OFFICE of the AUDITOR GENERAL
Republic of Fiji

# REPORT OF THE AUDITOR-GENERAL OF THE REPUBLIC OF FIJI

## 2019 - 2020 Audit Report on Statutory Authorities, Independent Body and Commissions

Rerevaka na Kalou ka doka na Tui

PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 104 OF 2021

OFFICE *of the* AUDITOR GENERAL
*Republic of Fiji*

## VISION

**Promoting public sector accountability and sustainability through our audits**

## MISSION

To provide independent value adding audit services

To provide an environment where our people can excel

## VALUES

**RESPECT**
We uphold respect in our relationships.

**INTEGRITY**
We are ethical, fair and honest in our duties.

**INDEPENDENT & OBJECTIVE**
We work independently and report objectively.

**COMPETENCE**
We deliver to the best of our abilities and to the highest standard of professional conduct.

**TRANSPARENCY**
Our processes are transparent.

**CONFIDENTIALITY**
We maintain audit related information confidential.

## PROFESSIONAL FRAMEWORK

International Standards for Supreme Audit Institutions

International Standards on Auditing

## LEGAL FRAMEWORK

2013 CONSTITUTION OF THE REPUBLIC OF FIJI

AUDIT ACT 1969

ENVIRONMENT MANAGEMENT ACT

NDP AND OTHER LEGISLATION


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File: 102

29 November 2021

The Honorable Ratu Epeli Nailatikau
Speaker of the Parliament of the Republic of Fiji
Parliament Complex
Gladstone Road
**SUVA**

Dear Sir

**2019 – 2020 AUDIT REPORT ON STATUTORY AUTHORITIES, INDEPENDENT BODY AND COMMISSIONS**

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on Statutory Authorities, Independent Body and Commissions for 2019 - 2020.

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

Yours sincerely

Ajay Nand
**AUDITOR-GENERAL**

AUDITOR - GENERAL
FIJI

Encl.

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

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

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

This report satisfies these requirements.

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

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# AUDITOR-GENERAL'S FOREWORD

I am pleased to present the report on the financial audits of statutory authorities, independent body and commissions for audits that were completed[1] after my last report to Parliament (Parliamentary Paper No. 185 of 2020). I would like to draw attention that audit of statutory authorities are generally behind and there are quite a number of audits which were completed that were in backlog. While these backlog audits may not be relevant to users due to the significant time lag, I have included them in my report as a matter of transparency and accountability.

Section 152 of the 2013 Constitution and relevant legislation provide the Auditor-General the mandate to audit the accounts of the statutory authorities and independent bodies. However, there has been some exceptions due to entities opting to choose their own auditors other than the Auditor-General. This is discussed in Appendix D of this report.

The financial audits for I-Taukei Affairs Board and Real Estate Agents Board are behind by more than four years as financial statements were not submitted annually to the Auditor-General. All efforts are made to bring these backlog audits to current. There are also some entities which submit their outstanding financial statements for audit in bulk which poses significant challenge in terms of resource allocation to have these audits completed in one financial year.

## Status of the Audits

I am pleased to report that we have completed the audit of 30 financial statements for 13 statutory authorities, an independent body and two commissions since my last report. Audits for 32 financial statements are in progress, 27 audits are to yet to commence while 61 financial statements, which also include some financial statements to be resubmitted for audit for various reasons, are yet to be received.

## Report

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

The issues discussed in this report require the immediate attention and prompt action by those charged with governance in the respective entities to improve their financial accountability. On the same note, I would like to acknowledge the efforts already made by some entities to improve their financial reporting.

[1] As at 31 October 2021

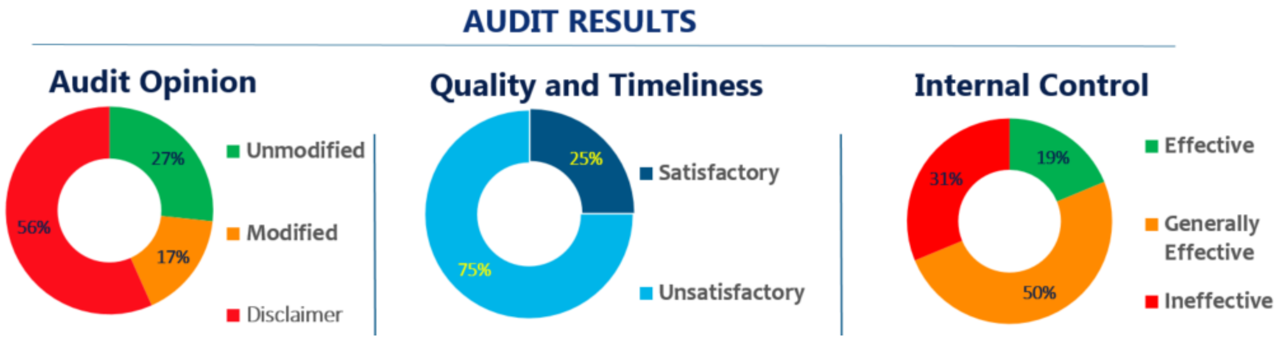
I would also like to acknowledge the assistance and cooperation rendered to my Office by the respective entities throughout the audit process. My Office is committed to fulfilling the task of updating all backlog audits to current and will continue to work with the entities to ensure that this is achieved in a timely manner.

Ajay Nand
AUDITOR-GENERAL

Date: 29 November 2021

# EXECUTIVE SUMMARY

This report includes the audit results of 30 financial statements for 13 statutory authorities, an independent body and two commissions audited as at 31 October 2021.




## Quality and Timeliness of Financial Statements

The overall quality and timeliness of financial reporting has been assessed as unsatisfactory which requires substantial improvements.

## Internal Control Assessment

The results summary in Section 3.2 shows the strength of controls in key elements for the entities. Our assessment indicated that risk assessment, control activities and monitoring activities were areas where majority of the significant deficiencies were identified.

## Common Audit Findings

Other areas that require immediate attention by those charged with governance and management of the entities include:

- Addressing significant delays in submission of acceptable draft financial statements for audit;
- Improving risk assessment and internal control processes to achieve the entity's objectives and forming a clear basis for determining how risks are managed;
- Improving overall monitoring of the entities, including the establishment of independent internal audit functions, which could assist in identifying any gaps in controls for necessary action.

## Audit Conclusion

Modified audit opinions were issued on twenty three financial statements audited, which reflected negatively on the governance and internal control framework of the entity. Urgent and close attention should be given to address matters highlighted in the Auditors' Reports including the significant matters raised in Section 4.

# 1.0 Introduction

All statutory authorities, independent bodies and commissions prepare annual financial statements. Management of these entities are responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Auditor-General is responsible, on behalf of Parliament, for audit of the accounts of all state-owned entities except for its own office and those entities which may be exempted by law.

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

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

This report includes the audit results of 30 financial statements for 13 statutory authorities, an independent body and two commissions. Refer to table below for details:

| Name | Type | Year |
|---|---|---|
| **1.** Fijian Competition & Consumer Commission | Statutory Authority | 2019 |
| **2.** Consumer Council of Fiji | Statutory Authority | 2019 |
| **3.** National Fire Authority | Statutory Authority | 2015 |
| **4.** Land Transport Authority | Statutory Authority | 2018 |
| **5.** Fiji Sports Council | Statutory Authority | 2018 |
| **6.** Fiji National Sports Commission | Statutory Authority | 2020 |
| **7.** Fijian Elections Office | Independent Body | 2018 |
| **8.** Fiji Human Rights & Anti-Discrimination Commission | Independent Commission | 2008 - 2016 |
| **9.** Fiji Independent Commission Against Corruption | Independent Commission | 2019 |
| **10.** Water Authority of Fiji | Statutory Authority | 2017 |
| **11.** Agricultural Marketing Authority | Statutory Authority | 2010 - 2016 |
| **12.** Fiji Higher Education Commission | Statutory Authority | 2018 |
| **13.** Fiji Revenue and Customs Service | Statutory Authority | 2018 |
| **14.** National Council for Persons with Disabilities | Statutory Authority | 2017 |
| **15.** Investment Fiji | Statutory Authority | 2020 |
| **16.** Fiji Teachers Registration Authority | Statutory Authority | 2018 |

The audits of some entities have been extensively delayed primarily due to the non-submission of financial statements annually to the Auditor-General.

An update on the progress of the entities audits is provided under section 1.3.

## 1.1 Legislative Framework

The following legislation establishes the financial accountability frameworks and legislative time frames to complete audits of financial statements for statutory authorities, independent bodies and commissions.

| Legislative Framework | Legislative Timeframe |
|---|---|
| • **Legislation establishing entity and related regulations**<br>• **Finance Management Act 2004**<br>• **Finance Management (Amendment) Act 2021** | • 3-6 months following end of financial year<br>• Not specified/ as soon as practicable |

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

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

Each year, statutory authority, independent body and commission are required by the legislation governing their operations to submit an annual report containing the audited financial statements and the audit report on the financial statements which are tabled in Parliament by the Minister responsible for the entity.

The audited financial statements are used by a broad range of users such as parliamentarians, non-governmental organizations, donor agencies, employees, suppliers, lenders and the general public.

The Auditor-General's audit opinion on these financial statements gives assurance to the users that the financial statements are accurate and can be relied upon.

## 1.2 Types of Audit Opinions

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

### Modified Opinions

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

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

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

## 1.3 Status of Audits – Update

As at 31 October 2021, a total of 89 draft financial statements for the entities were submitted to the Auditor-General for audit. Due to the significant number, resourcing to promptly complete these audits continues to be a challenge. Below is a summary of the status of audits as at 31 October 2021.

Detailed status of the audits are provided in Appendix C of this report.

| | Entities | Draft Financial Statements Received | Audits Completed | Audits in Progress as at 31 October 2021 | Audits Yet to Commence as at 31 October 2021 | Draft Financial Statements not submitted for audit |
|---|---|---|---|---|---|---|
| **1.** | Tourism Fiji | 2015 – 2019 | --- | 2015 – 2017 | 2018 – 2019 | 2020 |
| **2.** | National Fire Authority | 2015 - 2017 | 2015 | 2016 | 2017 | 2018 – 2020 |
| **3.** | Agricultural Marketing Authority | 2010 - 2019 | 2010 - 2016 | 2017 | 2018-2019 | 2020 |
| **4.** | I-Taukei Affairs Board | 2003 - 2006 | --- | 2003 - 2005 | 2006 | 2007 – 2020 |
| **5.** | Fiji Servicemen's After-care Fund | --- | --- | --- | --- | 2017 – 2020 |
| **6.** | Real Estate Agents Board | 2013 – 2015 | --- | --- | 2013 – 2015 | 2016 – 2020 |
| **7.** | Fiji Human Rights & Anti-Discrimination Commission | 2008 – 2016 | 2008 - 2016 | --- | --- | 2017 – 2020 |
| **8.** | Independent Legal Services Commission | --- | --- | --- | --- | 2016 – 2020 |
| **9.** | Telecommunication Authority of Fiji | 2015 – 2016 | --- | 2015 – 2016 | --- | 2017 – 2020 |
| **10.** | Fiji Medical & Dental Secretariat | 2016 – 2019 | --- | 2016 – 2017 | 2018 – 2019 | 2020 |
| **11.** | National Food & Nutrition Centre | 2015 – 2017 | --- | --- | 2015 – 2017 | |
| **12.** | Sugar Industry Tribunal | 2017 – 2018 | --- | --- | 2017 – 2018 | 2019 – 2020 |
| **13.** | Fiji Meats Industry Board | 2018 – 2019 | --- | 2018 | 2019 | 2020 |
| **14.** | Fiji Teacher's Registration Authority | 2018 – 2020 | 2018 | 2019 – 2020 | --- | --- |
| **15.** | Film Fiji | 2018 – 2020 | --- | 2018 | 2019 - 2020 | --- |

| Entities | Draft Financial Statements Received | Audits Completed | Audits in Progress as at 31 October 2021 | Audits Yet to Commence as at 31 October 2021 | Draft Financial Statements not submitted for audit |
|---|---|---|---|---|---|
| **16.** National Council for Persons with Disabilities | 2017 – 2018 | 2017 | --- | 2018 | 2019 – 2020 |
| **17.** Fiji Higher Education Commission | 2018 | 2018 | --- | --- | 2019 – 2020 |
| **18.** Land Transport Authority | 2018 – 2019 | 2018 | 2019 | --- | 2020 |
| **19.** Fiji Revenue and Customs Services | 2018 – 2020 | 2018 | 2019 | 2020 | --- |
| **20.** Fiji Roads Authority | 2019 | --- | 2019 | --- | 2020 |
| **21.** Maritime Safety Authority of Fiji | 2017 – 2019 | --- | --- | 2017 – 2019 | 2020 |
| **22.** Consumer Council of Fiji | 2019 - 2020 | 2019 | --- | 2020 | --- |
| **23.** Fijian Competition and Consumer Commission | 2019 – 2020 | 2019 | 2020 | --- | --- |
| **24.** Fiji Sports Council | 2018 – 2020 | 2018 | --- | 2019 – 2020 | --- |
| **25.** Fiji National Sports Commission | 2020 – 2021 | 2020 | 2021 | --- | --- |
| **26.** Civil Aviation Authority of Fiji | 2020 | --- | 2020 | --- | --- |
| **27.** Investment Fiji | 2020 - 2021 | 2020 | 2021 | --- | --- |
| **28.** Accident Compensation Commission of Fiji | 2019 | --- | 2019 | --- | 2020 |
| **29.** Centre for Appropriate Technology and Development | 2017 – 2018 | --- | 2017 – 2018 | --- | 2019 – 2020 |
| **30.** Water Authority of Fiji | 2017 - 2018 | 2017 | 2018 | --- | 2019 – 2020 |
| **31.** National Substance Abuse Advisory Council | 2016 – 2017 | --- | 2016 – 2017 | --- | 2018 – 2020 |
| **32.** Fijian Elections Office | 2018 – 2020 | 2018 | 2019 - 2020 | --- | 2020 |
| **33.** Fiji Independent Commission Against Corruption | 2019 | 2019 | --- | --- | 2020 |
| **Total** | **89** | **30** | **32** | **27** | **61** |

Of the 89 draft financial statements submitted to the Auditor-General, audit opinion on 30 or 34% of the financial statements were issued, audits for 32 financial statements were in progress and audits on 27 draft financials statements were yet to commence. A total of 61 draft financial statements are yet to be submitted to Auditor-General for audit.

As the Auditor-General is mandated to audit the statutory authorities, independent bodies and commissions, the Office of the Auditor-General is strongly committed to fulfilling this mandate and will continue to work closely with the statutory authorities, independent bodies and commissions and the line Ministry to update the audits.

# 2.0 Financial Reporting

Sound financial management requires preparation of accurate and timely financial statements. They bring accountability and transparency to the way public resources are utilized by the entities. We have assessed financial reporting for the entities by the following aspects:

- quality of financial reporting
- timeliness of financial reporting

## 2.1 Quality of financial reporting

The extent of audit adjustments made to draft financial statements indicates the effectiveness of an entity's internal review processes before the accounts are submitted for audit.

We assessed the quality of financial statements by the number of audit adjustments made to the first draft of financial statements and the impact these adjustments had on the operating results or net assets of the entity subject to our audit.

| Rating | Quality of draft financial statements assessment |
|---|---|
| **Effective** | No adjustments were required |
| **Generally effective** | Adjustments on operating results/net assets were less than five percent |
| **Ineffective** | Adjustments on operating results/net assets were more than five percent |

### Audit opinions

The main outcome of our audits are independent auditors' reports on the financial statements of the entities that were produced and submitted to the Auditor-General.

We issued five modified (qualified) audit opinions and 17 modified (disclaimer of opinion) on the financial statements reported in this report. The table below shows the breakdown of the modified audit opinions issued:

| Entities | Year | Unmodified Opinion | Modified (Qualified) Opinion | Modified (Disclaimer of Opinion) |
|---|---|---|---|---|
| **1.** Fijian Competition & Consumer Commission | 2019 | ✓ | | |
| **2.** Consumer Council of Fiji | 2019 | ✓ | | |
| **3.** National Fire Authority | 2015 | | ✓ | |
| **4.** Land Transport Authority | 2018 | | ✓ | |
| **5.** Fiji Sports Council | 2018 | ✓ | | |
| **6.** Fiji National Sports Commission | 2020 | ✓ | | |
| **7.** Fijian Elections Office | 2018 | ✓ | | |
| **8.** Fiji Independent Commission Against Corruption | 2019 | ✓ | | |

| Entities | Year | Unmodified Opinion | Modified (Qualified) Opinion | Modified (Disclaimer of Opinion) |
|---|---|---|---|---|
| **9.** Water Authority of Fiji | 2017 | | √ | |
| **10.** Human Rights & Anti-Discrimination Commission | 2008 - 2016 | | | √ |
| **11.** Agricultural Marketing Authority | 2010 - 2016 | | | √ |
| **12.** Fiji Higher Education Commission | 2018 | √ | | |
| **13.** Fiji Revenue and Customs Service | 2018 | | √ | |
| **14.** National Council for Persons with Disabilities | 2017 | | | √ |
| **15.** Investment Fiji | 2020 | √ | | |
| **16.** Fiji Teachers Registration Authority | 2018 | | √ | |

Appendix A contains the qualification issues raised in the Auditor's Report issued to the eight entities.

The abridged financial statements are presented as Appendix B.

### Significant Matters Reported

The Audit Act 1969 requires that the Auditor-General report on significant matters identified during the audit to those charged with governance of the entities.

Issues that are classified as medium to high risks are control and compliance weaknesses of such fundamental significance or substantial importance to the entities that they require immediate attention by those charged with governance in the entities and the line Ministry for priority and prompt action for resolutions.

Significant matters noted during the audit are discussed further in Section 4 of the report.

## 2.2 Timeliness of financial reporting

To assess the timeliness of draft acceptable financial statements, we have compared the date the draft financial statements were received for audit after allowing for at least 30 days before the legislative deadlines (3-6 months following end of financial year) for our audit.

| Rating | Timeliness of draft financial statements assessment |
|---|---|
| ✸ **Effective** | Acceptable draft financial statements received within 60 days before legislative deadline |
| ✸ **Generally effective** | Acceptable draft financial statements received within 30 days before legislative deadline |
| ✸ **Ineffective** | Acceptable draft financial statements received less than 30 days before legislative deadline |

## 2.3 Results Summary

The quality of 23 financial statements audited were found to be ineffective while timeliness of 10 entities were found to be ineffective. This requires immediate attention of those charged with governance for prompt resolution.

