT MAINTAINED FOR MAIN TRUST ACCOUNTS	42
APPENDIX E:	VARIANCE IN OVERSEAS CASH, TMA AND TRUST CASH	43
APPENDIX F:	DETAILS OF MINISTRIES AND DEPARTMENTS SIGNIFICANT ARREARS OF REVENUE	45
APPENDIX G:	GLOSSARY	53

1.0 SUMMARY

The Financial Statements of Government (FSG) consolidates the financial results and information for all government ministries and departments. The Permanent Secretary for Finance is responsible for preparing and consolidating the financial statements that separately disclose expenditures against Appropriation Heads for sectors which include General Administration, Social Services, Economic Services and Infrastructure Services. Certain expenditures that cannot be allocated to any of these sectors are reflected as unallocable. *Unallocable expenditures* include miscellaneous services, pensions, gratuities and compassionate allowances and finance charges on public debt.

The financial statements of other public entities¹ have not been consolidated into the FSG.

1.1 Quality and Timeliness of Financial Statements of Government

- An unmodified audit opinion, with emphasis of matter, was issued on 18 December 2024.
- The Permanent Secretary for Finance signed the audited financial statements on 16 December 2024.
- The first draft financial statements for audit was received on 10 January 2024, with a resubmitted revised draft financial statements received on 17 September 2024 after various amendments made on additional disclosures and correction of errors and omissions.

1.2 Financial Performance, Position and Sustainability

Each year, the Permanent Secretary for Finance prepares the Financial Statements of Government and the Annual Appropriation Statement in accordance with the provisions of the FMA 2004, Financial Instructions (FI) 2010 and Cash Basis International Public Sector Accounting Standards (IPSAS) 2017.

These statements provide a consolidated view of the revenues, expenses, assets, liabilities and cash flows of State agencies excluding controlled entities. The statements also reflect actual expenditure against approved and revised budget by sectors and appropriation heads and revenue collected by economic type.

Government expenditures were guided by the following principles² as highlighted in the 2022 – 2023 Budget:

- Undertake a holistic review to right-size the civil service and contain the public sector wage bill.
- Tighten control on operational expenditures, including travel, communications, trainings, workshops, fuel & maintenance and purchase of supplies with KPIs of agency heads and Permanent Secretaries linked to these targets.
- Conduct proper investment appraisal and project selection for all new capital projects.
- Resources to be allocated based on a multi-year perspective and the implementation capacity of agencies, considering the need to meet competing expenditure demands.
- Major existing programmes to be reviewed and Government should ensure that all financial resources allocated are used prudently to derive real value for money.

¹ Other public entities are public entities other than Ministries and Departments

² Economic and Fiscal Update Supplement to the 2022 – 2023 Budget Address.

- Major new initiatives to be rolled out in phases to manage costs and pilot testing should be done for the rollout of major initiatives.
- Encourage more private sector participation in public infrastructure projects and delivery of other public services through Public-Private Partnerships (PPP) and other innovative arrangements.
- Proper and effective monitoring of projects and budget utilisation through the Ministry of Finance.
- Funding for ongoing programmes to be based on assessment of current and past performance and progressive achievement of planned outputs.

The financial position and expenditure of the Government against the approved budget, have been considered against these contexts in this report.

Financial Snapshot

The key financial statements items namely expenditure, revenue, cash and cash equivalents, term loans receivables, investments, trust fund accounts, term loans payable and equity are explained below.

Understanding Financial Performance (Statement of Revenue and Expenses)

Table 1.1 provides a snapshot of revenue and expenses for the financial year 2023 in comparison to 2022.

Table 1.1: Movements in Revenue and Expenses

Description	31 July 2023 (\$)	31 July 2022 (\$)	Increase/ (Decrease) (\$)
Direct Taxes	659,386,980	464,560,906	194,826,074
Indirect Taxes	1,625,607,367	1,227,451,805	398,155,562
Fees, Fines and Charges	161,660,450	148,656,472	13,003,978
Other Receipts	40,067,913	33,389,698	6,678,215
Reimbursements and Recoveries	12,886,975	15,098,000	(2,211,025)
Grant Aid	167,046,616	232,617,627	(65,571,011)
Total Operating Revenue	2,666,656,301	2,121,774,508	544,881,793
Repayments of Term Loan Receivable	940,262	652,942	287,320
Sale of Government Assets	1,422,876	1,785,279	(362,403)
Dividends from Investments	80,171,756	61,650,306	18,521,450
Interest from Bank Balances	545,326	1,078,364	(533,038)
Return of Surplus Capital from Investment	88,262	3,869,631	(3,781,369)
Total Investing Revenue	83,168,482	69,036,522	14,131,960
Trade and Manufacturing Operations	5,152,983	9,692,700	(4,539,717)
Total Revenue	2,754,977,766	2,200,503,730	554,474,036
Operating Expenditure	618,846,363	591,222,191	27,624,172
Capital Expenditure	42,791,638	56,158,637	(13,366,999)
Total General Administration Services	661,638,001	647,380,828	14,257,173
Operating Expenditure	1,014,834,818	928,832,358	86,002,460
Capital Expenditure	33,152,067	68,836,856	(35,684,789)

Description	31 July 2023 (\$)	31 July 2022 (\$)	Increase/ (Decrease) (\$)
Total Social Services	1,047,986,885	997,669,214	50,317,671
Operating Expenditure	132,284,771	126,615,963	5,668,808
Capital Expenditure	112,346,217	141,212,499	(28,866,282)
Total Economic Services	244,630,988	267,828,462	(23,197,474)
Operating Expenditure	128,940,726	120,530,696	8,410,030
Capital Expenditure	456,943,867	455,840,671	1,103,196
Total Infrastructure Services	585,884,593	576,371,367	9,513,226
Operating Expenditure	185,156,988	89,219,470	95,937,518
Capital Expenditure	338,417,594	400,999,551	(62,581,957)
Total Miscellaneous Services	523,574,582	490,219,021	33,355,561
Pensions, Gratuities and Compassionate Allowance	28,297,470	30,022,146	(1,724,676)
Value Added Tax	39,214,905	29,558,276	9,656,629
Interest Payments on Loans	458,006,015	375,046,348	82,959,667
Trading and Manufacturing Operations	5,559,636	6,515,940	(956,304)
Total Unallocable	531,078,026	441,142,710	89,935,316
Total Expenditure	3,594,793,075	3,420,611,602	174,181,473
Key Financial Ratio			
Operating Margin³	1.26	1.12	

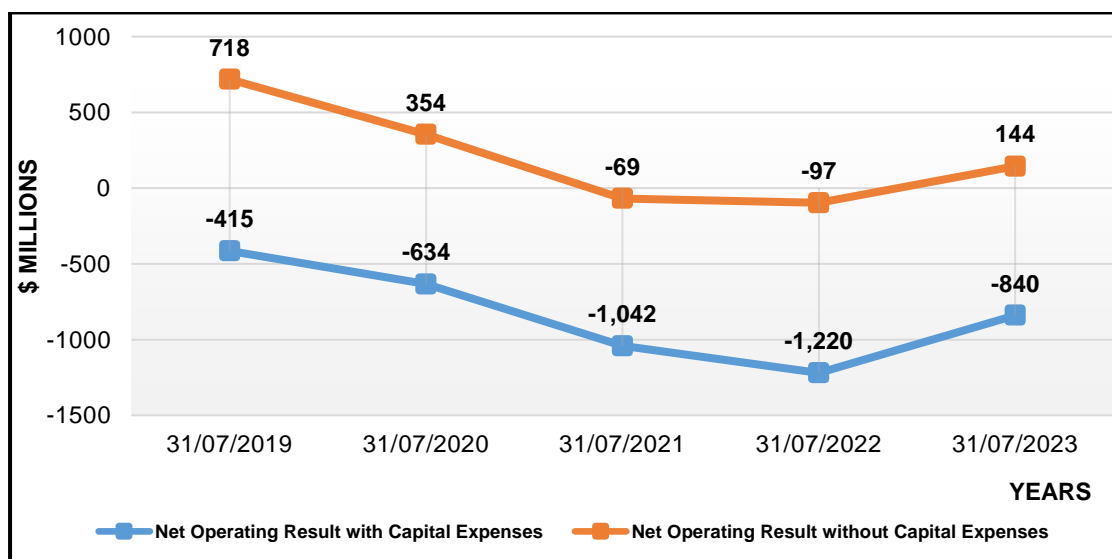
Government's total revenue of \$2.7 billion was lower than the forecast of \$2.9 billion.

There was an overall increase in revenue by \$554.5 million or 25% in 2023 compared to 2022, which was attributed mainly to increased tax revenue by 35%. Other notable increases in revenues included dividends from investments of \$18.5 million or 30% and fees, fines and charges of \$13 million or 9%.

Total expenditures increased by \$174.2 million or 5% in 2023 as a result of increases in various expenditures for the general administration services, social services, infrastructure services, miscellaneous services, VAT and interest payments on loans.

The net operating results is shown in Figure 1.1 below.

³ Operating margin benchmark is > 1.0

Figure 1.1: Underlying Net Operating Result (Five Year Trend)

Source: Financial Statements of Government for 2019 - 2023

The net operating deficit decreased by 31% from \$1.2 billion in 2022 to \$0.84 billion in 2023. Net operating balance (with capital expenditure) remained in deficit in 2023 as in the last four years.

With capital expenditure excluded, the Government's net operating balance recorded a surplus of \$144 million for 2023 (2022: \$97 million deficit). This indicated that revenue was sufficient to cover operating expenditure.

Understanding the Financial Position (Statement of Assets and Liabilities)

Table 1.2 provides an overview of assets and liabilities for the financial year 2023 in comparison to 2022.

Table 1.2: Assets and Liabilities Snapshot

Description	31 July 2023 (\$)	31 July 2022 (\$)	Increase/ (Decrease) (\$)
Cash and Cash Equivalents	673,438,898	896,695,699	(223,256,801)
Accounts Receivable	187,492,896	195,264,328	(7,771,432)
Prepayments	879,718	766,650	113,068
Inventory	1,019,840	1,201,549	(181,709)
Term-Loans Receivable	955,543,949	897,879,547	57,664,402
Equity Investments	1,023,089,964	955,095,454	67,994,510
Total Assets	2,841,465,265	2,946,903,227	(105,437,962)
Liabilities			
Accounts Payable	334,769,508	227,097,563	107,671,945
Deferred Income	7,912,308	7,068,238	844,070
Trust Fund Account	266,983,333	257,193,506	9,789,827
Term Loans Payable - Treasury Bills	264,799,757	282,913,284	(18,113,527)
Term Loans Payable – Overseas Loans	3,577,025,638	3,364,583,531	212,442,107
Term Loans Payable - Domestic Loans	5,938,513,392	5,513,801,313	424,712,079
Total Liabilities	10,390,003,936	9,652,657,435	737,346,501

Description	31 July 2023 (\$)	31 July 2022 (\$)	Increase/ (Decrease) (\$)
Net Liability	(7,548,538,671)	(6,705,754,208)	(842,784,463)
Key Financial Ratios			
Current ratio⁴	0.62	1.01	

Total assets decreased by 4% due to decreases in cash and cash equivalents by \$223.3 million and accounts receivable by \$7.8 million. The increased tax collection resulted in the reduction in accounts receivable.

Term-Loans Receivable increased by 6% due to the high number of assistances given under the tertiary student scholarships scheme. Additional shares subscribed and increased in share prices for various Government investments and exchange rate adjustment for foreign investments resulted in the 7% increase in Equity Investments compared to the previous year.

Total Liabilities of \$10.4 billion comprise 94% borrowing and 6% other liabilities. The increase in total liabilities by \$737.3 million or 8% was due to the increases in term loans payable (overseas & domestic loans) by \$637.1 million and accounts payable by \$107.7 million. The increase in term loans payable was due to the increase in government bonds issued during the year.

The Government has yet to record and consider all its property, plant and equipment in the Statement of Financial Position. As such, total assets only amounted to \$2.8 billion against total liabilities of \$10.4 billion.

Understanding Sustainability

Financial sustainability is defined as the ability of the Government to maintain existing programs and meet existing creditor requirements without increasing the burden on the economy. It is measured by the ratio of Government debt to the Gross Domestic Product (GDP).

The total Government debt as a percentage of GDP is an indication of debt sustainability relative to the production of goods and services.

Table 1.3 below shows the debt sustainability of Government for the last five years.

Table 1.3: Movement in Debt Sustainability to GDP

FY Ended	31/07/2019	31/07/2020	31/07/2021	31/07/2022	31/7/2023
Total Debt	\$5.7 billion	\$6.7 billion	\$7.7 billion	\$9.2 billion	\$9.8 billion
GDP*	\$11.7 billion	\$9.6 billion	\$8.9 billion(r)	\$10.9 billion(r)	\$11.7 billion
Debt to GDP Ratio	49%	70%	87%	84%	84%

*FY 2019-2022 Source: FBOS Release No. 101, December 2024

*FY 2023 Source: Macroeconomic Committee/Audited Financial Statements of Government for the year ended 31 July 2023.

The debt to GDP ratio remained at 84% in 2023. The debt burden on production of goods and services remains high.

⁴ Current ratio benchmark is > 1.0

Financial Flexibility

A good debt indicator is financial flexibility which shows the increase in financial resources or revenue to respond to increasing financial commitments either by expanding revenue or increasing the debt burden.

This indicator shows the percentage of total debt repayments against the total revenue for the economy. A lower percentage of debt to be repaid from total revenue is a good indicator for Government as this shows that a larger percentage of revenue is available to be used for other Government programs.

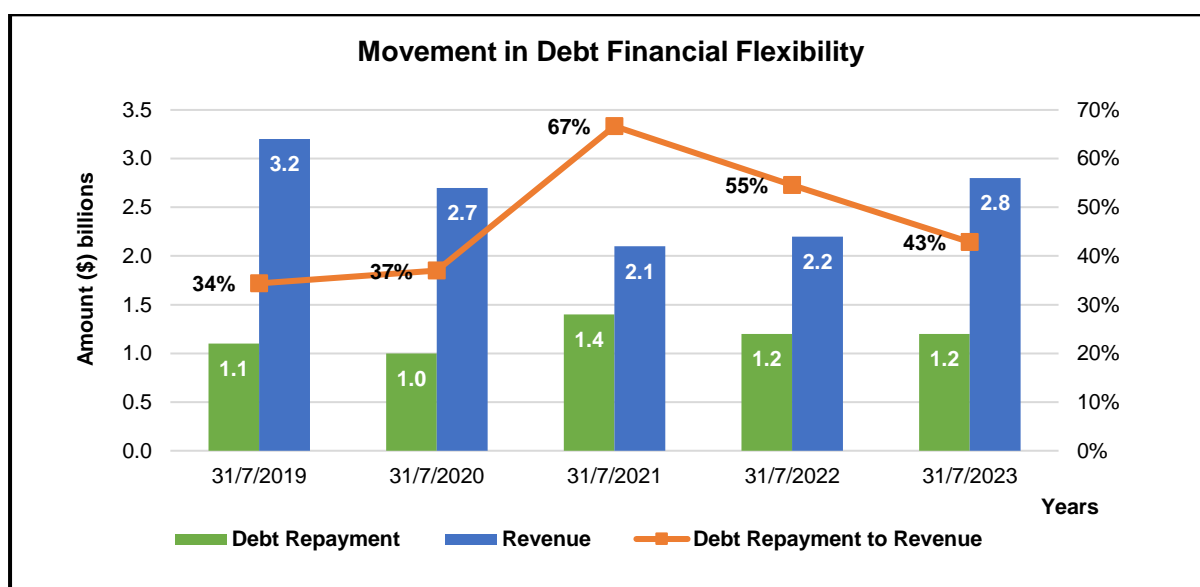
Table 1.4 and Figure 1.2 below shows the debt financial flexibility of Government for the last five years.

Table 1.4: Movement in Debt Financial Flexibility

FY Ended	31/07/2019	31/07/2020	31/07/2021	31/07/2022	31/07/2023
Debt Repayment	\$1.1 billion	\$1.0 billion	\$1.4 billion	\$1.2 billion	\$1.2 billion
Revenue	\$3.2 billion	\$2.7 billion	\$2.1 billion	\$2.2 billion	\$2.8 billion
Debt Repayment to Revenue	34%	37%	67%	55%	43%

Source: Audited Financial Statements of Government 2019 - 2023

Figure 1.2: Movement in Debt Financial Flexibility



Financial Vulnerability

Financial vulnerability measures the total exposure of Government to exchange rates and other market risks through its dependence on external borrowings. The lesser the proportion of total external borrowings in comparison to total debt, the better it is for the Government.

Table 1.5 below shows the financial vulnerability measure of Government for the last five years.

Table 1.5: Movement in Financial Vulnerability Measure

FY Ended	31/07/2019	31/07/2020	31/07/2021	31/07/2022	31/07/2023
External Debt	\$1.4 billion	\$1.7 billion	\$2.4 billion	\$3.4 billion	\$3.6 billion
Total Debt	\$5.7 billion	\$6.7 billion	\$7.7 billion	\$9.2 billion	\$9.8 billion
External Debt to Total Debt	25%	25%	31%	37%	37%

Source: Financial Statements of Government 2019 - 2023

Government had the same debt mix of 37% external borrowing against 63% domestic borrowings as was in 2022.

Refer to [Appendix B](#) for other measures of financial vulnerability.

1.3 Reference to Comments

Responses provided by the Ministry of Finance have been incorporated in this report where applicable. Responses from other ministries and departments have been incorporated in the sector reports.

2.0 CONTEXT

2.1 Legislative Framework

The following legislation establishes the financial accountability frameworks and legislative time frames to complete the audit of the Financial Statements of Government. Refer to Table 2.1 below.

Table 2.1: Legislative Framework

Entity Type	Legislative Framework	Legislative Timeframe
Financial Statements of Government	<ul style="list-style-type: none"> Financial Management Act 2004 International Public Sector Accounting Standards (IPSAS) financial reporting under cash basis of accounting 	30 th April

The Financial Management Act 2004 (FMA 2004) states the following principles of responsible finance management:

- (a) to manage finance over a medium term on a responsible and transparent basis;
- (b) to manage revenues and expenditure in such a way as to achieve prudent levels of debt;
- (c) to ensure value for money in the use of money and resources;
- (d) to manage contingent liabilities in a prudent manner; and
- (e) to report transparently in accordance with relevant accounting and statistical standards.

The Minister for Finance is responsible for managing the financial affairs of the Government as a whole in accordance with the requirements of the Constitution of Republic of Fiji and the FMA 2004 and with due regard to the principles of responsible financial management.

2.2 Consolidation Process

Each Ministry/Department prepares annual financial statements as required by Section 71 (1) of the Finance Instructions 2010 (FI 2010). The accounts of ministries and departments are consolidated with those of the Ministry of Finance under the reporting requirements of *International Public Sector Accounting Standards (IPSAS): Financial Reporting under Cash Basis of Accounting, Cabinet Decision 277 of 2010 - Adoption of Cash Basis IPSAS* and disclosures made as required by FMA 2004. Additional statements are prepared in accordance with modified cash basis of accounting. The consolidated financial statements include State-agencies that are part of the national budget estimates and the financial statements of those agencies outside the budget, such as TMAs and Trust Fund Accounts, as required by law.

Intra-economic entity transactions, receipts and expenditures are eliminated during the consolidation process.

2.3 Role of the Auditor-General

The Constitution of the Republic of Fiji states that at least once in every year, the Auditor-General shall inspect, audit and report to Parliament on -

- (a) the public accounts of the State;
- (b) the control of public money and public property of the State; and
- (c) all transactions with or concerning the public money or public property of the State.

In the report, the Auditor-General must state whether, in his or her opinion –

- (a) transactions with or concerning the public money or public property of the State have been authorised by or pursuant to the Constitution or any written law; and
- (b) expenditures have been applied for the purpose for it was authorised.

In addition to the above, the Auditor-General is responsible on behalf of Parliament, to audit –

- (a) the accounts of the Consolidated Fund;
- (b) the Financial Statements of Government and the Annual Appropriation Statement required to be included in the Whole of Government Annual Report for a financial year under the FMA 2004; and
- (c) the accounts/financial statements of all state entities required to be included in the annual report for a financial year.

Reporting to Parliament

At least once every year, the Auditor-General must report to Parliament on audits completed under the Audit Act.

The Act also requires 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 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 actions are not taken to address them.

If, at any time in the opinion of the Auditor-General, serious irregularities have occurred in the receipt, custody or expenditure of public moneys or in the receipt, custody, issue sale, transfer or delivery of any stamps, securities, stores or other Government property or in the accounting for the same, he or she shall bring the matter to the notice of the Minister responsible for finance and the Minister of the entity subject to audit.

2.4 Types of Audit Opinion

In accordance with the International Standards on Auditing (ISA), the Auditor-General expresses an **unmodified opinion** when the financial statements are prepared in accordance with the International Public Sector Accounting Standards (IPSAS) under the cash-basis of accounting and with relevant legislative requirements. This type of opinion indicates that no material misstatements, individually or in the aggregate, were noted in our audit, which would affect the financial statements of an agency.

Modified Opinion:

The Auditor-General issues a **qualified opinion** when having obtained sufficient appropriate audit evidence, the Auditor-General conclude that misstatements, individually or in aggregate, are material, but not pervasive, to the financial statements; or the Auditor-General is 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 the Auditor-General, having obtained sufficient appropriate audit evidence, conclude that misstatements, individually or in aggregate, are both material and pervasive to the financial statements.

A **Disclaimer of Opinion** is issued when the Auditor-General is unable to obtain sufficient appropriate audit evidence on which to base the opinion, and the Auditor-General concludes that the possible effects on the financial statements of undetected misstatements, if any, could be both material and pervasive.

The Auditor-General include an **Emphasis of Matter and / or Other Matter** paragraph in the audit report to highlight an issue that will help the users better understand the financial statements.

3.0 FINANCIAL STATEMENTS OF GOVERNMENT

3.1 Introduction

The Permanent Secretary for Finance prepares the consolidated financial statements of Government annually. These financial statements are prepared in accordance with the Cash-basis IPSAS reporting requirements and Cabinet Decision 277 of 2010. Additional disclosures are also made in accordance with the requirements of FMA 2004. Some statements forming part of the financial statements were drawn up using modified-cash basis balances from the FMIS general ledger.

Consolidated Fund Reporting

The FMA 2004 requires that all public money is to be paid into the Consolidated Fund unless it is required to be paid to another fund or retained by the authority receiving it by written law. Trust money is not payable into the Consolidated Fund, except for payments made in error or not public money and refunds of unclaimed money. Withdrawals can only be made from the Consolidated Fund under an appropriation made by law.

This report covers the following transactions for the financial year:

- Operating revenue including taxes, dividend revenue from investments including those from TMA operations;
- Expenditures incurred for unallocable items;
- Government borrowings and repayments;
- Government guarantees and other contingent liabilities; and
- Government assets and liabilities.

Consolidated Trust Account

The FMA 2004 states that trust money is to be accounted for separately from public money and other money and is to be kept in a separate bank account. Trust monies are to be utilised for purposes related to the objectives of the trust and accounted for, banked, invested, reported and otherwise controlled in accordance with Finance Instructions 2010 (FI 2010).

This report covers the trust fund receipts and payments for the financial year.

Appropriation Statement

Expenditure of money appropriated by an Appropriation Act from the Consolidated Fund, or any other fund can be incurred only in accordance with the authorisation effected by the Appropriation Act. Ministries and Departments specified in the Appropriation Act are responsible for its administration.

The Permanent Secretary for agencies may authorise the transfer or virement of any unspent amount in an appropriation category administered by a Budget Sector agency other than for a Constitutional body to another appropriation category within the head of appropriation.

An appropriation made by an Annual Appropriation Act lapses at the end of the financial year to which it relates except where the Minister has authorised the carry over to the following year of all or part of the unused appropriation that relates to known liabilities as at a particular date, for use in the following year, subject to such conditions as the Minister specifies in the authorisation.

The Minister may, with the approval of Cabinet, authorise the redeployment of amounts appropriated by the most recent Annual Appropriation Act for administration by the Ministry to the heads of appropriation and appropriation categories to one or more ministries and departments.

As per section 10 (1) of the FI 2010, the Permanent Secretaries of the agencies may authorise the transfer of budgeted funds as follows:

- (a) out from SEG 1 or 2 (Established and Unestablished Staff) but shall not transfer funds into SEG 1 or 2;
- (b) into and out of one or more of the following operating SEGs (SEGs 3, 4, 5, 6, or 7);
- (c) from the operating SEGs (SEGs 1, 2, 3, 4, 5, 6, or 7) to the capital SEGs (SEGs 8, 9, or 10) but not from capital to operating or from capital to capital; and
- (d) virement within SEG 13 to meet the consequential VAT component of the virements in (a), (b) and (c) above.

In addition, the Permanent Secretary for Finance may authorise the transfer of the following budgeted funds in respect of all agencies:

- (a) within each of SEGs 1 or 2 or from SEG 1 into SEG 2 or vice versa;
- (b) within each of capital expenditure SEGs (SEGs 8, 9, or 10) or from SEG 8 into either SEG 8, 9, or 10 or vice versa, as the case may be; and
- (c) virement within SEG 13 to meet the consequential VAT component of the virements in (a) and (b) above.

This report covers payments to ministries and departments through appropriation, redeployment of funds, virements, expenditures incurred and unspent balances.

Quality of Financial Report

The quality of the Financial Statements of Government largely depends on the reliability of the information provided to the Ministry of Finance by other ministries and departments. The results of the audits of ministries and departments are included in [Appendix A](#) and [Appendix C](#).

3.2 Submission of Draft Financial Statements of Government

The Office of the Auditor-General received the first draft Financial Statements of Government for audit on 10 January 2024. Following this, various amendments were made on additional disclosures and correction of errors and omissions. The second draft Financial Statements of Government was received on 17 September 2024.

3.3 Audit Results

The Permanent Secretary for Finance signed the audited Financial Statements of Government for 2023 on 16 December 2024. An unmodified audit opinion with five emphasis of matter on the financial statements was issued:

Emphasis of Matter

1. Reflected in the Statement of Assets and Liabilities is Trust Fund Account balance of \$266.9 million which included Consolidated Main Trust Fund of \$247.3 million. Main Trust Fund account balances totalling \$67.1 million were not supported with detailed listings of claimants of monies held in trust.
2. Reflected in the Statement of Assets and Liabilities is cash and cash equivalent of \$673.4 million. Unreconciled variances amounting to \$2.9 million existed between the balances in the FMIS general ledger and bank reconciliation statement. In addition, the bank audit certificate for overseas cash balances of \$2.3 million was not provided.
3. Reflected in the Statement of Assets and Liabilities is Accounts Receivable balance of \$187.5 million. Arrears of Revenue recorded for Telecommunication Authority of Fiji, Land Transport Authority and Water Authority of Fiji totalling \$56.8 million were not recorded as Accounts Receivable in the FMIS general ledger.
4. Reflected in the Statement of Assets and Liabilities is Deferred Income balance of \$7.9 million. Unreconciled variances amounting to \$1.5 million existed between the balances recorded in the FMIS general ledger and reconciliation statement for deferred income.
5. The Trading and Manufacturing Accounts were operating on semi-accrual accounting basis instead of full accrual accounting. Property, plant and equipment for TMA operations were not disclosed in the Statement of Assets and Liabilities.

4.0 SIGNIFICANT AUDIT MATTERS

Significant audit matters highlighted in this report, include control weaknesses, which could cause or is causing severe disruptions to processes or the ability of the agencies to achieve process objectives and comply with relevant legislations.

In this chapter, we discuss significant audit matters in the 2023 Financial Statements of Government. The significant audit matters for ministries and departments have been reported in the various Sector Reports for 2023.

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 respective entities.

FINANCIAL STATEMENTS OF GOVERNMENT

4.1 Accounting policies - Recurring

Contrary to Section 30(2) of the Finance Instructions 2010, requiring the preparation of profit and loss statement and balance sheet on accrual basis, the cost of property, plant and equipment for the Trading Manufacturing Accounts were expensed and not capitalised.

The Ministry's Finance Manual does not specify the accounting policy and guideline to properly account for property, plant and equipment for TMA. In addition, the TMA Policy is not aligned to the requirements of the Finance Instructions 2010. As a result, the Ministry did not capitalise the cost of property, plant and equipment acquired during the year.

Although the Ministry of Finance has indicated that it was in the transitional period to close all TMAs, some accounts were still operational and had not disclosed property, plant, and equipment in the Statement of Financial Position.

Recommendation

The Ministry should review the Finance Manual and clearly document the accounting policies to include accounting treatment of property, plant and equipment for TMA.

Agreed Management Comments

The Finance Instruction is currently being reviewed, which will be followed by the review of the Finance Manual. All the TMAs have been closed as of 31 July 2024, and one of the reasons for closure was non-compliance with accrual accounting practices. The new FMIS has gone live, and it includes features for recording and reporting transactions on an accrual basis should there be any TMA operation in future.

Prior Year Agreed Management Action

As per the initial comments from Ministry of Finance (MoF), Strategic Planning, National Development and Statistics, various reforms are in the pipeline as per Office of the Auditor General's ('OAG') recommendations to improve good governance, openness, accountability and transparency as well as to strengthen Government's financial and economic position.

The Financial Management Act ('FMA') 2004 has been amended and the MoF is currently reviewing the subsidiary legislations such as the Finance Instructions ('FI') 2010 and Procurement Regulations 2010. The MoF

will review the accompanying policies after reviewing the subsidiary legislations to ensure that accounting policies on the treatment of property, plant and equipment are captured and reflected in the financial legislation.

For OAG's noting that MoF is in the transitional period to close Trading and Manufacturing Account ('TMA') across government.

4.2 Unutilised Budget - Recurring

The Parliament approved to appropriate a sum of \$3,812,130,342 for the ordinary services of Government for the year ended 31 July 2023.

Included in the Financial Statement of Government is the Statement of Expenditure Against Appropriation Heads which discloses the actual expenditure, budget estimates, over/under utilisation of budget for each Appropriation Heads for the year ended 31 July 2023.

A review of the Statement of Expenditure Against Appropriation Heads revealed a total of \$222.9 million or 6% (\$301 million or 8% for 2022) of the budgeted funds were not utilised in the 2023 financial year. The significant unutilised budget was mainly from the Fijian Elections Office (\$14.0 million), Ministry of Health and Medical Services (\$40.2 million), Water Authority of Fiji (\$11.4 million), Fiji Roads Authority (\$24.7 million) and Miscellaneous Services– Head 50 (\$60.5 million).

The unutilised budget of \$11.4 million for the Water Authority of Fiji was due to the pending work for the Fiji Urban and Wastewater Management Project which has been deferred to be completed in the next financial year.

The reason for the unutilised budget were due to the vacant positions and staff turnovers, funds were released to recipient agencies based on their funding needs and the delay in the implementation of projects.

The Ministry of Finance confirmed the unutilised budget of the above ministries and departments.

Recommendations

The respective ministries/department should:

- **plan and manage the recruitment process to ensure that there is timely and adequate staffing for improved project performance and filling of vacant positions.**
- **identify the risks that might affect project implementation in advance of the execution phase to minimise the negative effects of delaying the intended benefits for the stakeholders involved.**
- **plan for the procurement of materials in advance in the project's execution phase to facilitate the achievement of milestones within the set time frame.**

Agreed Management Comments

1. *The Fijian Elections Office (FEO) recorded an over expenditure of \$14.0m in the 2022-2023 financial year. FEO was allocated funding under two separate expenditure head; Head 9- Grant to Fijian Elections Office \$16.9m and Head 50- SEG 7- 2022 General Election Expenses \$14.8m. Out of the \$16.9m under Head 9, FEO received a grant of \$2.9m from the MoF which was also recorded as actual utilisation in the FMIS system, leaving funding of \$14.0m as unutilised.*

Given that it was an Election Year (December 2022), FEO utilised the funding of \$14.3 million from the Head 50 allocation which left the unutilised funding under Head 9. Additionally, they also had savings from previous financial years that were used to fund other expenses for the 2022-2023 FY.

2. Water Authority of Fiji had unutilised budget of \$11.4m in the 2022-2023 financial year. WAF's capital budget was not fully released in quarter 4 since the agency had sufficient funds available from previous year to carry out its capital works in the 2022-2023 financial year, which led to the under-utilisation in the agencies 2022-2023 Budget
3. Fiji Roads Authority had unutilised budget of \$11.4m in the 2022-2023 financial year. FRA could not fully utilise its capital grant released in quarter 3 of the financial year. Therefore, quarter 4 grant was not fully released to FRA since sufficient funds were available during quarter 4, for the agency to carry out its capital works for the remaining of the financial year: hence, the under-utilisation of funds in 2022-2023 Budget

Some of the major reasons for low utilisation of capital grant are as follows:

- Unavailability of raw materials especially Bitumen and aggregates affecting Contractor's capacity to deliver;
 - Adverse weather conditions;
 - Institutional lack of capacity in Technical Resources [Civil Engineering disciplines' /specialists]; and
 - Staff turnover due to migration and the difficulty in recruiting experience skilled engineering personnel.
4. Miscellaneous Services- Head 50 had unutilised budget of \$60.5m in the 2022-2023 financial year. The major underutilisation is recorded under the following SEGs:
 - SEG 7- Special Expenditures (underutilisation by \$7.4m)
 - Financial Support- Post Pandemic: under-utilisation under the allocation was due to funding allocated to provide support measures/subsidies to those who were affected by the pandemic. This included bio-security fees for exports, staff fees for market vendors, Birth certificate fees, Police Clearance, etc. (Please refer Page 273 of the 2022-2023 Budget Estimates on the detail breakdown)
 - PPP Health: \$3.1 million was recorded as under-utilised funding for this allocation. Payments are done as and when the invoices are received from the vendor.
 - SEG 8- Capital Construction (underutilisation by \$4.1m)
 - Office Refurbishment - \$3.1 million is recorded as unutilised budget for this allocation. This is a pool allocation under Head 50 and funding is released based on the requests received from ministries and departments.
 - SEG 10- Capital Grants and Transfers (underutilisation by \$43.3 million)
 5. Tertiary Education Loan Scheme: the allocation was underutilised by \$11.6 million. Justifications for the underutilisation of this budget are outlined below:

Total Budget of \$112,858,100 was allocated for the Scheme for both Tuition (\$64,588,600) and Accommodation (\$48,269,500) to support the areas under this scheme such TVET FNU, Higher Education Programme Level 7, Medical (MBBS & Dental) (Other TELS), Non-Medical - Other HEIs, - Study Loan - Existing Employees and Entrepreneurs, Upgrade of Qualification to Postgraduate, and Skills Qualification - Trade Courses.

Of this amount, a total of \$69,316,080 was released to TELS as required for the schemes. A total of \$31,910,125 was vired to cater for the following: Grant to Polytech, Supplement the General Reserve vote, National Toppers (local) and PPP for Health.

This means that the total budget used under the TELS schemes was only \$101,226,205. Leaving an un-utilised balance of \$11,631,895.

The total budget allocated \$112.9 million was initially planned for the following:

Tuition

- Continuing Students (7,723) - \$38.6m
- New Intakes for 6400 students @ \$26.0m

Accommodation

- Continuing Students - 6638 students with cost of \$26.6m
- New Intakes- 5440 students with cost of \$21.7m

Actualised activities

Of the \$112.9 million, a total of \$69.3 million was released to TSLS to cater for the above planned activities. TSLS was not able to fully utilise the budget as planned in various sub-schemes within the TELS programme due to the following:

- I. Tertiary Education Loan Scheme (TELS) - 576 spots were not taken for Study Loan for New awards due to lack of interest from students in certain areas. This had corresponding impact on Accommodation Support Scheme;
- II. TELS for qualification Upgrade - 194 spots were not taken for Study Loan for Qualification Upgrade due to lack of interest from students in certain areas. This had corresponding impact on Accommodation Support Scheme;
- III. TELS for Existing Employees and Entrepreneurs- 65 spots were not taken for Study Loan for Existing Employees and Entrepreneurs due to lack of interest from students in certain areas;
- IV. TELS for Skills Qualification @ FNU 3,098 spots not taken for Study Loan -Skills Qualification @ FNU due to lack of interest from students in TVET courses. This corresponding impact on Accommodation Support Scheme;
- V. TELS for Skills Qualification Excluding FNU - 62 spots not taken for Skills Qualification Excluding FNU due to lack of interest from students in TVET courses. This had a corresponding impact on Accommodation Support Scheme.

As for the Accommodation Support Scheme, the following impacts resulted in the non-utilisation of funds:

- I. corresponding impact from awards not taken up by students from the various TELS schemes;
- II. Payment of Allowances on pro-rata basis. Students were paid based on the number of units enrolled versus the required number of units they were supposed to be enrolled in.

It is to be noted that not all funds as per budget allocation was disbursed to TSLS. Only funds required for payments to the students and HEI's was released to TSLS during the financial year.

National Toppers Scholarships: the allocation was underutilised by \$3.4m. Justifications for the underutilisation of this budget are outlined below:

Total Budget of \$55,386,800 was allocated for the Scheme for both Local (\$49,276,000) and Overseas (\$6,110,800) scholarships.

Of this amount, a total of \$23.2 million was released to TSLS as required for the two schemes. Furthermore, a total of \$28.7 million was vired to supplement the following votes: PPP Health, VAT Aid in Kind, and Inflation Mitigation. Hence the unutilised funds of \$3.4m.

The budget allocated was to cater for the initial plans for TSLS on the following:

Local Programmes

- ongoing students 1624 at a cost of \$25.6 million
- New Intakes- 770 students at a cost of \$10.6 million

Overseas

- Ongoing students- 7 students at a cost of \$910,000
- New Intake- 40 students at a cost of \$5,200,000

However, TSLS was only able to expend on \$23.2 million due to the following:

- For National Toppers Overseas, or the 40 new intakes budgeted, only 21 scholarships were given, hence 19 scholarships were not taken for NTS Overseas awards due to lack of interest from Students in certain Priority Areas.
 - For the National Toppers Local Scholarship, of the 770 students' new places offered, only 519 scholarships were offered, hence 251 scholarships were not filled for NTS Local awards due to lack of interest from Students in certain Priority Areas.
6. EFL Subsidy- the allocation was underutilised by \$2.9m since the actual recipient of the electricity subsidy was lower than the forecast. The expenditure incurred was based on the claims received from EFL regarding the total number of domestic customers assisted during the financial year.

Prior Year Agreed Management Comments

Recommendations are noted; however, OAG is requested to take into consideration factors which results in the under-utilisation of budget which are not in the control of ministries and departments.

- Vacant positions-all M&Ds follow Open Merit Recruitment System ('OMRS') to fill in the vacant position. They go through a list of recruitment process which at times can take up to 4 months to complete and fill a vacant position. On the other hand, the budget does not consider such process, and the fund budgeted are based on the Post-to-Person ('P2P') that the M&Ds provide for the financial year; and
- Projects-savings in projects are driven by factors such as delay in the tender process, unpredictable weather, delay in commencement of projects etc. which is difficult to factor in the budget.

CONSOLIDATED ISSUES-MINISTRIES AND DEPARTMENTS

4.3 Detailed Listing not maintained for Main Trust Fund Account - Recurring

Each month, the trust account must be balanced and reconciled with the trust bank account. The names and balances of each account must be listed, and the reconciliation shall be signed by the responsible officer. Unreconciled items must be investigated and resolved promptly.⁵

The audit noted that the detailed listings were not maintained for Main Trust Fund accounts totalling \$67,071,224 (\$45.5 million for 2022) for the 2023 financial year. Refer to [Appendix D](#) for details.

Poor records management and the lack of reconciliations has resulted in the issue. As such, the audit could not ascertain the accuracy and completeness of the component of Trust Fund account balance totalling \$67.1 million for FY 2023.

The respective ministries have agreed to the recommendations as provided in the management letters.

Recommendations

- **Ministries/Departments should strengthen its records management and reconciliation of Trust Fund accounts.**
- **The FMIS Division should ensure that ministries/departments are submitting the detailed listing of claimants of the monies held in trust in its monthly reconciliation.**

Agreed Management Action

Refer to [Appendix D](#) for ministries' comments.

Prior Year Agreed Management Action

The aforementioned issue has been resolved in FY 2021-2022. On 25 April 2022, the MoF issued a circular titled "Transfer of Unsubstantiated Main Trust Fund Balances to Consolidated Fund Account" to inform the Ministries, Departments and Agencies ('MDA') about the new amendments made to section 10 of the FMA 2004 and provide a way forward for MDAs in resolving the Trust Funds legacy issues.

4.4 Variances between FMIS GL and Bank Reconciliation Statement - Recurring

The review of cash and cash equivalent held by the Government revealed an unreconciled variance of \$2.9 million (variance of \$3.5 million for 2022) between the FMIS general ledger balance and the bank reconciliation statement for 2023. Refer to [Appendix E](#) for details.

The finding indicated the lack of monitoring of bank reconciliation process performed by the respective ministries responsible for the cash accounts. This has resulted in the misstatement of cash and cash equivalent.

⁵ Finance Instructions 2010 – Section 58 (3)

Recommendations

- The ministries holding cash accounts should ensure that the FMIS general ledger is reconciled monthly, and any variances are investigated and resolved.
- The Ministry of Foreign Affairs and the Ministry of Finance should ensure that all bank accounts maintained at Overseas Missions and Embassies are reflected in the FMIS general ledger.

Agreed Management Action

Refer to [Appendix E](#) for ministries' comments.

Prior Year Agreed Management Action

The MoF has continuously been advising the respective MDAs to perform reconciliations in a timely manner even if the account is active with zero balance. Furthermore, Ministry of Employment, Productivity and Industrial Relations have identified and cleared anomalies. The GL balance reconciles with the reconciliation balance.

As the OAG is aware, the Government of Fiji has acquired a new FMIS which will go live on 1 August 2024. M&Ds have been informed in multiple Accounting Heads forum to review all accounts with issues and take corrective measures as a clean balance will be taken in the new FMIS. Currently, Ministries are working on substantiating the GL balances with the bank statement balances to identify the variance.

We would also like to seek OAG's opinion on a way forward in resolving this issue and minimising the risk of material misstatements as this issue has been recurring over the past years.

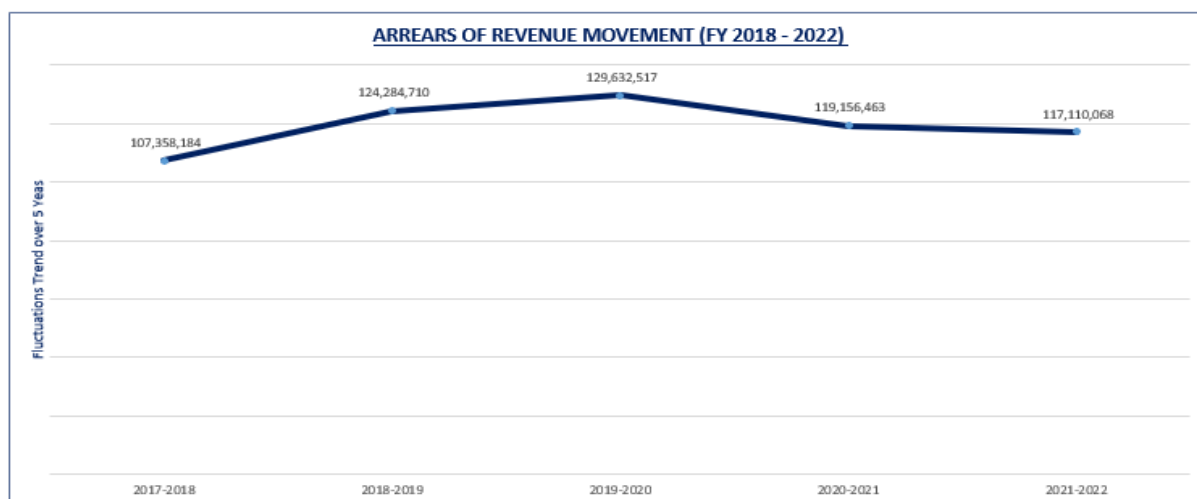
4.5 Significant Arrears of Revenue - Recurring

Within one month after the end of each quarter, each agency with accounts receivable must submit a quarterly report on outstanding and overdue debts to the Ministry.⁶ Accounts which are overdue must be promptly followed up in accordance with the debt recovery procedures in the Finance Manual.⁷

The total arrears of revenue recorded in the financial statement was \$110.4 million (\$117.1 million for 2022) of which \$66.2 million or 60% was more than two years old. Refer to the graph below for a five-year trend of arrears of revenue.

⁶ Finance Instructions 2010 – Section 43 (1)

⁷ Finance Instructions 2010 – Section 41



Audit also noted that a substantial amount of arrears of revenue balances for some ministries/departments were carried forward from prior years.

The above finding indicated that recovery measures in place have not effectively reduce the arrears of revenue over the years. As a result, there is a high risk of this arrears of revenue becoming irrecoverable resulting in loss to Government.

Recommendations

Respective ministries and agencies should:

- ensure that quarterly reports are submitted on time to the Debt Unit.
- review the debt collection strategies and continuously follow up with respective debtors to recover the amount owed.

Agreed Management Action

Refer to [Appendix F](#) for ministries' comments.

Prior Year Agreed Management Action

The Ministry of Finance noted OAG's comments.

MoF will continue to monitor these arrears, especially discussing with MDAs concerned on avenues to recover those that are beyond 5 years, taking into consideration the legal implications. The Ministry had initiated its first meeting with the top 6 agencies on 9 February 2023 to discuss issues and strategies/mechanisms to address the significant amounts in arrears of revenue. Going forward the Ministry will continue its quarterly meeting with these top 6 agencies while the remaining agencies will be closely monitored. The Financial Policy Assurance Unit will also assist those Ministries that have not formulated their Debt Recovery Policies.

APPENDIX A: AUDIT OPINION RESULTS

The following tables present the results of our audit of 2023 financial statements for ministries and departments. Consistent with presentation in this report, the results have been summarised by sectors.

The legislated timeframe for issuing of audit opinion for 2023 was 31 December 2023.

General Administration Services

Ministry/Department		Date Audit Report Signed	Audit Opinion Type
1.	Office of the President	12 February 2024	Unmodified
2.	Office of the Prime Minister and Department of Immigration	31 July 2024	Modified with Emphasis of Matter
3.	Office of the Attorney General	06 March 2024	Unmodified
4.	Ministry of Finance	13 August 2024	Unmodified with Other Matter
5.	Ministry of iTaukei Affairs	19 February 2024	Unmodified
6.	Ministry of Home Affairs	05 July 2024	Unmodified
7.	Ministry of Employment, Productivity and Industrial Relations	06 August 2024	Unmodified with Other Matter
8.	Ministry of Foreign Affairs	14 August 2024	Unmodified with Other Matter
9.	Judiciary	22 August 2024	Modified
10.	Parliament	21 March 2024	Unmodified
11.	Office of the Director of Public Prosecutions	01 May 2024	Unmodified
12.	Public Service Commission	02 February 2024	Unmodified
13.	Fiji Corrections Service	13 August 2024	Unmodified
14.	Ministry of Justice	26 September 2024	Unmodified with Other Matter
15.	Departments of Information, Communications & Digital Government Transformation Office	30 April 2024	Unmodified
16.	Department of Information, Technology and Computing Services (ITC)	19 February 2024	Unmodified
17.	Ministry of Civil Service	02 February 2024	Unmodified
18.	Ministry of Rural & Maritime Development and Disaster Management	22 July 2024	Unmodified with Other Matter
19.	Republic of Fiji Military Forces	30 July 2024	Modified with Other Matters
20.	Fiji Police Force	22 May 2024	Unmodified with Emphasis of Matter and Other Matter
21.	Peacekeeping Missions	24 July 2024	Unmodified

Social Services

	Ministry/Department	Date Audit Report Signed	Audit Opinion Type
22.	Ministry of Education, Heritage and Arts and Higher Education Institutions	22 April 2024	Unmodified with Emphasis of Matter and Other Matter
23.	Ministry of Health and Medical Services	22 May 2024	Modified
24.	Ministry of Housing and Community Development	09 April 2024	Unmodified with Emphasis of Matter
25.	Ministry of Women, Children and Poverty Alleviation	05 August 2024	Unmodified with Other Matter
26.	Ministry of Youth and Sports	14 May 2024	Unmodified

Economic Services

	Ministry/Department	Date Audit Report Signed	Audit Opinion Type
27.	Ministry of Agriculture	22 April 2024	Unmodified
28.	Ministry of Fisheries	25 January 2024	Unmodified
29.	Ministry of Forestry	15 January 2024	Unmodified
30.	Ministry of Lands and Mineral Resources	22 April 2024	Unmodified with Emphasis of Matter
31.	Ministry of Trade, Co-operative, Small and Medium Enterprises and Communications	05 February 2024	Unmodified
32.	Ministry of Sugar Industry	17 May 2024	Unmodified
33.	Ministry of Local Government	18 March 2024	Unmodified

Infrastructure Services

	Ministry/Department	Date Audit Report Signed	Audit Opinion Type
34.	Ministry of Infrastructure and Meteorological Services	10 June 2024	Unmodified with Emphasis of Matter
35.	Ministry of Waterways and Environment	11 September 2024	Modified with Emphasis of Matter

APPENDIX B: OTHER MEASURES OF FINANCIAL VULNERABILITY

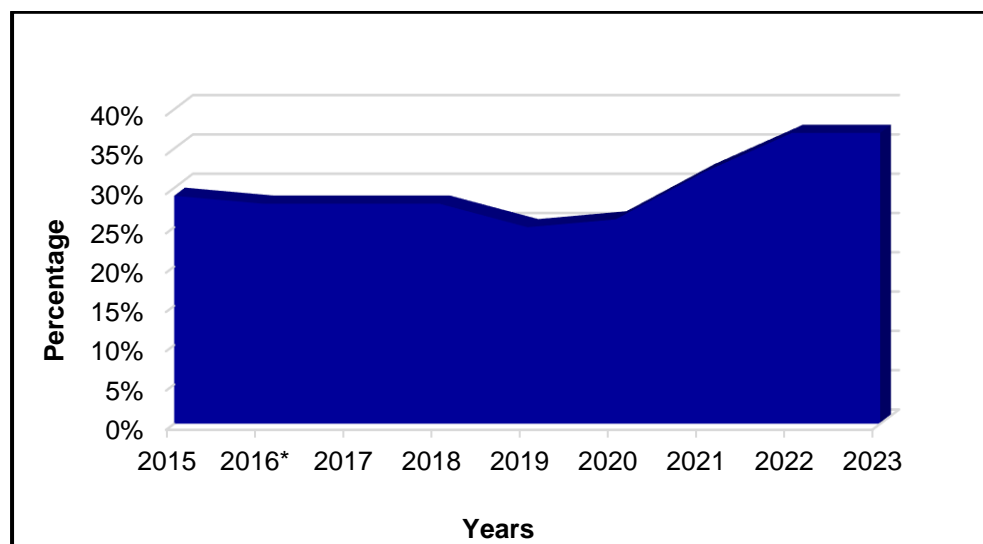
Financial vulnerability is the measure of the degree of dependence of Government on sources of borrowing outside its control or influence.

A measure of vulnerability is the comparison of Overseas Borrowings to the total Government debt. Overseas borrowings to total government debt for a period of nine years is shown in the table below.

Year	Outstanding Overseas Borrowings Amount (\$b)	Government Debt Amount (\$b)	Percentage (%)
2015	1.24	4.22	29
2016*	1.26	4.50	28
2017	1.37	4.67	29
2018	1.45	5.22	28
2019	1.46	5.73	25
2020	1.71	6.69	26
2021	2.42	7.68	32
2022	3.36	9.16	37
2023	3.58	9.78	37

* 7 months

In 2023, overseas borrowings made up 37% of government debt, which remained constant when compared with 2022.



*7 months

The overall trend indicated an increasing reliance by Government on overseas borrowings.

Another measure of financial vulnerability is the comparison of overseas borrowings to Gross Domestic Product (GDP). The table below compares overseas borrowings to GDP over a period of nine years.

Year	Overseas Borrowings Amount (\$b)	Nominal GDP Amount (\$b)	Percentage of Overseas Borrowings/GDP (%)
2015	1.24	9.82	13
2016*	1.26	10.33	12
2017	1.37	11.07	12
2018	1.45	11.65	12
2019	1.46	11.76	12
2020	1.71	9.61	18
2021	2.42	8.91[r]	27
2022	3.36	10.94[r]	31
2023	3.58	11.69[e]	31

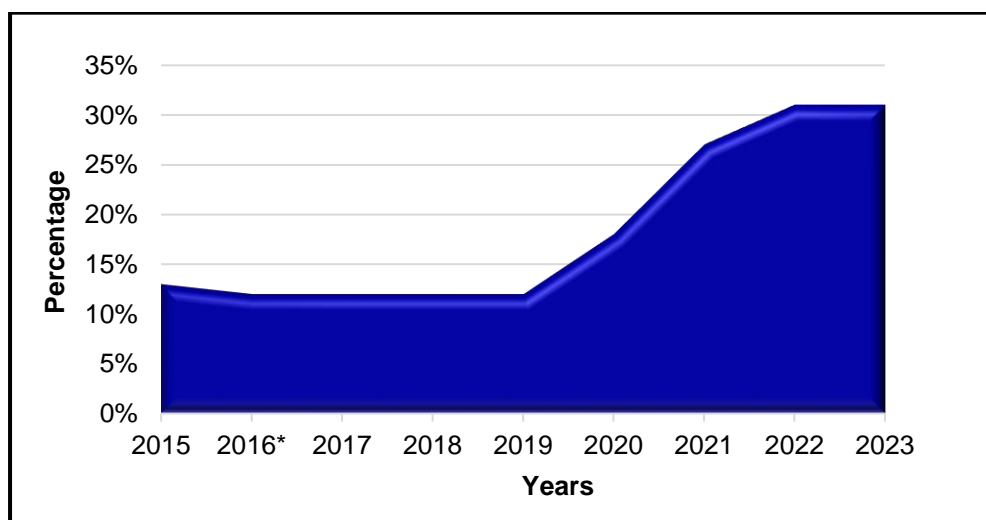
FY 2015 - 2022 GDP Source: FBOS Release No. 101, December 2024

FY 2023 GDP Source: Macroeconomic Committee/Audited Financial Statement of Government - 31 July 2023

[r]: GDP Revised Figure

[e]: GDP Estimated Figure

[*]: 7 months



*7 months

Comparison of the domestic debt to GDP is another measure of financial vulnerability. Domestic borrowings to GDP for a period of nine years is shown in the table below.

Year	Domestic Borrowings Amount (\$b)	Nominal GDP Amount (\$b)	Percentage of Domestic Borrowings/GDP (%)
2015	2.84	9.82	29
2016*	3.08	10.33	30
2017	3.20	11.07	29
2018	3.58	11.65	31
2019	3.97	11.76	34
2020	4.72	9.61	49
2021	4.99	8.91[r]	56
2022	5.51	10.94[r]	50
2023	5.94	11.69[e]	51

FY 2015 - 2022 GDP Source: FBOS Release No. 101, December 2024

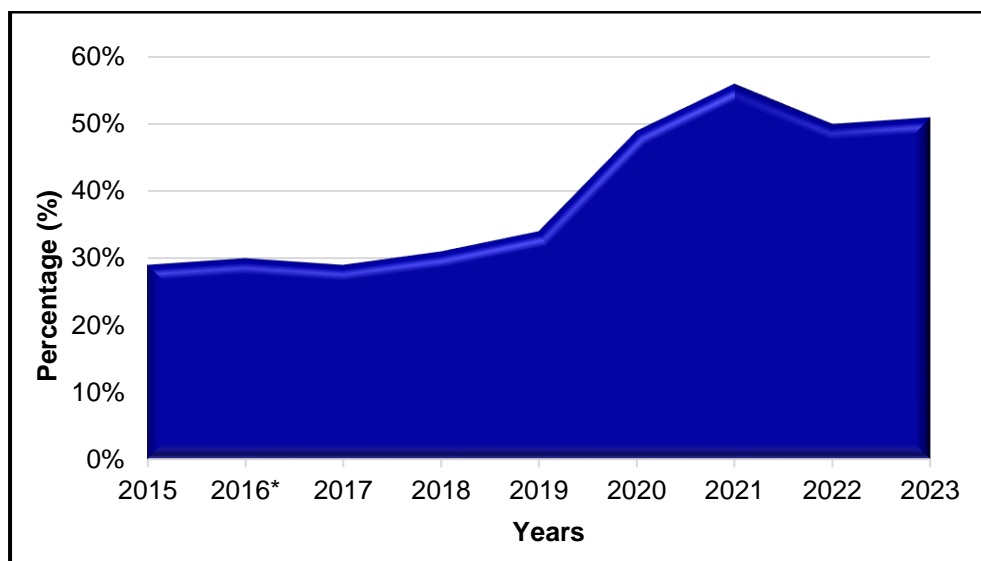
FY 2023 GDP Source: Macroeconomic Committee/Audited Financial Statement of Government - 31 July 2023

[r]: GDP Revised Figure

[e]: GDP Estimated Figure

[*]: 7 months

Domestic borrowing as a percentage of GDP slightly increased to 51% in 2023 when compared to 50% in 2022.



*7 months

The graph above shows that the Domestic Borrowing as a percentage of GDP increased from 2018 to 2021, decreased in 2022 and slightly increased in 2023.

The table and graph below show the comparison between tax revenue and GDP. The tax revenue as a percentage of GDP in the past nine years has been between 13% and 24%. In 2023, the percentage of tax revenue to GDP increased to 20% when compared to 15% in 2022.