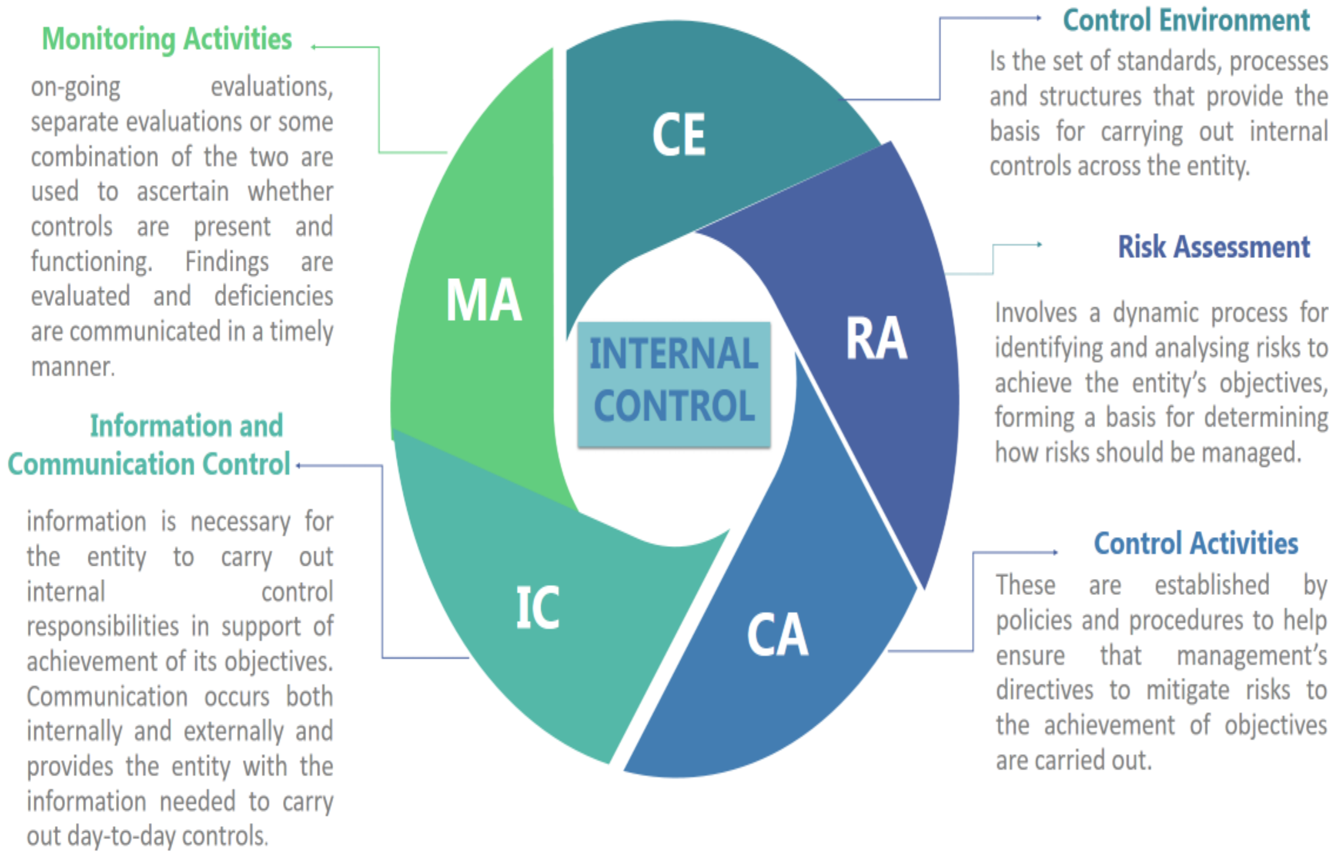
The following Table summarizes our assessment of financial reporting processes:

| Entities | Year | Financial Reporting | |
|---|---|---|---|
| | | Quality | Timeliness |
| **1.** Fijian Competition & Consumer Commission | 2019 | 🔴 | 🟢 |
| **2.** Consumer Council of Fiji | 2019 | 🔴 | 🔴 |
| **3.** National Fire Authority | 2015 | 🔴 | 🔴 |
| **4.** Land Transport Authority | 2018 | 🟠 | 🟠 |
| **5.** Fiji Sports Council | 2018 | 🟢 | 🟢 |
| **6.** Fiji National Sports Commission | 2020 | 🟢 | 🟢 |
| **7.** Fijian Elections Office | 2018 | 🔴 | 🔴 |
| **8.** Fiji Independent Commission Against Corruption | 2019 | 🟢 | 🟢 |
| **9.** Water Authority of Fiji | 2017 | 🔴 | 🔴 |
| **10.** Fiji Human Rights & Anti-Discrimination Commission | 2008 - 2016 | 🔴 | 🔴 |
| **11.** Agricultural Marketing Authority | 2010 - 2016 | 🔴 | 🔴 |
| **12.** Fiji Higher Education Service | 2018 | 🟠 | 🔴 |
| **13.** Fiji Revenue and Customs Service | 2018 | 🟠 | 🔴 |
| **14.** National Council for Persons with Disabilities | 2017 | 🔴 | 🔴 |
| **15.** Investment Fiji | 2020 | 🟢 | 🟢 |
| **16.** Fiji Teachers Registration Authority | 2018 | 🔴 | 🔴 |

# 3.0 Internal Controls

## 3.1 Internal Controls Assessments

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




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

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

The Results Summary in section 3.2 shows the strength of controls in key elements for entities which were audited. Our audit indicated that significant deficiencies were identified in all five components.

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

| Rating | Internal Control Assessment |
|---|---|
| 🟢 Effective | No deficiencies identified in internal controls |
| 🔴 Ineffective | Significant deficiencies identified in internal controls |

It is important to note that the deficiencies detailed below were identified during our audit and may have been subsequently resolved by those charged with governance in the entities. These have been included in this report as they impacted on the overall system of control of the entities as at the dates of the financial statements audited.

## 3.2 Results Summary

For the entities audited, we have assessed the internal controls for five entities as ineffective. The significant findings discussed in Sections 4 have contributed to this assessment.

The Table below summarizes our assessment of internal controls across these entities, which were audited:

| Entities | Year | Internal Controls | | | | |
|---|---|---|---|---|---|---|
| | | CE | RA | CA | IC | MA |
| **1.** Fijian Competition & Consumer Commission | 2019 | 🟠 | 🟠 | 🟠 | 🟠 | 🟠 |
| **2.** Consumer Council of Fiji | 2019 | 🟠 | 🔴 | 🟠 | 🟢 | 🟠 |
| **3.** National Fire Authority | 2015 | 🟠 | 🔴 | 🟠 | 🟠 | 🔴 |
| **4.** Land Transport Authority | 2018 | 🟢 | 🟠 | 🟢 | 🟢 | 🟢 |
| **5.** Fiji Sports Council | 2018 | 🟢 | 🟠 | 🟢 | 🟢 | 🟢 |
| **6.** Fiji National Sports Commission | 2020 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 |
| **7.** Fijian Elections Office | 2018 | 🟢 | 🔴 | 🟢 | 🟢 | 🟢 |
| **8.** Fiji Independent Commission Against Corruption | 2019 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 |
| **9.** Water Authority of Fiji | 2017 | 🟠 | 🔴 | 🟠 | 🟠 | 🔴 |
| **10.** Fiji Human Rights & Anti-Discrimination Commission | 2008 - 2016 | 🔴 | 🔴 | 🔴 | 🔴 | 🔴 |
| **11.** Agricultural Marketing Authority | 2010 - 2016 | 🔴 | 🔴 | 🔴 | 🔴 | 🔴 |
| **12.** Fiji Higher Education Authority | 2018 | 🟢 | 🟢 | 🟠 | 🟢 | 🟢 |
| **13.** Fiji Revenue and Customs Service | 2018 | 🟠 | 🟢 | 🟠 | 🟠 | 🟢 |
| **14.** National Council for Persons with Disabilities | 2017 | 🔴 | 🔴 | 🔴 | 🔴 | 🔴 |
| **15.** Investment Fiji | 2020 | 🟢 | 🟢 | 🟢 | 🟢 | 🟢 |
| **16.** Fiji Teachers Registration Authority | 2018 | 🔴 | 🔴 | 🔴 | 🟢 | 🔴 |

CE=Control Environment  RA=Risk Assessment

CA=Control Activities  IC=Information and Communication Control

MA=Monitoring Activities

# 4.0 Significant Matters

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

Other significant matters highlighted in this report, include control weaknesses, which *could cause* or *is causing* severe disruption to the process or on the ability of the entities 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.

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

## 4.1 Significant Matters

In addition to the qualification issues which are discussed in detail in Appendix A, the following are other significant matters identified in the audit of entities:

| Entities | Significant Matters |
|---|---|
| Consumer Council of Fiji | |
| 2019 | 1. Anomalies in the Procurement of Goods and Services<br><br>The Council's Finance and Asset Management Policy 2017 requires the Finance Officer to obtain at least three written competitive quotes for any procurement of goods, services or works that cost more than $1,000.00. In the event there is no third quote available, two quotes shall be sufficient to justify purchase of goods and services. All Payment voucher must be stamped "PAID" as soon as payments are made.<br><br>On a sample basis, the audit examined 48 payment vouchers and noted the following anomalies:<br><br>• Invoices are not stamped "PAID";<br>• Competitive quotations are not obtained for some of the purchases;<br>• Original invoices were not always attached;<br>• Supporting documents were not attached in some cases; and<br>• Expenditure was wrongly classified.<br><br>The Council agreed to strengthen its review processes to ensure that internal control procedures are applied to all procurement of goods and services. |

| Entities | Significant Matters |
|---|---|
| Consumer Council of Fiji 2019 (con't) | 2. No evidence of General Journals being approved before posting into the system<br><br>It is fundamental that the process of passing general journals are documented in the Council's Finance and Assets Management Policy.<br><br>We noted that there is no requirement provided in the Council's Finance and Asset Management Policy for General Journals to be approved and signed before any entries are made into the system.<br><br>The audit noted that all journals maintained by the Council are system generated which were not properly approved. The hard copy journals were also not provided for audit verification.<br><br>**The Council agreed to incorporate the procedures to prepare and approve the journal vouchers into the Council's Finance and Asset Management Policy.**<br><br>3. Anomalies in VAT Output<br><br>The grant amount for all other expenditure except for payroll cost will be lodged for VAT.[2]<br><br>The Council received grant of $1,460,957 from Ministry of Industry, Trade and Tourism during the financial year. This amount included payroll cost totaling $838,172.<br><br>We noted that the Council only deducted $787,414.78 as payroll cost while lodging VAT. As a result, the Council has over lodged VAT Output by $4,568.15.<br><br>We established that the Council failed to deduct Employer FNPF and FNU levy. Also, an understatement of $3,557 was made for annual leave amount as previous year annual leave amount was included in the current year VAT lodgement and the current year annual leave payable was excluded.<br><br>**The Council agreed with the recommendation to rectify the accounting for VAT and make necessary adjustments in the general ledger.**<br><br>4. Excessive leave balances – Recurring Issue<br><br>Article 23 of the Councils Human Resource Policy requires that an officer to take annual leave in during the year in which it is earned or shortly after the period during the annual leave is earned.<br><br>Contrary to the requirements of the Councils Human Resource Policy, 10 officers of the Council had carried forward leave balances of more than 10 days. This resulted in a booking of annual leave liability of $4,053.44.<br><br>**The Council agreed with the t recommendation to comply with the provisions of its Human Resource Policy.** |

[2] Ministry of Economy Circular Number 10/2009

| Entities | Significant Matters |
|---|---|
| Consumer Council of Fiji 2019 (con't) | 5. Absence of Risk Management Policy and Risk Register – Recurring Issue<br><br>It is imperative that an entity must establish and maintain an entity specific risk management policy that outlines the following at least:<br><br>• defines the entity's approach to the management of risk and how this approach supports its strategic plans and objectives;<br>• defines the entity's risk appetite and risk tolerance;<br>• contains an outline of key accountabilities and responsibilities for managing and implementing the entity's risk management framework; and<br>• is endorsed by the entity's accountable authority.<br><br>We noted that the Council does not have a Risk Management Policy.<br><br>**The Council agreed to develop a risk management policy by the end of 2021 financial year.** |
| Land Transport Authority | |
| 2018 | 1. Variance noted in Agency Revenue recorded with Ministry of Economy<br><br>Any money received by or on behalf of the Authority under the Land Transport Act 1998 or any other written law shall be received and paid by the Authority to the consolidated fund.[3]<br><br>The Authority, as Agent of the State, administers funds collected on behalf of the Fiji Government and is accountable for the transactions involving those funds.<br><br>Disclosed in the financial statements, under "Agency Transactions Administered for the Fiji Government" is various fees and levy received by the Authority amounting to $53,159,100. These funds are deposited into the Consolidated Fund Account (CFA) of government.<br><br>We noted a variance of $3,133,448 between the Authority's records and Financial Management Information System (FMIS) maintained at Ministry of Economy. The Authority was unable to substantiate the variance noted.<br>The Authority agreed with the audit recommendation to perform monthly reconciliation of the funds deposited into the CFA. The Authority further informed us that one of major reasons for the variance is due to the reversal of dishonored cheques in the consolidated fund bank account.<br><br>**We recommended that the Authority should ensure that timely reconciliations are performed and variances are rectified in a timely manner.**<br><br>2. Accounting of Leasehold Land<br><br>The Authority has recorded leasehold land amounting to $8,130,000 in the financial statements. |

[3] Land Transport Act 1998 section 24 (2)

<table>
<tr><th>Entities</th><th>Significant Matters</th></tr>
<tr><td>Land Transport Authority 2018 (con't)</td><td>
We noted that the Authority has not obtained the legal ownership of five of its seven leasehold land valued at $800,000, while two of its land titles valued at $7,330,000 were obtained subsequent to balance date of 31 July 2018. While the Authority uses the leasehold land for its operations, no amortization has been recorded against the value of the land.
The Authority agreed to obtain the legal ownership of the pending leasehold land and account appropriately in the financial statements.
3. Assets with Zero Written Down Value
It is imperative that depreciation rate should be reviewed at least annually and, if the pattern of consumption of benefits has changed, the depreciation rate should be changed prospectively.[4]
The Authority recorded fully depreciated property, plant and equipment with cost totaling $1,341,104 that were still held for use. The useful life of these property, plant and equipment have not been reviewed annually. As a result, depreciation expense has not been charged for the assets during the year.
The Authority agreed with the recommendation to review the useful life of the assets at the end of each financial year and make appropriate changes.
4. Absence of policies and procedures for Risk Management and Disaster Recovery
Having in place clear policies and procedures for risk management and disaster recovery is vital for business continuity
Review of the Authority's Corporate Governance and Information Technology (IT) Governance revealed that there was lack of adequate policies and plans documented to manage the risks and vulnerabilities associated with the Authority's operations.
The following was noted:
<ul>
<li>The Authority does not have a risk management policy in place.</li>
<li>The Authority's disaster recovery plan has not been reviewed and updated since 2013.</li>
</ul>
The Authority agreed with the recommendation to develop policies and procedures for risk management and disaster recovery. As an interim measure, the Authority maintains a risk register for all departments which is reviewed and updated by respective managers and General Managers on:
(i) Reviewed risk appetite<br>(ii) New risk identified; and<br>(iii) Mitigating risk strategies
</td></tr>
</table>

[4] International Accounting Standards 16.61

| Entities | Significant Matters |
|---|---|
| Land Transport Authority 2018 (con't) | 5. Stale cheques not cancelled on time<br><br>Cheques unpresented for four (4) months shall be investigated and replaced if outstanding for six (6) months or more after liaising with the payee. In such cases, the stale cheques shall be cancelled and written bank.[5]<br><br>Audit review of cash revealed that unpresented cheques for financial year end 31 July 2018 was made up of stale cheques amounting $11,722.08 for the operating account and $1,735.46 for capital account.<br><br>This indicates that stale cheques were not cleared in a timely manner.<br><br>**The Authority agreed with the recommendations to prepare reconciliations on a monthly basis and clear stale cheques in a timely manner.** |
| Fijian Elections Office | |
| 2018 | 1. VAT Penalties<br><br>It is imperative that the Office has fully competent staff to deal with tax matters.<br><br>Audit noted that the Office was audited by Fiji Revenue Customs Services for VAT and discrepancy of $44,630 was noted by audit team.<br><br>The discrepancy noted above attracts audit penalty in accordance with Section 46 of the Tax Administration Act 2009 which could go up to 75% if the Office is unable to defend itself successfully.<br><br>**FEO agreed with the recommendation from audit and has implemented the same from 2019 and is submitting Vat Return on a monthly basis. However, there was shortfall of funds which lead to late payment of VAT.**<br><br>2. Significant Errors and Outsourcing of Preparations of Financial Statement<br><br>We noted that the Office had engaged a Chartered Accounting Firm for the preparation of its annual statutory accounts despite employing a Financial Controller.<br><br>However, as shown in Table below, the Office submitted three versions of the draft 2018 accounts for audit in response to the errors noted in the financial statement. This indicates that the draft accounts initially submitted for audit were not of acceptable quality. |

[5] LTA Finance Policy 2015 – section 3.9.2.2

<table>
<tr><th>Entities</th><th>Significant Matters</th></tr>
<tr><td>Fijian Elections Office 2018 (con't)</td><td>
<table>
<tr><th>Draft Financial Statements</th><th>Date of Submission</th></tr>
<tr><td>First Draft</td><td>02/07/2019</td></tr>
<tr><td>Second Draft</td><td>22/10/2019</td></tr>
<tr><td>Third Draft</td><td>21/05/2020</td></tr>
</table>
FEO has stated that it is an independent office and has the right to decide on how the funds are utilized. The office had engaged the CA firm when the FEO has transited from Government Reporting to reporting under IFRS for SME's. The contract was signed for 3 years to guide FEO in the preparation of Financial Statements and provide relevant guidelines. We verily believe that the Auditor General should recognize this as good practice. The FEO ensured that by engaging a highly reputable firm to supervise and prepare its accounts, especially when it migrated from one platform to another protected the recording of finances and the interests of tax payers. The accounts were prepared professionally and have assisted FEO Finance team to take over a well setup machinery from the international firm.
3. Non Compliance to Donor Agreement
The partner will prepare and provide to Ministry of Foreign Affairs and Trade (MFAT) Contract Manager the reports stated in Schedule 1.[6]
A completion report covering the full funding period to be provided to the Donor.[7]
We noted that the Office did not submit the completion report to MFAT as required in the Grant Funding Agreement by the required timeline.
FEO agreed with the recommendation to comply with the funding agreement and submit a report.
4. Overpayment of FNU Levy
The levy shall be equal to one per cent of the total of the gross wages paid by the employers in the period prior to the date of such assessment in respect of all employees on whom this levy is imposed. Any sum due and unpaid on the date shall bear interest from that date at the rate of one per cent per month or part of a month until payment.
The Office was required to pay 1% of Gross Salary amounting to $6,847,796 amounting to $68,477 as FNU Levy to the Fiji National University. Review of the payments made for the FNU levy revealed that there was a variance of $4,664 between the audit calculation of $68,477 and the amount paid by the Office amounting to $73,142. Refer to table below for details.
</td></tr>
</table>

[6]Grant Funding Arrangement, Ministry of Foreign Affairs and Trade (MFAT)and Fijian Elections Office (FEO), Schedule 2, Conditions 5.6

[7] Grant Funding Arrangement, Ministry of Foreign Affairs and Trade (MFAT)and Fijian Elections Office (FEO), Section 6

| Entities | Significant Matters |
|---|---|
| Fijian Elections Office 2018 (con't) | (see below) |

| FNU Levy Calculation | Amount ($) |
|---|---|
| Total Gross Salary and Wages | 6,847,796 |
| FNU levy at 1% | 0.01 |
| Total as per Audit Calculation | 68,477.98 |
| Total as per Trial Balance | 73,142 |
| **Variance** | **4,664** |

FEO clarified that they were not aware that FNU levy applies to all employees and not only for long term staff. FEO clarified with FNU after audit was conducted and FEO managed to clear the payment for short term staff in the next financial year.

5. Absence of Risk Management Policy and Risk Register – recurring

It is imperative that an entity must establish and maintain an entity specific risk management policy that outlines the following at least:

- defines the entity's approach to the management of risk and how this approach supports its strategic plans and objectives;
- defines the entity's risk appetite and risk tolerance;
- contains an outline of key accountabilities and responsibilities for managing and implementing the entity's risk management framework; and
- is endorsed by the entity's accountable authority.

It is also best practice to have a Disaster Recovery Plan. Disaster recovery involves a set of policies, tools and procedures to enable the recovery or continuation of vital technology infrastructure and systems following a natural or human-induced disaster. Disaster recovery focuses on the IT or technology systems supporting critical business functions, as opposed to business continuity, which involves keeping all essential aspects of a business functioning despite significant disruptive events. It is imperative to have a Disaster Recovery Plan to ensure that all records are secure from data security breaches and natural disasters.

It was noted that the Office does not have a Risk Management Policy and Disaster Recovery Plan.

FEO has indicated that it has noted the recommendation to develop a risk management policy and disaster recovery plan and further explained that the office has only been operational for the last 4 years and has been continuously building and developing its organizational policies and processes. In some areas, the FEO has had to wait for the establishment or creation of the base processes first before devising more comprehensive overlying frameworks.

Risk Management, aversion and handing policy has been a policy that has been work in progress for the FEO. Being an EMB, the FEO has had to consider additional matters that form the prime basis for consideration and remedial action such as polling operations, decentralization plan etc.

| Entities | Significant Matters |
|---|---|
| | |
| FIJI Human Rights and Anti-Discrimination Commission (FHRADC) | |
| 2008 – 2016 | 1. Anomalies in Cash and Cash Equivalents |

Our review of the cash and cash equivalent revealed the following anomalies:

- Unreconciled variances between the bank reconciliations statements and the balances reported in the 2008 to 2016 financial statements. Refer to the table below for details:

| Financial Year | Bank Reconciliation Balance ($) | Balance as per Financial Statements ($) | Variance ($) |
|---|---|---|---|
| 2008 | 136,460 | 139,963 | 3,503 |
| 2009 | 224,444 | 227,928 | 3,484 |
| 2010 | 114,019 | 117,532 | 3,513 |
| 2011 | 56,442 | 67,921 | 11,479 |
| 2012 | 89,160 | 100,500 | 11,340 |
| 2013 | 92,625 | 103,993 | 11,368 |
| 2014 | 216,870 | 229,973 | 13,103 |
| 2015 | 328,121 | 341,253 | 13,132 |
| 2016 | 140,771 | 148,736 | 7,965 |

- Bank reconciliations we're not prepared by the Clerical Officer and reviewed/verified by the Manager Finance. Instead, it was prepared by the Manager Finance and checked/reviewed by the Clerical Officer.

We recommended the following:

- The Commission should provide training to its accounting officers to carry out monthly bank reconciliation correctly for all its bank accounts.
- Cash and cash equivalents balance reflected in the financial statements should be properly reconciled to the bank reconciliations. Any variances arising should be investigated and resolved.
- The Clerical Officer should prepare the monthly bank reconciliations, reviewed and verified by the Manager Finance.

2. Trade and Other Receivables

The Commission did not provide sufficient appropriate supporting documents to substantiate the trade and other receivables balances reported in the 2008 to 2016 financial statements. Refer to the table below for details:

| Entities | Significant Matters |
|---|---|
| FHRADC - 2008 – 2016 (Con't) | (see below) |

| Financial Yeark4 | Financial Statement Balance ($) |
|---|---|
| **2008** | 14,140 |
| **2009** | 12,618 |
| **2010** | 12,833 |
| **2011** | 12,964 |
| **2012** | 12,964 |
| **2013** | 12,964 |
| **2014** | 15,603 |
| **2015** | 16,521 |
| **2016** | 37,411 |

We recommended the following:

- Documentations to support trade and other receivables balance should be properly kept and reconciliations are prepared.
- Proper records management should be established to ensure systematic storage that will allow easy identification and retrieval of documents and records.
- Supervision and proper monitoring of accounting responsibilities should be improved.

3. Plant and Equipment

Our review of the plant and equipment account revealed the following anomalies:

- The Commission did not maintain a fixed asset schedule and fixed asset register.
- Variances were noted between additions to plant and equipment reported in the 2008 to 2016 financial statements and purchase assets listing (assets expenditure ledger) provided by the Commission. Refer to table below for details.

| Year | Financial Statements ($) | Assets Expenditure Ledger ($) | Variance ($) |
|---|---|---|---|
| **2008** | 16,133 | 26,416 | 10,283 |
| **2009** | 11,271 | 6,499 | 4,772 |
| **2010** | - | 4,408 | 4,408 |
| **2011** | - | 4,731 | 4,731 |
| **2012** | 5,379 | 7,481 | 2,102 |
| **2013** | - | 1,641 | 1,641 |
| **2014** | - | 6,607 | 6,607 |
| **2015** | - | 527 | 527 |

| Entities | Significant Matters |
|---|---|

| | | | |
|---|---|---|---|
| **2016** | 25,367 | - | 25,367 |

FHRADC - 2008 – 2016 (Con't)

- Assets purchased during the years 2008 to 2016 were not recorded in the assets expenditure ledger.
- There was no evidence to indicate that the Commission depreciated its plant and equipment for the years ended 31 December 2008 to 31 December 2015 and for the year ended 31 July 2016.

We recommended the following that the Commission should:

- Maintain a detailed list of assets in the fixed assets register, and prepare a fixed asset schedule.
- Provide training to its accounting officers to correctly record and update purchase of assets in the fixed assets schedule, fixed assets register book, and in the books of accounts.

Supervision, and proper monitoring and control of the Commission's assets should be improved.

**4. Incorrect Recording of Grant Income**

Our review of the grant income revealed the following anomalies:

- Grants were recorded at VAT inclusive amounts in the general ledger. Consequently, the grant income reported in the 2008 to 2015 financial statements were not fairly stated.
- Variances were noted between grant income received and amount recorded in the financial statements. Refer to table below for details:

| Year | Financial Statement ($) | Received ($) | Variance ($) |
|---|---|---|---|
| **2008** | 979,239 | 950,000 | 29,239 |

We recommended that the Commission should provide training to its accounting officers to correctly record grant income transactions and carry out its accounting functions efficiently and effectively.

**5. Variance in Salaries and Wages**

Our review of the salaries and wages account revealed the following anomalies:

- Variances were noted between audit calculations from the payroll reports and amounts reflected in the financial statements. Refer to table below for details.

| Entities | Significant Matters |
|---|---|
| FHRADC - 2008 – 2016 (Con't) | (see below) |

| Year | Financial Statements (includes FNPF and PAYE) ($) | Audit calculation from payroll record ($) | Variance ($) |
|---|---|---|---|
| **2008** | 590,387 | 589,875 | 512 |
| **2009** | 536,974 | 531,838 | 5,136 |
| **2010** | 410,854 | 408,103 | 2,751 |
| **2011** | 314,379 | 321,333 | 6,954 |
| **2012** | 317,092 | 315,958 | 1,134 |
| **2013** | 342,158 | 341,122 | 1,036 |
| **2014** | 342,713 | 342,694 | 19.00 |
| **2015** | 367,224 | 361,500 | 5,724 |
| **2016** | 251,649 | 233,828 | 17,821 |

- Variances were noted between the FNPF and PAYE balance reflected in the financial statements and supporting documentation. Refer to table below for details.

| Year | Total FNPF Paid ($) | Total PAYE Paid ($) | Total FNPF and PAYE Paid ($) | Financial Statements ($) | Variance ($) |
|---|---|---|---|---|---|
| **2008** | 87,345 | 74,584 | 161,929 | 174,887 | 12,958 |
| **2009** | 78,737 | 50,239 | 128,976 | 140,555 | 11,579 |
| **2010** | 60,413 | 27,837 | 88,250 | 95,413 | 7,163 |
| **2011** | 47,565 | 16,694 | 64,259 | 69,119 | 4,860 |
| **2012** | 46,778 | 7,042 | 53,820 | 58,785 | 4,965 |
| **2013** | 50,507 | 12,987 | 63,494 | 65,628 | 2,134 |
| **2014** | 50,770 | 13,300 | 64,070 | 74,368 | 10,298 |
| **2015** | 57,686 | 17,525 | 75,211 | 80,166 | 4,955 |
| **2016** | 37,161 | 16,951 | 54,112 | 63,099 | 8,987 |

We recommended the following:

- The Commission should take appropriate actions to investigate and resolve the variances.
- The Commission should prepare reconciliations between payroll records and financial statements/general ledger. Any variances arising should be immediately investigated and resolved.
- Supervision and proper monitoring of the payment and recording of salaries and wages should be improved.

6. Payment of FNU Levy

It is a statutory requirements pursuant to the levy order for all employers to pay a levy to Fiji National University's National Training and Productivity Centre. The levy is calculated at the rate of 1% of the total gross emoluments.

There was no evidence to indicate that the Commission paid 1% of the total gross emoluments to Fiji National University's National Training and Productivity Centre in accordance with the FNU levy order.

| Entities | Significant Matters |
|---|---|
| HRADC - 2008 – 2016 (Con't) | **The recommended that the Commission should accrue non-payment of FNU Levy from financial years 2008 to 2016, and make all efforts to pay the amount due to Fiji National University.**<br><br>7. VAT Returns Not Lodged<br><br>Section 33(1) of the Value Added Tax (VAT) Act 1991, states that, "Every registered person shall, on or before the last day of the month following the last day of every taxable period, without notice or demand furnish to the Commissioner a tax return, in such prescribed form as may be approved by the Commissioner".<br><br>The Commission did not lodge VAT returns for the financial periods 2008 -2016.<br><br>**We recommended that the Commission should ensure that VAT returns are properly prepared and lodged in a timely manner.**<br><br>8. Anomalies in payroll<br><br>Our review of the payroll records revealed the following anomalies:<br><br>• Personal files were not updated with the current salary rate, signed contract, and other employee records such as application letter and offer letter, resume, and qualifications.<br>• There was no evidence to indicate that proper recruitment and resignation process were followed.<br>• Annual leave listing was not properly maintained.<br><br>**We recommended that the Commission should ensure that all personnel files, payroll records, and related documents are properly maintained up-to-date and made available for audit review.**<br><br>9. Accounting records not provided<br><br>We were not provided with the following documents for audit verification:<br><br>• Cheque books used during the financial years 2008 to 2014.<br>• Cancelled cheques and cancelled cheque register.<br><br>**Proper records management should be established to ensure systematic storage that will allow easy identification and retrieval of documents and records.**<br><br>**As response to the significant matters noted above, the Commission provided the following plans to improve the accounting system and process:**<br><br>**i. The Commission will use an accounting system to maintain record of all transactions relating to periods 2017, 2018, 2019 and 2020 This would assist the Commission to:**<br><br>**a) Construct general ledger book (books of account).** |

<table>
<tr><th>Entities</th><th>Significant Matters</th></tr>
<tr><td></td><td>b) Generate detailed system trial balance.<br>c) Generate balance sheet reports and detailed profit and loss reports.<br>d) Generate detailed general ledger report.<br><br>ii. The Commission agreed to maintain reconciliations of all statements of financial position general ledger accounts. Additionally, all required policies and procedures will be prepared and approved and implemented.</td></tr>
<tr><td colspan="2">Water Authority of Fiji (WAF)</td></tr>
<tr><td>2017</td><td>1. Anomalies in Accounting of Property Plant and Equipment<br><br>It is imperative that depreciation rate should be reviewed at least annually and, if the pattern of consumption of benefits has changed, the depreciation rate should be changed prospectively.[8]<br><br>Audit review of the accounting of property plant and equipment (PPE) revealed the following:<br><br>• Opening balance of PPE amounting to $1,888,909,608 for the year ended 31 December 2010 was not subject to valuation at the time of the transfer to Water Authority of Fiji. The valuation of these assets was carried out in 2016. Consequently, audit was unable to confirm the value of the opening balance of property, plant and equipment when it was transferred in 2010.<br><br>• The Authority has not obtained the legal ownership of the land as at 31 July 2017. While the Authority uses the leasehold land for its operations, no amortization has been recorded against the value of the land.<br><br>Consequently, audit is unable to determine if any adjustment that would be required in respect to the amortization of the land and the impact that it will have on the carrying amount of the land in the statement of financial position and the amortization expense in the income statement.<br><br>• The Authority has not undertaken a full review on impairment of assets with zero book values totaling $5,527,649 included in its property, plant and equipment. It is yet to carry out a review of the depreciation rates and the remaining economic useful lives of individual major classes of plant and equipment in a progressive and structured manner for consideration and review by the Directors.<br><br>• Fixed Assets and Project Management Policy does not include the useful life and depreciation rates for numerous class of assets recorded in the Fixed Assets Register (FAR) to confirm the rates which the Authority has reflected in the financial statements.<br><br>• A Board of survey of assets listed in the Fixed Assets Register (FAR) for the financial year 2017 was not carried out by the Authority.<br>• We also noted that the FAR does not record a unique serial numbers assigned to each asset.</td></tr>
</table>

[8] International Accounting Standards 16.61

| Entities | Significant Matters |
|---|---|
| Water Authority of Fiji 2017 (con't) | The Authority agreed to:<br><br>• Undertake a full verification of its property, plant and equipment. This will enable the Authority to determine if its assets exist and whether the assets register is complete and accurate.<br>• Revalue assets to determine the useful life of zero value assets that are currently in good and usable condition.<br>• Urgently carry out stock take of its fixed assets and remove assets no longer in existence from the Fixed Asset Register.<br>• Review the useful lives and depreciation methods and rates of its assets;<br>• Tag assets with unique serial numbers for ease of identification and tracking and also record the same in the FAR.<br>• Ensure that the title of the leasehold land is transferred to the Water Authority of Fiji.<br><br>2. Negative Cash Flow from Operating Expenses<br><br>It is imperative that the Authority maintain a positive operating cashflow.<br><br>Audit review of the Authority's statement of cashflow noted a negative cash flow of $61,318,600 from Authority's operating activities. In comparisons with the 2016 the negative cashflow has increased by 198%.<br><br>The Authority should review the financial position on a regular basis against the budget and work towards improving the cashflow from operating activities.<br><br>The Authority noted the audit observation and stated that stringent budget and virement process are in place to minimize negative cash flow risk for the Authority. Also an approved SOP on budget is in place together with a weekly cash flow forecast for management reporting & analysis.<br><br>3. Absence of policies and procedures for Risk Management and Disaster Recovery<br><br>Having in place clear policies and procedures for risk management and disaster recovery is vital for business continuity<br><br>It is a best practice to have Disaster Recovery Plan. Disaster recovery involves a set of policies, tools and procedures to enable the recovery or continuation of vital technology infrastructure and systems following a natural or human-induced disaster. Disaster recovery focuses on the IT or technology systems supporting critical business functions, as opposed to business continuity, which involves keeping all essential aspects of a business functioning despite significant disruptive events. It is imperative to have a Disaster Recovery Plan to ensure that all records are secure from data security breaches and natural disasters.<br><br>Review of the Authority's Corporate Governance and Information Technology (IT) Governance revealed that there was lack of adequate policies and plans documented to manage the risks and vulnerabilities associated with the Authority's operations. |

<table>
<tr><th>Entities</th><th>Significant Matters</th></tr>
<tr><td>Water Authority of Fiji 2017 (con’t)</td><td>We noted that the IT Governance policies which includes disaster recovery plan was in the review stage and yet to be finalized.<br><br>The Authority agreed with audit recommendation to expedite the process of finalizing the policies and procedures for risk management associated with Authority’s operations.</td></tr>
<tr><td colspan="2">Agricultural Marketing Authority (AMA)</td></tr>
<tr><td>2010 – 2016</td><td>1. Anomalies in Accounts Receivable<br><br>Audit review of the accounts receivable balance noted the following anomalies:<br><br>• In 2010, the Authority did not maintain a listing of trade receivable of $358,625. In addition, supporting documents for selected sales transactions were not provided for audit verification.<br>• In 2011, there was an unexplained difference of $214,676 between the Accounts Receivable (AR) sub ledger and the General Ledger (GL). In addition, the Authority did not maintain a listing of trade receivables of $337,858 and did not have a policy for determination of provision for doubtful debts or bad debts.<br><br>Review of the AR individual balances was done through inspection of the invoices as majority of the AR accounts had not subsequently paid their respective accounts. It is unclear whether these debts existed at balance date. There were numerous invoices which were missing and not available for audit review. As a result, we could not ascertain the accuracy and completeness of the accounts receivable balances.<br><br>The Authority did not provide comments to the issues raised. We recommend that the Authority reconcile its AR sub ledger to its GL monthly and promptly follow up on any identified differences and make appropriate adjustments. The reconciliation should be reviewed by a Senior Accounts personnel within the finance team. In addition, the Authority should develop a policy for provision for doubtful debts.<br><br>2. Inventory<br><br>Audit review of the inventory balance noted the Authority did not maintain a listing for inventories for the years 2010 – 2016. Furthermore, year-end stock takes were not performed by the Authority. Refer to the table below for inventory balances which could not be confirmed for existence, completeness and accuracy.<br><br>
<table>
<tr><th>Year</th><th>Inventory Balance ($)</th></tr>
<tr><td>2010</td><td>30,845</td></tr>
<tr><td>2011</td><td>31,307</td></tr>
<tr><td>2012</td><td>31,307</td></tr>
<tr><td>2013</td><td>32,113</td></tr>
<tr><td>2014</td><td>34,307</td></tr>
<tr><td>2015</td><td>39,072</td></tr>
<tr><td>2016</td><td>40,826</td></tr>
</table>
</td></tr>
</table>

| Entities | Significant Matters |
|---|---|
| AMA 2010 - 2016 (con't) | The Authority did not provide comments to the issues raised despite several follow ups. We recommend that the Authority performs annual inventory stock take and maintain proper listing for inventories at year end. |

3. Property, Plant & Equipment Anomalies

Audit review of the property, plant and equipment (PPE) balance noted that the total value of PPE as per the listing maintained by the Authority did not agree with the general ledger account balances. In addition, the Authority does not have a policy for carrying out a periodic physical verification of assets.

Refer to the table below for details of variances noted per year.

| Year | Variance ($) |
|---|---|
| **2011** | 21,914 |
| **2012** | 4,996 |
| **2013** | 38,581 |
| **2014** | 91,016 |
| **2015** | 91,016 |

Furthermore, the Authority did not provide supporting documents and details for additions to property, plant and equipment totaling $301,215 and $787,320 for financial years 2015 and 2016, respectively.

The Authority did not provide comments to the issues raised despite several follow ups. We recommend that the Authority should:

- Reconcile the costs and accumulated depreciation as per the fixed assets register to the general ledger, investigate the cause of these variance, and make appropriate adjustments.
- Establish a policy for the periodic verification of fixed assets. This would ensure the existence of assets included in the fixed asset listing and improve the accuracy of periodic financial reporting as misappropriations and errors would be detected on a timely basis.