Year	Tax Revenue Amount (\$b)	Nominal GDP Amount (\$b)	Percentage of Tax Revenue/GDP (%)
2015	2.36	9.82	24
2016*	1.31	10.33	13
2017	2.58	11.07	23
2018	2.83	11.65	24
2019	2.82	11.76	24
2020	2.19	9.61	23
2021	1.41	8.91[r]	16
2022	1.69	10.94[r]	15
2023	2.28	11.69[e]	20

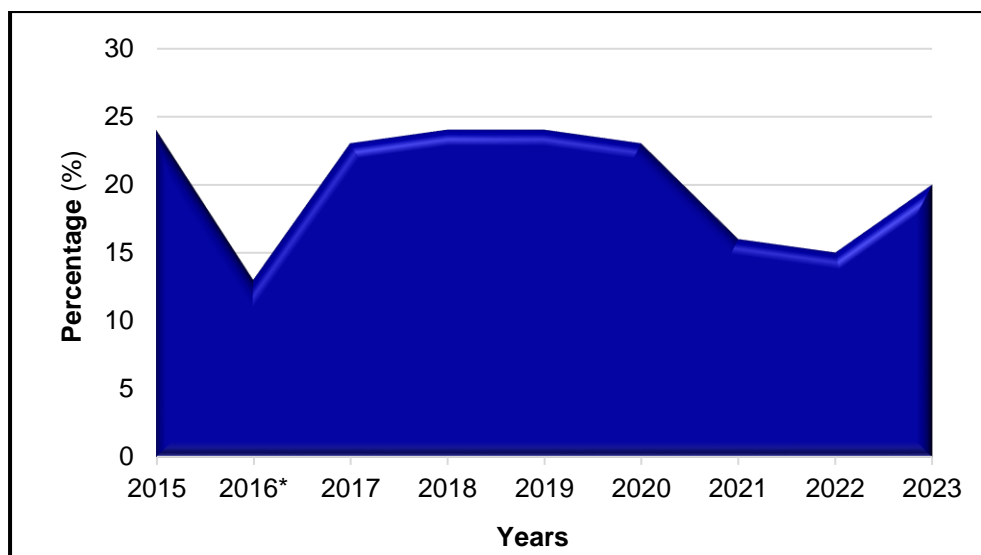
FY 2015 - 2022 GDP Source: FBOS Release No. 101, December 2024

FY 2023 GDP Source: Macroeconomic Committee/Audited Financial Statement of Government - 31 July 2023

[r]: GDP Revised Figure

[e]: GDP Estimated Figure

[*]: 7 months



*7 months

Another measure of financial vulnerability is the comparison of public debt to tax revenue. This measure indebtedness level relative to the government's payment capacity. It shows the number of required years to pay the total debt balance. This ratio shows the governments possibilities to collect revenue compared to the debt burden.

The table below compares debt to tax revenue for a period of nine years.

Year	Public Debt Amount (\$b)	Tax Revenue Amount (\$b)	Public Debt / Tax Revenue
2015	4.22	2.36	1.8
2016*	4.50	1.31	3.4
2017	4.67	2.58	1.8
2018	5.22	2.83	1.8
2019	5.73	2.82	2.0
2020	6.69	2.19	3.1
2021	7.68	1.41	5.4
2022	9.16	1.69	5.4
2023	9.78	2.28	4.3

[*]: 7 months

The table below shows the comparison of government deficit to GDP.

Year	Gross (Deficit) Amount (\$b)	Nominal GDP Amount (\$b)	Percentage of Gross (Deficit) /GDP (%)
2015	(0.85)	9.82	(8.7)
2016*	(0.35)	10.33	(3.4)
2017	(0.38)	11.07	(3.4)
2018	(0.49)	11.65	(4.2)
2019	(0.41)	11.76	(3.5)
2020	(0.63)	9.61	(6.6)
2021	(1.04)	8.91[r]	(11.7)
2022	(1.22)	10.94[r]	(11.2)

Year	Gross (Deficit) Amount (\$b)	Nominal GDP Amount (\$b)	Percentage of Gross (Deficit) /GDP (%)
2023	(0.84)	11.69[e]	(7.2)

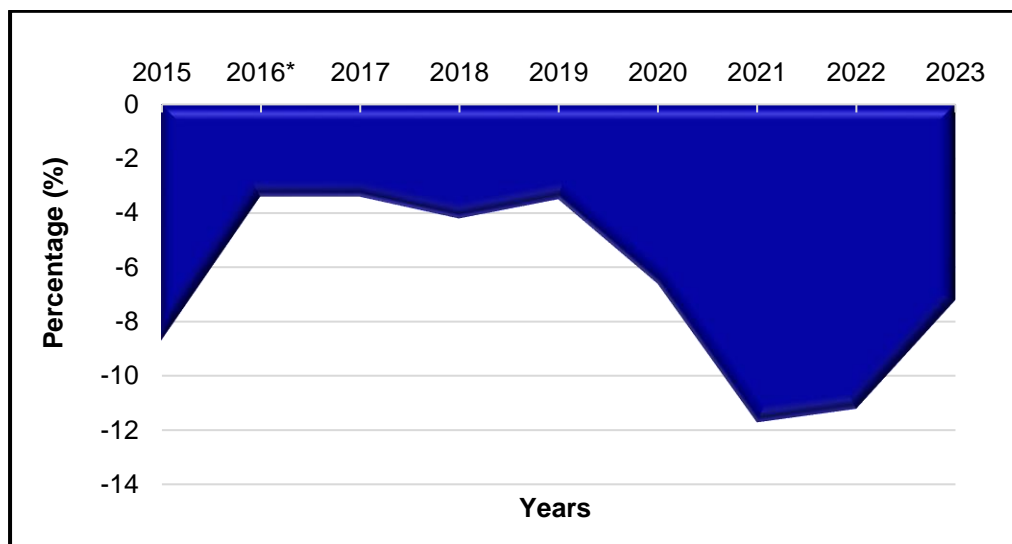
FY 2015 - 2022 GDP Source: FBOS Release No. 101, December 2024

FY 2023 GDP Source: Macroeconomic Committee/Audited Financial Statement of Government - 31 July 2023

[r]: GDP Revised Figure

[e]: GDP Estimated Figure

[*]: 7 months



*7 months

The gross deficit as a percentage of GDP decreased from 11.2% in 2022 to 7.2% in 2023.

The table and the graph below show the interest payments to GDP for a period of nine years. Interest payments as a percentage of GDP increased from 3% to 4% in 2023.

Year	Interest Payments Amount (\$b)	Nominal GDP Amount (\$b)	Percentage of Interest Payments /GDP (%)
2015	0.29	9.82	3
2016*	0.15	10.33	1
2017	0.28	11.07	3
2018	0.29	11.65	2
2019	0.33	11.76	3
2020	0.36	9.61	4
2021	0.37	8.91[r]	4
2022	0.38	10.94[r]	3
2023	0.46	11.69[e]	4

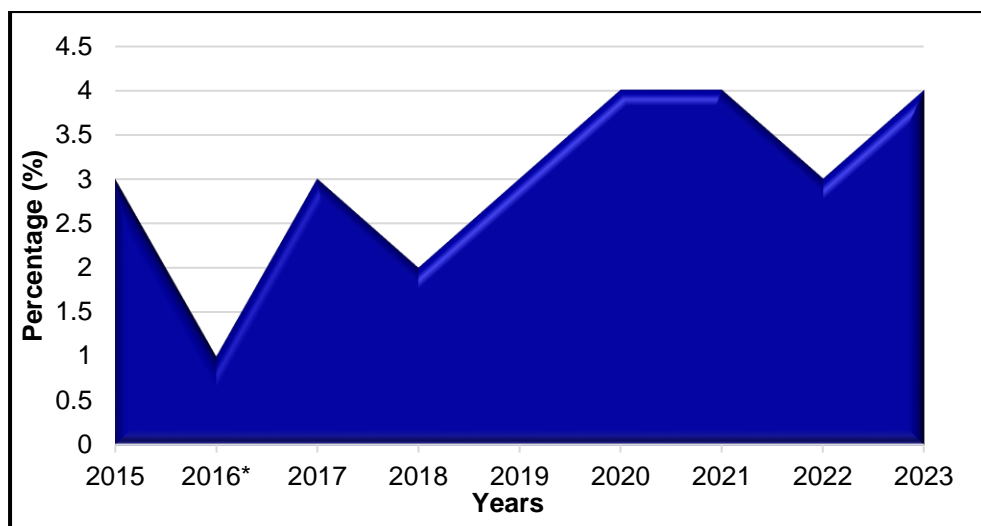
FY 2015 - 2022 GDP Source: FBOS Release No. 101, December 2024

FY 2023 GDP Source: Macroeconomic Committee/Audited Financial Statement of Government - 31 July 2023

[r]: GDP Revised Figure

[e]: GDP Estimated Figure

[*]: 7 months



*7 months

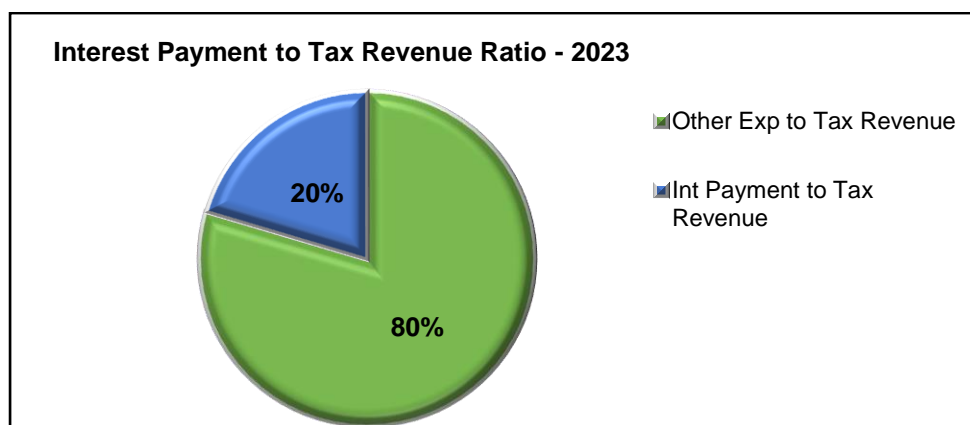
The interest payment to tax revenue indicator measures the financial cost of the public debt as a proportion of the tax revenue. It is generally used as a measure of the public income tolerance to an increase in unproductive expenditure or the country's possibilities to face other expenditures.

This financial cost of the public debt as a proportion of the tax revenue has decreased from 22% to 20% in 2023.

The table and the chart below show the interest payment to tax revenue for a period of nine years.

Year	Interest Payments Amount (\$b)	Tax Revenue Amount (\$b)	Percentage of Interest Payments/ Tax Revenue (%)
2015	0.29	2.36	13
2016*	0.15	1.31	11
2017	0.28	2.58	11
2018	0.29	2.83	10
2019	0.33	2.82	12
2020	0.36	2.19	16
2021	0.37	1.41	26
2022	0.38	1.69	22
2023	0.46	2.28	20

[*]: 7 months



Overall outlook of the financial vulnerability is shown below:

Indicator	Results	Commentary
Overseas Borrowings/ Total Debt	37%	Percentage of overseas borrowings composition of the total Debt is less than Domestic borrowings.
Overseas Borrowings/GDP	31%	Percentage of GDP output to meet overseas debt has decreased.
Domestic Debt/Nominal GDP	51%	Percentage of GDP output to meet domestic debt has slightly increased.
Tax Revenue/GDP	20%	Percentage of GDP output been collected by government through tax has increased.
Total Debt/Tax Revenue	4.3	Shows the number of required years to pay the total debt balance.
Gross Deficit/GDP	-7.2%	Percentage of GDP output to meet Gross Deficit has decreased.
Interest Payment/GDP	4%	Percentage of GDP ability to meet interest payment has slightly increased.
Interest Payment/Tax Revenue	20%	Percentage of Tax Revenue ability to meet interest payment has slightly decreased.

APPENDIX C: MODIFIED AUDIT OPINION - QUALIFICATION

The qualification issues for modified audit opinions of ministries and departments are shown in the table below:

Ministries/Departments	Modified Audit Opinion
Office of the Prime Minister and Department of Immigration	There is an unreconciled variance totalling \$1,232,665 between the Immigration Bond Trust Fund General Ledger and the Immigration Bond Trust Fund Account listing maintained by the Department. As a result, I was not able to ascertain the accuracy and completeness of the closing balance reflected in the Trust Fund Account.
Judiciary	The financial statements provide the status of the Department's reconciliations for Suits, Maintenance and Sundries Trust Fund accounts. As at the date of my audit report, significant lapse in the years of reconciliations and absence of detailed breakdown listings of beneficiaries and their respective current balances still exists, as such I am unable to satisfy myself on the accuracy of the closing balance of \$46,061,928 disclosed in the Judicial Trust Fund Account Statement of Receipts and Payments for the year ended 31 July 2023.
Republic of Fiji Military Forces	Trading and Manufacturing Account - An unreconciled variance of \$40,113 existed between the Plant Pool Value Added Tax (VAT) Reconciliation and general ledger balance. Consequently, I could not confirm the accuracy and completeness of the VAT receivable balance of \$214,449 stated in the Balance Sheet of the Plant Pool Trading Account as at 31 July 2023.
Ministry of Health and Medical Services	In relation to Trading and Manufacturing Account, an unreconciled variance of \$19,377 existed between the Value Added Tax (VAT) on Revenue balance and Statement of VAT Account (SVA) balance in the Bulk Purchase Scheme Trading and Manufacturing Account Balance Sheet for the year ended 31 July 2023.
Ministry of Waterways and Environment	<ol style="list-style-type: none"> 1. The Ministry was unable to provide journal vouchers with appropriate supporting documents for Recoveries of Overpayments in Previous Years revenue totalling \$574,167 and Rental for Building revenue totalling \$7,830. As a result, I was unable to verify the completeness and accuracy of the Recoveries of Overpayments in Previous Years revenue and Rental for Building revenue balance of \$579,798 and \$10,400, respectively reflected in the Statement of Receipts and Expenditure. In addition, I was unable to determine whether any adjustments might have been necessary in respect of these revenue balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Receipts and Expenditure. 2. The Ministry was unable to provide personal and salaries files that were requested for my review. These personal and salaries files contained personnel payroll records such as input forms, contracts, resignation/appointment/acting letters, approval letter and timesheet. Also, the Ministry was unable to provide salaries and wages reconciliation for the 2023 financial year for the Department of Environment. As a result, I was unable to perform necessary audit procedures to substantiate the accuracy and completeness of Established Staffs and Government Wage Earners expenditure

Ministries/Departments	Modified Audit Opinion
	<p>totalling \$2,770,637 and \$898,384 respectively reflected in the statement of Receipts and Expenditure.</p> <p>3. The Ministry was unable to provide payment vouchers totalling \$19,002 and journal vouchers totalling \$20,585 for Special Expenditures. As a result, I was unable to verify the occurrence and accuracy of the Special Expenditures balance of \$92,810 reflected in the Statement of Receipts and Expenditure.</p> <p>4. An unreconciled variance of \$589,108 exists between the total trust fund balance and the cash at bank general ledger balance for the Environment Trust Fund Account. Also, the Ministry was unable to provide trust payment vouchers totalling \$598,835 and journal vouchers relating to trust receipts totalling \$5,461,830 for my verification. In addition, the Ministry was unable to provide the detailed listings of the monies held in the Environment Trust Fund Account. Consequently, I was unable to substantiate the accuracy and completeness of the Trust Fund Account balance of \$20,776,803 reflected in the Environment Trust Fund Account Statement of Receipts and Payments.</p> <p>5. The Ministry was unable to provide a detailed listing of the breakdown of the retention funds held in the Waterways Trust Fund Account. Also, the Ministry was unable to provide trust payment vouchers totalling \$143,637 for my verification. Consequently, I was unable to substantiate the accuracy and completeness of the Trust Fund Account balance of \$232,493 reflected in the Waterways Trust Fund Account Statement of Receipts and Payments.</p> <p>6. The Ministry was unable to provide the approved annual board of survey report of assets under its authority for the year ended 31 July 2023. As a result, I was unable to verify the existence and condition of the Ministry's assets and could not ascertain the accuracy of Loss of Assets recorded in the Statement of Losses.</p>

APPENDIX D: DETAILED LISTINGS NOT MAINTAINED FOR MAIN TRUST ACCOUNTS

Ministries/Departments	Trust Fund Account	Amount FY 2023 (\$)	Management Comments
Judicial Department	Suitor's Trust, Maintenance Trust, and Sundries Trust accounts and Retention of Funds	46,061,928	<p>As discussed with the night shift Trust fund Reconciliation clerk they have reconciled till August 2010. The day shift trust fund has started their reconciliation from 2015 and is reconciling May 2023 which means there is 5 years left to be reconciled.</p> <p>The variance currently is \$12,910. We have done the reconciliations for six months from the time the variance started between SLG 89 and 52. We found out that when Trust monies are banked into revenue then we drew a Cheque from Operating Drawings account and deposit into Trust account and vice versa.</p> <p>Due to costs and time involved in reconciling from the old records we had another meeting with Ministry of Finance asking them to write-off. However, the department was told to continue with the reconciliation process until the time the variance is stagnant. The department is in the process of reconciling the other six months of reconciliation.</p>
Ministry of Waterways and Environment	Environment Trust Fund Account, Waterways Trust Fund Account	21,009,296	<p>The audit comment is noted. The Ministry will ensure that due diligence and accountability is performed in respect of accounting documents/data in future change of Government Administration transiting into a new Ministry.</p> <p>In terms of retrieving missing records for MOWE, we will seek the assistance and guidance of the Ministry's compliance team and Internal Audit team at MOF to help in this regard.</p>
Total		67,071,224	

APPENDIX E: VARIANCE IN OVERSEAS CASH, TMA AND TRUST CASH

Ministry	Allocation	Description	Amount as per GL (\$)	Amount as per Bank Rec Statement (\$)	Variance (\$)	Current Year Management Comments
Ministry of Infrastructure and Meteorological Services	44025191011540201	TMA dominion Cash – WBC – Suva	1,012,774	107,150	905,624	The Ministry awaits update from FICAC on the status of pending court case.
	44026291011540201	TMA dominion Cash – WBC – Suva	964,614	465,104	499,510	
Ministry of Foreign Affairs	10810380101510107	Fiji High Comm. Canberra	418,366	379,787	38,579	The Ministry is working in line with the Ministry of Finance on an exercise that is currently being processed on the book adjustments of variance in SAG51. The variance is expected to be adjusted in 2023-2024 financial year.
	10810381001510202	Fiji High Commission London	936,232	283,611	652,621	
	10810380501510401	Fiji Embassy Tokyo Dominion Cash	331,168	213,799	117,369	
	10810380701510502	Fiji High Commission Wellington	611,699	367,860	243,839	
	10810380201510504	Fiji High Commission Beijing	341,915	102,384	239,531	
	10810380201510506	Beijing Rmb Cash Ac	(394,069)	5,557	(399,626)	
	10810381101510801	Fiji High Commission United Nations	409,161	53,875	355,286	
	10810380407510808	Fiji High Commission Geneva	50,709	14,644	36,065	
	10810380405510901	Fiji Embassy Abu Dhabi	881,566	425,856	455,710	

Ministry	Allocation	Description	Amount as per GL (\$)	Amount as per Bank Rec Statement (\$)	Variance (\$)	Current Year Management Comments
	10810380401510903	Fiji High Commission New Delhi- Usd	273,811	713	273,098	
	10810380402510905	Fiji Embassy Indonesia	(272,652)	676	(273,328)	
	10810380401510908	Jakarta Rupiah Cash Ac	(60,739)	149,868	(210,607)	
	10810380401510909	New Delhi Rupee Ac	95,270	63,637	31,633	
Total			5,599,825	2,634,521	2,965,304	

APPENDIX F: DETAILS OF MINISTRIES AND DEPARTMENTS SIGNIFICANT ARREARS OF REVENUE

Ministry	Details of issue	Management Comments																																				
Judicial Department	<p>Significant Arrears of Revenue- Recurring Issue: The arrears of revenue comprise of arrears arising from court fees, fines and costs awarded to the state. The Department's arrears of revenue as at 31 July 2023 amounted to \$12,686,423.</p> <p>The last eight years' balance are provided in Table below.</p> <table><tr><th>Year</th><th>Balance (\$)</th></tr><tr><td>31/07/23</td><td>12,686,423</td></tr><tr><td>31/07/22</td><td>14,000,394</td></tr><tr><td>31/07/21</td><td>13,444,435</td></tr><tr><td>31/07/20</td><td>12,999,522</td></tr><tr><td>31/07/19</td><td>13,431,984</td></tr><tr><td>31/07/18</td><td>13,337,274</td></tr><tr><td>31/07/17</td><td>13,450,691</td></tr><tr><td>31/07/16</td><td>13,461,155</td></tr></table> <p>The Department has established a Fine Enforcement Unit in prior years to manage the arrears of revenue, however, the arrears of revenue for the Department remained substantial.</p> <p>Refer to table below for aging details as at 31/07/2023</p> <table><tr><th>Ageing of Debtors</th><th>Amount (\$)</th><th>Percentage (%)</th></tr><tr><td>Less than 1 Year</td><td>586,066</td><td>5</td></tr><tr><td>1-2 years</td><td>574,556</td><td>4</td></tr><tr><td>2-5 years</td><td>1,622,728</td><td>13</td></tr><tr><td>More than 5 years</td><td>9,903,073</td><td>78</td></tr><tr><td>Total</td><td>12,686,423</td><td>100</td></tr></table>	Year	Balance (\$)	31/07/23	12,686,423	31/07/22	14,000,394	31/07/21	13,444,435	31/07/20	12,999,522	31/07/19	13,431,984	31/07/18	13,337,274	31/07/17	13,450,691	31/07/16	13,461,155	Ageing of Debtors	Amount (\$)	Percentage (%)	Less than 1 Year	586,066	5	1-2 years	574,556	4	2-5 years	1,622,728	13	More than 5 years	9,903,073	78	Total	12,686,423	100	<p>The department is aware of the significant Arrears of Revenue. However, has no authority nor any control over the execution process, this is mainly vested with the Police Department. The department has set up fine enforcement unit and is also providing resources such as vehicles to assist Police officers in execution of warrants and to collect arrears of revenue. When the officers from Police department are free then they go for execution of warrants. The department has also established Memorandum of Understanding with Land Transport Authority and in the process of reconciling records.</p>
Year	Balance (\$)																																					
31/07/23	12,686,423																																					
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Ministry	Details of issue	Management Comments																		
Ministry of Rural and Maritime Development & Disaster Management	<p>Significant Arrears of Revenue - Recurring Issue: The Ministry had a significant arrears of revenue balance totalling to \$2,068,777 as at 31 July 2023. Refer to Table below for details.</p> <table border="1"> <thead> <tr> <th>Ageing of Debtors</th><th>Amount (\$)</th><th>Percentage (%)</th></tr> </thead> <tbody> <tr> <td>Less than year</td><td>---</td><td>---</td></tr> <tr> <td>1-2 years</td><td>165,518</td><td>8</td></tr> <tr> <td>2-5 years</td><td>811,776</td><td>39</td></tr> <tr> <td>More than 5 years</td><td>1,091,483</td><td>53</td></tr> <tr> <td>Total</td><td>2,068,777</td><td>100</td></tr> </tbody> </table> <p>Delays in recovery of arrears of revenue, poses high risk of arrears of revenue becoming irrecoverable and being written off resulting in loss of Government revenue.</p>	Ageing of Debtors	Amount (\$)	Percentage (%)	Less than year	---	---	1-2 years	165,518	8	2-5 years	811,776	39	More than 5 years	1,091,483	53	Total	2,068,777	100	<p>Audit comments have been noted. The Ministry had discussions with the Auditors on 25 February 2021 with the Financial Reporting Unit in attendance and was agreed that the figure mentioned be zeroed as this will have no negative impact on the Government's financial position. A memo was sent to the PS Finance dated 30th of September 2021 in line with the discussion. MoF had then advised that the proposals will need SG's office advise. The response from Ministry of Finance via Memorandum 27 .05.2024 whereby they have suggested for the Ministry to sought approval from Cabinet for the arrears amount to be zeroed.</p> <p><u>Way Forward</u></p> <p>With respect to the Arrears of Revenue stated, the Ministry had received response to our subsequent correspondences dated 12 August 2010, 11 May 2021, 30th September 2021 and 13 December 2023 in result to consultation with the Office of the Solicitor General as per reference to the PS of Finance memo subject: Request for Arrears of Zero rising, dated 27/05/2024 as per clause 2.0 (iii) quote: "We note that the nature of revenue (supposedly in arrears) as identified by the Ministry of Rural and Maritime Development and Natural Disaster (MRMD) mostly consists of non-renewal of various types of licenses. We note that MRMD only issued these licenses when potential business operators have paid for their respective licenses, no license is issued if not paid (no payment, no license). As such, we are of the view that while these are form of revenue, they are not considered in arrears. In light of the above legal guidance and given the significant amount (\$2,068,777.27) requested to be zero-rised suggest that MRMD sought cabinets approval on the same.</p>
Ageing of Debtors	Amount (\$)	Percentage (%)																		
Less than year	---	---																		
1-2 years	165,518	8																		
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More than 5 years	1,091,483	53																		
Total	2,068,777	100																		

Ministry	Details of issue	Management Comments																		
Ministry of Lands and Mineral Resources	<p>Significant Arrears of Revenue - Recurring Issue: The audit noted that the Ministry had substantial arrears of revenue amounting to \$32.8 million as at 31/07/2023. A slight decline of \$3 million or 8% was noted in 2023. Nevertheless, an increasing trend have been noted over the past 8 years, with arrears of revenue remaining above \$20 million since 2016 and exceeded \$30 million from 2020.</p> <p>Refer to Table below for details</p> <p>Arrears of Revenue for past 8 years</p> <table><tr><th>Year</th><th>Amount (\$)</th></tr><tr><td>2023</td><td>32,821,448</td></tr><tr><td>2022</td><td>35,881,068</td></tr><tr><td>2021</td><td>33,432,792</td></tr><tr><td>2020</td><td>30,342,570</td></tr><tr><td>2019</td><td>26,936,731</td></tr><tr><td>2018</td><td>23,457,483</td></tr><tr><td>2017</td><td>21,820,630</td></tr><tr><td>2016</td><td>20,778,013</td></tr></table> <p>Also, audit scrutiny of the high arrears' debtors revealed that the highest arrears are owed by business entities within the industrial, foreshore, commercial and special class of leases.</p>	Year	Amount (\$)	2023	32,821,448	2022	35,881,068	2021	33,432,792	2020	30,342,570	2019	26,936,731	2018	23,457,483	2017	21,820,630	2016	20,778,013	<p>The strategies undertaken by the Ministry are as below:</p> <ul style="list-style-type: none">• Waiver of interest incentive• Site visits to lessees and conducting awareness on rental payments.• Issuance of notices and flyer on rental• Accepting undertaking with lessees to clear rental arrears within a respective period• Media publicity• Options on mode of payments to lessees• Debt and Revenue Management Policy formulated <p>The team has been successful as they are enforcing the abovementioned strategies, and this has resulted in an increase in rental collection.</p>
	Year	Amount (\$)																		
	2023	32,821,448																		
	2022	35,881,068																		
2021	33,432,792																			
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2016	20,778,013																			

Ministry	Details of issue	Management Comments																																																																																				
	<p>Refer to Table below for the top 20 lease debtors for the Ministry</p> <table><tr><th>File Reference No.</th><th>Lease No.</th><th>Lease Type</th><th>Arrears as at 31/07/23 (\$)</th></tr><tr><td>4/16/8246</td><td>16163</td><td>SPECIAL</td><td>1,322,209.75</td></tr><tr><td>4/10/3101</td><td>13734</td><td>COMMERCIAL</td><td>715,640.09</td></tr><tr><td>4/16/4069</td><td>11975</td><td>COMMERCIAL</td><td>649,946.08</td></tr><tr><td>4/7/3320</td><td>248965</td><td>SPECIAL</td><td>321,665.97</td></tr><tr><td>4/7/2769</td><td>18762</td><td>INDUSTRIAL</td><td>309,464.47</td></tr><tr><td>4/7/3567</td><td>13843</td><td>INDUSTRIAL</td><td>193,166.27</td></tr><tr><td>4/7/3573</td><td>13849</td><td>INDUSTRIAL</td><td>175,084.04</td></tr><tr><td>4/7/2767</td><td>18760</td><td>INDUSTRIAL</td><td>143,410.39</td></tr><tr><td>4/10/1491</td><td>19524A</td><td>COMMERCIAL</td><td>136,870.80</td></tr><tr><td>60/42</td><td>004492</td><td>INDUSTRIAL</td><td>131,194.05</td></tr><tr><td>4/16/8366</td><td>18014</td><td>INDUSTRIAL</td><td>131,152.09</td></tr><tr><td>4/7/2771</td><td>18764</td><td>INDUSTRIAL</td><td>128,314.56</td></tr><tr><td>4/16/3772</td><td>2832</td><td>COMMERCIAL</td><td>115,636.14</td></tr><tr><td>4/7/2145</td><td>18056</td><td>INDUSTRIAL</td><td>104,387.25</td></tr><tr><td>4/11/989</td><td>21886</td><td>SPECIAL</td><td>104,139.43</td></tr><tr><td>4/10/6070</td><td>859390</td><td>COMMERCIAL</td><td>103,696.99</td></tr><tr><td>4/4/657</td><td>XXX23368</td><td>INDUSTRIAL</td><td>101,359.51</td></tr><tr><td>4/4/2333</td><td>AN27278</td><td>INDUSTRIAL</td><td>100,969.17</td></tr><tr><td>4/14/3077</td><td>AN3077</td><td>INDUSTRIAL</td><td>99,080.11</td></tr><tr><td>4/16/8368</td><td>18015</td><td>INDUSTRIAL</td><td>98,793.57</td></tr></table>	File Reference No.	Lease No.	Lease Type	Arrears as at 31/07/23 (\$)	4/16/8246	16163	SPECIAL	1,322,209.75	4/10/3101	13734	COMMERCIAL	715,640.09	4/16/4069	11975	COMMERCIAL	649,946.08	4/7/3320	248965	SPECIAL	321,665.97	4/7/2769	18762	INDUSTRIAL	309,464.47	4/7/3567	13843	INDUSTRIAL	193,166.27	4/7/3573	13849	INDUSTRIAL	175,084.04	4/7/2767	18760	INDUSTRIAL	143,410.39	4/10/1491	19524A	COMMERCIAL	136,870.80	60/42	004492	INDUSTRIAL	131,194.05	4/16/8366	18014	INDUSTRIAL	131,152.09	4/7/2771	18764	INDUSTRIAL	128,314.56	4/16/3772	2832	COMMERCIAL	115,636.14	4/7/2145	18056	INDUSTRIAL	104,387.25	4/11/989	21886	SPECIAL	104,139.43	4/10/6070	859390	COMMERCIAL	103,696.99	4/4/657	XXX23368	INDUSTRIAL	101,359.51	4/4/2333	AN27278	INDUSTRIAL	100,969.17	4/14/3077	AN3077	INDUSTRIAL	99,080.11	4/16/8368	18015	INDUSTRIAL	98,793.57	
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4/14/3077	AN3077	INDUSTRIAL	99,080.11																																																																																			
4/16/8368	18015	INDUSTRIAL	98,793.57																																																																																			
Department of Infrastructure and Meteorological Services	<p>Significant Arrears of Revenue Owed by CAAF & AFL – Meteorology Department: Cabinet decision (05) 310 of 2005 ratified that Civil Aviation Authority of Fiji (CAAF) and Airports Fiji Limited (AFL) reimburse the Fiji Meteorological Services 50% of meteorological aviation costs in relation to the Nadi, Nausori terminal and the en-route only backdating the same to 1 July 1978.</p> <p>The same cabinet decision also approved that a review of the structure of costs be carried out and funded by the Meteorological Office. Following which a contract be entered</p>	<p>2019 Comments</p> <p>Cabinet Decision on engaging a consultant:</p> <p>a) Consultant: In order to ascertain an estimated cost of engaging a consultant for this work, the Fiji Met Services is already looking into finalising the “scope of works” by liaising with, and looking into, established guidelines set by the World Meteorology Organisation (WMO) as well as other Met Partners. This work will most probably require overseas assistance since there is no local expertise to carry out this task. Once we get the scope, it should be easy to advertise for bids to the exercise.</p>																																																																																				