4. Anomalies in Accounts Payable

Our audit noted that the Authority did not perform reconciliations and maintain listing for trade payables for years 2010 -2014 and 2016. Refer to the table below for balances which cannot be validated.

| Year | Trade Payable ($) |
|---|---|
| **2010** | 257,112 |
| **2011** | 247,105 |
| **2012** | 257,641 |
| **2013** | 243,576 |
| **2014** | 322,174 |
| **2016** | 141,051 |

<table>
<tr><th>Entities</th><th>Significant Matters</th></tr>
<tr><td>AMA 2010 - 2016 (con't)</td><td>
The Authority did not provide comments to the issues raised despite several follow ups. We recommend that monthly statements should be requested from all suppliers. The suppliers' balances should be reconciled to the Authority's accounting records on a regular basis and variances are investigated and resolved.
5. Anomalies in VAT Account
We noted that the Authority did not perform VAT reconciliations for the financial years under review. As a result, audit was unable to ascertain whether Value Added Tax have been accurately accounted for and disclosed in the financial statements for the year end. Refer to the table below for balances which cannot be validated.
<table>
<tr><th>Year</th><th>VAT Payable ($)</th></tr>
<tr><td>2011</td><td>97,790</td></tr>
<tr><td>2012</td><td>83,473</td></tr>
<tr><td>2013</td><td>64,144</td></tr>
<tr><td>2014</td><td>100,841</td></tr>
<tr><td>2015</td><td>114,073</td></tr>
<tr><td>2016</td><td>89,675</td></tr>
</table>
The Authority did not provide comments to the issues raised despite several follow ups. We recommend that the Authority should ensure that VAT Assessment are obtained to allow to ascertain whether sales recorded as per general ledger was same as the sales lodged as client does not do any assessments.
6. Unsupported Adjustments to Retained Earnings
Adjustments passed to books of accounts must be supported with relevant supporting documents.
We noted that adjustments passed to retained earnings to balance the financial statements for years 2010 – 2016 were not supported. Refer to the table below for details:
<table>
<tr><th>Year</th><th>Adjustment Passed to Retained Earnings ($)</th></tr>
<tr><td>2010</td><td>126,433</td></tr>
<tr><td>2011</td><td>126,433</td></tr>
<tr><td>2012</td><td>33,785</td></tr>
<tr><td>2013</td><td>214,551</td></tr>
<tr><td>2014</td><td>142,746</td></tr>
<tr><td>2015</td><td>85,461</td></tr>
<tr><td>2016</td><td>261,085</td></tr>
</table>
The Authority agreed with audit recommendation to provide the supporting documents for adjustments made to retain earnings with full disclosure in the financial statements.
7. Outstanding Information
</td></tr>
</table>

<table>
<tr><th>Entities</th><th>Significant Matters</th></tr>
<tr><td></td><td>The Authority did not provide relevant supporting documents including solicitors' confirmation and explanation in relation to events subsequent to balance date review.<br><br>These information were not provided for financial years 2011 to 2016.<br><br>The Authority agreed with the recommendation to ensure that any litigations, civil actions against the company are recorded as contingent liability. In addition, it was agreed by the Company to disclosure events subsequent to balance date in the financial statements.</td></tr>
<tr><td colspan="2">Fiji Higher Education Commission (FHEC)</td></tr>
<tr><td>2018</td><td>1. Non Existence of Database<br><br>As at 31 July 2018, the Commission recorded as intangible asset a database, with a cost of $140,211, in the Statement of Financial Position.<br><br>The audit was unable to verify the existence of the database and noted that the Commission did not have control over the database. As a result, there was a loss of funds totalling $140,212 for a database that did not materialise.<br><br>The Commission made a disclosure in the Notes to the financial statements on actions taken and/or planned to be taken to regain control of the database. The Commission has established contact with the vendor to complete the project under a new arrangement and will make an independent assessment of the system to determine any other future action to salvage the investment. However, the cost of developing the database has been booked in its books of account.<br><br>2. Delays in the submission of draft financial statements and finalisation of audited Financial Statements<br><br>At the end of the financial year the Commission shall submit an annual report which must include an audited financial report to the Minister on or before 30 September the following year.<br><br>The draft financial statements of the Commission for the year ended 31 July 2018 was received for audit on 01/08/19. In addition, the audited financials were issued for signing on 03/06/2020, later re-issued for signing on 01/10/20 and was eventually signed off on 09/10/20.<br><br>The delays in submission of draft financial statements for audit and signing of audited financial statements led to the delays in preparing the annual report of the Commission.<br><br>The Commission noted that the submission of the 2018 financial statements was unduly delayed and has prioritised the clearance of the backlog.</td></tr>
<tr><td colspan="2">Fiji Revenue and Customs Services (FRCS)</td></tr>
<tr><td>2018</td><td>1. Listing of Government Debtors not maintained<br><br>A detailed listing was not maintained by FRCS for Government Debtors - Tax Arrears amounting to $151 million, as disclosed in Note 30(b) of the financial statements as at 31 July 2018. In addition, there were no ageing reports prepared for arrears relating to Customs.</td></tr>
</table>

| Entities | Significant Matters |
|---|---|
| FRCS – 2018 (con't) | The above were due to the limitations in the ASYCUDA system to generate detailed reports.<br><br>The FRCS has noted the recommendation to ensure that its software has the ability to generate detailed listings of its government debtors and ageing reports for better decision-making.<br>2. Increasing Trend for Government Debtors<br><br>Government debtors increased by $133.4 million or 41% in 2018, an increase from $329.1 million in 2017 to $462.6 million. The major increase was in TELS Debtors of $93.5 million.<br><br>Refer to the table below for the ageing of debtors for Income Tax and VAT: |

| Age of Debtors | Total Debt ($) | Percentage (%) |
|---|---|---|
| 31-60 Days | 24,407,507 | 17% |
| 61-90 Days | 12,296,127 | 9% |
| 91 Days-2 Years | 71,277,231 | 50% |
| 2-5 Years | 21,446,142 | 15% |
| More than 5 years | 12,570,819 | 9% |
| **TOTAL** | **141,997,826** | |

We had recommended for the FRCS to implement strategies to reduce the arrears. In response, FRCS stated that through review of the various Debts outstanding has been carried out and all non-cooperating debtors are being carefully profiled for a stricter recovery process to be undertaken such as Property and Vehicles Sales, Temporary Closure of Business and seizure of goods.

3. Government Liabilities

We noted that FRCS did not maintain the ageing of income tax refunds amounting to $17.1 million and VAT refunds amounting to $147.1 million as at 31 July 2018. In addition, we also noted that total Government Liabilities as at 31 December 2018 increased by $69.8 million or 74% in 2018 compared to $94.5 million in 2017.

We recommended that management ensure that the tax system has the ability to generate aging for tax and VAT refunds outstanding and that refunds are processed in a timely manner.

In responding to the audit issue, the FRCS commented that although there is no systematic way currently whereby the age of refunds is extracted and recorded, FITS does have timelines for each refund case and it is compiled manually. In terms of FRCS's ability to pay out these refunds, $68 million out of the $134 million (VAT Refund) was ready to be cleared. The rest were on hold because of issues like insufficient evidence or missing returns.

| Entities | Significant Matters |
|---|---|
| FRCS – 2018 (con't) | 4. Loss of funds – VAT Monitoring System (VMS)<br><br>We noted that expenses incurred for acquiring VMS, amounting to $849,738 was treated as sunk cost and expensed under Research and Development in the financial year ended 31 July 2018.<br><br>In June 2016, the FRCS paid part of the cost of the VMS software, which was recorded under Work In Progress (WIP). With the introduction of the Tax Administration (Electronic Fiscal Devise) Regulations 2017, the initial software being developed did not have certain features that would allow the implementation of the requirements of the regulation. As such, the FRCS engaged a separate vendor to supply a new VMS software resulting in the expensing of costs already incurred.<br><br>In addition, the audit also noted that there was no contractual agreement signed with the initial supplier of the VMS software.<br><br>We had recommended that FRCS should anticipate changes in tax law requirements as part of due diligence when planning for projects of such magnitude. In addition, the FRCS should ensure that written contracts are signed with suppliers for any major contract to safeguard the interest of the Service. In its response, the FRCS commented that the sunk cost was minimal compared relative to the full cost of implementation, that there was only one supplier (monopoly situation) and agility of the proposed solution and flexibility of the vendor. Moving forward, the FRCS agreed to issue formal contracts.<br><br>5. Lack of Land Titles – Recurring Issue<br><br>We noted that there were no ownership documents such as a certificate of title or lease for land located at Rodwell Road in Suva and recorded as investment property ($3.6 million) and property, plant and equipment ($4.8 million). As such, the ownership and the type of land (freehold or leased) recorded in the financial statements could not be ascertained.<br><br>We had recommended that FRCS expedite its discussions with the relevant authorities on the ownership of its "land & buildings" in accordance with Part III, Section 16 of the Revenue & Customs Service Act 1998.<br><br>In its response, the FRCS commented that they had written to the Ministry of Lands requesting for a lease to be issued. In response to the FRCS letter, the Ministry of Lands had requested to have the land surveyed and necessary approval is sought from Suva City Council (SCC). A scheme plan was issued after conducting the survey and SCC is in the process of approving the scheme plan before it is submitted to the Ministry of Lands for further processing and issuance of the lease. The FRCS will continue to follow up with SCC and the Ministry of Lands to expedite the process.<br><br>6. Delay in finalisation of the Financial Statements<br><br>The audit of the financial statements of the Fiji Revenue and Customs Service for the year ended 31 July 2018 was finalised after the legislated deadline due to changes made to the balances |

| Entities | Significant Matters |
|---|---|
| FRCS – 2018 (con't) | in the financial statements after the submission of the initial draft financial statements for audit. Refer to the table below for details of resubmitted draft financial statements for audit. |

| Draft Financial Statements | Date Submitted |
|---|---|
| First Draft | 16th August 2018 |
| Second Draft | 28th August 2018 |
| Third Draft | 18th December 2018 |
| Fourth Draft | 28th June 2019 |
| Fifth draft | 07 July 2020 |

The primary reason for the issue was the absence of regular reconciliation of the agency transaction which resulted in the delays in the finalisation of the audit of the financial statements.

**The FRCS has noted the recommendation and will provide full support in future to get the audit completed on or before time.**

**7. No Proper handover of "Tertiary Education Loan Scheme" (TELS) Receivable**

The Minister for Economy in his 2017-2018 National Budget Address on 29 June 2017 announced the transfer of the tertiary loan recovery function from Tertiary Scholarship Loans Board (TSLB) to the FRCS. This change came into effect on 1 August 2017 with the necessary amendments enacted on the Tertiary Scholarship and Loans Act of 2014.

We noted that there was no proper handover of the TEL's records from Tertiary Scholarship Loans Board (TSLB) to FRCS.
The TELS balance included $24.3 million which had not been entered into the TELS portal with FRCS as these are students without Tax Identification Numbers.

**We had recommended that management ensure proper and formal hand over is carried out for any transfer of functions to FRCS. In addition, FRCS should ensure that TELS balances are properly reconciled and the TELS portal with FRCS is updated accordingly.**

**Moving forward, FRCS will continue to feed information to every students' MYINFO PORTAL.**

**8. Government Revenue**

Amounts totalling $1.2 billion and $1.0 billion were collected from Income Tax and VAT respectively for the year ended 31 July 2018.

We noted that FRCS was not able to provide the following:

- the amount of arrears collected during the year; and
- which year's arrears were collected during the year.

The tax system was not able to generate a report which provide the details of the collection by taxable year.

| Entities | Significant Matters |
|---|---|
| FRCS – 2018 (con't) | We had recommended that FRCS should improve FITS to enable tax collected to be sorted according to the taxable period. In addition, FRCS should be able to identify the amount of arrears collected during the year and which year's arrears were collected during the year. The FRCS acknowledged the recommendations and the issue will be addressed in the New Tax Information System.<br><br>9. No Report and Action Plan<br><br>The FRCS and a service provider signed a contract for the secondment from the service provider for the purpose of assisting FRCS in enhancing its tax investigation and compliance activities. The duration of the secondment was from 15 January 2018 to 21 December 2018. It was also agreed in the terms of offer that an agreed format of monthly reporting dashboard to be prepared by the service provider and delivered monthly to FRCS.<br><br>We noted that a report or an action plan was not provided by the service provider to determine the skills or value enhancement to FRCS's staffs. The total payment made to the service provider was $3.4 million for year ended 31 July 2018.<br><br>We had recommended that FRCS ensure that requirements of all agreements of service are fulfilled before payment is made.<br><br>In response, FRCS commented that the contract signed between FRCS and the service provider was for secondment of the service provider's staffs to assist FRCS in its Tax Investigation and Compliance. The seconded staffs were conducting the actual audit in the fields together with FRCS staffs to generate revenue and to improve compliance.<br><br>In addition, during this process in the field they were mentoring and coaching FRCS staffs on relevant skills and techniques required to handle the audits. The service provider has also developed a data warehouse, which is used by the FRCS audit team for tracking of audit cases. Furthermore, as per the contract, FRCS agree that the service provider will provide the timesheet, detailing the actual work performed and the hours spent. Finally, confirmation on the job performed was sought from respective FRCS Team Leaders before payment was released to the service provider.<br><br>10. Public Auction Creditors not cleared<br><br>We noted that public auction creditors totalling $143,278, from 2012, were still outstanding and therefore reflected in the Creditors Listing. This balance relate to offshore creditors, which the FRCS has been unable to identify and make payments. The balance was still recorded under liabilities as the Service anticipated that these creditors may make claims in the future.<br><br>We had recommended that FRCS exhaust all avenues to locate these Creditors and clear its liabilities.<br><br>In response to the audit issue, FRCS commented that the tax payer resides overseas and FRCS do not have any contact details. Nevertheless, the FRCS has contacted the legal representative in Fiji seeking their assistance in tracking the tax payer. |

<table>
<tr><th>Entities</th><th>Significant Matters</th></tr>
<tr><td>FRCS – 2018 (con't)</td><td>11. Expired Tenancy Agreement<br><br>We noted that the tenancy agreement between FRCS and the Department of Immigration had expired on 1 January 2015. The lack of a valid tenancy agreement increases the risk of unsuccessful lawsuit against the tenant in case of damages caused to the property.<br><br>FRCS has noted the recommendation to expedite the processing of the tenancy agreement.<br><br>In response to the audit issue, FRCS commented that a new tenancy agreement was submitted to the Ministry of Economy for signing. The agreement was not signed due to some repair and maintenance issues raised by the Department of Immigration. A feasibility study whether to repair or construct was carried and it was noted that it was more feasible to demolish and construct. A proposal for reconstruction was submitted to the FRCS Board for approval however, it was declined due to the fact that FRCS is not in property development business and FRCS's core activity is revenue collection, trade facilitation and border security. Thus, the Board suggested for FRCS to dispose of the property and to concentrate on its core business.<br><br>12. Non-Compliance with the requirement of the 2013 Constitution<br><br>Disclosed in Note 29 of the financial statements is the waiver/write off of penalties by FRCS amounting to $121.8 million for the year ended 31 July 2018.<br><br>We noted that FRCS did not comply with the requirement in section 139 (3) (b) of the 2013 Constitution. Even though record of waivers were maintained by the entity, these were not formally reported to the Auditor-General as required in the 2013 Constitution.<br>The FRCS was not aware of this requirement of the Constitution at the time of the audit.<br><br>The FRCS has noted the recommendation to ensure that the requirement of the 2013 Constitution is complied with and will be submitting quarterly reports of waivers/write offs.</td></tr>
<tr><td colspan="2">National Council for Persons with Disabilities</td></tr>
<tr><td>2017</td><td>1. Absence of Risk Management Policy/Framework<br><br>It is imperative that an entity must establish and maintain an entity specific risk management policy that outlines the following at least:<br><br>• defines the entity's approach to the management of risk and how this approach supports its strategic plans and objectives;<br>• defines the entity's risk appetite and risk tolerance;<br>• contains an outline of key accountabilities and responsibilities for managing and implementing the entity's risk management framework; and<br>• is endorsed by the entity's accountable authority.<br><br>It is also best practice to have a Disaster Recovery Plan. Disaster recovery involves a set of policies, tools and procedures to enable the recovery or continuation of vital technology infrastructure and systems following a natural or human-induced disaster. Disaster recovery</td></tr>
</table>

| Entities | Significant Matters |
|---|---|
| National Council for Persons with disabilities (Con't) | focuses on the IT or technology systems supporting critical business functions, as opposed to business continuity, which involves keeping all essential aspects of a business functioning despite significant disruptive events. It is imperative to have a Disaster Recovery Plan to ensure that all records are secure from data security breaches and natural disasters.<br><br>The Council did not have a risk management framework or policy in place. In addition, disaster recovery and business continuity plan was non-existent.<br><br>Moreover, the audit also noted the Council's Human Resources Policy was still in a draft format yet to be approved by the Council.<br><br>**The Council agreed to the findings and noted the audit recommendations to:**<br><br>• **develop a risk management policy and Disaster Recovery/Business Continuity plan; and**<br>• **review and finalize the Human Resources Policy.**<br><br>2. Board of Survey not conducted<br><br>Audit noted that annual Board of Survey have not been conducted since 2009.<br><br>The Council may not be able to identify items, which are unserviceable, missing or those that need to be disposed off.<br><br>**The Council agreed that a Board of Survey will be carried out before 31 July 2021.** |
| Fiji Teachers Registration Authority (FTRA) | |
| 2018 | 1. Number of Teachers Registered with the FTRA<br><br>We noted variances between the records of the Ministry of Education and FTRA on the number of teachers employed by the Ministry and the number registered with the Authority.<br><br>The Fiji Education Staffing Appointment System (FESA), which report on all current and active teachers, showed a total of 13,126 teachers under the Ministry. However, only 12,566 teachers were registered with Fiji Teacher Registrations Authority, resulting in a variance of 560 between the records of the Ministry and the Authority.<br><br>There is a risk that not all active teachers are registered with the FTRA.<br><br>**The Authority noted the recommendations to carry out a review of the teacher registration process, the information database on teachers and to reconcile the records of FTRA with that of the Ministry of Education.**<br><br>2. Absence of Risk Management Policy |

| Entities | Significant Matters |
|---|---|
| FTRA (Con't) | The Authority does not have a risk management framework in place. As a result, the Authority does not have written policies, procedures and guidelines to manage risks associated fraud and corruption, disaster recovery & business continuity and risk management in general.<br><br>**The Authority noted the recommendations to establish a governance and accountability function that support the operations of the Authority by providing financial and operational risk management of external reporting obligations, a risk management framework should be developed and used and to consider developing a disaster recovery plan.**<br><br>**With the appointment of the new General Manager, a draft version of the policy has been developed which is currently being reviewed.**<br><br>3. Absence of a Comprehensive Accounting /Finance Manual<br><br>The Authority does not have an accounting/finance manual to govern its accounting/finance functions. Currently the Authority relies on the finance manual of the Ministry of Education.<br><br>This was due to the lack of resources to compile and finalise the manual.<br><br>**The Authority noted the recommendation to compile and finalise the Accounting/Finance Manual and with the appointment of the General Manager, the process has been reviewed and the finance manual is being developed.** |
| Fiji Sports Council | |
| 2018 | 1. Impairment of Assets<br><br>An entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired.[9]<br><br>As per the accounting policies disclosed in the financial statements, the Council must perform impairment assessment of property plant and equipment consecutively.<br>Contrary to the accounting policies disclosed in the financial statements, there was no evidence provided that the Council actually carried out impairment test for its property, plant and equipment.<br><br>The Council argued that the last revaluation and impairment test were carried out in 2015 and the next test is due to take place in 2020 which the Council has already executed. However, we clarified that impairment testing is separate from a revaluation exercise.<br><br>**We recommended that impairment assessment of property, plant and equipment must be carried out on an annual basis as required by International Accounting Standards 36.** |

[9] International Accounting Standards 36.9

| Entities | Significant Matters |
|---|---|
| Fiji Sports Council 2018 (con't) | 2. Assets with Zero Written Down Value<br><br>The depreciation method should be reviewed at least annually and, if the pattern of consumption of benefits has changed, the depreciation method should be changed prospectively as a change in estimate under IAS 8.[10]<br><br>Audit review of PPE noted assets with zero written down values are still being used in the operations of the Council are still included in the Fixed Asset Register. The Council has not undertaken a full review of assets with zero book value totaling $4,829,003 included in the fixed assets register.<br><br>In addition, the Council is yet to carry out a review of the depreciation rates and the remaining economic useful lives of individual and major classes of property, plant and equipment in a progressive and structured manner for the consideration and review by those charged with governance.<br><br>The Council noted the audit observation and agreed to the following recommendation:<br><br>▪ carry out survey of its fixed assets and remove assets no longer in existence or in working condition from the Fixed Asset Register.<br>▪ review the useful lives and depreciation rate of assets to ensure it is correctly determined at the time of acquisition.<br>▪ consider a management valuation/estimate on assets that are of zero value and still being used by the Council where it is not cost effective for valuation in order to bring the cost to the accounts.<br>▪ Make sufficient disclosure in the notes of the financial statements, reflecting the economic reality on the benefits from the use of zero written down value assets.<br><br>3. Inconsistent Depreciation and Amortization Rates<br><br>The audit noted that different rates were used for calculating amortization of deferred income and depreciation of assets financed through government grant or donated assets. Refer to table below for details. |

| Asset | Amount ($) | Rate (%) used for Calculation of Depreciation | Rate (%) used for Amortization of Deferred Income |
|---|---|---|---|
| Lawaqa Park | 2,575,936 | 5.00 | 11.21 |
| FMF Gym Upgrade | 3,867,633 | 2.50 | 11.21 |
| Motor Vehicle | 109,174 | 14.29 | 11.21 |
| Scoreboard | 25,300 | 20.00 | 11.21 |

The Council agreed with the audit recommendation to review and rectify the inconsistent application of rates used for calculating amortization of deferred income and depreciation of assets financed through government grant or donated.

[10] International Accounting Standards 16.61

| Entities | Significant Matters |
|---|---|
| **National Fire Authority** | |
| 2015 | 1. Provision for Long Service Leave<br><br>The Authority was unable to provide proper schedule and reconciliation for long service leave to support the long service leave liability balance of $42,600 recorded in the statement of financial position as at 31 December 2015.<br><br>As a result, audit was unable to verify the completeness and accuracy of the balance and also unable to determine whether any adjustments might have been necessary in respect of long service leave liability balance at the end of the financial year and any corresponding adjustments to the elements making up the statement of income and expenditure and statement of financial position.<br><br>**The Authority agreed with the recommendation to properly maintain proper schedule and reconciliation for employee leave entitlements showing movements during the year.**<br><br>2. Anomalies in Property, Plant and Equipment<br><br>Audit review of the fixed assets register (FAR) maintained by the Authority, noted the following anomalies:<br><br>• We were unable to perform physical verification to test existence of Property, Plant and Equipment recorded at a cost of $15,348,244 as the audit for financial year 2015 were conducted in 2019. The delay in audit was due to untimely submission of draft financial statements. In addition, payment vouchers for certain fixed asset addition were not provided.<br><br>As a result, it was not possible to use alternative means to verify as proper records have not been maintained by the Authority for fixed asset verification performed in 2015.<br><br>• Unreconciled variance of $85,356 was noted between opening cost and opening accumulated depreciation as per FAR and 2015 signed accounts.<br>• The fixed asset register was not updated on timely basis and no evidence of review by manager finance was noted.<br><br>**The Authority agreed with the following audit recommendations:**<br><br>• **The Authority should investigate and rectify all unreconciled/unsubstantiated balances with respect to property, plant and equipment.**<br>• **The FAR should be reviewed on a progressive basis by a senior personnel to ensure assets are accurately recorded and depreciated.**<br>• **The Authority should conduct periodic physical count of the assets on hand and perform a reconciliation of the asset balances as per books of account against the results of the physical verification. Any adjustments, if required, should be investigated, approved and adjusted so as to correctly reflect the Authority's assets base.** |

| Entities | Significant Matters |
|---|---|
| NFA 2015 (con't) | 3. Accounting of Government Grant and Deferred Income<br><br>International Accounting Standards (IAS) 20 requires that all grant received for the purpose of acquisition of an asset should be deferred and amortised over the useful life of the asset.<br><br>The Authority's accounting policy for deferred revenue classified as non-current liability consists of deferred government grants related to acquisition of property, plant and equipment which will be amortized over its useful life.<br><br>We noted that the Authority has recorded the capital grants received in prior years as grant income instead of being recorded as deferred revenue. Moreover, it has not maintained proper records of fixed assets acquired through capital grants in prior years. Accordingly, our audit was unable to ascertain the accuracy of deferred revenue balance recorded in the books of account of the Authority for the year ended 31 December 2015.<br><br>The Authority agreed with the following audit recommendations:<br><br>• The Authority should immediately review its accounting policies in relation to treatment of capital grant and align it in accordance with IAS 20.<br>• A separate listing to be maintained for assets acquired through government grant.<br>• Management should immediately place emphasis in properly keeping the books of account supported by accurate and timely reconciliations.<br><br>4. Fire Service Fees<br><br>Section 32(E) of the National Fire Service Act of 1994 stipulates that where the owner of the property which is not insured, is liable to pay the Authority for reasonable costs incurred in providing firefighting services.<br><br>We noted that the Authority has not been charging for the costs incurred in providing firefighting services for properties which are not insured.<br><br>The Authority agreed with the audit findings and with the recommendation to develop a policy to invoke the provisions of the National Fire Service Act section 32(E). |

# 5.0 Audit Conclusion and Recommendations

## 5.1 Audit Conclusion

Unmodified (unqualified) opinions were issued on 8 or 27% of the financial statements audited included in this report. This indicates that close attention should be given to address matters in the audit reports including other significant matters.

Timely preparation and submission of quality draft annual financial statements for audit is a major issue which needs to be addressed by those charged with governance of the entities included in this report. Delay in submission of financial statements for audit prevents the Auditor-General from issuing an opinion on them on a timely basis and informing Parliament and other stakeholders of the outcome of such audits.

Furthermore, other significant findings arising from audit of entities for which the Auditor-General is not the external auditor cannot be reported to Parliament under the current legislative framework.

The involvement of line Ministries in improving accountability in the entities is noted. However, there is room for further improvement through regular and active interaction with the entities. Line Ministries can take appropriate action to ensure timely action is to prepare annual statutory financial statements and have them audited. The action can include KPI's to include timely submission of annual reports to parliament for CEOs or Heads of the entities and Board Chairpersons.

It has been noted that it becomes very challenging for entities to prepare annual accounts when these have not been done for some time resulting in a backlog.

There are seven statutory authorities and two independent commissions whose audits are in backlog. This shows that Authorities are unable to prepare and submit quality financial statements on time which could be attributed to capability issues. This also indicates lack of proper governance practices within these entities which would ensure that timely financial reports are produced.

Lack of governance policies such as Risk Management Policies and Disaster Recovery Plan was common in most authorities. The absence of such plans will make it difficult for the entities to continue to provide their services at expected rates in an event of a major natural disaster or similar event.

## 5.2 Recommendations

1. Immediate attention should be given to address the matters which are included as "Other Significant Matters". Those charged with governance should ensure that these matters are resolved at the earliest.

2. Accounting personnel should be fully trained in all aspect of financial reporting which will ensure that quality financial statements are submitted for audit. They should also be fully abreast with changes in the International Financial Reporting Standards.

3. Those charged with governance for entities which are yet to develop and implement plan/policies for risk management and disaster recovery plan should ensure that these policies are developed and implemented at its earliest. This will ensure that entities are safeguarded against any impending disaster.

4. Proper consideration should be given before the change of external auditors or appointment of auditors apart from the Auditor-General since significant audit findings for Statutory Authorities which are not audited by the Auditor-General are not reported to Parliament under the current legislative framework.

5. Line Ministries can strengthen their monitoring and provide necessary support to ensure that financial statements are submitted for audit on a timely basis and significant audit findings are addressed in a timely manner.

6. Line Ministries can also enforce the requirements for entities to submit annual reports which include the auditor's report and audited financial statements as required by the respective legislation and the Financial Management Act 2004.

Similar recommendations were also made in my last report.

# 6 Appendices

## Appendix A: Qualification Issues

| Entities | Qualification Issues |
|---|---|
| Land Transport Authority | Modified (Qualified) Opinion |
| 2018 | 1. Included in the property, plant and equipment, is leasehold land amounting to $8,130,000. The Authority has not obtained the legal ownership of five of its seven leasehold land valued at $800,000, while two of its land titles valued at $7,330,000 were obtained subsequent to balance date of 31 July 2018. While the Authority uses the leasehold land for its operations, no amortization has been recorded against the value of the land. Consequently, audit was unable to determine if any adjustment that would be required in respect to the amortization of the land and the impact it will have on the carrying amount of the land in the statement of financial position and the amortization expense in the income statement.<br><br>2. The Authority administers funds collected on behalf of the Fiji Government and is accountable for the transactions involving those funds. Disclosed in the financial statements, under "Agency Transactions Administered for the Fiji Government" is various fees and levy received by the Authority amounting to $53,159,100. These funds are deposited into the Consolidated Fund Account of the government. There is a variance of $3,133,448 between the Authority's records and Financial Management Information System (FMIS) maintained at Ministry of Economy. Due to the variance, audit was unable to confirm the accuracy of the Agency revenue disclosed by the Authority.<br><br>3. The Authority recorded fully depreciated property, plant and equipment with cost totaling $1,341,104 that were still held for use. The useful life of these property, plant and equipment have not been reviewed annually. As a result, depreciation expense has not been charged for the assets during the year. |
| Human Rights & Anti-Discrimination Commission | Modified (Disclaimer) Opinion |
| 2008 | 1. The Council did not maintain proper accounting records for the opening balances for the year ended 31 December 2008. Consequently, audit was not able to ascertain that all income, expenditure, assets and liabilities had been brought to account during the year ended 31 December 2008. It is not possible to ascertain the impact of this on the operating results, cash flows and financial position for the year ended 31 December 2008. |

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| Human Rights & Anti-Discrimination Commission – 2008 (con't) | 2. The Commission recorded cash and cash equivalents of $139,963 in the Statement of Financial Position as at 31 December 2008. There was a variance of $3,503 between the bank reconciliation and the general ledger at the end of financial year. In addition, the Commission was unable to provide me the cheque butts and cancelled cheques. As a result, audit was unable to determine whether any adjustment might have been necessary in respect of the Commission's cash and cash equivalent balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income.<br><br>3. The Commission recorded trade and other receivables of $14,140 in the Statement of Financial Position as at 31 December 2008. The Commission was unable to provide audit with appropriate supporting documents to support the above balance. As a result, audit was unable to verify the existence, completeness and accuracy of the trade & other receivables balances and also unable to determine whether adjustments might have been necessary in respect of the trade and other receivable balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.<br><br>4. The Commission recorded plant and equipment of $16,133 in the Statement of Financial Position as at 31 December 2008. The Commission did not regularly update both the fixed asset schedule and the fixed asset register book arising from various assets purchased during the year and resulted in a variance of $10,283 in amounts reported in the financial statements and the assets expenditure ledger. In addition, the details on the expensing of office equipment not provided totaling $13,206 and related depreciation expenses were not provided for my review. As a result, audit was unable to verify the existence, completeness and accuracy of the plant and equipment balances and audit was unable to determine whether adjustments might have been necessary in respect of plant and equipment at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and the Statement of Financial Position.<br><br>5. The Commission recorded grant income of $979,239 in the Statement of Comprehensive Income for the year ended 31 December 2008. The Commission incorrectly recorded the grant income at the VAT inclusive amount instead of the VAT exclusive amount in the general ledger. |

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| Human Rights & Anti-Discrimination Commission – 2008 (con't) | 6. The Commission recorded administration and operating expense of $847,159 in the Statement of Comprehensive Income for the year ended 31 December 2008. Included in the balance were FNPF employer contributions and PAYE taxes of $174,887. There was a variance of $12,958 between the total amount paid during the year and the general ledger. As a result, audit was unable to determine whether any adjustments might have been necessary in respect of the Commission's FNPF employer contributions and PAYE taxes at the end of the financial year and any corresponding adjustments to the elements making up of the Statement of Comprehensive Income and the Statement of Financial Position.<br><br>7. The Commission did not lodge VAT returns for the months of April to December 2008 which was a non-compliance to section 3 of the Value Added Tax Act 1991. In addition, no VAT reconciliation was prepared during the year and there was no disclosure of VAT as either a VAT payable or VAT Receivable in the Statement of Financial Position.<br><br>8. The Commission has not maintained proper leave schedules for provisioning of annual leave and long service leave balances. Based on the audit procedures performed, audit was unable to determine the impact of this limitation, if any, to salary and wages expenses as at 31 December 2008.<br><br>9. The Commission has not provided for audit review the solicitor representation for any litigation action against the Commission. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Commission for the year ended 31 December 2008. |
| Human Rights & Anti-Discrimination Commission – 2009 | 1. The Commission recorded cash and cash equivalents of $227,928 in the Statement of Financial Position as at 31 December 2009. There was a variance of $3,484 between the bank reconciliation and the general ledger at the end of financial year. In addition, the Commission was unable to provide me with appropriate documentations such as the cheque books and cancelled cheques. As a result, audit was unable to determine whether any adjustment might have been necessary in respect of the Commission's cash and cash equivalent balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income.<br><br>2. The Commission recorded trade and other receivables of $12,618 in the Statement of Financial Position as at 31 December 2009. The Commission was unable to provide me with appropriate supporting |

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| Human Rights & Anti-Discrimination Commission – 2009 (con't) | documents to support the above balance. As a result, audit was unable to verify the existence, completeness and accuracy of the trade & other receivables balances and also unable to determine whether adjustments might have been necessary in respect of the trade and other receivable balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and the Statement of Financial Position.<br><br>3. The Commission recorded plant and equipment of $27,404 in the Statement of Financial Position as at 31 December 2009. Included in the balance were additions of $11,271. The Commission did not regularly update both the fixed asset schedule and the fixed asset register book arising from various assets purchased during the year and resulted in a variance of $4,772 in amounts reported in the financial statements and the assets expenditure ledger. In addition, depreciation expenses were not provided for during the year under review. As a result, audit was unable to verify the existence, completeness and accuracy of the plant and equipment balances and audit was unable to determine whether adjustments might have been necessary in respect of plant and equipment at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and the Statement of Financial Position.<br><br>4. The Commission recorded grant income of $802,510 in the Statement of Comprehensive Income for the year ended 31 December 2009. The Commission incorrectly recorded the grant income at the VAT inclusive amount instead of the VAT exclusive amount in the general ledger.<br><br>5. The Commission recorded administration and operating expense of $701,991 in the Statement of Comprehensive Income for the year ended 31 December 2009. Included in the balance were FNPF employer contributions and PAYE taxes of $140,555. There was a variance of $11,579 between the total amount paid during the year and the general ledger. As a result, audit was unable to determine whether any adjustments might have been necessary in respect of the Commission's FNPF employer contributions and PAYE taxes at the end of the financial year and any corresponding adjustments to the elements making up of the Statement of Comprehensive Income and the Statement of Financial Position.<br><br>6. The Commission did not lodge VAT returns for the months of April to December 2009 which was a non-compliance to section 3 of the Value Added Tax Act 1991. The Commission recorded VAT input of |

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| Human Rights & Anti-Discrimination Commission – 2009 (con't) | $18,590 in the Detailed Income Statement for the year ended 31 December 2009. In addition, no VAT reconciliation was prepared during the year and there was no disclosure of VAT as either a VAT payable or VAT Receivable in the Statement of Financial Position.<br><br>7. The Commission has not maintained proper leave schedules for provisioning of annual leave and long service leave balances. Based on the audit procedures performed, audit was unable to determine the impact of this limitation, if any, to salary and wages expenses as at 31 December 2009.<br><br>8. The Commission has not provided for audit review the solicitor representation for any litigation action against the Commission. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Commission for the year ended 31 December 2009. |
| Human Rights & Anti-Discrimination Commission – 2010 | 1. The Commission recorded Cash and Cash equivalent of $117,532 in the Statement of Financial Position as at 31 December 2010. There was a variance of $3,513 between the bank reconciliation and the general ledger at the end of financial year. In addition, the Commission was unable to provide me with appropriate documentations such as the cheque books and cancelled cheques. As a result, audit was unable to determine whether any adjustment might have been necessary in respect of the Commission's cash and cash equivalent balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income.<br><br>2. The Commission recorded Trade & Other Receivables of $12,833 in the Statement of Financial Position as at 31 December 2010. The Commission was unable to provide audit with appropriate supporting documents to support the above balance. As a result, audit was unable to verify the existence, completeness and accuracy of the trade & other receivables balances and also unable to determine whether adjustments might have been necessary in respect of the trade and other receivable balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and the Statement of Financial Position.<br><br>3. The Commission recorded a balance of $27,404 for Plant & Equipment in the Statement of Financial Position as at 31 December 2010. The Commission did not regularly update both the fixed asset schedule and the fixed asset register book arising from various assets purchased during the year and resulted in variances in |

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| Human Rights & Anti-Discrimination Commission – 2010 (con't) | amounts reported in the financial statements and the assets expenditure ledger. In addition, depreciation expenses were not provided for during the year under review. As a result, audit was unable to verify the existence, completeness and accuracy of the plant and equipment balances and audit was unable to determine whether adjustments might have been necessary in respect of plant and equipment at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and the Statement of Financial Position.<br><br>4. The Commission recorded grant income of $415,000 in the Statement of Comprehensive Income for the year ended 31 December 2010. The Commission incorrectly recorded the grant income at the VAT inclusive amount instead of the VAT exclusive amount in the general ledger. In addition, the acquittal reports for the grants received during the year were not provided to the Ministry. Accordingly, the grant income is overstated in the financial statements.<br><br>5. The Commission recorded administration and operating expense of $527,468 in the Statement of Comprehensive Income for the year ended 31 December 2010. Included in the balance were FNPF employer contributions and PAYE taxes of $95,413. There was a variance of $7,163 between the total amount paid during the year and the general ledger. As a result, audit was unable to determine whether any adjustments might have been necessary in respect of the Commission's FNPF employer contributions and PAYE taxes at the end of the financial year and any corresponding adjustments to the elements making up of the Statement of Comprehensive Income and the Statement of Financial Position.<br><br>6. The Commission did not lodge VAT returns for the months of April to December 2010 which was a non-compliance to section 3 of the Value Added Tax Act 1991. The Commission recorded VAT input of $12,667 in the Detailed Income Statement for the year ended 31 December 2010. In addition, no VAT reconciliation was prepared during the year and there was no disclosure of VAT as either a VAT payable or VAT Receivable in the Statement of Financial Position.<br><br>7. The Commission has not maintained proper leave schedules for provisioning of annual leave and long service leave balances. Based on the audit procedures performed, audit was unable to determine the impact of this limitation, if any, to salary and wages expenses as at 31 December 2010. |