Ministry	Details of issue	Management Comments
	<p>into between the Meteorological Office and the AFL for the provision of weather services to the aviation industry with effect from 1 January 2006.</p> <p>The AFL, since 2005 reimbursed the Meteorological Office at 50% of the total expenditure instead of aviation costs.</p> <p>However, from 2008 the AFL commenced to reimburse a fixed amount of \$50,000 per month. According to a letter from AFL dated 15 April 2008, the AFL informed the Meteorological Office that until an independent study is carried out determine the cost related to the aviation sector, the AFL will only reimburse a fixed amount of \$50,000 per month.</p> <p>The audit noted that the Meteorological Office:</p> <ul style="list-style-type: none"> • Has yet to abide by the Cabinet Decision to undertake a review of the structure of the aviation costs and enter into a contract with the AFL for the provision of weather services to the aviation industry; • Has yet to collect the arrears of revenue owed by CAAF of \$1,894,106.46 as at 31/07/23; • Has not billed the AFL since 2008; and • Since the issue was raised in 2010 has yet to make any progress on the observations raised. <p>While there were talks between the entities, the Meteorological Office is yet to undertake the review of the cost structure on the provision of meteorological services to the aviation industry and resolve the differences with AFL and CAAF.</p> <p>Additionally, the continuous changes in officers handling the issue over the years has impacted the lack of significant efforts towards the recovery of arrears of revenue owed to the Meteorological Office by CAAF.</p> <p>The Department's revenue may be understated, and this has resulted in loss of potential cash flow to the Government</p>	<p>b) Budget: We could not get a special budget for the engagement of a consultant this financial year because of the meagre budget envelope we were given to work with. The Scope of Works should determine the cost which we should table as additional request in next financial year's budget. We hope to finalise everything by next financial year as per the Cabinet decision. Pursuing Outstanding Arrears with FAL. Going after FAL for the payment of the \$1.8m AOR would not be easy at this point since they have already given Fiji Met Services the following:</p> <ul style="list-style-type: none"> • An Ultimatum: They will continue to pay FMS \$50,000 until a revision by an independent consultant is finalised. • A Demand: FAL formerly AFL had initiated the move to review the cost recovery rates FMS was charging them for aviation forecast services, which led to the \$108m AOR. <p>2021 Comments</p> <p>The Department of Meteorology are currently working on designing a cost recovery framework to adopt and to that extent, the department is grateful to the World Meteorological Organisation (WMO) who are assisting the Department in addressing recommendation on (recommendation number 1) reviewing the cost structure related to provision of aviation services to the Fiji Airports formerly AFL.</p> <p>From collaboration with WMO experts, it is clear that we may need to approach the issue in phases. The final phase will involve an expert consultant who can conduct the review of costs and provide a report. At this point, the WMO is agreeable to bearing the cost of the exercise once we commence with engaging the consultant. It is also part of our plan to involve the Fiji Airports in every phase so there can be agreement when the final report is arrived at.</p> <p>As for collection of current arrears, be advised that everything is dependent on review of costing since the calculation employed when arriving at the initial charges invoiced to the then AFL was the</p>

Ministry	Details of issue	Management Comments
		<p>issue of the dispute in the resulting in the existing arrears. Therefore, recommendation number 2 is indirectly dependent on outcome of review above.</p> <p>The department is currently working closely with the World Meteorological Services (WMO) who have agreed to provide the necessary resources and the expertise for the Cost Recovery exercise to be undertaken by the Fiji Met Services. But this process may not be as swift as we would like it due to the processes that need to be undertaken following given the stage, we are currently at in collaboration with WMO. We cannot pursue the arrears until this exercise of cost recovery is undertaken since the dispute between the two parties is over “what is reasonable charge that Fiji Airports should be paying the Fiji Met”. This can only be ascertaining once the Cost Recovery Exercise is done</p> <p><u>2022 Comments</u></p> <p>As per 2021 Management comments, the department is currently working closely with the World Meteorological Services who have agreed to provide the necessary resources and the expertise for the Cost Recovery exercise to be undertaken by the Fiji Met Services but this process may not be as swift as we would like it, due to the processes that need to be undertaken given the stage we are currently in at collaboration with WMO. We cannot pursue the arrears until this exercise of cost recovery is undertaken since the dispute between the two parties is over “what is reasonable charge that Fiji Airports should be paying the Fiji Met” This can only be ascertain once the Cost Recovery Exercise is done.</p> <p>The review of the rate is currently being handled by the Forecasting Team and is headed by STO Mr. Wayne Pene. The WMO had earlier given some guidelines for the Department to follow, and the team had started perusing the guidelines from beginning of the f/year. Talks on this exercise is still ongoing with WMO.</p> <p><u>Recovery of Arrears</u></p>

Ministry	Details of issue	Management Comments
		<p>Once the review rate is being determined the Ministry will pursue recovery or request for write off. Email correspondence attached, indicating discussions currently undertaken with MoF on the same. A draft cabinet paper is currently being vetted by the Budget Unit (MoF) for the writing off of the arrears of \$1.8m.</p> <p>The collaboration commenced in 2022 and will be carried out in phases. So far, the WMO has approved the Terms of Reference (TOR) and moving forward to procurement stage with tender closed on 03/08/23 for the engagement of a suitable candidate for the consultancy work. As per Terms of Reference the engagement of consultant should have commence in September 2023 for duration of 4 months for the development of a framework for cost recovery for Aeronautical Meteorological Services in Fiji. However, that exercise is further delayed due to no suitable candidate for the consultancy work and it proposed to be carried out in March 2024. This is work in progress.</p> <p>The Ministry cannot pursue the arrears unless this cost recovery exercise is undertaken since the dispute between the two parties is over “what is reasonable charge that Fiji Airports should be paying the Fiji Met” The Department has already submitted to Ministry of Finance a Cabinet Paper requesting their second opinion to write off these as bad debts.</p> <p><u>2023 Comments</u></p> <p>It has recently come to light that FMS does not have any legal basis for charging its services to outside organisations. This is being addressed through the PROPOSED METEOROLOGICAL AND HYDROLOGICAL SERVICES BILL 2024. The CP recommending that this Bill be progressed to Parliament was approved by Cabinet during its meeting on 07th May 2024.</p> <p>In the meantime, the department is currently finalising a Cabinet Paper to write off the arrears owed by CAAF</p>

Ministry	Details of issue	Management Comments																																		
Ministry of Health and Medical Services	<p>Significant Arrears of Revenue - Recurring Issue: The audit noted that the Ministry recorded arrears of revenue amounting to \$562,282 as at 31 July 2023. The arrears of revenue were in respect of quarantine fees owed by airlines, shipping companies and hospital fees due from insurance companies. Out of the total arrears of revenue of \$562,282, \$218,206 or 39% of revenue were in arrears for more than one year.</p> <p>Refer to Table below: Ageing of Arrears of Revenue</p> <table><tr><th>Ageing</th><th>Arrears of Revenue Ageing (\$)</th><th>Percentage (%)</th></tr><tr><td>3 Months</td><td>116,541.90</td><td>21%</td></tr><tr><td>6 Months</td><td>37,081.80</td><td>6%</td></tr><tr><td>9 Months</td><td>190,452.86</td><td>34%</td></tr><tr><td>1 Year & Over</td><td>114,007.70</td><td>20%</td></tr><tr><td>2 – 5 Years</td><td>32,218.27</td><td>6%</td></tr><tr><td>Over 5 Years</td><td>71,979.85</td><td>13%</td></tr><tr><td>Total</td><td>562,282.38</td><td>100%</td></tr></table> <p>In addition, the arrears of revenue have increased from 2022 by \$156,458.44 or 39% in 2023. Refer to Table below for details</p> <table><tr><th></th><th>Arrears of Revenue as at 31/07/23 (\$)</th><th>Arrears of Revenue as at 31/07/22 (\$)</th><th>Amount of Increase (\$)</th><th>Percentage Increase (%)</th></tr><tr><td>Arrears of revenue</td><td>562,282.38</td><td>405,823.94</td><td>156,458.44</td><td>39%</td></tr></table> <p>Due to delays in recovery of arrears of revenue, the arrears of revenue have increased in 2023 and there is high risk of arrears of revenue becoming irrecoverable and written-off resulting in loss of Government revenue.</p>	Ageing	Arrears of Revenue Ageing (\$)	Percentage (%)	3 Months	116,541.90	21%	6 Months	37,081.80	6%	9 Months	190,452.86	34%	1 Year & Over	114,007.70	20%	2 – 5 Years	32,218.27	6%	Over 5 Years	71,979.85	13%	Total	562,282.38	100%		Arrears of Revenue as at 31/07/23 (\$)	Arrears of Revenue as at 31/07/22 (\$)	Amount of Increase (\$)	Percentage Increase (%)	Arrears of revenue	562,282.38	405,823.94	156,458.44	39%	<p>The audit findings and recommendation are acknowledged.</p> <p>The Ministry is conducting appropriate follow ups for the current arrears of revenue as well as for the past year. However, some aging debtors have been identified from our various cost centre the Ministry will request for appropriate write off.</p>
	Ageing	Arrears of Revenue Ageing (\$)	Percentage (%)																																	
	3 Months	116,541.90	21%																																	
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APPENDIX G: 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.
Accounting estimates	An approximation of a monetary amount in the absence of a precise mean of measurement. This term is used for an amount measured at fair value where there is estimation uncertainty, as well as for other amounts that require estimation.
Appropriation	A sum of total budget for the ordinary services of government for the financial year.
Audit evidence	All the information used by the auditor in arriving at the conclusions on which the audit opinion is based. Audit evidence includes the 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.
Consolidated fund account	The main bank account of the government where public monies is paid into for the operations of government. Trust money is not paid into this account.
Contingent liability	A contingent liability is a potential liability that may or may not become due, depending on whether a possible event occurs, such as a claim for compensation, an indemnity or other legal claims.
Current ratio	This ratio shows the amount of current assets available to meet current liabilities as they fall due.
Deferred income	Deferred income refers to money received by an entity before it provides the related goods or services to the customer.
Deficiencies	Failings, weaknesses or shortcomings.
Express an opinion	A written expression of the auditor's overall conclusion on the financial report based on audit evidence obtained.
Financial sustainability	The ability of Government to maintain existing programs and meet existing creditor requirements without increasing the burden on the economy. It is measured by the ratio of Government debt to the Gross Domestic Product (GDP).
Financial flexibility	A debt indicator that shows the increase in financial resources or revenue to respond to increasing financial commitments either by expanding revenue or increasing the debt burden.
Financial vulnerability	Measures the total exposure of Government to exchange rates and other market risks through its dependence on external borrowings.
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	The control arrangements in place at an entity that are used to govern and monitor its activities to achieve its strategic and operational goals.
International Public Sector Accounting Standards (IPSAS) under cash basis of accounting	Standards adopted by Government of Fiji for financial reporting of Financial Statements of Government.
Management	Those with the executive responsibility for conducting an operation.
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

Term	Definition
	item to be in accordance with the applicable financial reporting framework.
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.
Other significant matter	Include control weaknesses which <i>could cause</i> or <i>is causing</i> severe disruption of the process or severe adverse effect 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 necessary, action is not taken to address them.
Reasonable assurance	A high but not absolute level of assurance.
Re-deployment	Transfer of budgeted funds from one appropriation head to another which is approved by Cabinet.
Revaluation	An adjustment made to the recorded value of an asset to accurately reflect its current market value.
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.
Standards on auditing	International Standards on Auditing adopted by Fiji Institute of Accountants and applied by Office of the Auditor-General for audits carried out.
Trading and Manufacturing activities	Are operated on semi-commercial basis to increase the returns which are derived from them and to provide goods, services or works more cost-effectively.
Unmodified audit opinion	The opinion is issued when the financial statements are prepared in accordance with the International Public Sector Accounting Standards (IPSAS) under the cash-basis of accounting and with relevant 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 agency.
Value-adding	Financial or non-financial gains arising from improved compliance or mitigation of risks.
Virements	Permanent Secretaries of ministries and departments may authorise the transfer of budgeted funds between Standard Expenditure Groups as per section 10(1) of the Finance Instructions 2010.

Part B: 2023 Financial Statements of Government

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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

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



File: 120/1

18 December 2024

The Honourable Biman Chand Prasad
Deputy Prime Minister and Minister for Finance, Strategic Planning,
National Development and Statistics
Ro Lalabalavu House
SUVA

Dear Honourable Prasad

GOVERNMENT OF THE REPUBLIC OF FIJI
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2023

Audited financial statements for the Government of the Republic of Fiji for the year ended 31 July 2023 together with my audit reports on them are enclosed.

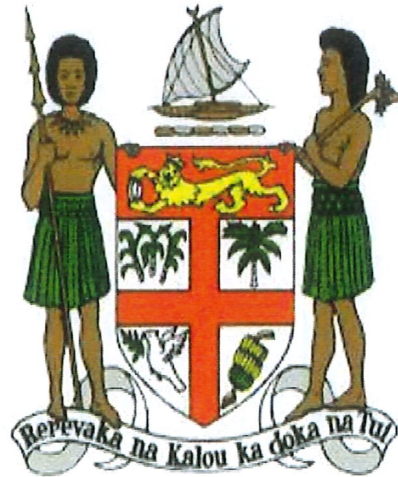
Particulars of errors and omission arising from the audit have been forwarded to the Management of the Ministry for necessary actions.

Yours sincerely

Finau Seru Nagera
AUDITOR-GENERAL

Cc: Permanent Secretary for Finance

Encl.



Financial Statements
Government of the Republic of Fiji
for the period ending 31 July 2023

OFFICE OF THE AUDITOR GENERAL

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

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



INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS OF THE GOVERNMENT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

I have audited the Financial Statements of the Government of the Republic of Fiji, which comprise:

- Statement of Cash Receipts and Payments
- Statement of Comparison Budget and Actual (Economic classifications)
- Statement of Assets and Liabilities
- Statement of Revenue and Expenses
- Statement of Contingent Liabilities

for the year ended 31 July 2023, and notes to the financial statements, including a summary of significant accounting policies, in accordance with section 152 of the 2013 Constitution of the Republic of Fiji, section 46(2) (b) and section 47(2) (b) of the Financial Management Act 2004, and section 6 of the Audit Act 1969.

In my opinion, the accompanying Financial Statements of the Government of the Republic of Fiji are prepared in all material respects, in accordance with the International Public Sector Accounting Standards (IPSAS) Financial Reporting under the Cash Basis of Accounting, Financial Management Act 2004 and Finance Instructions 2010.

Basis for Opinion

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

Emphasis of Matters

I draw attention to the following matters:

1. Reflected in the Statement of Assets and Liabilities (Schedule 3) is Trust Fund account balance of \$266,983,333 which included the Consolidated Main Trust Fund of \$247,347,192 (Note 31). Main Trust Fund account balances totalling \$67,071,224 were not supported with detailed listings of claimants of monies held in trust.

2. Reflected in the Statement of Assets and Liabilities (Schedule 3) is cash and cash equivalent of \$673,438,898. Unreconciled variances amounting to \$2,965,304 existed between the balances in the FMIS general ledger and bank reconciliation statement. In addition, I was not provided with the bank audit certificate for overseas cash balances of \$2,324,463.
3. Reflected in the Statement of Assets and Liabilities (Schedule 3) is the Accounts Receivable balance of \$187,492,896. Arrears of Revenue recorded for Telecommunication Authority of Fiji, Land Transport Authority and Water Authority of Fiji totalling \$56,803,277 was not recorded as Accounts Receivable in the FMIS general ledger.
4. Reflected in the Statement of Assets and Liabilities (Schedule 3) is the Deferred Income balance of \$7,912,308. Unreconciled variances amounting to \$1,467,679 existed between the balances recorded in the FMIS general Ledger and reconciliation statement for deferred income.
5. The Trading and Manufacturing Accounts are operating on semi-accrual accounting basis instead of full accrual accounting. Property, plant and equipment for TMA operations are not disclosed in the Statement of Assets and Liabilities (Schedule 3).

My opinion is not modified in respect of these matters.

Other Information

The Permanent Secretary of Finance is responsible for the other information. The other information comprises the annual report but does not include the financial statements and the auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the Permanent Secretary for Finance and Those Charged with Governance for the Financial Statements

The Permanent Secretary for Finance is responsible for the preparation of the Financial Statements of Government in accordance with the IPSAS Financial Reporting under Cash Basis of Accounting, Financial Management Act, and Finance Instructions 2010 and for such internal control as the Permanent Secretary for Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

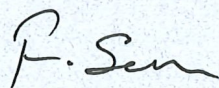
Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Government's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Permanent Secretary for Finance.

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



Finau Seru Nagera
AUDITOR-GENERAL



Suva, Fiji
18 December 2024

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INDEPENDENT AUDITOR'S REPORT

ANNUAL APPROPRIATION STATEMENT OF THE GOVERNMENT OF THE REPUBLIC OF FIJI FOR THE YEAR ENDED 31 JULY 2023

Opinion

I have audited the Annual Appropriation Statement and Budget Results as included in Schedules 9 to 13 for the year ended 31 July 2023, and Notes to the Financial Statements of Government including a summary of significant accounting policies for the year ended 31 July 2023, in accordance with section 152 of the 2013 Constitution of the Republic of Fiji, section 46(2)(b) and section 47(2)(b) of the Financial Management Act 2004 and section 6 of the Audit Act 1969.

In my opinion, the accompanying Annual Appropriation Statement and Budget Results are prepared, in all material respects, in accordance with the Financial Management Act 2004 and Finance Instructions 2010.

Basis for Opinion

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

Other Matters

Significant Unutilised Budget

As shown in the Details of Reportable Expenditure Authorisation (Schedule 10), significant unutilised budget was noted in allocations for Established Staff (\$28.7 million), Purchase of Goods and Services (\$13.5 million), Operating Grants and Transfers (\$20.97 million), Special Expenditures (\$15.7million) Capital Construction (\$10.3 million), Capital Grants and Transfers (\$90.1 million), and Value Added Tax (\$13.1 million).

The significant unutilised budget was attributed mainly to the following:

1. Ministry of Finance - Miscellaneous Services (Head 50) – unutilised budget of \$60.5 million or 10% of a total budget of \$600 million was due to the partial release of funds to agencies based on the funding needs, progress of project implementation and finalisation of procurement.
2. Fijian Elections Office- unutilised budget of \$13.9 million or 83% of a total budget of \$16.9 million as a result of unutilised funds carried forward from 2022. Additional budget utilised by FEO was allocated under Head 50.

3. Ministry of Health and Medical Services – unutilised budget of \$40.2 million or 11% was largely due to the number of vacant positions not filled and delay in project/program implementation.
4. The Water Authority of Fiji- unutilised budget of \$11.5 million or 6% of a total budget of \$191.3 million was due to the pending work for the Fiji Urban and Wastewater Management Project which is deferred to be completed in the next financial year.
5. The Fiji Roads Authority- unutilised budget of \$24.7 million or 6% of a total budget of \$391.7 million was due to the pending work for the Transport Infrastructure Investment Project which is deferred to be completed in the next financial year.
6. Various Ministries and Departments with approved total budget of \$2.2 billion did not utilise \$72 million or 3% of the budget.

As a result, funds approved by Parliament were not fully utilised during the financial year.

Permanent Secretary of Finance's Responsibilities for the Annual Appropriation Statement

The Permanent Secretary for Finance is responsible for the preparation of the Annual Appropriation Statement in accordance with the International Public Sector Accounting Standard (IPSAS) under Cash Basis of Accounting, Financial Management Act 2004 and Finance Instructions 2010, and for such internal control as the Permanent Secretary for Finance determine is necessary to enable the preparation of annual appropriation statement that are free from material misstatements, whether due to fraud or error.

Auditor-General's Responsibilities for the Audit of the Annual Appropriation Statement

My objectives are to obtain reasonable assurance about whether the Annual Appropriation Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual appropriation statement.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Annual Appropriation Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Government's internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Permanent Secretary for Finance.

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

F. Sen

Finau Seru Nagera
AUDITOR-GENERAL



Suva, Fiji
18 December 2024

Table of Contents

Schedules	Description	Page No.
	<i>Primary Financial Statement according to Cash Basis IPSAS</i>	
Schedule 1	Statement of Cash Receipts and Payments.....	1-2
Schedule 2	Statement of Comparison of Budget and Actual Amounts by Expenditure Economic classifications	3
	Notes to and forming parts of the Financial Statements (Note 1 - 23)	4-17
	<i>Other Financial Statement required by law</i>	
Schedule 3	Statement of Assets and Liabilities	19
Schedule 4	Statement of Revenue and Expenses	20
Schedule 5	Statement of Contingent Liabilities	21
	Notes to and forming parts of Other Financial Statements (Note 24-49)	22-38
Schedule 6	Segmentation Report by Fund Classification	39-40
Schedule 7	Summary of Revenue	41
Schedule 8	Detailed Revenue Comparison	42-46
Schedule 9	Statement of Expenditure against Appropriation Heads	47-48
Schedule 10	Details of Expenditure Reportable Authorizations	49
Schedule 11	Budget Result, Estimates & Projections	50
Schedule 12	Disaggregation of Actual Revenue and Expenditure by Economic Type	51-53
Schedule 13	Estimate and Actual Budget Result	54

**GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF RESPONSIBILITY
FOR THE PERIOD ENDING 31 JULY 2023**

Whole of Government financial statements have been prepared by the Ministry of Finance in accordance with the provisions of the Financial Management Act 2004, Financial Instructions 2010 and Cash Basis International Public Sector Accounting Standards 2017.

Whole of Government financial statements have been audited by the Office of Auditor-General, who were given unrestricted access to all financial records and related data. The Office of Auditor-General's report presented herein provides an independent opinion upon the fairness of the financial statements.

In our opinion, these financial statements fairly reflect the financial position of the Government of the Republic of Fiji as at 31 July 2023 and its operations for the year ended on that date.



Shiri K. Gounder
Permanent Secretary

Date:16/12/2024



Atin V. Chand
Head of Treasury

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD ENDING 31 JULY 2023

Schedule 1

		Actual Controlled by Government	Actual Controlled by Government
		31 Jul 2023	31 Jul 2022
	Notes	(\$)	(\$)
Receipts			
<u>Taxation</u>			
Income Tax	36	671,301,659	492,829,944
(less refunds)	36	(11,914,679)	(28,269,038)
Income Tax	34	659,386,980	464,560,906
<u>Value Added Tax</u>			
Value Added Tax	36	1,230,361,040	843,171,234
(less refunds)	36	(222,314,112)	(183,005,904)
Value Added Tax		1,008,046,928	660,165,330
Customs Taxes		470,956,989	441,548,616
Other Taxes		146,603,450	125,737,859
Fees, Charges, Fines and Penalties	34	161,660,450	148,656,472
Investing Revenue		83,080,220	65,166,891
Other Revenues and Surpluses		37,532,664	39,588,513
Reimbursements and Recoveries	36	12,886,975	15,098,000
Grants in Aid (overseas)		166,779,156	232,617,627
Net receipts into trust funds		9,781,475	4,842,440
Trust monies held in equity		---	13,876,623
<u>Borrowings</u>			
Treasury Bills	17(e)	383,766,399	531,819,100
Overseas Loans	17(d)	178,862,398	854,696,661
Domestic Loans	17(d)	600,186,078	803,695,475
Receipts from Lending & On - Lending		5,378,605	3,569,120
<u>Trading Activities</u>			
Receipt from Trading Activities		7,385,772	7,794,458
Total Receipts		3,932,294,539	4,413,434,091
Payments			
<u>Operations</u>			
Established Staff	37	917,423,861	888,207,843
Government Wage Earners	37	46,443,246	41,715,288
Travel and Communications	37	32,553,092	25,967,612
Maintenance and Operations	37	80,769,863	68,210,315
Purchase of Goods and Services	37	186,749,579	157,510,940
Special Expenditure	37	166,022,745	81,347,170
Value Added Tax	39	39,214,905	29,558,276
Pensions Gratuities	37	28,297,470	30,022,146
<u>Transfers</u>			
Operating Grants	37	650,101,279	593,461,510
Capital Grants		751,695,269	929,218,237
<u>Capital Payments</u>			
Purchase/Construction of plant and equipment		93,739,324	95,457,648
<u>Loan and interest repayment</u>			
Repayment of borrowings overseas	17(d)	121,480,537	63,062,043
Repayment of borrowings domestic	17(d)	175,474,000	282,774,500
Repayment of Treasury Bills	17(e)	402,500,000	522,505,000
Interest Payments	40	457,314,078	375,046,347

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD ENDING 31 JULY 2023


Schedule 1

		Actual Controlled by Government	Actual Controlled by Government
		31 Jul 2023	31 Jul 2022
	Notes	(\$)	(\$)
Trading Expenses (TMA)			
Cost of Goods Sold (TMA)	43(b)	96,563	252,412
Other Expenses (TMA)	43(b)	5,463,073	6,263,528
Net Advance Payment/(Receipt)		113,068	(275,474)
Total Payments		4,155,451,952	4,190,305,341
Net increase/(decrease) in cash & cash equivalents		(223,157,413)	223,128,750
Cash & cash equivalents at the beginning of period		896,695,699	673,649,302
Exchange Rate changes		(99,388)	(82,353)
Cash & cash equivalents at end of period	3	673,438,898	896,695,699

The statement includes cash flows from Trading & Manufacturing Activities and Trust.

Ministry of Finance
Suva, Fiji

Dated 16 of the month of Dec 2024


.....
Mr. Shiri K Gounder
Permanent Secretary for Ministry of Finance, Strategic
Planning, National Development and Statistics

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
BY BUDGET FUNDING ECONOMIC CLASSIFICATION
FOR THE PERIOD ENDING 31 JULY 2023**

Schedule 2

	Original 2023 (\$)	Revised 2023 (\$)	Actual 2023 (\$)	Variance 2023 %
Revenue				
Operating Receipts	2,845,391,069	2,845,391,069	2,666,656,301	(6)
Investing Receipts	94,539,630	94,539,630	83,168,482	(12)
Total Revenue	2,939,930,699	2,939,930,699	2,749,824,783	(6)
Expenditure				
Established Staff	978,794,367	946,087,144	917,423,861	(3)
Government Wage Earners	46,759,575	50,553,918	46,443,246	(8)
Travel and Communications	28,033,696	37,181,495	32,553,092	(12)
Maintenance and Operations	77,969,545	87,988,680	80,769,863	(8)
Purchase of Goods and Services	198,115,715	200,241,610	186,749,579	(7)
Operating Grants and Transfers	663,585,854	671,065,856	650,101,279	(3)
Special Expenditures	122,469,831	181,719,491	166,022,745	(9)
Pensions, Gratuities & Compassionate Allowances	31,773,800	31,773,800	28,297,470	(11)
Charges on Account of Public Debt	453,241,525	463,721,998	458,008,615	(1)
Total Operating Expenditure	2,600,743,908	2,670,333,992	2,566,369,750	(4)
Capital Construction	103,245,992	65,411,358	55,137,048	(16)
Capital Purchase	61,252,152	54,650,123	49,269,271	(10)
Capital Grants and Transfers	996,064,130	969,394,679	868,578,070	(10)
Total Capital Expenditure	1,160,562,274	1,089,456,160	972,984,389	(11)
Value Added Tax	50,824,160	52,340,190	39,214,905	(25)
Total Expenditure	3,812,130,342	3,812,130,342	3,578,569,044	(6)
Net Deficit	872,199,643	872,199,643	828,744,261	(5)
Debt Repayments	307,489,656	307,489,656	296,954,537	(3)
Gross Deficit	1,179,689,299	1,179,689,299	1,125,698,798	(5)
Net Deficit as a Percent of GDP	7.4%	7.4%	7.1%	
Nominal GDP	11,708,026,300	11,708,026,300	11,690,887,505	(Estimated)
Gross Deficit To be Financed From:				
Overseas Loans	502,987,900	502,987,900	306,412,194	(39)
Domestic Loans	676,701,400	676,701,400	597,000,000	(12)
	1,179,689,300	1,179,689,300	903,412,194	(23)

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 31 JULY 2023

1. General Information

The Republic of Fiji is a sovereign democratic.