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| Human Rights & Anti-Discrimination Commission – 2010 (con't) | 8. The Commission has not provided for audit review the solicitor representation for any litigation action against the Commission. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Commission for the year ended 31 December 2010. |
| Human Rights & Anti-Discrimination Commission – 2011 | 1. The Commission recorded cash and cash equivalents of $67,921 in the Statement of Financial Position as at 31 December 2011. There was a variance of $11,479 between the bank reconciliation and the general ledger at the end of financial year. In addition, the Commission was unable to provide me with appropriate documentations such as the cheque books and cancelled cheques. As a result, audit was unable to determine whether any adjustment might have been necessary in respect of the Commission's cash and cash equivalent balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income.<br><br>2. The Commission recorded trade and other receivables of $12,964 in the Statement of Financial Position as at 31 December 2011. The Commission was unable to provide audit with appropriate supporting documents to support the above balance. As a result, audit was unable to verify the existence, completeness and accuracy of the trade and other receivables balances and also unable to determine whether any adjustments might have been necessary in respect of the trade and other receivable balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.<br><br>3. The Commission recorded plant and equipment of $27,404 in the Statement of Financial Position as at 31 December 2011. The Commission did not regularly update both the fixed asset schedule and fixed asset register book arising from various assets purchased during the year and resulted in variances in amounts reported in financial statements and assets expenditure ledger. In addition, depreciation expenses were not provided for during the year under review. As a result, I was unable to verify the existence, completeness and accuracy of the plant and equipment balances and audit was unable to determine whether adjustments might have been necessary in respect of plant and equipment at the end of the financial year and any corresponding adjustments to the elements making up Statement of Comprehensive Income and Statement of Financial Position. |

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| Human Rights & Anti-Discrimination Commission – 2011 (con't) | 4. The Commission recorded grant income of $361,999 in the Statement of Comprehensive Income for the year ended 31 December 2011. The Commission incorrectly recorded the grant income at the VAT inclusive amount instead of the VAT exclusive amount in the general ledger. In addition, the acquittal reports for the grants received during the year were not provided to the Ministry. Accordingly, the grant income is overstated in the financial statements.<br><br>5. The Commission recorded administration and operating expense of $415,700 in the Statement of Comprehensive Income for the year ended 31 December 2009. Included in the balance were FNPF employer contributions and PAYE taxes of $140,555. There was a variance of $4,860 between the total amount paid during the year and the general ledger. As a result, audit was unable to determine whether any adjustments might have been necessary in respect of the Commission's FNPF employer contributions and PAYE taxes at the end of the financial year and any corresponding adjustments to the elements making up of the Statement of Comprehensive Income and Statement of Financial Position.<br><br>6. The Commission did not lodge VAT returns for the months of April to December 2009 which was a non-compliance to section 3 of Value Added Tax Act 1991. The Commission recorded VAT input of $12,656 in the Detailed Income Statement for the year ended 31 December 2009. In addition, there was no VAT reconciliation being prepared during the year and no disclosure of VAT as either a VAT payable or VAT Receivable in the Statement of Financial Position.<br><br>7. The Commission has not maintained proper leave schedules for provisioning of annual leave and long service leave balances. Based on the audit procedures performed, audit was unable to determine the impact of this limitation, if any, to salary and wages expenses as at 31 December 2011.<br><br>8. The Commission has not provided for audit review the solicitor representation for any litigation action against the Commission. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Commission for the year ended 31 December 2011. |
| Human Rights & Anti-Discrimination Commission – 2012 | 1. The Commission recorded cash and cash equivalents of $100,500 in the Statement of Financial Position as at 31 December 2012. There was a variance of $11,340 between the bank reconciliation and the general ledger at the end of financial year. In addition, the |

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| Human Rights & Anti-Discrimination Commission – 2012 (con't) | Commission was unable to provide me with appropriate documentations such as the cheque books and cancelled cheques. As a result, audit was unable to determine whether any adjustment might have been necessary in respect of the Commission's cash and cash equivalent balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income.<br><br>2. The Commission recorded trade and other receivables of $12,964 in the Statement of Financial Position as at 31 December 2012. The Commission was unable to provide audit with appropriate supporting documents to support the above balance. As a result, audit was unable to verify the existence, completeness and accuracy of the trade and other receivables balances and also unable to determine whether any adjustments might have been necessary in respect of the trade and other receivable balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.<br><br>3. The Commission recorded plant and equipment of $32,783 in the Statement of Financial Position as at 31 December 2012. Included in the balance were additions of $5,379. The Commission did not regularly update both the fixed asset schedule and fixed asset register book arising from various assets purchased during the year and resulted in variance of $2,102 in amounts reported in financial statements and assets expenditure ledger. In addition, depreciation expenses were not provided for during the year under review. As a result, audit was unable to verify the existence, completeness and accuracy of the plant and equipment balances and audit was unable to determine whether any adjustments might have been necessary in respect of plant and equipment at the end of the financial year and any corresponding adjustments to the elements making up Statement of Comprehensive Income and Statement of Financial Position.<br><br>4. The Commission recorded grant income of $465,318 in the Statement of Comprehensive Income for the year ended 31 December 2012. The Commission incorrectly recorded the grant income at the VAT inclusive amount instead of the VAT exclusive amount in the general ledger. In addition, the acquittal reports for the grants received during the year were not provided to the Ministry. Accordingly, the grant income is overstated in the financial statements. |

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| Human Rights & Anti-Discrimination Commission – 2012 (con't) | 5. The Commission recorded administration and operating expense of $430,443 in the Statement of Comprehensive Income for the year ended 31 December 2012. Included in the balance were FNPF employer contributions and PAYE taxes of $58,785. There was a variance of $4,965 between the total amount paid during the year and the general ledger. As a result, audit was unable to determine whether any adjustments might have been necessary in respect of the Commission's FNPF employer contributions and PAYE taxes at the end of the financial year and any corresponding adjustments to the elements making up of the Statement of Comprehensive Income and Statement of Financial Position.<br><br>6. The Commission recorded VAT input of $20,659 in the Detailed Income Statement for the year ended 31 December 2012. In addition, there was no VAT reconciliation being prepared during the year and no disclosure of VAT as either VAT payable or VAT Receivable in the Statement of Financial Position.<br><br>7. The Commission has not maintained proper leave schedules for provisioning of annual leave and long service leave balances. Based on the audit procedures performed, audit was unable to determine the impact of this limitation, if any, to salary and wages expenses as at 31 December 2012.<br><br>8. The Commission has not provided for audit review the solicitor representation for any litigation action against the Commission. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Commission for the year ended 31 December 2012. |
| Human Rights & Anti-Discrimination Commission – 2013 | 1. The Commission recorded cash and cash equivalents of $103,993 in the Statement of Financial Position as at 31 December 2013. There was a variance of $11, 368 between the bank reconciliation and the general ledger at the end of financial year. In addition, the Commission was unable to provide me with appropriate documentations such as the cheque books and cancelled cheques. As a result, audit was unable to determine whether any adjustment might have been necessary in respect of the Commission's cash and cash equivalent balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income.<br><br>2. The Commission recorded trade and other receivables of $12,964 in the Statement of Financial Position as at 31 December 2013. The Commission was unable to provide audit with appropriate supporting documents to support the above balance. As a result, |

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| Human Rights & Anti-Discrimination Commission – 2013 (con't) | audit was unable to verify the existence, completeness and accuracy of the trade and other receivables balances and also unable to determine whether any adjustments might have been necessary in respect of the trade and other receivable balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.<br><br>3. The Commission recorded plant and equipment of $32,783 in the Statement of Financial Position as at 31 December 2013. The Commission did not regularly update both the fixed asset schedule and fixed asset register book arising from various assets purchased during the year and resulted in variances in amounts reported in financial statements and assets expenditure ledger. In addition, depreciation expenses were not provided for during the year under review. As a result, audit was unable to verify the existence, completeness and accuracy of the plant and equipment balances and audit was unable to determine whether any adjustments might have been necessary in respect of plant and equipment at the end of the financial year and any corresponding adjustments to the elements making up Statement of Comprehensive Income and Statement of Financial Position.<br><br>4. The Commission recorded grant income of $412,503 in the Statement of Comprehensive Income for the year ended 31 December 2013. The Commission incorrectly recorded the grant income at the VAT inclusive amount instead of the VAT exclusive amount in the general ledger. In addition, the acquittal reports for the grants received during the year were not provided to the Ministry. Accordingly, the grant income is overstated in the financial statements.<br><br>5. The Commission did not lodge VAT returns for the months of April to December 2013 which was a non-compliance to section 3 of Value Added Tax Act 1991. The Commission recorded VAT input of $9,656 in the Detailed Income Statement for the year ended 31 December 2013. In addition, there was no VAT reconciliation being prepared during the year and no disclosure of VAT as either a VAT payable or VAT Receivable in the Statement of Financial Position.<br><br>6. The Commission has not maintained proper leave schedules for provisioning of annual leave and long service leave balances. Based on the audit procedures performed, I am unable to determine the impact of this limitation, if any, to salary and wages expenses as at 31 December 2013. |

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| Human Rights & Anti-Discrimination Commission – 2013 (con't) | 7. The Commission has not provided for audit review the solicitor representation for any litigation action against the Commission. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Commission for the year ended 31 December 2013. |
| Human Rights & Anti-Discrimination Commission – 2014 | 1. The Commission recorded cash and cash equivalents of $229,973 in the Statement of Financial Position as at 31 December 2014. There was a variance of $13,103 between the bank reconciliation and the general ledger at the end of financial year. In addition, the Commission was unable to provide me with appropriate documentations such as the cheque books and cancelled cheques. As a result, audit was unable to determine whether any adjustment might have been necessary in respect of the Commission's cash and cash equivalent balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income.<br><br>2. The Commission recorded trade and other receivables of $15,603 in the Statement of Financial Position as at 31 December 2014. The Commission was unable to provide me with appropriate supporting documents to support the above balance. As a result, audit was unable to verify the existence, completeness and accuracy of the trade and other receivables balances and also unable to determine whether any adjustments might have been necessary in respect of the trade and other receivable balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.<br>3. The Commission recorded plant and equipment of $32,783 in the Statement of Financial Position as at 31 December 2014. The Commission did not regularly update both the fixed asset schedule and fixed asset register book arising from various assets purchased during the year and resulted in variance of $6,607 in amounts reported in financial statements and assets expenditure ledger. In addition, depreciation expenses were not provided for during the year under review. As a result, audit was unable to verify the existence, completeness and accuracy of the plant and equipment balances and audit was unable to determine whether any adjustments might have been necessary in respect of plant and equipment at the end of the financial year and any corresponding adjustments to the elements making up Statement of Comprehensive Income and Statement of Financial Position. |

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| Human Rights & Anti-Discrimination Commission – 2014 (con't) | 4. The Commission recorded grant income of $550,000 in the Statement of Comprehensive Income for the year ended 31 December 2014. The Commission incorrectly recorded the grant income at the VAT inclusive amount instead of the VAT exclusive amount in the general ledger. In addition, the acquittal reports for the grants received during the year were not provided to the Ministry. Accordingly, the grant income is overstated in the financial statements.<br><br>5. The Commission recorded administration and operating expense of $420,808 in the Statement of Comprehensive Income for the year ended 31 December 2014. Included in the balance were FNPF employer contributions and PAYE taxes of $74,368. There was a variance of $10,298 between the total amount paid during the year and the general ledger. As a result, audit was unable to determine whether any adjustments might have been necessary in respect of the Commission's FNPF employer contributions and PAYE taxes at the end of the financial year and any corresponding adjustments to the elements making up of the Statement of Comprehensive Income and Statement of Financial Position.<br><br>6. The Commission did not lodge VAT returns for the months of April to December 2014 which was a non-compliance to section 3 of Value Added Tax Act 1991. The Commission recorded VAT input of $9,270 in the Detailed Income Statement for the year ended 31 December 2014. In addition, there was no VAT reconciliation being prepared during the year and no disclosure of VAT as either a VAT payable or VAT Receivable in the Statement of Financial Position.<br><br>7. The Commission has not maintained proper leave schedules for provisioning of annual leave and long service leave balances. Based on the audit procedures performed, audit was unable to determine the impact of this limitation, if any, to salary and wages expenses as at 31 December 2014.<br><br>8. The Commission has not provided for audit review the solicitor representation for any litigation action against the Commission. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Commission for the year ended 31 December 2014. |

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| Human Rights & Anti-Discrimination Commission – 2015 | 1. The Commission recorded cash and cash equivalents of $341,253 in the Statement of Financial Position as at 31 December 2015. There was a variance of $13,132 between the bank reconciliation and the general ledger at the end of financial year. In addition, the Commission was unable to provide me with appropriate documentations such as the cheque books and cancelled cheques. As a result, audit was unable to determine whether any adjustment might have been necessary in respect of the Commission's cash and cash equivalent balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income.<br><br>2. The Commission recorded trade and other receivables of $16,521 in the Statement of Financial Position as at 31 December 2015. The Commission was unable to provide audit with appropriate supporting documents to support the above balance. As a result, audit was unable to verify the existence, completeness and accuracy of the trade and other receivables balances and also unable to determine whether any adjustments might have been necessary in respect of the trade and other receivable balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.<br><br>3. The Commission recorded plant and equipment of $32,783 in the Statement of Financial Position as at 31 December 2015. Included in the balance were additions of $11,271. The Commission did not regularly update both the fixed asset schedule and fixed asset register book arising from various assets purchased during the year and resulted in variance of $4,772 in amounts reported in financial statements and assets expenditure ledger. In addition, depreciation expenses were not provided for during the year under review. As a result, audit was unable to verify the existence, completeness and accuracy of the plant and equipment balances and audit was unable to determine whether any adjustments might have been necessary in respect of plant and equipment at the end of the financial year and any corresponding adjustments to the elements making up Statement of Comprehensive Income and Statement of Financial Position.<br><br>4. The Commission recorded grant income of $550,000 in the Statement of Comprehensive Income for the year ended 31 December 2015. The Commission incorrectly recorded the grant income at the VAT inclusive amount instead of the VAT exclusive amount in the general ledger. In addition, the acquittal reports for the grants received during the year were not provided to the |

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| Human Rights & Anti-Discrimination Commission – 2015 (con't) | Ministry. Accordingly, the grant income is overstated in the financial statements.<br><br>5. The Commission recorded administration and operating expense of $444,502 in the Statement of Comprehensive Income for the year ended 31 December 2015. Included in the balance were FNPF employer contributions and PAYE taxes of $80,166. There was a variance of $4,955 between the total amount paid during the year and the general ledger. As a result, audit was unable to determine whether any adjustments might have been necessary in respect of the Commission's FNPF employer contributions and PAYE taxes at the end of the financial year and any corresponding adjustments to the elements making up of the Statement of Comprehensive Income and Statement of Financial Position.<br><br>6. The Commission did not lodge VAT returns for the months of April to December 2015 which was a non-compliance to section 3 of Value Added Tax Act 1991. The Commission recorded VAT input of $9,381 in the Detailed Income Statement for the year ended 31 December 2015. In addition, there was no VAT reconciliation being prepared during the year and no disclosure of VAT as either a VAT payable or VAT Receivable in the Statement of Financial Position.<br><br>7. The Commission has not maintained proper leave schedules for provisioning of annual leave and long service leave balances. Based on the audit procedures performed, audit was unable to determine the impact of this limitation, if any, to salary and wages expenses as at 31 December 2015.<br><br>8. The Commission has not provided for audit review the solicitor representation for any litigation action against the Commission. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Commission for the year ended 31 December 2015. |
| Human Rights & Anti-Discrimination Commission – 2016 | 1. The Commission recorded cash and cash equivalents of $148,736 in the Statement of Financial Position as at 31 July 2016. There was a variance of $7,965 between the bank reconciliation and the general ledger at the end of financial year. In addition, the Commission was unable to provide audit with appropriate documentations such as the cheque books and cancelled cheques. As a result, audit was unable to determine whether any adjustment might have been necessary in respect of the Commission's cash and cash equivalent balance at year end and any corresponding adjustments to the elements making up the Statement of Comprehensive Income. |

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| Human Rights & Anti-Discrimination Commission – 2016 (con't) | 2. The Commission recorded trade and other receivables of $37,411 in the Statement of Financial Position as at 31 July 2016. The Commission was unable to provide audit with appropriate supporting documents to support the above balance. As a result, audit was unable to verify the existence, completeness and accuracy of the trade & other receivables balances and also unable to determine whether adjustments might have been necessary in respect of the trade and other receivable balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.<br><br>3. The Commission recorded plant and equipment of $58,150 in the Statement of Financial Position as at 31 July 2016. Included in the balance were additions of $25,367. The Commission did not regularly update both the fixed asset schedule and fixed asset register book arising from various assets purchased during the year and resulted in variance of $25,367 in amounts reported in financial statements and assets expenditure ledger. In addition, depreciation expenses were not provided for during the year under review. As a result, audit was unable to verify the existence, completeness and accuracy of the plant and equipment balances and audit was unable to determine whether adjustments might have been necessary in respect of plant and equipment at the end of the financial year and any corresponding adjustments to the elements making up Statement of Comprehensive Income and Statement of Financial Position.<br><br>4. The Commission recorded grant income of $194,059 in the Statement of Comprehensive Income for the year ended 31 July 2016. The Commission incorrectly recorded the grant income at the VAT inclusive amount instead of the VAT exclusive amount in the general ledger. In addition, the acquittal reports for the grants received during the year were not provided to the Ministry. Accordingly, the grant income is overstated in the financial statements.<br><br>5. The Commission recorded administration and operating expense of $342,037 in the Statement of Comprehensive Income for the year ended 31 July 2016. Included in the balance were FNPF employer contributions and PAYE taxes of $63,099. There was a variance of $8,987 between the total amount paid during the year and the general ledger. As a result, audit was unable to determine whether any adjustments As a result, audit was unable to determine whether any adjustments might have been necessary in respect of the Commission's FNPF employer contributions and PAYE taxes at the |

| Entities | Qualification Issues |
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| Human Rights & Anti-Discrimination Commission – 2016 (con't) | end of the financial year and any corresponding adjustments to the elements making up of the Statement of Comprehensive Income and Statement of Financial Position.<br><br>6. The Commission did not lodge VAT returns for the months of April to July 2016 which was a non-compliance to section 3 of Value Added Tax Act 1991. The Commission recorded VAT input of $8,873 in the Detailed Income Statement for the year ended 31 July 2016. In addition, no VAT reconciliation being prepared during the year and disclosure of VAT as either a VAT payable or VAT Receivable in the Statement of Financial Position.<br><br>7. The Commission has not maintained proper leave schedules for provisioning of annual leave and long service leave balances. Based on the audit procedures performed, audit was unable to determine the impact of this limitation, if any, to salary and wages expenses as at 31 July 2016.<br><br>8. The Commission has not provided for audit review the solicitor representation for any litigation action against the Commission. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Commission for the year ended 31 July 2016. |
| Water Authority of Fiji | Modified (Qualified) Opinion |
| 2017 | 1. Opening balance of Property, Plant and Equipment amounting to $1,888,909,608 for the year ended 31 December 2010 was not subject to valuation at the time of the transfer to Water Authority of Fiji. The valuation of these assets was carried out in 2006. Consequently, audit unable to confirm the value of the opening balance of property, plant and equipment when it was transferred in 2010.<br><br>2. Included in the property, plant and equipment, is leasehold land amounting to $209,204,157. The Authority has not obtained the legal ownership of the land as at 31 July 2017. While the Authority uses the leasehold land for its operations, no amortization has been recorded against the value of the land. Consequently, audit unable to determine if any adjustment that would be required in respect to the amortization of the land and the impact that it will have on the carrying amount of the land in the statement of financial position and the amortization expense in the income statement.<br><br>3. The Authority has not undertaken a full review on impairment of assets with zero book values totaling $5,527,649 include in its property, plant and equipment. It is yet to carry out a review of the depreciation rates and the remaining economic useful lives of |