The principal activities of the Government are:

- (i) The administration of public financial affairs
- (ii) The provision of goods and services required by its citizens; and
- (iii) The collection, management and use of public resources.

2. Significant accounting policies

2.1 Basis of Preparation

The financial statements namely, the Statement of Cash Receipts and Payments (Schedule 1) and Statements of Budget and Actual Comparisons (Schedules 2) are prepared on cash basis as per the requirement of Cash Basis IPSAS, Financial Reporting Under the Cash Basis of Accounting and the Cabinet decision 277 of 2010. The notes to the financial statements form an integral part to understanding the statements and shall be read in conjunction with the primary statements. Further to complying with Cash Basis IPSAS Reporting, additional presentations and disclosures are also made in line with the Financial Management Act 2004.

The accounting policies have been applied consistently throughout the period.

2.2 Reporting Entity

The financial statements are for the General Government Sector of the Government of Fiji. The financial statements encompass the reporting entity, Whole of Government ("WOG"), as specified in the Financial Management Act 2004. The reporting entity includes all budget sector agencies and excludes Off-budget state entities, Government commercial companies and commercial statutory authorities. The revenue and expenditure of these controlled entities have been excluded from the consolidated accounts in accordance with Cash Basis IPSAS, Financial Reporting under the Cash Basis of Accounting, in order to facilitate timely financial reporting.

A list of significant entities encompassed in the financial statements and the sectors in which they operate is disclosed in Note 16 to the financial statements.

The Constitution of the Republic of Fiji provides the framework for the conduct of the Government of Fiji. The principal activities of the Government of Fiji are the administration of public financial affairs, the provision of health, education, defence, social protection, housing, recreational and cultural, general public services and economic management.

The legal form of the Republic of Fiji is a sovereign democratic State. Authority for Government's raising of taxation, revenue or monies is provided by Section 139 of the Constitution of the Republic of Fiji ("Constitution") and relevant specific law. Authority for spending is provided in Section 141 of the Constitution and Appropriation made by law.

2.3 Presentation currency

The presentation currency is Fiji dollars, the currency of the Government of Fiji and all values are rounded to the nearest dollar except when otherwise indicated. Cash flows are converted to Fijian dollars using the monthly average exchange rate provided by the Reserve Bank of Fiji. Amounts held in foreign currencies are converted using the spot rate on the reporting date.

2.4 Basis of Consolidation

The financial statements for the Whole of Government of Fiji comprises of ministries and departments that are part of the Central Government budget including financial operations of these ministries that are outside the budget, such as Trading and Manufacturing Accounts and Trust Accounts as authorized by law.

Intra-economic entity transactions, receipts and expenditures are eliminated on consolidation.

2.5 Comparatives

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

3. Cash and cash equivalents

Cash comprises of cash at bank, short term demand deposits in overseas banks and cash on hand and other cash equivalents. Demand deposits and cash equivalents consist of balances with banks and investments in short-term money market instruments. Cash is mainly kept in the Reserve Bank of Fiji, commercial banks and cash registers.

All Government Ministries and Departments use overdraft accounts (drawings) for their operations and these are cleared on a daily basis to the Consolidated Fund Account of Government. In addition, several ministries and departments operate and maintain their own bank accounts for monies held as trust and for those that operate quasi-commercial activities.

Funds held by overseas banks are for various Fiji embassies, Trade Missions and Overseas Pension Funds accounts.

The balance of the Domestic Account is offset by the unpresented cheques outstanding for ministries and departments as of 31 July 2023.

Cash included in the Statement of Cash Receipts and Payments comprise the following amounts:

	31 Jul 2023	31 Jul 2022
	(\$)	(\$)
Overseas bank accounts	6,560,909	7,018,329
Domestic bank accounts	415,516,306	644,272,999
Trust fund accounts	246,835,638	236,477,533
Trading and Manufacturing Activities accounts	4,526,045	8,926,838
Cash on hand and balances with banks	673,438,898	896,695,699

Included in cash and cash equivalents above are the Trust Fund Accounts totalling \$246.8 million (2022: \$236.5 million) which is set aside for a specific purpose. The Trust Fund Account includes deposits, retention monies and true Trust account that ministries and departments hold in trust.

4 Donations, Grants and Other Aid

Cash receipts during the period included donations, grants and other aid provided by bilateral and multilateral donor agencies and non-Governmental organizations.

The amount of donations, grants and other aid does not include aid received during the reporting period in the form of proceeds from loans. The proceeds of any aid received during the period in the form of loans are included in the amount of borrowings presented as a separate line item in the Statement of Receipts and Payments.

5. Borrowings

Borrowings comprise of cash inflows from financial institutions, bilateral, multilateral and development partners.

6. Term Loans Receivable

Term loan receivable are loans made to state owned enterprises and students (scholarships) as part of Government lending and on lending program. Term loan receipts are the repayments received from the recipients of the loans and scholarships.

7. Trust Fund

Trust fund receipts comprises of funds which Government receives and holds on behalf of its designated beneficiaries.

8. Advance Receipts

Income received in advance consists of cash deposits that Government has collected, but not recognized as revenue.

9. Value Added Tax

These are VAT payment made by Ministries/ Departments for goods and services during the year.

10 Interest Payments and Other Charges on Loans

These are payments made during the year for interest on overseas and domestic loans as well as interest on Treasury bills.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

11. Investment Receipts

Government has a number of investments and the receipts from investing are mainly from dividends and interest on bank balances.

12. Capital Payments

These are payments made for capital construction, purchase of fixed assets and capital grants and transfers.

13. Special Expenditure

Special Expenditure (SEG 7) relate to one off or unique projects of government. In 2023, there were altogether 257 special expenditure activities, listed below are the top 14 activities.

		31 Jul 2023	31 Jul 2022
Activity	Head of Appropriation	(\$)	(\$)
Public Private Partnership (PPP) for Health	Miscellaneous Services	68,967,303	3,611,363
General Reserves (OPR & CAP)	Miscellaneous Services	25,407,428	4,023,435
2022 General Election Expenses-Fijian Elections Office (FEO)	Miscellaneous Services	14,322,605	---
Insurance for Social Welfare Recipients	Miscellaneous Services	6,767,021	6,805,525
Stall Fees for Market Vendors	Miscellaneous Services	4,810,308	4,810,308
Birth Certificate Fees	Miscellaneous Services	2,730,440	3,238,590
Community Health Workers	Health and Medical Services	2,597,481	2,295,402
Implementation of New Budget System	Economy	2,500,000	---
Base Fees for Taxis and Minibuses	Miscellaneous Services	2,293,578	2,249,930
Medical HR Contingencies	Health and Medical Services	1,891,448	1,858,151
Bio-Security Fees for Exports	Miscellaneous Services	1,856,099	1,258,148
Reducing Emissions from Deforestation and Forestry Forest Degradation (REDD FCPF) (World Bank)		1,745,258	2,034,552
Consulate General/Trade Commission China	Commerce, Trade, Tourism and Transport	1,498,165	1,195,854
Arrears for Lease Payment (Agriculture and Residential)	Miscellaneous Services	1,313,455	---
		<u>138,700,589</u>	<u>33,381,258</u>
Others (comprises of 243 activities across various Ministries in 2023)		<u>27,322,156</u>	<u>47,965,912</u>
		<u>166,022,745</u>	<u>81,347,170</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2023

14. Undrawn Borrowing Facilities

The total undrawn loan balance from current loan facilities with the World Bank - International Bank for Reconstruction and Development (IBRD'), International Development Association (IDA'), European Investment Bank (EIB'), Asian Development Bank (ADB') and the Australian Infrastructure Financing Facility for the Pacific (AIFFP) was approximately \$347.95 million as at 31 July 2023 compared to \$448.6 million in the same period last year. Loans undrawn from the World Bank amounted to \$92.5 million (\$125.7 million - FY2022) . EIB at \$149.4 million (\$146.8 million -FY2022) , AIFFP at \$24.9 million (nil for FY 2022) while undrawn loans from ADB equal \$81.1 million (\$176.02 million - FY2022). The loan amounts were converted to the Fiji dollar using the end of year exchange rate: USD/FJD=0.4454.

Loan Account	Total Loan as per Agreement	Loan Proceeds Received					Undrawn balance available for future years	Restricted Cash	Fiji dollar equivalent as at 31/07/2023
		(USD millions)	(USD millions)	(USD millions)	(USD millions)	(USD millions)			
A. Multi-lateral									
2014 ADB LN3210- Transport Infrastructure Investment Project	100.0	79.3	4.6	0.0	0.0	16.1	0.0	0.0	36.1
2016 IBRD LN 8482 - Transport Infrastructure Investment Project	50.0	34.8	2.5	0.0	0.0	12.7	0.0	0.0	28.5
2016 IBRD - Pacific Regional Connectivity Program	6.0	5.6	0.0	0.3	0.0	0.3	0.0	0.0	0.7
2017 ADB-Urban Water & Sewerage Project LN 3512	42.1	20.7	1.3	0.0	0.0	20.1	0.0	0.0	45.1
2017 EIB - Urban Water & Wastewater Management Project	75.0	8.4	0.0	0.0	0.0	66.6	0.0	0.0	149.5
2020-IDA 6733 FIJI COVID-19 Emergency Response Project	6.4	4.0	0.0	0.0	0.0	2.4	0.1	0.1	5.4
2021-IDA 6828 Fiji Social Protection COVID-19 Response and System Development	50.0	45.3	0.0	0.0	0.0	4.7	0.0	0.0	10.6
2021-IDA 6842 Fiji Recovery And Resilience First Development Policy Financing with a Catastrophe Deferred Drawdown Option	10.0	0.0	0.0	0.0	0.0	10.0	0.0	0.0	22.5
2022-IDA Credit AF Fiji Social Protection & System Development LN7106	48.9	37.9	0.0	0.0	0.0	11.0	0.0	0.0	24.7
2022-AIIB Sustainable and Resilient Recovery Program (US \$50M)	50.0	49.9	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Total	438.4	285.9	8.5	0.3	0.3	143.9	0.2	0.2	323.1
B. Bi-lateral									
2022-aiffp Fiji Transport Infrastructure Restoration Project	40.0	28.5	0.4	0.0	0.0	11.1	0.0	0.0	24.9
Total	40.0	28.5	0.4	0.0	0.0	11.1	0.0	0.0	24.9
TOTAL	478.4	314.4	8.9	0.3	0.3	155.0	0.2	0.2	348.0

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

15. Undrawn Grant Facilities

Donor Institution/Project Name	Currency	Total amount of approved grant 2023	Total grants received as at 31 July 2022	Total grants received as at 31 July 2023	Undrawn balance as at 31 July 2023
		<i>FJD (millions)</i>	<i>FJD (millions)</i>	<i>FJD (millions)</i>	<i>FJD (millions)</i>
General Budget Support	FJD	6.34	2.76	2.67	0.12
Direct Project Support	FJD	13.63	7.74	14.85	1.40

Notes:

- General budget support - These are cash grants as provided in the Budget Estimates
- Direct budget support - These represent ad-hoc cash grant received and released directly for the project to the recipient agencies. Undrawn balance - Unutilised funds which are returned to Head 50 on 31 July 2023.

During this period, Government had complied with all the significant terms and conditions of external assistance loan and grant agreements.

16. Government Budgetary Sector

All budget sector agencies are included in the consolidated financial statements. The significant controlled entities are identified below. Comparatives is disclosed in Statement of Expenditure against Appropriation Heads in Schedule 9.

General Administration

Office of the President
Office of the Prime Minister
Office of the Attorney-General
Ministry of Finance
Ministry of iTaukei Affairs
Ministry of Defence, National Security & Policing
Ministry of Employment, Productivity and Industrial Relations
Ministry of Foreign Affairs
Independent Bodies
Independent Commissions
Fiji Corrections Service
Ministry of Justice
Ministry of Communications
Ministry of Civil Service
Ministry of Rural and Maritime Development & Disaster Management
Republic of Fiji Military Forces
Fiji Police Force
Peacekeeping Missions

Social Services

Ministry of Education, Heritage and Arts
Ministry of Health and Medical Services
Ministry of Housing and Community Development
Ministry of Women, Children & Poverty Alleviation
Ministry of Youth and Sports
Higher Education Institutions

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (*cont...*)
FOR THE PERIOD ENDING 31 JULY 2023

16 *Government Budgetary Sector (Cont...)*

Economic Services

Ministry of Agriculture
Ministry of Fisheries
Ministry of Forests
Ministry of Lands & Mineral Resources
Ministry of Commerce, Trade, Tourism & Transport
Ministry of Sugar Industry
Ministry of Local Government

Infrastructure Services

Ministry of Infrastructure and Meteorological Services
Water Authority of Fiji
Ministry of Waterways and Environment
Fiji Roads Authority

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

17. Assets, Liabilities, Revenues and Expenses

a) Revenue and Expenses

The Government builds data on revenues and expenses of the reporting period on a modified cash basis. The modified cash basis used by Government is further explained in Note 18 Original and Revised Approved Budget and Comparison of Actual and Budget Amounts in the Basis Differences section.

	31 Jul 2023 (\$)	31 Jul 2022 (\$)
b) <u>Accounts Receivable</u>		
Tax receivables - IRD and customs	186,331,369	192,400,648
Accounts receivable - Trade	97,456	1,842,738
Miscellaneous receivables	1,064,071	1,020,942
	187,492,896	195,264,328
c) <u>Accounts Payable</u>		
TMA Trade and sundry creditors	1,493	1,493
Withholding tax	21,517	52,442
VAT and Income Tax Refunds outstanding	334,746,498	227,043,628
	334,769,508	227,097,563
d) <u>Borrowings</u>		
The borrowings of the Government are listed below:		
Proceeds		
Domestic commercial banks	89,225,795	371,952,973
Domestic insurance companies	99,642,093	76,184,966
Domestic - Fiji National Provident Fund	397,072,117	323,377,149
Domestic - Private	14,246,073	32,180,387
Overseas development banks and similar lending agencies	178,862,398	854,696,661
Total proceeds	779,048,476	1,658,392,136
Repayments		
Domestic commercial institutions	(175,474,000)	(282,774,500)
Overseas development banks and similar lending agencies	(121,480,537)	(63,062,043)
Total repayments	(296,954,537)	(345,836,543)
e) <u>Treasury Bills</u>		
Treasury Bills issued	383,766,399	531,819,100
Treasury Bills redeemed	(402,500,000)	(522,505,000)
Net proceeds from treasury Bills	(18,733,601)	9,314,100

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

18. Original and Revised Approved Budget and Comparison of Actual and Budget Amounts

The budget is approved on a cash basis by functional classification. The approved budget covers the fiscal period from 1 August 2022 to 31 July 2023 and includes all entities within the general government sector. The budget deals only with the general government sector which excludes other extra budgetary activities. The general government sector includes all government departments - significant departments are included in the list of entities in Note 16.

The 2022-2023 budget was announced on 15th July 2022 and approved by legislation on 29th July 2022.

A number of changes occurred due to a Redeployment Exercise which was endorsed by Cabinet in 2022-2023 FY. The approval for the redeployment of funds in the 2022-2023 Budget was to fund ongoing projects and programs for line agencies.

Comparison of Actual and Budget Amounts

Revenue Performance

Total revenue collection as at 31 July 2023 was \$2.75b, which was below budget by \$0.19b, whilst higher than same period last year by \$0.56b. The key performance against budget were:

- a) Direct Taxes : an increase of \$85.6 million against budget mainly due to increase in collections from Corporate income tax (by \$45.9 million) and Dividend withholding tax (by \$39.3 million).
- b) Other Revenue & Surplus: an increase of \$7.86 million against budget mainly driven by the RBF revaluation reserve account (by \$1.9 million) and rental income for non-domestic quarters (by \$4.4 million).
- c) Dividends from Investment : an increase of \$12.40 million is mainly attributed to the above forecast dividends received from Energy Fiji Limited, Reserve Bank of Fiji, Amalgamated Telecom Holdings Limited, Fiji Ports Corporation Limited, Unit Trust of Fiji and to a large extent due to unbudgeted dividends received from Fiji Airports Limited.

The favourable result was offset by under collection from:

- a) Indirect Taxes : higher than expected collections from net VAT collections (above by \$82.2 million) and Environment & Climate Adaption Levy (above by \$8.1 million) offset by lower collections from Customs duties (below by \$187.1 million), Water resource tax (below by \$22.6 million) and Departure tax (down by \$3.4 million).
- b) Grant in Aid : Non-receipt of budgeted grants under other grants in aid and European Union compared to grants in aid largely received from Australia (\$124.7 million), New Zealand (\$18.6 million), United Nations agencies (\$15.6 million) and other development partners (\$8.3 million).
- c) Reimb & Recovery : Anticipated contributions of \$52.0 million from Trust Fund accounts was not received and below forecast collection of \$20.5 million from Reimbursement from Municipal Councils and Recoveries of overpayments in previous years by \$2.4 million.
- d) Gain/Loss from Investment Disposal : Non-materialisation of sale and disposal of properties projected at \$15.0 million, except for sale proceeds from disposal of investment in TMA Operations amounting to \$1.1 million and other disposals of \$0.3 million. The sale of Factory 6 in Kalabo Tax Free Zone is expected to materialised in FY2023-2024.

Expenditure Performance

SEG 1: Established staff

The cost savings for SEG 1 is mainly attributable to the following:

- i) Delays in the recruitment process of Staff by Ministries/Departments;
- ii) Savings from vacant PS's positions namely; Ministry of Agriculture; Ministry of Communications; Ministry of Finance; Ministry of Employment, Productivity and Industrial Relations; and Ministry of Commerce, Trade, Tourism and Transport.
- iii) Due to the vacant positions and staff turnovers; and
- iv) Savings in FNPF is as a result of savings in expenses as noted above.

SEG 2: Government wage earners

- i) The underspending is due to the vacant positions at WoG level which has resulted in low utilisation of funds for Seg 2;
- ii) Lower than projected utilisation for allowances and overtime; and
- iii) Savings in FNPF is as a result of savings in expenses as noted above.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

18. *Original and Revised Approved Budget and Comparison of Actual and Budget Amounts (Cont...)*

SEG 3: Travel and communications

The under utilisation of funds is mainly attributed to:

- i) Cost cutting measures implemented in telecommunication costs.
- ii) Lower than expected staff travels and control measures undertaken during the year; and
- iii) Savings in overseas medical & consultancy services;

SEG 4: Maintenance and operations

The savings/underutilisation of funds in this particular SEG is due to the following:

- i) Receipt of new replacement motor vehicles resulting in reduced maintenance costs;
- ii) Lower than projected costs relating to fuel and oil, water & sewerage, spare parts and maintenance, software operations, Lease & Rent payments;
- iii) Fuel consumption fluctuations which was dependent on usage; and
- iv) Savings in Office Supplies and Lease & Rental payments.

SEG 5: Purchase of goods and services

The underutilisation of funds is mainly attributed to:

- i) Delay in supply of goods and services due to the shipment challenges experienced by vendors;
- ii) Significant savings in the Ministry of Communications relating to delay in the procurement of software licences and Ministry of Health & Medical Services relating to procurement of Dental Prosthetic Material, Dressings, Consumables, Bedding & Linen and X-Ray Materials. Delays in shipments were experienced during the financial year. The Free Medical Programme also realised savings, which was released as and when required;
- iii) Delay in some divestment and sale transaction and change in priorities resulted in savings in Consultation fees; and
- iv) Withholding Tax Refund for Australia and New Zealand Residents was released as and when required.

SEG 6: Operating grants and transfers

The low utilisation of funds for SEG 6 is mainly attributable to the following:

- i) The funds were released to recipient agencies only based on the funding need of each agency; and
- ii) Savings in the release of funds for operational grant to the Fijian Elections Office.

SEG 7: Special expenditures

The cost savings for SEG 7 is mainly attributable to the following:

- i) Delay in the implementation of special projects such as PPP for Health, Implementation of Payroll Software as well as savings pertaining from other allocations for which the initiatives was fully implemented; and
- ii) Funds for Birth Certificate fees, Stall Fees for Market Vendors, Digitisation and Modernisation of Fiji Immigration Department Systems and Processes, and Fiji's COVID-19 National Deployment and Vaccination Plan (NZMFAT) was released as and when required.

SEG 8: Capital construction

The underutilisation of funds is mainly attributed to:

- i) The budget released were based on the funding requirements to implement the programmes for the period reported;
- ii) Delay in the implementation of other major capital projects due to various reasons including finalisation of contracts, tender approvals and delay in supply of materials; and

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

18. *Original and Revised Approved Budget and Comparison of Actual and Budget Amounts (Cont...)*

- iii) The Non-implementation of projects such as Upgrade of Facilities and Jetty Causeway at Vatuyalewa, Buca Bay, Construction of a new Warehouse for RFMF, Construction of Supervisor's Office in Labasa - FCS, Construction of Retaining Wall (Gabion) at Levuka Corrections Centre, Design and Consultancy Works of President's Office, Construction of Prime Minister's Office Building, Upgrade and Maintenance of Health Facilities.

SEG 9: Capital purchase

The under utilisation of funds is mainly attributed to the supply chain disruptions in the capital purchases for WoG.

SEG 10: Capital grants and transfers

- i) The completion of programs for 2022-2023 financial year with certain level of required funding resulted in under utilisation in scholarship allocations including, TELS (Loans and Accommodation), National Toppers Scholarship Scheme (Local and Overseas) and Other Overseas Scholarship Support by around \$15.1m; and also other programmes including EFL Subsidy (Residential), Nadi River Flood Alleviation project, iTaukei Land Development, Fiji Recovery Rebate Package, Direct Payment: Social Protection Project (World Bank), Bus Fare Subsidy amounting to around \$20.2m;
- ii) The non-implementation of other programmes including Business Process Outsourcing Expansion, Electric Vehicle Subsidy, Private Sector Utility Assistance also resulted in savings of around \$3.0m; and
- iii) The funds were released to recipient agencies only based in the funding need of each agency.

SEG 13: Value Added Tax

There were significant cost savings in this SEG as a result of a decrease in expenses incurred during the year as noted above for the individual SEGs.

Basic Differences

The budget and the accounting basis differ. The financial statements for the government are prepared on the cash basis using a classification based on the nature of expenses. The financial statements include all budget sector agencies and excludes off-budget state entities, government commercial companies and commercial statutory authorities from 1 August 2022 to 31 July 2023. The budget is approved on cash basis by functional classification and deals only with the general government sector which excludes other extra budgetary activities. The Statement of Cash Receipts and Payments includes the same entities as the budget and other extra budgetary activities such as TMAs and Trust.

The government's accounting system is kept on a modified cash basis. Some expenditures are modified because some cash outflows such as accountable advances to employees for business travel are not reported when the payment is made but at the time of acquittal. Likewise, some cash inflows such as trust money are not reported as revenues.

The Statement of Cash Receipts and Payments are prepared on the cash basis. The general ledger amounts were adjusted to make them consistent with the cash basis to be included in the Statement of Cash Receipts and Payments.

In addition to the above, the basis for budgeting of Treasury bills is different from the basis used in accounting or reporting of Treasury bills. The Annual Appropriation Act appropriates the interest portion of Treasury Bills whereas the Statement of Cash Receipts and Payments records net of total issuance and redemptions. Treasury Bills is considered by government as a liquidity instrument and its sole purpose is to manage short term cash flow and support the development of the Government securities market.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

18. *Original and Revised Approved Budget and Comparison of Actual and Budget Amounts (Cont...)*

Entity Differences

- The approved budget includes all entities within the central government sector.
- The budget deals only with the general government sector which excludes other extra budgetary activities. The Statement of Cash Receipts and Payments includes the same entities as the budget and other extra budgetary activities such as TMAs and Trust.

There is an entity difference: the budget is prepared for the government budgetary sector and the Statement of Cash Receipts and Payment includes both budgetary and extra budgetary entities. The entity differences are considered material.

Timing Difference

The budget and financial statements are prepared for the same period.

A reconciliation between the actual inflows and outflows are presented in the statement of comparison of the budget and actual amounts and the amounts of total cash receipts and total cash payments reported in the statement of cash receipts and payments for the year ended 31 July 2023 is presented below:

	Total inflows (\$)	Total outflows (\$)
Actual amount on comparable basis as presented in the Budget and Actual Comparative Statement	2,749,824,783	3,578,566,444
	<u>2,749,824,783</u>	<u>3,578,566,444</u>
Entity differences - TMAs		
Cost of goods sold (TMA)		96,563
Other expenses (TMA)		5,463,073
Net advance payments (TMA)		113,068
Third party payments (Note 19)		(127,549,796)
Total Cash Receipts	<u><u>2,749,824,783</u></u>	
Total Cash Payments		<u><u>3,456,689,352</u></u>

19. **Payment by Third Parties**

The Government benefits from payments made by third parties to purchase goods and services on its behalf during the period. These payments do not constitute cash receipts of payments by the government. They include payments for goods and services made by multilateral aid agencies and non-governmental organizations. They form part of the support for government programs provided by way of external and other assistance - additional information about external assistance and other assistance is provided by the note below. The government has verified that the following payments have been made by third parties for capital works:

	31 Jul 2023 (\$)	31 Jul 2022 (\$)
Capital payments	127,549,796	92,881,503
Total third party payments	<u><u>127,549,796</u></u>	<u><u>92,881,503</u></u>

Such disclosures are only made when the government has been formally advised by the third party (the donor) or the recipient that such payment has been made, or the government has otherwise verified the payment.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

20. External Assistance and Other Assistance

Assistance was received in the form of cash transfers and deposits to current and term deposit accounts and trust fund accounts controlled by the Government. It also encompasses amounts drawn by the Government from accounts of donors consistent with external assistance and other assistance agreements and authorizations. Assistance was also received in the form of third party payments.

External assistance comprises of loans and grants from multilateral donor agencies under agreements specifying the purposes for which the assistance will be utilised. Other assistance was provided for specified purposes by NGOs, private corporations and other donors.

The amounts, class of provider and purposes for which external assistance was provided during the period is outlined below:

	31 Jul 2023 (S)	31 Jul 2022 (S)
External assistance		
Total cash receipts	161,490,223	212,573,708
Total external assistance	<u>161,490,223</u>	<u>212,573,708</u>
<u>Multilateral aid agencies</u>		
Cash receipts	16,970,335	15,887,534
Total multilateral aid agencies	<u>16,970,335</u>	<u>15,887,534</u>
<u>Bilateral aid agencies</u>		
Cash receipts	144,519,888	196,686,174
Total multilateral aid agencies	<u>144,519,888</u>	<u>196,686,174</u>
Other Assistance		
Total cash receipts	5,556,393	20,043,919
Total other assistance	<u>5,556,393</u>	<u>20,043,919</u>
<u>Non-Governmental Organizations</u>		
Cash receipts	---	---
Total NGOs	<u>---</u>	<u>---</u>
<u>Private Corporations and Other Donors</u>		
Cash receipts	5,556,393	20,043,919
Total private corporations and other donors	<u>5,556,393</u>	<u>20,043,919</u>
Loan Funds		
External assistance	---	---
Total loan funds	<u>---</u>	<u>---</u>
Grants and Donations		
External assistance	167,046,616	232,617,627
Total grants and donations	<u>167,046,616</u>	<u>232,617,627</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

20. *External Assistance and Other Assistance (Cont...):*

External Assistance

During the reporting period external assistance was received from multilateral and bilateral external assistance agencies under agreements specifying that the assistance would be utilised for the following purposes:

	Development Assistance		Emergency Assistance		Other Assistance		Total Assistance	
	31 Jul 2023	31 Jul 2022	31 Jul 2023	31 Jul 2022	31 Jul 2023	31 Jul 2022	31 Jul 2023	31 Jul 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Loan funds	198,388,063	112,499,388	5,670,595	504,897,386	113,020,532	331,638,293	317,079,190	949,035,067
Grant funds	161,490,223	212,573,708	—	—	—	—	161,490,223	212,573,708
Total	359,878,286	325,073,096	5,670,595	504,897,386	113,020,532	331,638,293	478,569,413	1,161,608,775

Purpose for which External Assistance and Other Assistance was provided and used

Other Assistance

During the reporting period other assistance was received as grants and donations from non-Governmental organizations, private sector corporations and other donors for the following purposes:

	Development Assistance		Emergency Assistance		Other Assistance		Total Assistance	
	31 Jul 2023	31 Jul 2022	31 Jul 2023	31 Jul 2022	31 Jul 2023	31 Jul 2022	31 Jul 2023	31 Jul 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Grant and donations	5,556,393	20,043,919	—	—	—	—	5,556,393	20,043,919

Undrawn External Assistance and Other Assistance

Undrawn external assistance, loans and grants consists of amounts which have been specified in a binding agreement with external assistance agencies but have not been utilised at reporting date, and are subject to terms and conditions that have been satisfied in the past and it is anticipated that it will be satisfied in the future.

	Development Assistance		Emergency Assistance		Other Assistance		Total Assistance	
	31 Jul 2023	31 Jul 2022	31 Jul 2023	31 Jul 2022	31 Jul 2023	31 Jul 2022	31 Jul 2023	31 Jul 2022
	\$	\$	\$	\$	\$	\$	\$	\$
Closing balance - Loans	284,760,000	386,242,474	63,190,000	62,311,146	—	—	347,950,000	448,553,620
Closing balance - Grants	65,647,122	—	—	—	—	—	65,647,122	—

In regards to the drawdown of fund, these should be within the grace period, or else the borrower is required to seek extension or cancellation of the loan. Funds drawn must be within the approved limit as per the respective loan agreements.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

21. Goods and Services Received

The Government of Fiji has received goods and services in 2022-2023 from donors. These assistance include goods such as computers and medical equipment, and services such as technical assistance.

Summary of goods and services received in-kind from donors

Donor agency	Aid-in-kind \$
Japan International Cooperation Agency (JICA)	21,224,634
The Embassy of Japan	6,000,000
Korea International Cooperation Agency (KOICA)	3,648,241
Total value of goods and services received in-kind	30,872,875

Summary of goods and services received in-kind by activity

Project	Aid-in-kind \$
Training in Japan (JICA)	1,231,368
SDG's Global Leadership Program (known as Pacific LEADS) and KIZUNA Programme (JICA)	648,088
Enhancing Customs Capacity through Master Trainer Program in the Pacific Islands (JICA)	147,731
Main-streaming of Disaster Risk Reduction (JICA)	507,914
Disaster Risk Reduction Advisor (JICA)	243,368
Volunteer Programme (JICA)	398,574
Project for Prevention and Control of Non-Communicable Diseases Phase 2 (JICA)	704,132
Project for Improvement of Health Services through 5S-KAIZEN-TQM (JICA)	46,436
Project for Elimination of Lymphatic Filariasis in the Pacific Region (JICA)	598,141
Project for Capacity Development of ICU Using Telemedicine under COVID-19 Pandemic (JICA0)	648,088
Follow up cooperation of Training "Strengthening Health System for Maternal and Child Health through Public Health Activities" and "Hospital Quality and Patient Safety Management Course" (JICA)	102,000
Project for Promotion of Regional Initiative on Solid Waste Management Phase 3 (JPRISM3)	92,158
Project on Pacific Islands Capacity Enhancement for Achieving SDG 14 (JICA)	926,005
Preparatory Survey for the Project for Nadi Flood Alleviation (JICA)	34,920
Regional Advisor for Vessel Operation and Maintenance in PIC's	158,839
Project for Introduction of Hybrid Power Generation System in the Pacific Island Countries	2,854,925
Third Country Training-Sustained Activity of FMS for Developing Capacities for Meteorological Services in the South Pacific	179,164
Reconstruction of Tamavua-i-wai-Bridge	9,640,311
Project for Capacity Improvement of Non-Revenue Water Reduction in Nadi/Lautoka Region	194,831
Project for Formulation of Wastewater Treatment Master Plan in Western Division (JICA)	1,867,641
Economic and Social Development Programme (Japan)	6,000,000
Strengthening Health Adaptation Project: Responding to Climate Change in Fiji (KOICA)	169,900
Project for Establishment of Fiji National Rehabilitation Centre (KOICA)	1,450,571
Dispatching Experts: Volunteers, Senior Advisors, Medical Doctors (KOICA)	541,104
Laser Treatment Centre in the South Pacific Region (KOICA)	100,000
Improving the Quality of Environment by Renovation on Dental Department	40,000
Installation of PACS (Picture Archiving & Communication System)	36,000
Health Professionals Education and Research Capacity Building Project at the College of Medicine, Nursing and Health Sciences, Fiji National University in Fiji (KOICA)	166,666
Project for Fiji Agrophotovoltaic Programme (GCF) in Ovalau (KOICA)	750,000
Support for Solar Powered Freezers for Rural Area in Fiji (KOICA)	164,000
Project for Climate Change Resilient Renewable Energy development(Taveuni) of the Melanesian four Countries (KOICA)	230,000
Total value of goods and services received in-kind	30,872,875

22. Authorisation Date

These IPSAS Financial Statements for the year ended 31 July 2023 were authorised for issue by the Permanent Secretary for Ministry of Finance on, 2024.

23. Commitments & Contingencies

Contingent liabilities of the Government at year end are disclosed in the statement of contingent liabilities in Schedule 5.

Financial Statements
Government of the Republic of Fiji
for the period ending 31 July 2023

(Other Financial Statements required by Law)

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 JULY 2023

Schedule 3

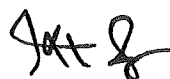
	Notes	31 Jul 2023 (\$)	31 Jul 2022 (\$)
ASSETS			
Current Assets			
Cash and cash equivalent	3	673,438,898	896,695,699
Accounts Receivable	17(b)	187,492,896	195,264,328
Prepayments	26	879,718	766,650
Inventory	27	1,019,840	1,201,549
Total Current Assets		862,831,352	1,093,928,226
Non Current Assets			
Term-Loans Receivable	28	955,543,949	897,879,547
Equity Investments	29	1,023,089,964	955,095,454
Total Non Current Assets		1,978,633,913	1,852,975,001
TOTAL ASSETS		2,841,465,265	2,946,903,227
LIABILITIES			
Current Liabilities			
Accounts Payable	17(c)	334,769,508	227,097,563
Deferred Income	30	7,912,308	7,068,238
Trust fund account	31	266,983,333	257,193,506
Term Loans Payable - Treasury Bills	32(c)	264,799,757	282,913,284
Term Loans Payable - Overseas Loans	32(d)	192,085,302	132,015,725
Term Loans Payable - Domestic Loans	32(e)	324,145,000	175,474,000
Total Current Liabilities		1,390,695,208	1,081,762,316
Non Current Liabilities			
Term-loans Payable Overseas Loans	32(d)	3,384,940,336	3,232,567,806
Term-loans Payable Domestic Loans	32(e)	5,614,368,392	5,338,327,313
Total Non Current Liabilities		8,999,308,728	8,570,895,119
TOTAL LIABILITIES		10,390,003,936	9,652,657,435
EQUITY	45	(7,548,538,671)	(6,705,754,208)

The accompanying notes form an integral part of these financial statements.

Ministry of Finance

Suva, Fiji

Dated 16 of the month of Dec, 2024



Mr. Shiri K Gounder

Permanent Secretary for Ministry of Finance, Strategic
Planning, National Development and Statistics

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF REVENUE & EXPENSES
FOR THE PERIOD ENDING 31 JULY 2023

Schedule 4

	Notes	31 Jul 2023 (\$)	31 Jul 2022 (\$)
REVENUE			
Operating Revenue	34	2,666,656,301	2,121,774,508
Investing Revenue	35	83,168,482	69,036,522
Trade and Manufacturing Operations	43(a)	5,152,983	9,692,700
TOTAL REVENUE		2,754,977,766	2,200,503,730
EXPENSES			
Operating Expenses	37	2,108,361,135	1,886,442,824
Capital Expenses	38	983,651,384	1,123,048,215
Value Added Tax	39	39,214,905	29,558,276
Interest Payments on Loans	40	458,006,015	375,046,347
Trading and Manufacturing Operations	43(b)	5,559,636	6,515,940
TOTAL EXPENSES		3,594,793,075	3,420,611,602
Deficit for the year		(839,815,309)	(1,220,107,872)

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF CONTINGENT LIABILITIES
FOR THE YEAR ENDED 31 JULY 2023

Schedule 5

FOR THE YEAR ENDED 31 JULY 2023								
No.	Name	Notes	Guarantee Balance including accrued interest 1 Aug 2022 (\$)	New Loan Guaranteed Issued in 2022 (Aug - July) (\$)	Guarantee Reduction in 2023 Loan Repayments	Accrued Interest 2023 (\$)	FX Effect (\$)	Guaranteed Balance plus interest accrued 31 July 2023
Section A:								
<u>Explicit Contingent Liabilities - Guarantee of Loans Raised</u>								
1	Fiji Airways		439,374,719	110,000,000	130,805,852	5,259,327	---	423,828,194
2	Fiji Development Bank		301,528,658	82,797,159	109,697,214	---	---	274,628,603
3	Fiji Sugar Corporation		242,953,603	66,223,263	35,064,908	4,720,626	1,345,127	280,177,711
4	Housing Authority		81,663,151	37,441,373	10,000,000	---	---	109,104,524
5	Pacific Fishing Company Limited		3,001,798	3,207,690	5,453,901	---	---	755,587
	Government Guarantee	33	1,068,521,929	299,669,485	291,021,875	9,979,953	1,345,127	1,088,494,619
	Particulars	Notes	Authority		Liability as at 31 July 2023 (\$)			
Section B:								
<u>Other Explicit Contingent Liabilities - Subscription for Membership</u>								
1	International Bank for Reconstruction and Development (IBRD)		Approval of House of Representatives 30/3/71; Act No. 21 of 1971					
2	Asian Development Bank (ADB)							
3	Asian Infrastructure Investment Bank (AIIB)							
	Total	33			576,267,401			
Section C:								
<u>Implicit Contingent Liabilities</u>								
1	Provincial Councils - Loans Raised		I-Taukei Affairs Ministry of Local Government Litigation claims in relation to tax & customs matters					
2	Municipal Councils - Loans Raised							
3	Fiji Revenue and Customs Service							
	Total	33			90,892,839			

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

24. **Scope of Other Financial Statements**

This section on other Financial Statements contains the following as required by law (Financial Management Act 2004):

- Statement of Assets and Liabilities
- Statement of Revenue and Expenses
- Statement of Contingent Liabilities

It also includes as part of the notes a Segmentation Report and other budgetary execution reports as required by law.

25. **Significant Accounting Policies relating to Other Financial Statements**

25.1 **Accounts Receivable**

Accounts Receivable represents money owed by third parties to Government on the sale of products or services on credit. Account receivable balance mainly comprises of unrecouped TMA receivables as well as state revenue owed to Government by third parties.

25.2 **Prepayments**

Prepayments comprise of unrecouped accountable advances paid to civil servants to facilitate official trips and accommodation for both domestic and overseas trips.

25.3 **Inventory**

Inventories are stated at lower of cost and net realizable value. Cost is assigned to inventory on a consistent basis year to year using either the specific identifications; first in first out or weighted average cost. The cost of inventories shall comprise all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

25.4 **Investments**

Valuation of Investments is at market value if available. If market value is not available, investments are recorded at cost. Fair value is especially used by entities that are listed on the South Pacific Stock Exchange namely Amalgamated Telecommunications Holdings (ATH).

25.5 **Accounts Payable**

Accounts Payable are amounts payable to suppliers or other creditors for the supply of goods, services or works.

25.6 **Deferred Income**

Liabilities also include amounts received in advance for future services. Since the amount received (recorded as the asset Cash) has not yet been earned, Government defers the reporting of revenues and instead reports a liability such as Unearned Revenues.

25.7 **Treasury Bills Payable**

Treasury Bills Payable are recorded at discounted value.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

Significant Accounting Policies relating to Other Financial Statements (Cont...)

25.8 Government Bonds

Starting in 2015, the bond premium and discounts are being amortized over the maturity period of the bond. However, the effect had not been applied retrospectively as it was impracticable to do so.

25.9 Trust Fund Accounts

Trust Fund Accounts comprises of funds which Government holds on behalf of its designated beneficiaries. The Trust Fund Accounts comprises of operating trust and main trust monies.

25.10 Term Loans Payable

Government borrow funds from either External or Domestic sources to finance its Capital Programs. External loans are recorded to the amount of disbursement made for each loan and converted to FJD using end of year exchange rates prescribed by the Reserve Bank of Fiji. Domestic loans are financial instruments raised locally that includes Government Bonds (Viti Bonds and Fiji Infrastructure Bonds) and Treasury Bills. Viti Bonds are recorded at Face Value while other domestic instruments are disclosed separately in the Financial Statements.

25.11 Operating Income

Operating Income is recognized in the statement of receipts and payments using both accrual and cash basis system. Where AR (accounts receivable) Modules are available, revenue is accounted on an accrual basis. However, those Ministries whom have yet to adopt AR module are still accounting for their revenue on a pure cash basis system.

25.12 Investing Revenue

Investing Revenue is recorded in the statement of receipts and payments on cash basis system.

25.13 Loans Drawn

Viti Bonds are recorded at Face Value. External Loans are recorded to the amount of disbursement made for each loan and converted to FJD using end of year exchange rates prescribed by the RBF.

25.14 Expenditure

Expenditure is recorded in the statement of revenue and expenses on a cash basis except for carry-over and accountable advance.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

	31 Jul 2023 (\$)	31 Jul 2022 (\$)
26. Prepayments	879,718	766,650

Advances paid to staffs are recorded as prepayments, they are cleared to relevant expenditures upon retirement.

27. Inventory

Inventory comprises of raw materials; work in progress and finished goods of the Government Trading and Manufacturing Activities (TMAs). Inventories are valued at cost using the periodic inventory method. Inventory as at year end are as follows:

Raw Materials	150,649	166,033
Work-in-Progress	30,547	16,625
Finished Goods for Sales	838,644	1,018,891
	<u>1,019,840</u>	<u>1,201,549</u>

28. Term-Loans Receivable

Term loans receivables are funds lent to state owned enterprises and students (scholarships) as part of Government on lending and on lending program.

Term-Loans Receivable		31 Jul 2023 (\$)	31 Jul 2022 (\$)
Term-Loans Receivable for Social Services	28(a)	665,580,664	606,599,795
Term-Loans Receivable for Economic Services	28(b)	289,963,285	291,279,752
Total Term-Loans Receivable		<u>955,543,949</u>	<u>897,879,547</u>

Loans provided by the Government to third parties are represented as follows:

(a) Term-Loans Receivable for Social Services

Public Officers and Ministers	14,476	14,476
i Taukei Affairs Board	4,058,924	4,278,924
Public Service Scholarship Lending	8,745,369	8,770,995
Tertiary Education Loan Scheme	648,331,889	589,084,789
Loans to Fiji Sports Council	4,430,006	4,450,611
	<u>665,580,664</u>	<u>606,599,795</u>

(b) Term-Loans Receivable for Economic Services

	31 Jul 2023 (\$)	31 Jul 2022 (\$)
Fiji Sugar Corporation Limited	200,184,713	200,184,713
Viti Corporation Ltd	2,905,000	2,905,000
Food Processors Fiji Limited	1,900,000	1,900,000
Fiji Rice Limited	1,900,000	1,900,000
Pacific Fishing Company Limited	9,000,000	9,000,000
South Pacific Fertilizer	8,507,100	8,750,100
Housing Authority	25,497,944	25,497,944
Public Rental Board	6,832,906	6,832,906
Public Rental Board- FNPF Board	992,417	992,417
FRCS MSME Loan Scheme	32,243,205	33,316,672
	<u>289,963,285</u>	<u>291,279,752</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

29. Equity Investments

Section 55 of the Financial Management Act 2004 provides the authority for the investment of Government moneys through fixed deposit with any bank, in any securities in which trustees are authorized to invest under the Trustee Act, in any security issued by any statutory body in Fiji and as advances authorized by Finance Act and any other Act or by resolution of the Parliament.

Investments as at year end were as follows:

Investments

Investments in Social Services	29(a)	7,185,332	7,150,606
Investments in Economic Services	29(b)	369,556,719	361,429,141
Investments in Infrastructure Services	29(c)	646,347,913	586,515,707
Total Investments		1,023,089,964	955,095,454

(a) Investments in Social Services

	Number of Shares	31-Jul-23	31 Jul 2022
		(\$)	(\$)
Post Fiji Limited	5,600,000	5,600,000	5,600,000
Unit Trust of Fiji (Trustee) Ltd	496,076	1,235,230	1,200,504
Unit Trust of Fiji (Management) Ltd	50,000	50,000	50,000
Fiji Broadcasting Corporation Ltd	200,002	200,002	200,002
Walesi Ltd	100	100	100
Fiji Public Trustee Corporation Ltd	100,000	100,000	100,000
		7,185,332	7,150,606

(b) Investments in Economic Services

	Number of Shares	31 Jul 2023	31 Jul 2022
		(\$)	(\$)
Fiji Airways	37,477,503	115,306,281	115,306,281
Fiji Hardwood Corporation (FHCL)	90,000,000	90,000,000	90,000,000
Pacific Fishing Company Ltd (PAFCO)	7,364,478	14,728,956	14,728,956
Assets Fiji Ltd	2	2	2
Fiji Pine Ltd	61,002,064	61,002,064	61,002,064
Fiji Sugar Corporation Ltd	41,983,866	20,991,933	20,991,933
Fiji Rice Pte Limited	753,112	1,506,224	1,506,224
Viti Corps Company Ltd	6,000,000	6,000,000	6,000,000
Yaqara Pastoral Company Ltd	1,191,846	1,191,846	1,191,846
Food Processors (Fiji) Pte Ltd	687,679	687,679	687,679
Air Terminal Services (Fiji) Pte Limited	765,000	765,000	765,000
Fijian Drua	510	6,000,000	3,000,000
International Finance Corporation	3,908	8,774,136	6,722,541
International Bank for Reconstruction and Development	1,354	19,674,962	17,044,949
Fiji Coconut Miller Pte Ltd	12,858,366	6,429,183	6,429,183
Asian Infrastructure Investment Bank	125	5,612,932	5,513,895
Asia Development Bank Subscription	361	10,885,521	10,538,588
		369,556,719	361,429,141

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

Equity Investments (Cont...)

Investments in Asian Development Bank (ADB),- Asian Infrastructure Investment Bank, International Finance Corporation (IFC) and the International Bank for Reconstruction and Development (IBRD) reflect Paid-in subscriptions in the respective financial institution's capital stock that are subscribed by the government. These are not intended as income earning investments, but only to fulfil a requirement of these institutions to be entitled to borrowing and member privileges.

(c) **Investments in Infrastructure Services**

	Number of Shares	31 Jul 2023 (\$)	31 Jul 2022 (\$)
Airports (Fiji) Limited	92,300,180	92,300,180	92,300,180
Amalgamated Telecom Holdings Limited (ATH)	72,966,105	141,554,244	81,722,038
Fiji Ports Corporation Limited	29,993,489	29,993,489	29,993,489
Energy Fiji Limited (EFL)	255,000,000	382,500,000	382,500,000
		646,347,913	586,515,707

(d) **Reconciliation of Equity Investments**

	31 Jul 2023 (\$)	31 Jul 2022 (\$)
The reconciliation of changes in investments are as follows:		
Increase/ (decrease) in fair value of shares		
Unit Trust of Fiji (Trustee) Limited	34,726	70,932
Fiji Public Trustee Corporation Ltd	---	99,998
Fijian Drua	3,000,000	3,000,000
Airports (Fiji) Limited (AFL)	---	101,999,206
Amalgamated Telecommunications Holdings	59,832,206	(42,320,341)
Exchange Rate adjustments		
International Finance Corporation	2,051,595	2,162,307
International Bank for Reconstruction and Development	2,630,013	3,080,027
Asian Development Bank	346,933	(211,425)
Asian Infrastructure Investment Bank	99,037	1,345,492
	67,994,510	69,226,196

The variations noted in the Equity Investments are due to subscription of 255 shares in Fijian Drua; the increase and decrease in share price per unit (as at 31/07/22 and 31/07/23) for UTOF (Trustee) and ATH shares respectively, exchange rate adjustments for foreign investments with additional shares subscribed for IFC (860) shares and IBRD (52 Shares).

	31 Jul 2023 (\$)	31 Jul 2022 (\$)
30. Deferred Income	7,912,308	7,068,238

Deferred revenues are received cash deposits that government has collected, but not yet reported as revenue on the income statement. As they are reported as revenue in subsequent periods, (i.e. "amortized"), the amounts are deducted from the deferred revenue account.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

31. Trust Fund Account

Section 25(1) of the Financial Management Act makes provision for the establishment of a Consolidated Trust Account to record all monies received by the government in trust except for monies received and administered by the Public Trustee or the Official Receiver.

The Act further stipulates that all monies which do not belong to but received and administered by Government shall be accounted for in the Consolidated Trust Fund, which shall not constitute a part of the Consolidated Fund. The authority to open and operate a trust fund is vested with the Chief Accountant.

The Consolidated Trust Fund Account records monies received by the Government which do not belong to it and is therefore considered a liability of Government. Closing balances in this account comprised of the following:

	31 Jul 2023	31 Jul 2022
	(\$)	(\$)
Deposits, Deductions and Retention Money	19,636,141	20,271,921
Consolidated Trust Fund	247,347,192	236,921,585
Total Trust Fund Account	266,983,333	257,193,506

32. Term-Loans Payable

Government borrows monies either domestically or from overseas to finance its Capital Programs. Total debt of Government outstanding as at 31/07/23 are as follows:

(a) Current Liabilities

Term-Loans Payable - Treasury Bills	32(c)	264,799,757	282,913,284
Term Loans Payable - Overseas Loans	32(d)	192,085,302	132,015,725
Term Loans Payable - Domestic Loans	32(e)	324,145,000	175,474,000
Total Current Liabilities		781,030,059	590,403,009

(b) Non-Current Liabilities

Term-Loans Payable - Overseas Loans	32(d)	3,384,940,336	3,232,567,806
Term-Loans Payable - Domestic Loans	32(e)	5,614,368,392	5,338,327,313
Total Non-Current Liabilities		8,999,308,728	8,570,895,119

Total Government Debt

9,780,338,787	9,161,298,128
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Term loans payable for overseas and domestic loans have been re-classified to represent current and non-current liabilities.

(c) Treasury bills

Term-Loans Payable - Treasury Bills

The Government through the Reserve Bank of Fiji floats Treasury Bills to raise funds from the domestic market on a short term basis. Treasury Bills are sold at a discount from their face value of which the investor will receive the face value upon maturity.

	31 Jul 2023	31 Jul 2022
	(\$)	(\$)
Opening Balance 01 August	282,913,284	269,565,261
Treasury Bills Issued during the year	384,100,000	532,505,000
less unamortised amount	(333,601)	(685,900)
Treasury Bills Redemptions during the year	(402,500,000)	(522,505,000)
Non-Cash Unamortised discount	620,074	4,033,923
Outstanding 31 July	264,799,757	282,913,284

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

32. <i>Term-Loans Payable (Cont...)</i>	31 Jul 2023 (\$)	31 Jul 2022 (\$)
(d) Overseas loans		
Opening Balance 01 August	3,364,583,531	2,422,478,518
Redemptions during the year	(121,480,537)	(63,062,043)
Capitalised interest	10,666,995	1,456,904
Add/(less) unamortised discount	---	---
Cash Borrowings	178,862,398	854,696,661
Non-cash borrowing-direct disbursement	127,549,796	92,881,503
Increase in public debt due to revaluation	16,843,454	56,131,988
Outstanding 31 July	<u>3,577,025,637</u>	<u>3,364,583,531</u>

Overseas borrowings totalled \$317,079,189.7 as at 31 July 2023 (2022:\$949,035,068). Out of the total drawdowns, \$127,549,796 (2022:\$92,881,503) are from direct payments and \$178,862,398 (2022: \$854,696,503) from single tranche withdrawals and reimbursements receipted into the Government Central Account and replenishment to DAs.

	31 Jul 2023 (\$)	31 Jul 2022 (\$)
Non Cash borrowings - By source:		
<i>Multilateral</i>		
Asian Development Bank	90,224,898	64,979,167
World Bank	36,496,786	27,445,546
Asian Infrastructure Investment Bank	283,190	---
Australian Infrastructure Financing Facility for the Pacific	676,133	---
Non-Cash Borrowings - overseas	<u>127,681,007</u>	<u>92,424,713</u>

Overseas loans amounting to \$127.7 million were drawn in financial year 01 August 2022 - 31 July 2023 from Government's loan facilities with the Asian Development Bank and the World Bank. These loans drawn by Government are directly disbursed to the contractors by lenders. While Front-End Fees, which were deducted at source, for the Asian Infrastructure Investment Bank and Australian Infrastructure Financing Facility for the Pacific loans are also included as non-cash borrowings.

(e) Domestic loans		
Opening balance 01 August	5,513,801,313	4,992,880,337
Borrowings raised during the year	597,000,000	798,960,000
Add: Unamortised premium	710,122	(15,483)
Add: Accrued interests earned	2,475,957	4,750,959
Reversal of previous years accrued interest	---	---
Redemptions during the year	(175,474,000)	(282,774,500)
Outstanding 31 July	<u>5,938,513,392</u>	<u>5,513,801,313</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

32. <i>Term-Loans Payable (Cont...)</i>	31 Jul 2023 (\$)	31 Jul 2022 (\$)
Domestic Borrowings - By Source		
<i>Public</i>		
Reserve Bank of Fiji	---	350,000,000
Commercial Banks	89,106,000	20,000,000
Insurance companies	99,081,666	75,750,000
FNPF	394,612,334	321,000,000
<i>Private</i>		
Others	14,200,000	32,210,000
Total Domestic Borrowings raised	597,000,000	798,960,000

Government bonds raised locally during the year were in the form of Fiji Infrastructure Bonds and Viti Bonds. Accrued interest in 2020/2021 fiscal year were reversed in this fiscal year.

33. Contingent Liabilities	31 Jul 2023 (\$)	31 Jul 2022 (\$)
<i>Explicit Contingent Liabilities</i>		
Government Guarantees	1,088,494,619	1,068,521,929

The Financial Management Act section(62) stipulates that Government may guarantee the financial liability of an entity in respect of a loan or otherwise, but only if the giving of the guarantee is authorized by the House of Representatives. Schedule 5 Statement of Contingent Liabilities provide in detail the various agencies where government undertakes giving of guarantees by end of 31 July 2023. While two of the entities fully settled their guaranteed loans during the year.

Other Explicit Contingent Liabilities

International Bank for Reconstruction and Development (IBRD)	347,051,105	329,374,923
Asian Development Bank (ADB)	206,764,567	200,174,795
Asian Infrastructure Investment Bank (AIIB)	22,451,729	22,055,580
	576,267,401	551,605,298

In addition, the subscriptions for membership with International Agencies such as the International Bank for Reconstruction and Development, the Asian Development Bank and Asian Infrastructure Investment Bank are also treated as contingent liabilities as the subscriptions represent callable capital and should government fail to honour the article of agreement, the agencies would call on the callable capital. The amounts are sourced from the certificate of balances provided by ADB, AIIB and IBRD.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

33. Contingent Liabilities (Cont...)	31 Jul 2023	31 Jul 2022
	(\$)	(\$)
<i>Implicit Contingent Liabilities</i>		
Provincial Councils - Loans Raised	1,036,269	1,131,520
Municipal Councils - Loans Raised	15,062,129	16,704,411
Fiji Revenue & Customs Service - litigation claims in relation to tax and customs matters	74,794,441	72,824,038
	<u>90,892,839</u>	<u>90,659,969</u>

Government Contingent Assets	50,000	50,000
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Loans raised by Municipal Councils are deemed implicit and represent a key component in the consolidation of general government debt. This is sourced from certificate of balances provided by the Ministry of Local Government.

The Fiji Revenue and Customs Service (FRCS) as an agent of Government has a number of litigation claims made against it in relation to tax and customs matters. These matters are resolved through various means not wholly within the control of the FRCS and may or may not give rise to an obligation. This is sourced from FRCSs audited Financial Statements for the year ended 31 July 2023.

From year 2015, only the explicit contingent liabilities with a reliable basis for the estimated amount are included in Schedule 5. The government recognizes a contingency to advance to FNPF on the basis of the provision of FNPF Act section 140 (1) that says "If the board is unable to satisfy a liability of the Board referable to a fund (the "relevant fund") out of the relevant fund, the Minister must, on written request by the Board, advance to the Board the amount needed to enable the Board to satisfy the liability".

34. Operating Revenue

Operating Revenue consists of Direct Taxes, Indirect Taxes, Fees Fines & Charges, Grant Aid, Interest & Dividends and Other Receipts.

	31 Jul 2023	31 Jul 2022
	(\$)	(\$)
Direct Taxes	659,386,980	464,560,906
Indirect Taxes	1,625,607,367	1,227,451,805
Fees, Charges, Fines and Penalties	161,660,450	148,656,472
Other Revenues and Surpluses	40,067,913	33,389,698
Reimbursements and Recoveries	12,886,975	15,098,000
Grants in Aid (overseas)	167,046,616	232,617,627
Total Operating Revenue	<u>2,666,656,301</u>	<u>2,121,774,508</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

	31 Jul 2023 (\$)	31 Jul 2022 (\$)
35. Investing Revenue		
Interest received on Term-Loans Receivable	940,262	652,942
Sales of Government Assets	1,422,876	1,785,279
Dividend from Investments	80,171,756	61,650,306
Interest from Bank Balances	545,326	1,078,364
Return of TMA excess cash to consolidated fund account	88,262	3,869,631
Total Investing Revenue	83,168,482	69,036,522

36 Revenue from Non Exchange Transactions

The primary objective of this disclosure is to differentiate between revenue from non-exchange transactions and revenue from exchange transactions in accordance with IPSAS 23 Revenue from Non Exchange Transactions. In a non-exchange transaction, government receives value from another entity without directly giving approximately equal value in exchange. Revenue from exchange transactions on the other hand arise whereby government collected revenues and directly gives approximately equal value to another entity in exchange.