| Entities | Qualification Issues |
|---|---|
| Water Authority of Fiji 2017 (con't) | individual major classes of plant and equipment in a progressive and structured manner for consideration and review by the Directors.<br><br>In additions, other matters were also noted as per detail below:<br><br>• Internal Audit carried out by contracted Accounting Firm have highlighted some serious issues relating to the plant hire relating to 2017 which indicates possible fraud. Audit was unable to access the internal audit report and therefore, audit was unable to determine the exposure of any fraud and its implication on the 2017 financial statements.<br>• IT Governance policies which includes Disaster Recovery Plan was noted to be in the review stage. These policies need to be updated for good governance and protection of valuable data of the Authority. |
| Agricultural Marketing Authority (AMA) | Modified (Disclaimer) Opinion |
| 2010 | 1. Financial information and records of the Authority relating to part of the financial year were confiscated for an investigation by the Fiji Independent Commission against Corruption. As a result, audit was unable to determine whether any adjustments might have been necessary in respect for the current year and the elements making up the Statement of Financial Position as at 31 December 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended.<br><br>2. The Authority did not maintain a listing of inventories of $30,845. The Authority did not carry out stock take and due to the length of time that has lapsed from the current year to the commencement of the audit, audit was unable to satisfy by alternative means concerning inventory quantities at either beginning or ending of the current year and therefore unable to verify the existence, completeness, accuracy of the inventory balances at 31 December 2010. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the statement of comprehensive income and the cash flows reported in the statement of cash flows.<br><br>3. The Authority did not maintain a listing of trade receivables of $358,625 and a listing of trade payables of $257,112 recorded at balance date. In addition, supporting documents for selected sales, purchases and payment transactions were not provided. Audit was not able to confirm the accuracy of sales, purchases and payments recorded for the year by the Authority. There were a significant level of missing documents and outstanding information that limited my |

| Entities | Qualification Issues |
|---|---|
| AMA – 2010 (con't) | ability to confirm the relevant audit assertions relating to revenue and expenses during the year.<br><br>4. A sum of $126,433 was passed to retained earnings to balance the financial statements for the year ended 31 December 2010 without any supporting documents. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>5. I have not been provided with relevant supporting documents including solicitor's confirmation and explanation in relation to event subsequent to balance date review. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Authority for the year ended 31 December 2010. |
| AMA – 2011 | 1. Financial information and records of the Authority relating to part of the financial year were confiscated for an investigation by the Fiji Independent Commission against Corruption. At the date of this report, the financial information and records have not been returned to the Authority. As a result, audit was unable to determine whether any adjustments might have been necessary in respect for the current year and the elements making up the Statement of Financial Position as at 31 December 2011, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended.<br><br>2. There was an unexplained difference of $214,676 between the Accounts Receivable ("AR") sub ledger and the General Ledger ("GL") as at 31 December 2011. In addition, the Authority did not maintain a listing of trade receivables of $337,858, no policy for determination of provision for doubtful debts or bad debts. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>3. The Authority did not maintain a listing of inventories of $31,307 recorded at balance date. The Authority did not carry out stock take and due to the length of time that has lapsed from the current year to the commencement of the audit, audit was unable to satisfy by alternative means concerning inventory quantities at either beginning or ending of the current year and therefore unable to |

| Entities | Qualification Issues |
|---|---|
| AMA – 2011 (con't) | verify the existence, completeness, accuracy of the inventory balances at 31 December 2011.<br><br>4. The Authority did not maintain a listing of trade payables of $247,105, employee leave entitlement listings of $19,682 recorded at balance date. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the statement of comprehensive income and the cash flows reported in the statement of cash flows.<br><br>5. Supporting documents for selected sales, purchases and payment transactions were not provided. Audit was unable to confirm the accuracy of sales, purchases and payments recorded for the year by the Authority. There were a significant level of missing documents and outstanding information that limited my ability to confirm the relevant audit assertions relating to revenue and expenses during the year. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>6. The total value of property, plant and equipment per the listing maintained by the Authority does not agree with the general ledger account balances with a variance of $21,914. In addition, the Authority does not have a policy for carrying out a periodic physical verification of assets. As a result audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>7. As at 31 December 2011, VAT payable of $97,790 had not been reconciled by the Authority. In addition, VAT assessments from the Authority were yet to be performed and VAT was understated as per general ledger by $29,321. Consequently, audit was not able to ascertain whether Value Added Tax have been accurately accounted for and disclosed in the financial statements for the year ended 31 December 2011.<br><br>8. A sum of $126,433 was passed to retained earnings to balance the financial statements for the year ended 31 December 2011 without any supporting documents. As a result audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows. |

| Entities | Qualification Issues |
| --- | --- |
| AMA – 2011 (con't) | 9. I have not been provided with relevant supporting documents including solicitor's confirmation and explanation in relation to event subsequent to balance date review. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Authority for the year ended 31 December 2011. |
| AMA – 2012 | 1. Financial information and records of the Authority relating to part of the previous financial year were confiscated for an investigation by the Fiji Independent Commission Against Corruption. At the date of this report, the financial information and records have not been returned to the Authority.<br><br>2. The Authority did not maintain a listing of inventories of $31,307 recorded at balance date. As a result, audit was unable to satisfy by alternative means concerning inventory quantities at either beginning or ending of the current year and therefore unable to verify the existence, completeness, accuracy of the inventory balances at 31 December 2012.<br><br>3. The Authority did not maintain a reconciliation of employee leave entitlement, listing of trade receivables of $324,857 and trade payables of $257,641 recorded at balance date. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>4. Supporting documents for selected sales revenue transaction were not provided. Audit was not able to confirm the accuracy of sales revenue recorded for the year by the Authority. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>5. There was a significant level of missing documents that limited my ability to confirm the relevant audit assertions relating to revenue and expenses during the year; and as a result audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>6. The total value of property, plant and equipment per the listing maintained by the Authority does not agree with the general ledger |

| Entities | Qualification Issues |
|---|---|
| AMA – 2012 (con't) | account balances with a variance of $4,996. In addition, the Authority does not have a policy for carrying out a periodic physical verification of assets. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>7. As at 31 December 2012, VAT payable of $83,473 had not been reconciled by the Authority. In addition, VAT assessments from the Authority were yet to be performed and VAT was understated as per general ledger by $29,321. Consequently, audit was not able to ascertain that Value Added Tax have been accurately accounted for and disclosed in the financial statements for the year ended 31 December 2012.<br><br>8. A sum of $33,785 was passed to retained earnings to balance the financial statements for the year ended 31 December 2012 without any supporting documents. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>9. I have not been provided with relevant supporting documents and explanations including solicitor's confirmation in relation to event subsequent to balance date review. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Authority for the year ended 31 December 2012. |
| AMA – 2013 | 1. Financial information and records of the Authority relating to part of the previous financial year were confiscated for an investigation by the Fiji Independent Commission Against Corruption. At the date of this report, the financial information and records have not been returned to the Authority.<br><br>2. The Authority did not maintain a listing of inventories of $32,113 recorded at balance date. The Authority did not carry out stock take and due to the length of time that has lapsed from the current year to the commencement of the audit, audit was unable to satisfy myself by alternative means concerning inventory quantities at either beginning or ending of the current year and therefore unable to verify the existence, completeness, accuracy of the inventory balances at 31 December 2013. |

| Entities | Qualification Issues |
|---|---|
| AMA – 2013 (con't) | 3. The Authority did not maintain a reconciliation of employee leave entitlement, a listing of trade receivables of $215,591, trade payables of $322,174 recorded at balance date. Additionally, supporting documents for selected sales revenue transaction were not provided. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the statement of comprehensive income and the cash flows reported in the statement of cash flows including to confirm the relevant audit assertions relating to revenue and expenses during the year.<br><br>4. The total value of property, plant and equipment per the listing maintained by the Authority does not agree with the general ledger account balances with a variance of $38,581. In addition, the Authority does not have a policy for carrying out a periodic physical verification of assets. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>5. As at 31 December 2013, VAT payable of $64,144 had not been reconciled by the Authority. In addition, VAT assessments from the Authority were yet to be performed and VAT was understated as per general ledger by $168,578. Consequently, audit was not able to ascertain that Value Added Tax have been accurately accounted for and disclosed in the financial statements for the year ended 31 December 2013.<br><br>6. A sum of $214,551 was passed to retained earnings to balance the financial statements for the year ended 31 December 2013 without any supporting documents. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>7. I have not been provided with relevant supporting documents including solicitor's confirmation and explanation in relation to event subsequent to balance date review. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Authority for the year ended 31 December 2013. |
| AMA – 2014 | 1. The Authority did not maintain a listing of inventories of $34,307 recorded at balance date. The Authority did not carry out stock take and due to the length of time that has lapsed from the current year |

| Entities | Qualification Issues |
|---|---|
| AMA – 2014 (con't) | to the commencement of the audit, audit was unable to satisfy by alternative means concerning inventory quantities at either beginning or ending of the current year and therefore unable to verify the existence, completeness, accuracy of the inventory balances at 31 December 2014.<br><br>2. The Authority did not maintain a reconciliation of employee leave entitlement, trade receivables of $215,591, a listing of trade payables of $322,174 recorded at balance date. Additionally, supporting documents for selected sales revenue transaction were not provided. Audit was not able to confirm the accuracy of sales revenue recorded for the year by the Authority.<br><br>3. The Authority did not provide details of an adjustment to retained earnings described as fundamental error of $142,746.<br>4. Supporting documents and breakdowns for selected additions to property, plant and equipment of $325,800 were not provided.<br><br>5. Supporting documents for selected sales, purchases and Payment transactions were not provided. Audit was not able to confirm the accuracy of sales, purchases and payments recorded for the year by the Authority. There were a significant level of missing documents and outstanding information that limited my ability to confirm the relevant audit assertions relating to revenue and expenses during the year. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>6. The total value of property, plant and equipment per the listing maintained by the Authority does not agree with the general ledger account balances with a variance of $91,016. In addition, the Authority does not have a policy for carrying out a periodic physical verification of assets. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Council's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>7. As at 31 December 2014, VAT payable of $100,841 had not been reconciled by the Authority. In addition, VAT assessments from the Authority were yet to be performed and VAT was understated as per general ledger by $2,132,426. Consequently, audit was not able to ascertain that Value Added Tax have been accurately accounted for and disclosed in the financial statements for the year ended 31 December 2014. |

| Entities | Qualification Issues |
| --- | --- |
| | 8. A sum of $142,746 was passed to retained earnings to balance the financial statements for the year ended 31 December 2014 without any supporting documents. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>9. I have not been provided with relevant supporting documents including solicitor's confirmation and explanation in relation to event subsequent to balance date review. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Authority for the year ended 31 December 2014. |
| AMA – 2015 | 1. The Authority did not maintain a listing of inventories of $39,072 recorded at balance date. The Authority did not carry out stock take and due to the length of time that has lapsed from the current year to the commencement of the audit, audit was unable to satisfy by alternative means concerning inventory quantities at either beginning or ending of the current year and therefore unable to verify the existence, completeness, accuracy of the inventory balances at 31 December 2015.<br><br>2. The total value of property, plant and equipment per the listing maintained by the Authority does not agree with the general ledger account balances with a variance of $91,016. Supporting documents and breakdowns for selected additions to property, plant and equipment of $301,214 were not provided. In addition, the Authority does not have a policy for carrying out a periodic physical verification of assets. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>3. As at 31 December 2015, VAT payable of $114,073 had not been reconciled by the Authority. In addition, VAT assessments from the Authority were yet to be performed and VAT was understated as per general ledger by $184,311. Consequently, audit was not able to ascertain that Value Added Tax have been accurately accounted for and disclosed in the financial statements for the year ended 31 December 2015. |

| Entities | Qualification Issues |
| --- | --- |
| AMA – 2015 (con't) | 4. A sum of $85,461 was passed to retained earnings to balance the financial statements for the year ended 31 December 2015 without any supporting documents. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>5. I have not been provided with relevant supporting documents including solicitor's confirmation and explanation in relation to event subsequent to balance date review. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Authority for the year ended 31 December 2015.<br><br>6. The Authority did not provide details of an adjustment to retained earnings described as fundamental error of $85,461. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>7. Supporting documents for selected sales, purchases and payment transactions were not provided. I was not able to confirm the accuracy of sales, purchases and payments recorded for the year by the Authority. There were a significant level of missing documents that outstanding information that limited my ability to confirm the relevant audit assertions relating to revenue and expenses during the year. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows. |
| AMA – 2016 | 1. The Authority did not maintain a listing of inventories of $40,826 recorded at balance date. The Authority did not carry out stock take and due to the length of time that has lapsed from the current year to the commencement of the audit, audit was unable to satisfy by alternative means concerning inventory quantities at either beginning or ending of the current year and therefore unable to verify the existence, completeness, accuracy of the inventory balances at 31 July 2016.<br><br>2. The Authority did not maintain a reconciliation of employee leave entitlement, listing of trade receivables of $979,520, a listing of trade payables of $141,051 at balance date. Accordingly, audit was |

| Entities | Qualification Issues |
|---|---|
| AMA – 2016 (con't) | unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Authority for the year ended 31 July 2016.<br><br>3. Supporting documents for selected sales revenue transaction were not provided. We were not able to confirm the accuracy of sales revenue recorded for the year by the Authority.<br><br>4. The Authority's cash at bank project and main account had irreconcilable variances of $3,845 and $33,880 respectively and all bank statements were not provided for reconciling items verifications.<br><br>5. The Authority did not provide details of an adjustment to retained earnings described as fundamental error of $261,085. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Authority for the year ended 31 July 2016.<br><br>6. Supporting documents and breakdowns for selected additions to property, plant and equipment of $787,320 were not provided. In addition, the Authority did not provide details of an adjustment to retained earnings described as fundamental error of $142,746. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Authority for the year ended 31 July 2016.<br><br>7. Supporting documents and breakdowns for selected additions to property, plant and equipment of $660,202 were not provided.<br><br>8. Supporting documents for selected sales, purchases and payment transactions were not provided. Audit was not able to confirm the accuracy of sales, purchases and payments recorded for the year by the Authority. There were a significant level of missing documents that outstanding information that limited my ability to confirm the relevant audit assertions relating to revenue and expenses during the year. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>9. The total value of property, plant and equipment per the listing maintained by the Authority does not agree with the general ledger account balances with a variance of $178,915. In addition, the Authority does not have a policy for carrying out a periodic physical |

| Entities | Qualification Issues |
| --- | --- |
| AMA – 2016 (con't) | verification of assets. As a result, audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>10. As at 31 July 2016, VAT payable of $89,675 had not been reconciled by the Authority. In addition, VAT assessments from the Authority were yet to be performed and VAT was understated as per general ledger by $332,284. Consequently, audit was not able to ascertain that Value Added Tax have been accurately accounted for and disclosed in the financial statements for the year ended 31 July 2016.<br><br>11. A sum of $261,085 was passed to retained earnings to balance the financial statements for the year ended 31 July 2016 without any supporting documents. As a result audit was unable to determine whether adjustments might have been necessary in respect of the Authority's surplus for the year reported in the Statement of Comprehensive Income and the cash flows reported in the Statement of Cash Flows.<br><br>12. I have not been provided with relevant supporting documents including solicitor's confirmation and explanation in relation to event subsequent to balance date review. Accordingly, audit was unable to determine if any adjustments, or disclosures is required to be made in the financial statements of the Authority for the year ended 31 July 2016. |
| Fiji Revenue and Customs Service | Modified (Qualified) Opinion |
| 2018 | The FRCS, as an agent of the State administers funds collected on behalf of the Fiji Government and is accountable for transactions involving those funds. Disclosed in the financial statements, under "Agency Transactions Administered for the Government of Fiji", is Government Debtors for Income Tax of $79.3 million, Value Added Tax of $62.7 million and Customs of $9.0 million. Detailed listings were not provided to support these amounts. |

| Entities | Qualification Issues |
|---|---|
| National Council for Persons with Disabilities | Modified (Disclaimer) Opinion |
| 2017 | The financial statements are required to be prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities ("IFRS for SMEs"). The Council is yet to comply with IFRS for SMEs as required for general purpose financial statements. |
| Fiji Teachers Registration Authority | Modified (Qualified) Opinion |
| 2018 | The Authority recorded registration fees of $836,845. The Authority did not carry out reconciliation between the numbers of teachers registered against the number teaching in schools as required under Section 46 of the Fiji Teachers Registration Act 2008. The Ministry of Education, Heritage and Arts recorded a total of 13,126 teachers while 12,566 were registered with the Authority. As a result, the completeness and accuracy of the registration fees collected totaling $836,845 as disclosed in the Financial Statements could not be verified. |
| National Fire Authority | Modified (Qualified) Opinion |
| 2015 | 1. Audit could not perform any physical verification to test existence of Property, Plant and Equipment recorded at a cost of $15,348,244. In addition, payment vouchers for certain fixed asset addition were not provided. Audit was unable to satisfy by alternative means as no proper records has been maintained by the Authority for fixed asset verification performed in 2015.<br><br>2. The Authority's accounting policy for deferred revenue classified as non-current liability consists of deferred government grants related to acquisition of property, plant and equipment which will be amortized over its useful life. Audit noted that the Authority has recorded the capital grants received in prior years as grant income instead of being recorded as deferred revenue. Moreover, it has not maintained proper records of fixed assets acquired through capital grants in prior years. Accordingly, audit was unable to ascertain the accuracy of deferred revenue balance recorded in the books of account of the Authority for the year ended 31 December 2015.<br><br>3. The Authority was unable to provide proper schedule and reconciliation for long service leave to support the long service leave liability balance of $42,600 recorded in the statement of financial position as at 31 December 2015. As a result, audit was unable to verify the completeness and accuracy of the balance and also unable to determine whether any adjustments might have been necessary in respect of long service leave liability balance at the end of the financial year and any corresponding adjustments to the elements making up the statement of income and expenditure and statement of financial position. |

| Entities | Qualification Issues |
|---|---|
| NFA – 2018 (con't) | 4. Audit did not attend and observe annual inventory physical counting and verification by management at the end of the financial year. Audit was unable to satisfy by alternative audit procedures concerning the inventory quantities held as at 31 December 2015. Furthermore, stock take reports were not made available for my review. Accordingly, audit was unable to determine the impact of the above limitations, if any, to the inventory balances as at 31 December 2015.<br><br>Other Matters<br><br>1. The Authority has not been exercising section 32(E) of the National Fire Service Act 1994 whereby the owner of the property that is not insured is liable to pay to the Authority reasonable costs and expenses incurred by the Authority in providing firefighting services.<br><br>2. The Authority has not conducted any assessments of individual debtors' recoverability prior to accounting for provision for doubtful debts totaling $136,304.<br><br>3. Water levy receivable of $74,833 recorded as trade receivables being overstated by $18,652 as at 31 December 2015. |

# Appendix B: Abridged Financial Statements

## Fiji Competition and Consumer Commission

### Abridged Statement of Comprehensive Income

| Description | 2019 ($) | 2018 ($) |
|---|---|---|
| Government Grant – Operational | 3,055,446 | 3,397,524 |
| Other Income | 264,574 | 159,536 |
| **Total Income** | **3,320,020** | **3,557,060** |
| **Expenditure** | | |
| Personnel Expense | 2,401,328 | 2,037,361 |
| Operating Expenses | 1,064,021 | 560,034 |
| Administrative Expenses | 518,354 | 438,530 |
| Depreciation | 177,742 | 105,847 |
| **Total Expenditure** | **4,161,445** | **3,141,772** |
| **Net (Deficit)/Surplus** | **(841,425)** | **415,288** |
| **Total Comprehensive Income** | **(841,425)** | **415,288** |

The Commission recorded a deficit of $841,425 for 2019 in comparison to the surplus of $415,288 of 2018. The deficit was due to increase in overall expenses by $1.01m in 2019 due to substantial increases in operating and personnel expenses in comparison to 2018.