Revenue from non exchange transactions	31-Jul-23 (\$)	31 Jul 2022 (\$)
Direct Taxes (Gross)	671,301,659	492,829,944
Direct Taxes Refunds	(11,914,679)	(28,269,038)
Indirect Taxes		
Value Added Tax (Gross)	1,230,361,040	843,171,234
Value Added Tax Refunds	(222,314,112)	(183,005,904)
Fiscal Duty	322,944,077	307,880,783
Excise Duty	131,201,902	122,453,291
Export Duty	7,510,035	6,926,074
Import Excise Duty	9,300,975	4,288,468
Service Turnover Tax	91,488	113,401
Water Resource Tax	74,744,459	83,641,663
Departure Tax	61,715,734	16,372,322
Stamp Duty	243,722	497,059
Luxury Vehicle Duty	660,000	10,000
Telecommunication Levy	849,260	800,274
Environmental Levy	8,256,650	23,884,478
Miscellaneous indirect taxes	42,137	418,662
Other non-exchange revenues		
Grants in Aid	167,046,616	232,617,627
	2,452,040,963	1,924,630,338

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

36. Revenue from Non Exchange Transactions (Cont...)	31 Jul 2023 (\$)	31 Jul 2022 (\$)
Revenue from exchange transactions		
Fees, Charges, Fines and Penalties	161,660,450	148,656,472
Trading and Manufacturing Accounts - Sales Revenue	5,152,983	9,692,700
Other Revenues and Surpluses	40,067,913	33,389,698
Reimbursements and Recoveries	12,886,975	15,098,000
Repayment of Term-Loans Receivable	940,262	652,942
Sales of Government Assets	1,422,876	1,785,279
Dividend from Investments	80,171,756	61,650,306
Interest from Bank Balances	545,326	1,078,364
Return of Surplus Capital from Investments	88,262	3,869,631
	302,936,803	275,873,392
Total Revenue	2,754,977,766	2,200,503,730
3% of the revenue collected from Environment and Climate Adaptation Levy (ECAL) are paid into the Climate Relocation of Communities Trust Fund (CRCTF).		
Gross ECAL collection	8,501,162	24,606,964
3% paid into CRCTF	(244,512)	(722,490)
Net ECAL revenue	8,256,650	23,884,474
\$26,241 of the ECAL revenue for the month of July 2023 was paid into the CRCTF in August 2023.		
37. Operating Expenses		
Operating expenditure includes the following:		
Established Staff	917,423,861	888,207,843
Government Wage Earners	46,443,246	41,715,288
Travel and Communications	32,553,092	25,967,612
Maintenance and Operations	80,769,863	68,210,315
Purchase of Goods and Services	186,749,579	157,510,940
Operating Grants and Transfers	650,101,279	593,461,510
Special Expenditure	166,022,745	81,347,170
Pensions, Gratuities and Compassionate Allowances	28,297,470	30,022,146
Total Operating Expenditure	2,108,361,135	1,886,442,824
38. Capital Expenses		
Capital Expenditure includes the following:		
Capital Construction	55,137,048	58,170,445
Capital Purchases	49,269,271	42,778,030
Capital Grants and Transfers	879,245,065	1,022,099,740
Total Capital Expenditure	983,651,384	1,123,048,215
	31 Jul 2023	31 Jul 2022
	(\$)	(\$)
39. Value Added Expense	39,214,905	29,558,276

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

40. Interest Payments and Other Charges on Loans

Charges on Account of Public Debt is provided for in the Budget Estimates for the payment of interest on domestic and overseas loans.

	31 Jul 2023	31 Jul 2022
	(\$)	(\$)
Interest Payments		
Overseas Loans	95,733,445	19,213,339
Domestic Loans	360,560,529	351,122,623
Treasury Bills	620,074	4,033,923
Total Interest Paid	456,914,048	374,369,885
Other charges on Public Debt - Miscellaneous Payments	1,094,567	676,462
Total Interest Paid and Miscellaneous Payments	458,008,615	375,046,347
Interest Payment on overseas loans		
1997 Asian Development Bank Third Road Upgrading project	55,262	133,506
1998 Japan International Corporation Agency Nadi Lautoka Water Supply and Sewerage Project	41,379	41,756
Provision for Exchange Rates Fluctuation	7,801,856	633,976
2004 Asian Development Bank Suva Nausori Water Supply and Sewerage Project	1,589,292	470,162
2006 Export Import Bank of China E-Government Project	298,189	179,434
2009 Asian Development Bank Emergency Flood Recovery Project	1,046,280	149,993
2010 Export Import Bank of China Fiji Low Cost Housing Project	499,738	277,572
2010 Export Import Bank of China Fiji Public Rental Housing Project	133,919	74,383
2010 Asian Development Bank Supplementary Third Road Upgrading project	981,700	136,100
2010 Asian Development Bank Supplementary Suva/Nausori Water Supply Project	988,085	156,582
2011 Export Import Bank of China Sigatoka Valley and Sawani Serea Road Project	1,212,672	673,561
2011 Export Import Bank of China Buca Bay and Moto Road Project	1,361,475	756,211
2012 Export Import Bank of China Nabouwalu and Dreketi Road Upgrading Project	3,651,264	1,998,324
2014 ADB Transport and Infrastructure Project	4,556,250	585,936
2016 IBRD Post Cyclone Winston Emergency LN8632	4,471,740	1,117,556
2015 Global Bond	---	---
2016-2017 ADB Emergency Assistance LN3403	3,358,600	752,541
2016 IBRD Transport Infrastructure LN8482	2,790,897	423,561
2016 IFAD Agricultural Loan EUR3.1m	---	954
2016-17 WB Fiji Cable Connection to Vanua Levu LN8666	417,861	98,951
3rd Global Bond Amortisation	372,612	---
2017 ADB UWSWMIP LN 3512 Capitalised Interest	1,594,315	256,145
LN8840 IBRB FSCRDPL Front End Fee	1,290,491	270,802
2018 ADB LN3667 - FIJ: Sust. Private Sector Led Growth	1,086,195	216,601
2019/20 JICA Stand-by Loan 1	8,207	9,211
2019/20 ADB Subprog.2 FSPSLG LN3812	4,663,170	944,525
2019/2020 IBRD Fiscal Sustainability Climate Resilience Development Policy Program 2	470,230	136,686
2019/2020 Non-Concessional IDA Fiscal Sustainability Climate Resilience Development Policy Program 2	2,654,620	830,767
2019/2020 Concessional IDA Fiscal Sustainability Climate Resilience Development Policy Program 2	463,120	469,774
2021/21 IDA Fiji COVID-19 Emergency Response Project	41,480	23,131
2021/2022 Asian Development Bank Sustained Private Sector-Led Growth Reform Program 3	16,292,922	2,946,729

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

40. Interest Payments and Other Charges on Loans (Cont...)

	31 Jul 2023	31 Jul 2022
	(\$)	(\$)
2020/2021 Asian Infrastructure Investment Bank Sustained Private Sector-Led Growth Reform Program 3	5,113,575	950,715
2020/2021 New IBRD PBL	1,806,528	523,017
2020/2021 New Japanese Emergency Loan	16,286	18,322
2020/2021 New IDA Credit Facility	1,681,747	1,339,119
2020/2021 Export Import Bank of China Debt Service Suspension Initiative 1	359,618	483,471
2020/2021 Export Import Bank of China Debt Service Suspension Initiative 2	450,005	483,425
2020/2021 World Bank IDA Social Protection	692,320	408,733
2021/2022 Export Import Bank of China Debt Service Suspension Initiative 3	471,205	241,107
2022-JICA COVID-19 Crisis Response Emergency Loan Phase 2 (JPY10,000.0m)	15,366	---
2022-World Bank IDA 7106 Fiji Social Protection COVID-19 Response and System	409,461	---
2022-ADB LN 4194 Sustainable and Resilient Recovery Concessional (US\$60.0m)	2,585,599	---
2022-ADB LN 4194 Sustainable and Resilient Recovery Program (US\$90.0m)	8,571,036	---
2022-World Bank IBRD 9420 Fiji Recovery and Resilience Second Development Policy	3,914,830	---
2022-World Bank IDA 7173 Fiji Recovery and Resilience Second Development Policy	842,806	---
2022-AIIB LO663A Sustainable and Resilient Recovery Program (US\$50.0m)	4,374,633	---
2022-JICA Deferment Agreement FJ-RI-D (JPY63.6m)	10,174	---
2022 AIFFP Fiji Transport Infrastructure Restoration Project (US\$40.0m)	224,435	---
	95,733,445	19,213,339

Government had participated in the Debt Service Suspension Initiative (DSSI) with bilateral creditors during the fiscal year. The suspension windows of the DSSI were from 1 May 2020 to 31 December 2020 and from 1 January 2021 to 30 June 2021. At the end of the FY, Government had finalised DSSI Agreement with EXIM Bank of China which resulted in the suspension of debt servicing (for both Interest and Principal repayment).

Interest Payment on domestic loans

Viti Bond 2012	---	95,550
Viti Bond 2013	211,375	211,550
Viti Bond 2014	209,200	209,200
Viti Bond 2015	279,300	290,820
Viti Bond 2016	199,885	199,855
Viti Bond 2016/17	406,550	406,550
Viti Bond 2017/18	430,120	455,820
Viti Bond 2018/19	293,390	293,390
Viti Bond 2019/20	482,510	482,510
Viti Bond 2021/2022	625,123	237,228
Fiji Development Loan 2006	---	6,266,495
Fiji Development Loan 2007	803,055	5,508,685
Fiji Development Loan 2008	14,881,678	15,382,381
Fiji Development Loan 2009	35,787,875	35,787,875
Fiji Development Loan 2010	40,788,500	40,788,500
Fiji Development Loan 2011	6,005,495	6,005,495
Fiji Development Loan 2012	5,033,175	10,535,230
Fiji Development Loan 2013	6,505,850	6,894,975
Fiji Development Loan 2014	5,187,113	7,086,450
Fiji Development Loan 2015	9,408,904	9,408,904
Fiji Development Loan 2016	16,766,610	16,778,070
Fiji Development Loan 2017	13,837,600	13,837,600
Fiji Development Loan 2018	26,956,000	26,956,000
Fiji Development Loan 2019	41,052,500	41,052,500
Fiji Infrastructure Bond 2019/2020	53,329,958	53,329,957
Fiji Infrastructure Bond 2020/2021	26,013,553	26,003,053
Fiji Infrastructure Bond 2021/2022	36,579,960	14,827,980
Fiji Infrastructure Bond 2022/2023	7,095,250	---
Fiji Green Bonds	5,440,000	5,840,000
Fiji Covid-19 Response Bonds	5,950,000	5,950,000
	360,560,529	351,122,623

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

41 Repayment of Loans

	31 Jul 2023	31 Jul 2022
	(\$)	(\$)
Principal Repayments:		
Overseas Loans	121,480,537	63,062,043
Domestic Loans	175,474,000	282,774,500
Total Principal Repayments	296,954,537	345,836,543
Principal Repayments Overseas Loans		
1997 Asian Development Bank Third Road Upgrading project	5,194,043	9,155,094
1998 Japan International Corporation Agency Nadi Lautoka Water Supply and Sewerage Project	2,001,679	1,129,494
2004 Asian Development Bank Suva Nausori Water Supply and Sewerage Project	---	5,761,582
2005 Asian Development Bank Suva Supplementary Nausori Water Supply and Sewerage Project	6,641,880	1,508,921
2006 Export Import Bank of China E-Government Project	3,458,757	1,784,424
2009 Asian Development Bank Emergency Flood Recovery	675,859	590,394
2010 Asian Development Bank Supplementary Third Road Upgrading project	2,816,037	3,371,007
2010 EXIM Bank of China/ Fiji Low Cost Housing	754,638	1,452,835
2010 EXIM Bank of China/ Public Rental Housing	4,049,570	389,329
2010 EXIM Bank of China/ Sigatoka Valley & Sawani Serea	1,736,271	3,525,472
2010 EXIM Bank of China/ Buca Bay and Moto roads	6,833,438	3,958,069
2012 EXIM Bank of China Road Upgrading Project	7,671,943	8,640,361
2014 ADB Transport Infrastructure Investment Project	16,747,649	4,765,341
2016 IFAD Fiji Agriculture Partnership Project	11,093,494	668,779
2015 JP Morgan 3rd Global Bond Issuance	6,641,179	---
2016 World Bank Transport Infrastructure Investment Project	---	1,655,325
2016 ADB Emergency Assistance	7,529,681	7,161,260
2016 IBRD Fiji Cable Connections to Vanua Levu	3,709,307	842,559
2018 ADB Fiji Sust Pri Sec Led Growth	---	2,638,250
2020 EXIM China Agreement on DSSI	970,698	4,063,547
2017-EIB 84676 Fiji Water and Wastewater Project (\$US\$75.0m)	625,725	---
2017-ADB LN3512 Urban Water Supply and Wastewater Management Investment Program (\$US42.1m)	654,605	---
2018-World Bank IBRD 8840 Fiscal Sustainability and Climate Change Resilience Development Policy Loan (US\$15.0m)	1,667,779	---
2018-ADB LN3667 Sustained Private Sector-Led Growth Reform Program (US\$15.0m)	2,874,514	---
2019-ADB LN3812 Sustained Private Sector-Led Growth Program Subprogram II (US\$65.0m)	12,060,657	---
2020-EXIM China Agreement on Debt Suspension (CNY72.7m)	7,876,391	---
2021-EXIM China Agreement on Debt Suspension [DSS12021PHASE1-006] (CNY71.9m)	4,715,773	---
2021-EXIM China Debt Service Suspension Initiative III (CNY71.5m)	2,375,772	---
2022-JICA Deferment Agreement FJ-RI-D (JPY63.6m)	103,198	---
Total Principal Repayments Overseas Loans	121,480,537	63,062,043

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

During FY 2021, Government had participated in the Debt Service Suspension Initiative (DSSI) with bilateral creditors. The suspension windows of the DSSI were from 1 May 2020 to 31 December 2020 and from 1 January 2021 to 30 June 2021. Government had finalised DSSI Agreement with EXIM Bank of China which resulted in the suspension of debt servicing (for both Interest and Principal repayment). However, repayments for both Principal and Interest has commenced from the FY 2022.

Principal Repayment Domestic Loans

Fiji Development Loan 2006	---	109,465,000
Fiji Development Loan 2007	12,900,000	44,547,500
Fiji Development Loan 2008	42,785,000	---
Fiji Development Loan 2012	54,400,000	60,595,000
Fiji Development Loan 2013	12,450,000	17,400,000
Fiji Infrastructure Bond 2014	150,000	48,300,000
Fiji Infrastructure Bond 2015	27,000,000	---
Fiji Infrastructure Bond 2016/2017	---	300,000
Fiji Green Bond 2017/2018	20,000,000	---
Viti Bonds 2012	4,231,000	1,911,000
Viti Bonds 2015	---	256,000
Viti Bonds 2016	3,000	---
Viti Bonds 2016/2017	270,000	---
Viti Bonds 2017/2018	1,285,000	---
Total Principal Repayments Domestic Loans	175,474,000	282,774,500

31 Jul 2023	31 Jul 2022
(\$)	(\$)

42. Ways and Means

The Ways and Means is a short term advance facility provided by the RBF for Government where advances are given to Government for a day to meet cash deficits. The Ways and Means are replenished the day after the advances were made.

Ways and Means Receipts	7,400,000	---
Ways and Means Repayments	(7,400,000)	---
	---	---
	31 Jul 2023	31 Jul 2022
	(\$)	(\$)

43. Revenue and Expense from Trading & Manufacturing Accounts

Trading and Manufacturing Accounts - Sales Revenue	5,153,177	5,364,086
Trading and Manufacturing Accounts - Other Revenue and Surplus	(194)	4,328,614
(a) Total Revenue from TMA's	5,152,983	9,692,700
Cost of Goods sold	96,563	252,412
Other TMA Expenditures	5,463,073	6,263,528
(b) Total Expenses from TMA's	5,559,636	6,515,940

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

44. Arrears of Revenue

	31 Jul 2023	31 Jul 2022
	(\$)	(\$)
The Arrears of Revenue position of Government as at 31/07/2023 are as follows:		
Ministry of Agriculture	803,477	804,267
Office of the Auditor-General	332,313	140,917
Ministry of Communications-Telecommunication Authority of Fiji	5,390,653	6,129,456
Ministry of Defence	7,305	6,861
Ministry of Education, Heritage and Arts	72,527	28,972
Ministry of Finance (Pensions Office)	228,299	244,845
Ministry of Finance (Human Resources)	---	---
Ministry of Finance (Surcharge)	172,533	189,725
Ministry of Finance (Office Accommodation)	1,697,652	---
Ministry of Fisheries	8,024	8,147
Department of Public Enterprise-Government Printing and Stationery	15,437	15,437
Ministry of Health and Medical Services	562,282	405,824
Information Technology & Computing Services	---	---
Ministry of Industry, Trade and Tourism		
Judiciary	12,686,423	14,000,394
Ministry of Employment, Productivity and Industrial Relation	9,868	15,243
Ministry of Land & Mineral Resources	32,821,448	35,881,068
Ministry of Infrastructure and Transport	255,503	200,042
Land Transport Authority	22,791,342	23,410,190
Overseas Peacekeeping Missions	---	---
Fiji Police Force	1,940	971
Public Utilities (Water Authority of Fiji)	28,621,282	31,412,549
Ministry of Rural & Maritime Development	2,068,777	2,068,777
Solicitor General's Office	---	1,363
Department of Fiji Meteorological Services	1,894,106	2,144,106
Ministry of Youth & Sports	---	914
Total Arrears of Revenue	110,441,191	117,110,068

Fiji Revenue & Customs Service IRD and Customs arrears for FY2022 have been excluded from Note 44 and recognised in Statement of Assets and Liabilities. Ministry of Finance (Office Accommodation) arrears for Financial Year 2021-2022 have been excluded from Note 46 and recognised in the Statement of Assets and Liabilities. However, with the closure of the Trading Manufacturing Activity ("TMA"), the activities have been transferred to Fund 1 in Financial Year 2022-2023 and recorded as Arrears of Revenue.

	31 Jul 2023	31 Jul 2022
	(\$)	(\$)
45. Equity Movements		
Opening Balance 01 August	(6,705,754,208)	(5,494,578,586)
Deficit for the year - consolidated fund account	(839,411,256)	(1,223,284,632)
Surplus for the year - trade and manufacturing account	(406,653)	3,176,760
Revaluation of External Debt due to foreign currency conversions	(17,034,224)	(55,954,544)
Investment Equity Adjustment	67,994,510	69,226,196
Adjustments of underlying account balances and Equity	(117,855,665)	(67,269,674)
Previous years adjustments of term loans receivables	64,116,475	53,005,633
Effects of exchange rate movements	(99,388)	(82,353)
Cash remitted to Consolidated Fund Account	(88,262)	(3,869,631)
Cash from Trust Fund Account	---	13,876,623
Closing balance as at 31 July	(7,548,538,671)	(6,705,754,208)

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (cont...)
FOR THE PERIOD ENDING 31 JULY 2023

46. For the year ended 31 July 2023, total amount of \$103,404,533 in penalties was waived by the Fiji Revenue & Customs Service.

47. Tertiary Education Loans Scheme ("Scheme") is a fund intended to provide financing to Fijian students that qualify for higher education in approved institutions but are unable to support themselves financially. The scheme provides loans to access higher education at affordable rates of interest (free or low-interest rate of loans) for equitable access to higher education in the country in support of the Fijian Government vision of "Building a Smarter Fiji". The scheme is addition to tuition fees covers for accommodation transport costs, pocket allowances, books and study materials and other associated costs.

48. The following Losses were recorded by Ministries and Departments for the year ended 31 July 2023:

	31 Jul 2023	31 Jul 2022
	(\$)	(\$)
Ministry of Employment, Productivity and Industrial Relations	1,997	13,191
Fiji Corrections Service	44,317	57,368
Ministry of Agriculture	21,154	52,406
The Ministry of Health and Medical Services	832,895	14,897
Ministry of Education, Heritage and Arts	4,980	520
Office of the Prime Minister	---	1,198
Ministry of Justice	1,367	---
Ministry of Communications	4,527	4,633
	<u>911,237</u>	<u>144,213</u>

49. **Events after reporting date:** the following events or transactions occurred after 31 July 2023:

- New Financial Management Information System (FMIS) acquired by the Ministry of Finance for Whole of Government financial operations went live on 1 August 2024. Ministries and Departments (MDAs) were required to thoroughly reconcile their accounts and ensure only those balances with active accounts and reconciled accounts were transferred into the new FMIS. Therefore, the MDAs made a number of adjustments in the financial year 2023-2024 that had an impact on the following accounts:

	31 Jul 2023
	(\$)
Cash and Cash Equivalent	(8,135,044)
Accounts Receivables	(10,719)
Prepayments	(651,326)
Inventory	166,938
Accounts Payable	(26,776)
Trust Fund Account	12,534,108

- Write-off of Government Loans given to state entities totalling to \$213,989,713:

Fiji Sugar Corporation Limited	200,184,713
Pacific Fishing Company Limited	9,000,000
Fiji Rice Limited	1,900,000
Viti Corporation Company Limited	2,905,000

- The activities associated with the Republic of Fiji Military Forces (Engineers Troop), Ministry of Agriculture (Livestock) and Ministry of Infrastructure and Meteorological Services (DECE-Mechanical, Building and Joinery) Trading Manufacturing Activity ("TMA") are closed and the activities have been transferred to Fund I in the Financial Year 2023-2024.

Apart from this, no material or unusual item, transaction, or event that could have a significant impact on the WoG's operations or the results of those operations in future financial periods has materialised between the end of the period and the date of this report.

GOVERNMENT OF THE REPUBLIC OF FIJI
SEGMENTATION REPORT BY FUND CLASSIFICATION
FOR THE PERIOD ENDING 31 JULY 2023

Schedule 6

Segment Information (IPSAS 18.12-15)

The Government Account is made up of three funds as follows:

- The Consolidated Fund Account, which consists of all items funded under the Consolidated Fund Accounts (CFAs). The operating fund is where the Whole of Government Budget comes from.
- Trading and Manufacturing Accounts (TMAs). TMAs were established under the 1981 Finance Act to enable Government ministries and departments to undertake quasi-commercial operations for the purpose of trading or production of goods and services for sale to other departments, statutory bodies, or individuals. Funding was provided by Government at the time of establishment and any surplus from activities in excess of the ceiling set when the original funding was allocated must be returned to the Consolidated Fund. The monies returned are recorded as revenue in the accounts of budgetary central Government.
- The Main Trust Fund Account consists of Trust Funds which Government are managing (as Trustees) on behalf of designated signatories.

For the purpose of this report, we are only focusing on two primary reportable segments i.e. the segmentation of Trade and Manufacturing Account from Fund 1 (Operating) and Fund 9 (Main Trust) combined.

Primary Reportable Segments 2023

	CFA	TMA	Consolidated Total Government
	(\$)	(\$)	(\$)
Segment revenue			
Non exchange revenue - taxes, grants and transfers	(2,452,040,963)	---	(2,452,040,963)
Exchange revenue - sale of goods and services	(214,615,338)	(5,152,983)	(219,768,321)
Exchange revenue - investments	(83,168,482)	---	(83,168,482)
Segment expenses			
Operating Expenditure	2,108,361,135	5,559,636	2,113,920,771
Capital Expenditure	983,651,384	---	983,651,384
VAT	39,214,905	---	39,214,905
Interest Payments on Loans	458,006,015	---	458,006,015
Reconciled to aggregate net income	839,408,656	406,653	839,815,309

Primary Reportable Segments 2023

	CFA	TMA	Consolidated Total Government
	(\$)	(\$)	(\$)
Segment Assets			
Cash at Bank	668,912,853	4,526,045	673,438,898
Accounts Receivable	187,454,342	38,554	187,492,896
Prepayments	879,718	---	879,718
Inventory	---	1,019,840	1,019,840
Investments	1,023,089,964	---	1,023,089,964
Term-Loans Receivable	955,543,949	---	955,543,949

GOVERNMENT OF THE REPUBLIC OF FIJI
SEGMENTATION REPORT BY FUND CLASSIFICATION
FOR THE PERIOD ENDING 31 JULY 2023

Schedule 6

	CFA	TMA	Consolidated Total Government
	(\$)	(\$)	(\$)
Segment Liabilities			
Accounts Payable	(334,768,453)	(1,055)	(334,769,508)
Deferred Income	(7,202,926)	(709,382)	(7,912,308)
Operating Trust fund	(19,828,254)	192,113	(19,636,141)
True Trust fund	(247,347,192)	---	(247,347,192)
Term Loans Payable - Treasury Bills	(264,799,757)	---	(264,799,757)
Term-loans Payable Overseas Loans	(3,577,025,638)	---	(3,577,025,638)
Term-loans Payable Domestic Loans	(5,938,513,392)	---	(5,938,513,392)
Reconciled to net liability	(7,553,604,786)	5,066,115	(7,548,538,671)

GOVERNMENT OF THE REPUBLIC OF FIJI
SUMMARY OF REVENUE
FOR THE PERIOD ENDING 31 JULY 2023

Schedule 7

Heads of Revenue	Estimate	Actual	Increase	Decrease
	2023	Revenue		
	(\$)	(\$)	(\$)	(\$)
Operating Revenue				
21 Direct Taxes.....	573,794,452	659,386,980	85,592,528	---
22 Indirect Taxes.....	1,748,324,351	1,625,607,367	---	122,716,984
23 Fees, Fines & Charges.....	159,924,191	161,660,450	1,736,259	---
24 Operating Revenue Sales.....	---	---	---	---
27 Other Receipts.....	32,210,646	40,067,913	7,857,267	---
28 Reimbursements & Recoveries.....	86,175,150	12,886,975	---	73,288,175
29 Grant in Aid.....	244,962,279	167,046,616	---	77,915,663
Operating Revenue Total	2,845,391,069	2,666,656,301	95,186,054	273,920,822
Investing Revenue				
31 Repayments of Term Loans Receivable.....	6,866,774	940,262	---	5,926,512
32 Sales of Government Assets.....	15,000,000	1,422,876	---	13,577,124
33 Dividends from Investments.....	67,775,324	80,171,756	12,396,432	---
34 Interest from Bank Balances.....	1,008,553	545,326	---	463,227
35 Return of Surplus Capital from Investment	3,888,979	88,262	---	3,800,717
Investing Revenue Total	94,539,630	83,168,482	12,396,432	23,767,580
Total Revenue	2,939,930,699	2,749,824,783	107,582,486	297,688,402

GOVERNMENT OF THE REPUBLIC OF FIJI DETAILED REVENUE COMPARISON FOR THE PERIOD ENDING 31 JULY 2023					Schedule 8
Heads and Subheads of Revenue	Estimate for 2023	Actual Revenue 2023	Increase	Decrease	Actual Revenue 2022
	(\$)	(\$)	(\$)	(\$)	(\$)
OPERATING REVENUE					
21 - DIRECT TAXES					
1. Income Tax					
01. Income Tax.....	469,252,193	522,353,892	53,101,699	---	381,458,936
02. Capital Gains Tax.....	26,464,655	19,607,273	---	6,857,382	18,576,549
03. Withholding & Dividend Taxes.....	78,077,604	117,425,815	39,348,211	---	64,525,421
Total.....	573,794,452	659,386,980	92,449,910	6,857,382	464,560,906
Net Increase			85,592,528		
22 - INDIRECT TAXES					
1. Value Added Tax					
01. Value Added Tax.....	925,768,674	1,008,046,928	82,278,254	---	660,165,330
2. Custom Taxes					
01. Fiscal Duty.....	467,710,340	322,944,077	---	144,766,263	307,880,783
02. Excise Duty.....	172,526,339	131,201,902	---	41,324,437	122,453,291
03. Export Duty.....	11,019,255	7,510,035	---	3,509,220	6,926,074
04. Import Duty.....	6,808,320	9,300,975	2,492,655	---	4,288,468
6. Service Turnover Tax					
01. Hotel Turnover Tax.....	---	91,488	91,488	---	113,401
7. Water Resource Tax					
01. Water Resource Tax.....	97,369,608	74,744,459	---	22,625,149	83,641,663
9. Departure Tax					
01. Departure Tax.....	65,135,921	61,715,734	---	3,420,187	16,372,322
12. Stamp Duty					
01. Stamp Duty.....	---	243,722	243,722	---	497,059
13. Luxury Vehicle Levy					
01. Luxury Vehicle Levy.....	---	660,000	660,000	---	10,000
14. Telecommunication Levy					
01. Telecommunication levy.....	1,144,507	849,260	---	295,247	800,274
19. Health and Environment Levy					
02. Environmental Levy.....	192,598	8,256,650	8,064,052	---	23,884,478
99. Miscellaneous Fees and Receipts					
01. Miscellaneous Fees and Receipts.....	648,789	42,137	---	606,652	418,662
Total.....	1,748,324,351	1,625,607,367	93,830,171	216,547,155	1,227,451,805
Net Decrease				122,716,984	
23 - FEES, FINES & CHARGES					
02. Duty					
01. Stamp Duty.....	---	25,071	25,071	---	9,977
03. Fees					
01. Agricultural Produce and Inspection.....	105,732	84,351	---	21,381	106,891
02. Native Timber Measurement.....	275,455	162,544	---	112,911	277,921
03. Land and Survey Fees.....	335,323	457,918	122,595	---	357,493
04. Mining Fees.....	133,385	61,959	---	71,426	129,631
06. Passports.....	12,094,976	15,440,308	3,345,332	---	8,954,816
07. Town Planning Fees.....	419,850	---	---	419,850	---
08. Examination Fees.....	78,298	86,147	7,849	---	68,115

GOVERNMENT OF THE REPUBLIC OF FIJI DETAILED REVENUE COMPARISON FOR THE PERIOD ENDING 31 JULY 2023					Schedule 8
Heads and Subheads of Revenue	Estimate for 2023	Actual Revenue 2023	Increase	Decrease	Actual Revenue 2022
	(\$)	(\$)	(\$)	(\$)	(\$)
09. Government Day Schools-Fees.....	19,943	23,083	3,140	---	20,536
10. Government Boarding Schools-Fees.....	299,345	381,616	82,271	---	371,094
11. Health Fumigation and Quarantine.....	676,626	968,433	291,807	---	772,534
12. Hospital.....	1,910,201	2,359,622	449,421	---	2,040,027
14. Cemetery Fees.....	70,581	62,167	---	8,414	66,129
17. Audit Fees.....	454,474	731,342	276,868	---	550,778
18. Court Fees.....	1,105,028	1,330,468	225,440	---	1,188,119
19. Registration.....	1,758,103	1,498,714	---	259,389	1,823,375
21. LTA Fees and Fines.....	44,193,905	40,647,842	---	3,546,063	41,273,699
23. LTA Road User Levy.....	17,836,828	15,767,963	---	2,068,865	15,570,910
27. Offshore Fisheries Management Fees.....	1,036,017	1,297,164	261,147	---	1,212,131
28. Permit.....	5,857,880	4,798,818	---	1,059,062	4,055,649
29. Citizenship.....	816,580	1,002,239	185,659	---	692,673
30. VISA.....	165,295	410,717	245,422	---	137,227
31. MSAF Fees.....	1,129,026	1,739,960	610,934	---	1,103,670
32. Search Fees.....	---	66,436	66,436	---	35,974
33. Government Guarantee Fee.....	---	---	---	---	267,700
75. Civil Aviation.....	345	900	555	---	300
99. Miscellaneous Fees.....	8,376,256	11,349,332	2,973,076	---	10,931,593
04. Licences					
01. Arms.....	52,606	60,878	8,272	---	46,224
03. Coasting.....	76,041	25,155	---	50,886	66,151
05. Liquor.....	588,388	1,621,098	1,032,710	---	571,330
06. Trading.....	12,893	17,262	4,369	---	12,683
07. Dogs.....	32,038	24,531	---	7,507	28,981
09. Money Lenders.....	15,553	41,456	25,903	---	14,775
10. Hotels and Guest Houses.....	487,934	121,974	---	365,960	436,669
12. Telecommunications and Television.....	9,505,122	7,138,413	---	2,366,709	8,865,723
14. Fishing.....	1,300	5,105	3,805	---	1,131
17. Licence- Security Industry.....	14,880	3,068	---	11,812	14,250
99. Other.....	2,188,493	3,175,271	986,778	---	2,228,071
05. Rates - Public Works					
01. Water Charges.....	45,500,000	43,041,874	---	2,458,126	41,474,140
06. Fees Royalties					
02. Royalties - Mining (CAP.146 AND 148).....	---	3,673,668	3,673,668	---	---
03. Royalties - Sand, Coral, Metal, etc.....	179,130	36,438	---	142,692	155,832
07. Fines					
01. Court Fines.....	2,100,646	1,595,884	---	504,762	2,699,472
08. Administrative Fines and Penalty					
02. Administrative Fines and Forfeitures.....	19,715	323,261	303,546	---	22,078
Total.....	159,924,191	161,660,450	15,212,074	13,475,815	148,656,472
Net Increase			1,736,259		

GOVERNMENT OF THE REPUBLIC OF FIJI DETAILED REVENUE COMPARISON FOR THE PERIOD ENDING 31 JULY 2023					Schedule 8
Heads and Subheads of Revenue	Estimate for 2023 (\$)	Actual Revenue 2023 (\$)	Increase (\$)	Decrease (\$)	Actual Revenue 2022 (\$)
24 - OPERATING REVENUE - SALES					
02. Sales - Cash.....	---	---	---	---	---
Total.....	---	---	---	---	---
Net Decrease				---	
27 - OTHER REVENUE AND SURPLUSES					
01. Surplus/Deficit from Agency					
01. RBF Revaluation Reserve Account.....	1,500,000	3,387,237	1,887,237	---	2,231,290
02. Rent and Hire of Government Property					
01. Rental for Land.....	16,150,325	16,410,419	260,094	---	16,727,940
02. Rental for Official Quarters.....	180,534	91,282	---	89,252	75,575
03. Rental for Buildings.....	286,710	153,293	---	133,417	277,941
04. Hire of Plant and Vehicles.....	93,411	---	---	93,411	74,490
06. Revenue from Rest Houses.....	1,079	2,469	1,390	---	939
06. Revenue from Non-Domestic Quarters.....	---	4,380,063	4,380,063	---	197,199
03. Commission Revenue					
01. Commission.....	3,646,563	4,363,451	716,888	---	3,631,496
99. Other Revenue					
01. Sale of Photographs.....	138	18	---	120	120
02. Sales of Publications.....	4,729	325	---	4,404	4,517
04. Survey & Sales of Navigation Publications	128,248	134,855	6,607	---	255,169
05. Meat Inspection.....	33,271	26,739	---	6,532	32,862
06. Veterinary and Animal Quarantine.....	22,413	23,482	1,069	---	20,985
07. Freight and Charter Receipts.....	222,220	424,276	202,056	---	207,223
09. Valuation Fees.....	13,992	232	---	13,760	12,222
10. Sale of Farm Product.....	54,346	40,024	---	14,322	49,325
11. Sale of Surplus Farm Produce.....	88,912	106,332	17,420	---	84,528
13. Sale of Fish and Ice.....	439,302	506,569	67,267	---	430,605
14. Sale of Sheep and Wool.....	379	59,201	58,822	---	330
17. Agricultural Landlord and Tenant Tribunal.....	1,872	937	---	935	2,094
20. Board Members Fees	494,638	196,593	---	298,045	451,004
22. Land Preparation Farmers Contribution	61,497	5,985	---	55,512	50,951
23. Agro Input Farmers Contribution	7,495	394	---	7,101	6,210
24. Pound Keeping	36,568	32,654	---	3,914	34,656
25. Sale of Animals by Auction	1,287	2,834	1,547	---	1,468
26. Sale of Livestock	16,637	12,738	---	3,899	16,569
27. Plant and Equipment	7,040	---	---	7,040	5,911
29. Sale of Flags.....	---	51,844	51,844	---	320
99. Other Revenue.....	8,717,040	9,653,667	936,627	---	8,505,759
Total.....	32,210,646	40,067,913	8,588,931	731,664	33,389,698
Net Increase			7,857,267		

GOVERNMENT OF THE REPUBLIC OF FIJI DETAILED REVENUE COMPARISON FOR THE PERIOD ENDING 31 JULY 2023					Schedule 8
Heads and Subheads of Revenue	Estimate for 2023 (\$)	Actual Revenue 2023 (\$)	Increase (\$)	Decrease (\$)	Actual Revenue 2022 (\$)
28 - REIMBURSEMENT AND RECOVERIES					
11. Reimbursement of Services					
01. Reimbursement for Meteorological Services	---	673,622	673,622	---	---
02. Reimbursement for Service P & T	---	---	---	---	3,679,581
06. Reimbursement-HA Low Cost Housing	3,472,570	4,822,742	1,350,172	---	2,130,435
07. Reimbursement-PRB Housing Project	930,580	---	---	930,580	570,911
08. Reimbursement of Municipal Council Television	20,500,000	---	---	20,500,000	139,483
99. Other	998,440	15,375	---	983,065	1,000,765
12. Refund of Payments					
03. Recoveries of Overpayments in Previous Years	3,073,560	2,266,433	---	807,127	1,639,463
05. Refund of Grants in Previous Years	---	637,497	637,497	---	603,693
21. Contributions for Capital Projects					
03. Contributions from Trust Fund	52,000,000	---	---	52,000,000	---
23. Contributions for Overseas Peace - Keeping					
02. Multinational Force and Observers	5,200,000	4,471,306	---	728,694	5,333,669
Total	86,175,150	12,886,975	2,661,291	75,949,466	15,098,000
Net Decrease				73,288,175	
29 - GRANTS IN AID					
01. Australia Government Grants	---	124,670,806	124,670,806	---	138,076,185
02. NZ Government Grants	---	18,564,211	18,564,211	---	57,101,970
03. United Nations Development Programme	---	15,556,272	15,556,272	---	11,211,249
04. European Union	11,962,279	---	---	11,962,279	---
05. China Government Grants	---	1,538,633	1,538,633	---	744,789
06. Japan Government Grants	---	1,160,301	1,160,301	---	2,620,940
99. Other Grant Aid	233,000,000	5,556,393	---	227,443,607	22,862,494
Total	244,962,279	167,046,616	161,490,223	239,405,886	232,617,627
Net Decrease				77,915,663	
Total Operating Revenue	2,845,391,069	2,666,656,301	374,232,600	552,967,368	2,121,774,508
Net Decrease				178,734,768	
INVESTING REVENUE					
31 - REPAYMENTS OF TERM LOANS RECEIVABLE					
11. Interest for Social Services Term Loans					
13. Interest Fiji Sports Council	133,518	391,901	258,383	---	166,898
16. Interest Term Loan & Advances	---	62,361	62,361	---	44

GOVERNMENT OF THE REPUBLIC OF FIJI DETAILED REVENUE COMPARISON FOR THE PERIOD ENDING 31 JULY 2023					Schedule 8
Heads and Subheads of Revenue	Estimate for 2023 (\$)	Actual Revenue 2023 (\$)	Increase (\$)	Decrease (\$)	Actual Revenue 2022 (\$)
12. Principal Social Services Term Loans					
08. Principal- PSC Tertiary Education.....	6,000,000	---	---	6,000,000	---
12. Principal - South Pacific Fertiliser.....	247,256	---	---	247,256	---
22. Principal Term Loans Economic Service					
04. Principal - Fiji Pine.....	486,000	486,000	---	---	486,000
Total.....	6,866,774	940,262	320,744	6,247,256	652,942
Net Decrease				5,926,512	
32 - SALES OF GOVERNMENT ASSETS					
31. Sales Proceeds in Infrastructure	15,000,000	330,172	---	14,669,828	148,365
Services.....					
41. Sales Proceeds in TMA	---	1,092,704	1,092,704	---	1,447,659
Operation.....					
91. Proceeds from sale of Fixed	---	---	---	---	189,255
Assets.....					
Total	15,000,000	1,422,876	1,092,704	14,669,828	1,785,279
Net Decrease				13,577,124	
33 - DIVIDENDS FROM INVESTMENTS					
01. Investments in Social Services.....	692,754	790,621	97,867	---	---
02. Investments in Economic Services.....	43,747,543	46,871,788	3,124,245	---	30,691,939
03. Investments in Infrastructure Services.....	23,335,027	32,509,347	9,174,320	---	30,958,367
Total.....	67,775,324	80,171,756	12,396,432	---	61,650,306
Net Increase			12,396,432		
34 - INTEREST FROM BANK BALANCES					
02. Interest from Domestic Bank.....	487,811	89,932	---	397,879	548,655
03. Interest from Term Deposits Local	520,742	455,394	---	65,348	529,709
Banks.....					
Total.....	1,008,553	545,326	---	463,227	1,078,364
Net Decrease				463,227	
35 - RETURN OF SURPLUS CAPITAL FROM INVESTMENTS					
74. Return of Surplus Capital from TMA Operations	3,888,979	88,262	---	3,800,717	3,869,631
Total.....	3,888,979	88,262	---	3,800,717	3,869,631
Net Decrease				3,800,717	
Total Investing Revenue.....	94,539,630	83,168,482	13,809,880	25,181,028	69,036,522
Net Decrease				11,371,148	
SUMMARY OF REVENUE					
Operating Revenue.....	2,845,391,069	2,666,656,301	374,232,600	552,967,368	2,121,774,508
Investing Revenue	94,539,630	83,168,482	13,809,880	25,181,028	69,036,522
Grand Totals.....	2,939,930,699	2,749,824,783	388,042,480	578,148,396	2,190,811,030

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF EXPENDITURE AGAINST APPROPRIATION HEADS
FOR THE YEAR ENDED 31 JULY 2023

Heads of Appropriation	Original Budget 2023 (\$)	Redeployment (\$)	Revised Estimate 2023 (\$)	Actual Expenses 2023 (\$)	Under Expenditure (\$)
GENERAL ADMINISTRATION					
Office of the President	2,779,711	---	2,779,711	2,562,558	217,153
Office of the Prime Minister	16,881,903	(1,090,000)	15,791,903	12,732,528	3,059,375
Office of the Attorney-General	10,156,362	---	10,156,362	9,292,395	863,967
Ministry of Finance	68,098,108	851,951	68,950,059	65,021,429	3,928,630
Ministry of iTaukei Affairs	15,436,584	98,975	15,535,559	15,242,411	293,148
Ministry of Defence, National Security & Policing	14,938,721	200,000	15,138,721	15,004,450	134,271
Ministry of Employment, Productivity and Industrial Relations	10,015,624	(148,579)	9,867,045	7,346,698	2,520,347
Ministry of Foreign Affairs	29,951,068	(545,000)	29,406,068	28,814,860	591,208
Office of the Auditor-General	5,843,510	---	5,843,510	5,807,104	36,406
Fiji Elections Office	16,937,097	---	16,937,097	2,941,139	13,995,958
Judiciary	47,152,415	---	47,152,415	46,437,738	714,677
Parliament	8,610,532	---	8,610,532	7,868,416	742,116
Office of the Director of Public Prosecutions	6,342,663	---	6,342,663	6,238,965	103,698
Media Industry Development Authority	67,054	---	67,054	8,931	58,123
Independent Commissions	35,332,261	131,023	35,463,284	34,485,542	977,742
Ministry of Justice	41,229,778	(1,240,000)	39,989,778	37,980,629	2,009,149
Fiji Corrections Service	7,640,787	(1,990,000)	5,650,787	4,545,265	1,105,522
Ministry of Communications	53,783,601	(16,925,065)	36,858,536	28,279,074	8,579,462
Ministry of Civil Service	2,693,467	(218,000)	2,475,467	1,966,231	509,236
Ministry of Rural and Maritime Development & Disaster Management	15,023,304	---	15,023,304	14,646,995	376,309
Republic of Fiji Military Forces	94,055,595	2,088,647	96,144,242	94,174,708	1,969,534
Fiji Police Force	182,645,294	(150,512)	182,494,782	182,175,333	319,449
Peacekeeping Missions	50,844,801	1,609,959	52,454,760	51,022,597	1,432,163
Total for General Administration	736,460,240	(17,326,601)	719,133,639	674,595,996	44,537,643
SOCIAL SERVICES					
Ministry of Education, Heritage and Arts	489,931,495	(3,933,131)	485,998,364	480,747,090	5,251,274
Ministry of Health and Medical Services	395,118,849	(15,312,065)	379,806,784	339,574,846	40,231,938
Ministry of Housing and Community Development	30,336,636	(12,418,887)	17,917,749	17,334,881	582,868
Ministry of Women, Children & Poverty Alleviation	147,684,435	12,733,513	160,417,948	158,414,888	2,003,060
Ministry of Youth and Sports	13,836,600	(320,000)	13,516,600	13,453,171	63,429
Higher Education Institutions	48,933,841	(1,834,862)	47,098,979	47,098,979	---
Total for Social Services	1,125,841,856	(21,085,432)	1,104,756,424	1,056,623,855	48,132,569

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF EXPENDITURE AGAINST APPROPRIATION HEADS
FOR THE YEAR ENDED 31 JULY 2023

Heads of Appropriation	Original Budget 2023 (\$)	Redeployment (\$)	Revised Estimate 2023 (\$)	Actual Expenses 2023 (\$)	Under Expenditure (\$)
ECONOMIC SERVICES					
Ministry of Agriculture	64,136,947	(9,300,001)	54,836,946	50,212,402	4,624,544
Ministry of Fisheries	16,026,459	(545,000)	15,481,459	14,067,486	1,413,973
Ministry of Forests	17,692,415	(539,593)	17,152,822	14,800,728	2,352,094
Ministry of Lands & Mineral Resources	25,867,111	(1,349,500)	24,517,611	23,123,808	1,393,803
Ministry of Commerce, Trade, Tourism & Transport	97,194,356	(6,782,910)	90,411,446	86,293,953	4,117,493
Ministry of Sugar Industry	45,304,711	---	45,304,711	45,170,675	134,036
Ministry of Local Government	20,614,767	(4,426,402)	16,188,365	14,455,078	1,733,287
Total for Economic Services	286,836,766	(22,943,406)	263,893,360	248,124,130	15,769,230
INFRASTRUCTURE SERVICES					
Ministry of Infrastructure and Meteorological Services	37,165,473	(2,256,372)	34,909,101	28,736,824	6,172,277
Water Authority of Fiji	204,317,091	(13,016,562)	191,300,529	179,845,833	11,454,696
Ministry of Waterways and Environment	19,497,673	(8,709,000)	10,788,673	8,353,939	2,434,734
Fiji Roads Authority	376,744,845	15,000,000	391,744,845	367,044,257	24,700,588
Total for Infrastructure	637,725,082	(8,981,934)	628,743,148	583,980,853	44,762,295
UNALLOCABLE					
Miscellaneous Services	540,251,073	59,856,900	600,107,973	539,605,120	60,502,853
Pensions, Gratuities and Compassionate Allowances	31,773,800	---	31,773,800	28,297,470	3,476,330
Charges on Account of Public Debt	453,241,525	10,480,473	463,721,998	458,006,015	5,715,983
Total for Unallocable Services	1,025,266,398	70,337,373	1,095,603,771	1,025,908,605	69,695,166
Grand Total	3,812,130,342	---	3,812,130,342	3,589,233,439	222,896,903

GOVERNMENT OF THE REPUBLIC OF FIJI
DETAILS OF EXPENDITURE REPORTABLE AUTHORISATIONS
FOR THE PERIOD ENDING 31 JULY 2023

Schedule 10

Summary by Standard Expenditure Group (SEG)	Original Budget 2023 (\$)	Redeployment (\$)	Virements (\$)	Revised Estimate 2023 (\$)	Actual Expenditure 2023 (\$)	(Over) / Under Expenditure %
1. Established Staff	978,794,367	3,987,610	(36,694,833)	946,087,144	917,423,861	3
2. Government Wage Earners	46,759,575	(500,000)	4,294,343	50,553,918	46,443,246	8
3. Travel and Communications	28,033,696	---	9,147,799	37,181,495	32,553,092	12
4. Maintenance and Operations	77,969,545	(1,668,298)	11,687,433	87,988,680	80,769,863	8
5. Purchase of Goods and Services	198,115,715	(8,077,159)	10,203,054	200,241,610	186,749,579	7
6. Operating Grants and Transfers	663,585,854	5,720,374	1,759,628	671,065,856	650,101,279	3
7. Special Expenses	122,469,831	24,536,948	34,712,712	181,719,491	166,022,745	9
8. Capital Construction	103,245,992	(35,854,650)	(1,979,984)	65,411,358	55,137,048	16
9. Capital Purchase	61,252,152	(7,349,829)	747,800	54,650,123	49,269,271	10
10. Capital Grants and Transfers	996,064,130	10,754,645	(37,424,096)	969,394,679	879,245,065	9
11. Pensions, Gratuities & Compassionate Allowances	31,773,800	---	---	31,773,800	28,297,470	11
12. Charges on Account of Public Debt	7,200,000	---	---	7,200,000	1,714,641	76
13. Value Added Tax	50,824,160	(2,030,114)	3,546,144	52,340,190	39,214,905	25
14. Interest Payment on overseas loans	85,578,929	10,480,473	(97,933)	95,961,469	95,730,845	---
15. Interest Payment on domestic loans	360,462,596	---	97,933	360,560,529	360,560,529	---
Grand Total	3,812,130,342	---	---	3,812,130,342	3,589,233,439	6

Actuals for all the SEGs were within the original budget.

Ministry of Finance

Suva, Fiji

Dated 16 of the month of Dec, 2024



Mr. Shiri K Gounder

Permanent Secretary for Ministry of Finance, Strategic Planning, National Development and Statistics

GOVERNMENT OF THE REPUBLIC OF FIJI
BUDGET RESULT, ESTIMATES AND PROJECTIONS
FOR THE PERIOD 2021- 2025

Schedule 11

	Actual	Actual	Original Budget	Actual	Projected	Projected
	2021	2022	2023	2023	2024	2025
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
REVENUE						
Operating Revenue	1,873,001,982	2,121,774,508	2,845,391,069	2,666,656,301	2,781,273,586	2,912,271,952
Investing Revenue	269,982,949	69,036,522	94,539,630	83,168,482	51,684,760	38,605,311
TOTAL REVENUE	2,142,984,931	2,190,811,030	2,939,930,699	2,749,824,783	2,832,958,346	2,950,877,263
EXPENDITURE						
Operating Expenditure	1,818,716,863	1,886,442,824	2,147,502,383	2,108,361,135	2,067,493,890	2,063,323,390
Interest Payments on Loans	370,272,668	375,046,347	453,241,525	458,006,015	458,547,515	428,223,118
Capital Expenditure	973,342,804	1,123,048,215	1,160,562,274	983,651,384	1,049,137,304	1,006,179,928
Value Added Tax	27,960,685	29,558,276	50,824,160	39,214,905	47,085,175	43,558,775
TOTAL EXPENDITURE	3,190,293,020	3,414,095,662	3,812,130,342	3,589,233,439	3,622,263,884	3,541,285,211
BUDGET RESULT	(1,047,308,089)	(1,223,284,632)	(872,199,643)	(839,408,656)	(789,305,538)	(590,407,948)

GOVERNMENT OF THE REPUBLIC OF FIJI DISAGGREGATION OF ACTUAL REVENUE AND EXPENDITURE BY ECONOMIC TYPE FOR THE PERIOD 2021 - 2025						Schedule 12
Description	Actual 2021 (\$)	Actual 2022 (\$)	Original Budget 2023 (\$)	Actual 2023 (\$)	Projected 2024 (\$)	Projected 2025 (\$)
REVENUE						
Operating Revenue						
Direct Receipts (Income Tax & Capital Gain Tax)	466,172,922	464,560,906	573,794,452	659,386,980	628,091,018	661,495,569
Indirect Revenue						
VAT	443,143,125	660,165,330	925,768,674	1,008,046,928	1,007,662,637	1,058,045,769
Customs	399,769,143	441,548,616	658,064,254	470,956,989	716,983,131	752,832,288
Service Turnover Tax	1,120,176	113,401	---	91,488	---	---
Water Resource Tax	71,955,081	83,641,663	97,369,608	74,744,459	105,982,972	111,282,121
Departure Tax	903,510	16,372,322	65,135,921	61,715,734	70,897,878	74,442,772
Fish Levy	---	---	---	---	---	---
Stamp Duty	7,867,853	497,059	---	243,722	---	---
Luxury Vehicle Tax	7,500	10,000	---	660,000	---	---
Telecommunication Levy	835,417	800,274	1,144,507	849,260	1,245,751	1,308,038
Environmental Levy	20,831,281	23,884,478	192,598	8,256,650	209,635	220,117
Miscellaneous Fees & Receipts	11,272	418,662	648,789	42,137	---	---
Fees, Fines, Charges and Penalties	123,673,743	148,656,472	159,924,191	161,660,450	160,616,083	162,920,171
Other Revenue and Surpluses	28,607,700	33,389,698	32,210,646	40,067,913	28,179,539	28,393,469
Reimbursement and Recoveries	24,259,714	15,098,000	86,175,150	12,886,975	11,404,942	11,331,638
Grant in Aid	283,843,544	232,617,627	244,962,279	167,046,616	50,000,000	50,000,000
Total Operating Revenue	1,873,001,981	2,121,774,508	2,845,391,069	2,666,656,301	2,781,273,586	2,912,271,952

GOVERNMENT OF THE REPUBLIC OF FIJI DISAGGREGATION OF ACTUAL REVENUE AND EXPENDITURE BY ECONOMIC TYPE FOR THE PERIOD 2021 - 2025							Schedule 12
Description	Actual 2021 (\$)	Actual 2022 (\$)	Original Budget 2023 (\$)	Actual 2023 (\$)	Projected 2024 (\$)	Projected 2025 (\$)	
Investing Revenue							
Repayment of Term Loans Receivable	2,630,433	652,942	6,866,774	940,262	3,466,774	3,666,774	
Sale of Government Assets	210,497,812	1,785,279	15,000,000	1,422,876	---	---	
Dividends from Investment	51,304,648	61,650,306	67,775,324	80,171,756	43,300,000	30,000,000	
Interest from Bank Balance	2,086,586	1,078,364	1,008,553	545,326	1,009,562	1,010,571	
Return of Surplus Capital from Investment	3,463,470	3,869,631	3,888,979	88,262	3,908,424	3,927,966	
Exchange Rate Gain	---	---	---	---	---	---	
Total Investing Revenue	269,982,949	69,036,522	94,539,630	83,168,482	51,684,760	38,605,311	
TOTAL REVENUE	2,142,984,930	2,190,811,030	2,939,930,699	2,749,824,783	2,832,958,346	2,950,877,263	
EXPENDITURE							
General Administration Services							
Operating Expenditure	567,188,647	591,222,191	663,384,707	618,846,363	639,466,669	635,296,169	
Capital Expenditure	53,648,612	56,158,637	58,133,631	42,791,638	53,458,631	39,992,876	
Total General Administration	620,837,259	647,380,828	721,518,338	661,638,001	692,925,300	675,289,045	
Social Services							
Operating Expenditure	924,565,956	928,832,358	1,050,913,592	1,014,834,818	1,045,895,678	1,045,895,678	
Capital Expenditure	60,191,671	68,836,856	61,170,558	33,152,067	81,447,665	58,831,044	
Total Social Services	984,757,627	997,669,214	1,112,084,150	1,047,986,885	1,127,343,343	1,104,726,722	

GOVERNMENT OF THE REPUBLIC OF FIJI DISAGGREGATION OF ACTUAL REVENUE AND EXPENDITURE BY ECONOMIC TYPE FOR THE PERIOD 2021 - 2025							Schedule 12
Description	Actual 2021 (\$)	Actual 2022 (\$)	Original Budget 2023 (\$)	Actual 2023 (\$)	Projected 2024 (\$)	Projected 2025 (\$)	
Economic Services							
Operating Expenditure	120,349,343	126,615,963	141,834,933	132,284,771	139,205,572	139,205,572	
Capital Expenditure	108,896,925	141,212,499	139,326,517	112,346,217	129,588,622	125,313,622	
Total Economic Services	229,246,268	267,828,462	281,161,450	244,630,988	268,794,194	264,519,194	
Infrastructure Services							
Operating Expenditure	113,815,272	120,530,696	131,310,400	128,940,726	131,310,391	131,310,391	
Capital Expenditure	358,775,563	455,840,671	504,066,860	456,943,867	504,066,860	504,066,860	
Total Infrastructure Services	472,590,835	576,371,367	635,377,260	585,884,593	635,377,251	635,377,251	
Miscellaneous Services							
Operating Expenditure	62,036,896	89,219,470	128,284,951	185,156,988	79,841,741	79,841,741	
Capital Expenditure	391,830,033	400,999,551	397,864,708	338,417,594	280,575,526	277,975,526	
Total Miscellaneous Services	453,866,929	490,219,021	526,149,659	523,574,582	360,417,267	357,817,267	
Unallocable							
Pensions, Gratuities and Compassionate Allowance	30,760,749	30,022,146	31,773,800	28,297,470	31,773,839	31,773,839	
Value Added Tax	27,960,685	29,558,276	50,824,160	39,214,905	47,085,175	43,558,775	
Interest Payments on Loans	370,272,668	375,046,348	453,241,525	458,006,015	458,547,515	428,223,118	
TOTAL EXPENDITURE	3,190,293,020	3,414,095,662	3,812,130,342	3,589,233,439	3,622,263,884	3,541,285,211	
Deficit for the year	(1,047,308,090)	(1,223,284,632)	(872,199,643)	(839,408,656)	(789,305,538)	(590,407,948)	

**GOVERNMENT OF THE REPUBLIC OF FIJI
ESTIMATE AND ACTUAL BUDGET RESULT
FOR THE PERIOD 2021- 2023**

Schedule 13

	Actual 2021 (\$)	Actual 2022 (\$)	Original Budget 2023 (\$)	Actual 2023 (\$)
REVENUE				
Operating Revenue	1,873,001,982	2,121,774,508	2,845,391,069	2,666,656,301
Investing Revenue	269,982,949	69,036,522	94,539,630	83,168,482
TOTAL REVENUE	2,142,984,931	2,190,811,030	2,939,930,699	2,749,824,783
EXPENDITURE				
Operating Expenditure	1,818,716,863	1,886,442,824	2,147,502,383	2,108,361,135
Interest Payments on Loans	370,272,668	375,046,347	453,241,525	458,006,015
Capital Expenditure	973,342,804	1,123,048,215	1,160,562,274	983,651,384
Value Added Tax	27,960,685	29,558,276	50,824,160	39,214,905
TOTAL EXPENDITURE	3,190,293,020	3,414,095,662	3,812,130,342	3,589,233,439
BUDGET RESULT	(1,047,308,089)	(1,223,284,632)	(872,199,643)	(839,408,656)



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