### Abridged Statement of Financial Position

| Description | 2019 ($) | 2017 ($8 |
|---|---|---|
| **Assets** | | |
| Cash and Cash Equivalents | 387,879 | 1,487,152 |
| Deposits | 43,887 | 43,946 |
| Trade and Other receivables | 120,679 | 40,835 |
| Property, Plant & Equipment | 1,440,925 | 742,810 |
| **Total Assets** | **1,993,370** | **2,314,743** |
| **Liabilities** | | |
| Trade and Other Payable | 285,569 | 316,894 |
| Deferred Income | 1,257,481 | 707,393 |
| Other Liabilities | 5,734 | 4,444 |
| **Total Liabilities** | **1,548,748** | **1,028,731** |
| **Net Assets** | **444,586** | **1,286,012** |

The Commission recorded a decrease in net assets by $841,425 or by 65% in 2019.

There was a significant decline in cash and cash equivalents balance in 2019 by $1.09m or 74% in comparison to 2018. There was a notable increase in trade and other receivable by $79,844 or 195% in 2019. Property, plant and equipment also substantially increased by $6698,115 in 2019.

The Commission also recorded an increase in total liabilities due to significant increases in deferred income by $550,088 or 78% in 2019. This also contributed to the declining net assets balance in 2019.

## Consumer Council of Fiji

### Abridged Statement of Comprehensive Income (Operating Grant)

| Description | 2019 ($) | 2018 ($) |
|---|---|---|
| Income | | |
| Government Grant | 1,257,918 | 1,226,106 |
| Other Income | 117,146 | 188,231 |
| **Total Revenue** | **1,375,064** | **1,414,337** |
| | | |
| Depreciation | 95,344 | 72,192 |
| Personnel expenses | 838,172 | 901,153 |
| Operating expenses | 289,663 | 190,805 |
| Administrative expenses | 155,605 | 144,788 |
| **Total Expenses** | **1,378,784** | **1,308,938** |
| **Net (Loss)/Profit** | **(3,720)** | **105,399** |

The Council recorded a deficit of $3,720 in 2019 compared to a surplus of $105,399 in 2018. This was attributed to decrease in utilization of Capital Government Grant by $87,249 or 100% and increase in Operating expenses by $98,858 or 52% in 2019.

### Abridged Statement of Comprehensive Income (Donor Funded)

| Description | 2019 ($) | 2018 ($) |
|---|---|---|
| Income | - | 33,167 |
| **Total Revenue** | **-** | **33,167** |
| | | |
| **Expenses** | | |
| Expenses | 160 | 33,167 |
| **Total Expenses** | 160 | 33,167 |
| **Net Loss** | **(160)** | **-** |

The Council recorded a net loss of $160 in 2019 compared to a nil balance in 2018. However, the income decreased by $33,167 or 100% and the expenditure decreased by $33,007 or 99.5%.

### Abridged Statement of Financial Position

| Description | 2019 ($) | 2018 ($) |
|---|---|---|
| Cash and cash equivalents | 459,763 | 463,259 |
| Other current assets | 34,906 | 35,194 |
| Prepayments | 13,691 | 4,369 |
| Property Plant & equipment | 442,825 | 465,967 |
| Intangible Assets | 4,107 | 530 |
| **Total Assets** | **955,292** | **969,319** |
| Trade and Other Payables | 58,786 | 115,409 |
| Provision for Annual Leave | 25,032 | 21,475 |
| Unutilized Capital Government Grant | 54,139 | 4,587 |
| Deferred Grant | 532,139 | 538,892 |
| **Total Liabilities** | **670,096** | **680,363** |
| **Net Assets** | **285,196** | **288,956** |

The Council recorded a decrease in net assets by $3,760 or 1.3% in 2019. There was a significant decline in Accounts Payable by $64,499 or 58% in 2019 compared to 2018. Non-Current Deferred Grant also decreased by $29,996 or 6% in 2019. However, there was a notable increase in Unutilized Government Grant by $49,552 or 1080% in 2019 that contributed to the declining net assets balance in 2019.

## Fiji National Sports Commission

### Abridged Statement of Financial Performance

| Description | 2020 ($) | 2019 ($) |
|---|---|---|
| Operating revenue | 7,606,706 | 10,701,487 |
| Other operating revenue | 71,408 | 114,251 |
| **Total Income** | **7,678,114** | **10,815,738** |
| **Expenses** | | |
| Sports Grant Expenses | 5,540,509 | 8,537,260 |
| International Coaches Salary Grant | 1,095,732 | 1,293,260 |
| Administrative Expenses | 25,380 | 25,396 |
| Depreciation | 61,180 | 77,797 |
| Personnel Expenses | 695,671 | 561,800 |
| Operating Expenses | 242,176 | 308,683 |
| Finance cost | 701 | 526 |
| **Total Expense** | **7,661,349** | **10,804,722** |
| **Net operating surplus for the year** | **16,765** | **11,016** |

The Commission recorded operating surplus of $16,765 in 2020 compared to a surplus of $11,016 in 2019. The increase in net operating surplus was mainly due to decrease in spots grants and operating expenses.

### Abridged Statement of Financial Position

| Description | 2020 ($) | 2019 ($) |
|---|---|---|
| Cash | 1,543,929 | 568,231 |
| Prepayments | - | 12,829 |
| Property, plant and equipment | 211,624 | 176,803 |
| Other current assets | 2,317 | 3,251 |
| **Total Assets** | **1,757,870** | **761,114** |
| Trade and other payables | 104,489 | 157,148 |
| Employee entitlements | 19,575 | 21,680 |
| Deferred revenue | 96,845 | 152,247 |
| Deferred sports grant | 1,070,019 | 60,717 |
| Finance lease liability | 3,787 | 18,932 |
| **Total liabilities** | **1,294,715** | **410,724** |
| **Net Assets** | **463,155** | **350,390** |

The Commission recorded an increase in the net assets by $112,765 or 32% in 2020. Cash at bank increased significantly as sporting grants remained unutilized by year end.

## Fiji Sports Council

### Abridged Statement of Comprehensive Income

| Description | 2018 ($) | 2017 ($) |
|---|---|---|
| **Revenue** | | |
| Operating Income | 4,122,496 | 4,388,633 |
| Other Income | 3,277,140 | 3,252,118 |
| Concession Income | 509,843 | 579,045 |
| **Total Revenue** | **7,909,479** | **8,219,796** |
| **Expenditure** | | |
| Administrative Expenses | 571,462 | 580,932 |
| Operating Expenses | 1,265,570 | 1,301,559 |
| Other Operating Expenses | 244,699 | 279,839 |
| Personal Expenses | 2,181,316 | 2,182,994 |
| Depreciation | 6,924,036 | 6,911,069 |
| Concession Purchases | 331,165 | 386, 453 |
| Interest | 199,620 | 153,394 |
| **Total Expenditure** | **11,717,868** | **11,796,240** |
| **Total Comprehensive loss** | **(3,808,389)** | **(3,576,444)** |

The Council recorded comprehensive loss of $3,808,389 in 2018 compared to a loss of $3,576,444 in 2017. The increase in loss was mainly due to decrease operating and concession income during the financial year.

### Abridged Statement of Financial Position

| Description | 2018 ($) | 2017 ($) |
|---|---|---|
| **Assets** | | |
| Current Assets | 4,721,369 | 1,606,831 |
| Other receivables | 242,274 | 242,274 |
| Property, Plant & Equipment | 141,381,493 | 144,531,508 |
| **Total Assets** | **146,345,136** | **146,380,613** |
| **Liabilities** | | |
| Current Liabilities | 1,549,205 | 1,568,441 |
| Non-current liabilities | 69,656,262 | 65,864,114 |
| **Total Liabilities** | **71,205,467** | **67,432,555** |
| **Net Assets** | **75,139,669** | **78,948,058** |

The Commission recorded a decrease in net assets by $3,808,389 or 4.8% in 2018 compared to 2017. The reduction in net assets were largely due to increase in interest bearing borrowings and deferred income.

## Land Transport Authority

### Abridged Statement of Financial Performance

| Description | 2018 ($) | 2017 ($) |
|---|---|---|
| Grant received | 23,229,876 | 19,322,198 |
| Other income | 2,557,758 | 2,749,570 |
| **Total Income** | **25,787,634** | **22,071,768** |
| Administrative expenses | 1,142,012 | 1,296,189 |
| Salaries, wages and other employee benefits | 12,036,701 | 10,563,073 |
| Operating expenses | 7,074,665 | 6,890,897 |
| Other expenses | 1,444,974 | 1,197,702 |
| **Total Expenditure** | **21,698,352** | **19,947,861** |
| **Profit from Operations** | **4,089,282** | **2,123,907** |
| Other comprehensive income | 7,125,398 | - |
| **Total Comprehensive Income** | **11,214,680** | **2,123,907** |

Net profit increased by 428% or $9,090,773 in 2018 compared to 2017 due to the increase in grant received.

### Abridged Statement of Financial Position

| Description | 2018 ($) | 2017 ($) |
|---|---|---|
| Cash and cash equivalents | 7,855,854 | 8,185,511 |
| Receivables | 1,220,798 | 248,126 |
| Inventories | 964,436 | 763,505 |
| Property, plant and equipment | 22,348,243 | 14,517,298 |
| Intangible assets | 466,422 | 707,837 |
| **Total Assets** | **32,855,753** | **24,422,277** |
| Creditors and other accruals | 1,380,512 | 1,476,482 |
| Owing to Government consolidated account | 15,639 | 26,322 |
| Deferred grant | 2,208,163 | 1,928,035 |
| Provisions | 727,590 | 931,132 |
| Finance lease liability | - | 262,846 |
| Deferred grant | 10,481,935 | 12,970,226 |
| **Total Liabilities** | **14,813,839** | **17,595,043** |
| Asset Revaluation Reserve | 7,544,353 | 418,955 |
| Capital | 1,650,146 | 1,650,146 |
| Retained earnings | 8,847,415 | 4,758,133 |
| **Total Capital and Reserves** | **18,041,914** | **6,827,234** |

Net assets increased by 164% or $11,214,680 in 2018 compared to 2017. The increase was mainly due to the increase total assets balance by 35% or $8,433,476 and decrease in liabilities balance by 16% or $2,781,204. Cash and cash equivalents balance increased compared to 2017 and the decrease in liabilities were due to the decrease in creditors and other accruals balance, owing to government consolidated account, provisions and finance lease liability.

## Fijian Elections Office

### Abridged Statement of Financial Performance

| Description | 2018 ($) | 2017 ($) |
|---|---|---|
| Government grant | 20,125,627 | 11,709,603 |
| Donor income | 521,064 | 896,860 |
| Other income | 3,061 | 2,688 |
| **Total Income** | **20,649,752** | **12,609,151** |
| **Expenses** | | |
| Administrative expenses | 7,099,979 | 4,857,428 |
| Salaries | 6,847,769 | 3,278,633 |
| Advertising | 1,963,402 | 477,424 |
| Travel and accommodation | 2,156,846 | 1,312,625 |
| Other expenses | 1,948,961 | 1,026,587 |
| **Total Expenditure** | **20,016,957** | **10,952,697** |
| **Net Surplus** | **632,795** | **1,656,454** |

The total revenue substantially increased by 64% or $8,040,601 million while total expenditure increased by 83% or $9,064,260 million in 2018 compared to 2017. The increases in the revenue and expenditure was mostly due to 2018 being the election year and more grant was given in 2018 compared to 2017 for the preparation of the election. The major reason for the increase in payroll cost was due to recruitment to fill the short term vacant positions and also training allowances for polling day workers in preparation for the 2018 general elections.

### Abridged Statement of Financial Position

| Description | 2018 ($) | 2017 ($) |
|---|---|---|
| Cash | 1,801,863 | 364,072 |
| Receivables | 563,084 | 1,078,843 |
| Other current assets | 163,930 | 475,287 |
| Investments | 5,200 | 5,073 |
| Property, plant and equipment | 2,276,164 | 2,058,060 |
| Intangible assets | 996,119 | 833,726 |
| **Total Assets** | **5,806,360** | **4,815,061** |
| Trade and other payables | 1,499,914 | 1,076,795 |
| Employee entitlements | 203,802 | 84,506 |
| Deferred Income | 98,915 | 283,826 |
| **Total Liabilities** | **1,802,631** | **1,445,127** |
| **Net Assets** | **4,003,729** | **3,369,934** |
| Accumulated funds | 4,003,729 | 3,369,934 |
| **Total Equity** | **4,003,729** | **3,369,934** |

Net assets increased by $633,795 or 19% in 2018 compared to 2017. This was mainly attributed to the increase in cash at bank balance at financial year end. The increase was mainly due to increase in receipt of grant revenue in 2018 financial year compared to 2017 which was not fully spent in 2018. This was due to the office incurring expenses in month of July which was recorded as accruals but not cleared in July.

## Fiji Independent Commission against Corruption

### Abridged Statement of Financial Performance

| Description | 31 July 2019 ($) | 31 July 2018 ($) |
|---|---|---|
| **Government grant** | 7,638,552 | 8,254,648 |
| **Other income** | 35,377 | 7,247 |
| Total Revenue | **7,673,929** | **8,261,895** |
| **Administrative Expenses** | 868,207 | 737,043 |
| **Salary and Wages** | 5,424,395 | 5,218,086 |
| **Other Expenses** | 2,076,853 | 2,384,639 |
| Total Expenditure | **8,369,455** | **8,339,768** |
| Net Loss | **(695,526)** | **(77,873)** |

Net loss increased by $617,653 in 2019 compared to 2018. This was largely due to reduction in government grant by $616,096.

### Abridged Statement of Financial Position

| **Description** | **2018 $** | **2017 $** |
|---|---|---|
| Cash | 525,843 | 1,054,171 |
| Receivables | 57,036 | 17,148 |
| Other current assets | 503,458 | 355,638 |
| Property, plant and equipment | 1,624,579 | 1,770,377 |
| Intangible assets | 163,286 | 289,648 |
| **Total Assets** | **2,874,202** | **3,486,982** |
| | | |
| Trade and other payables | 360,412 | 319,242 |
| Employee entitlements | 429,633 | 388,057 |
| **Total Liabilities** | **790,045** | **707,299** |
| **Net Assets** | **2,084,157** | **2,779,683** |

Net assets of the Commission decreased by $695,526 in 2019 compared to 2018. This was largely due to decrease in cash at bank balance which was a direct result of reduction of government grant.

## Human Rights and Anti-Discrimination Commission

### Abridged Statement of Financial Performance

| Description | 31 Dec 2008 ($) | 31 Dec 2009 ($) | 31 Dec 2010 ($) | 31 Dec 2011 ($) | 31 Dec 2012 ($) | 31 Dec 2013 ($) | 31 Dec 2014 ($) | 31 Dec 2015 ($) | 31 July 2016 7 months ($) |
|---|---|---|---|---|---|---|---|---|---|
| Grant Income | 979,239 | 802,510 | 415,000 | 361,999 | 465,318 | 412,503 | 550,000 | 550,000 | 194,059 |
| Other Income | 6,302 | 150 | 67 | 435 | - | - | 928 | 91 | - |
| **Total Receipts** | **985,541** | **802,660** | **415,067** | **362,434** | **465,318** | **412,503** | **550,928** | **550,091** | **194,059** |
| **Payments** | | | | | | | | | |
| Personal Expense | 590,387 | 536,974 | 410,854 | 314,379 | 317,092 | 342,158 | 342,713 | 367,224 | 251,649 |
| Operating Expense | 256,772 | 165,017 | 116,614 | 101,321 | 113,351 | 75,079 | 78,095 | 77,278 | 90,388 |
| **Total Payments** | **847,159** | **701,991** | **527,468** | **415,700** | **430,443** | **417,237** | **420,808** | **444,502** | **342,037** |
| **Surplus/(Deficit)** | **138,382** | **100,669** | **(112,401)** | **(53,266)** | **34,875** | **(4,734)** | **130,120** | **105,589** | **(147,978)** |

### Abridged Statement of Financial Position

| Description | 31 Dec 2008 ($) | 31 Dec 2009 ($) | 31 Dec 2010 ($) | 31 Dec 2011 ($) | 31 Dec 2012 ($) | 31 Dec 2013 ($) | 31 Dec 2014 ($) | 31 Dec 2015 ($) | 31 July 2016 7 months ($) |
|---|---|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | 139,963 | 227,928 | 117,532 | 67,921 | 100,500 | 103,993 | 229,973 | 341,253 | 148,736 |
| Trade and other receivables | 14,140 | 12,618 | 12,833 | 12,964 | 12,964 | 12,964 | 15,603 | 16,521 | 37,411 |
| Property, plant and equipment | 16,133 | 27,404 | 27,404 | 27,404 | 32,783 | 32,783 | 32,783 | 32,783 | 58,150 |
| **Total Assets** | **170,236** | **267,950** | **157,769** | **108,289** | **146,247** | **149,740** | **278,359** | **390,557** | **244,297** |
| Trade and other payables | 20,871 | 17,916 | 20,136 | 23,922 | 27,005 | 35,232 | 33,731 | 40,340 | 42,058 |
| **Total Liabilities** | **20,871** | **17,916** | **20,136** | **23,922** | **27,005** | **35,232** | **33,731** | **40,340** | **42,058** |
| **Net Assets** | **149,365** | **250,034** | **137,633** | **84,367** | **119,242** | **114,508** | **244,628** | **350,217** | **202,239** |

## Water Authority of Fiji

### Abridged Statement of Financial Performance

| Description | 2017 ($) | 2016 ($) (Restated) |
|---|---|---|
| Operating Revenue | 78,899,685 | 72,071,657 |
| Other Operating Income | 48,747,566 | 49,326,460 |
| **Total Income** | **127,647,251** | **121,398,117** |
| Personal Expenses | (33,950,443) | (26,026,267) |
| Operating Expenses | (98,732,047) | (94,936,223) |
| **(Loss)/Profit from operations before depreciation and amortization, finance income and income tax** | **(5,035,239)** | **435,627** |
| Deprecations and Amortization | (56,892,377) | (59,288,328) |
| Finance income | 154,410 | 103,454 |
| **Loss before Income Tax** | **(61,773,206)** | **(58,749,247)** |
| Income tax | --- | --- |
| **Net loss for the year** | **(61,773,206)** | **(58,749,247)** |
| Other comprehensive income | - | **-** |
| **Total comprehensive (loss), net of tax** | **(61,773,206)** | **(58,749,247)** |

The Authority recorded a net loss of $61.7 million in 2017 compared to a net loss of $58.7 million in 2016. This was attributed to increase in operating and personnel expenses by $11.7 million or 10%. The finance costs also increased by $50,956 or 49%.

### Abridged Statement of Financial Position

| Description | 2017 ($) | 2016 ($) (Restated) |
|---|---|---|
| Cash and Cash Equivalents | 62,578,916 | 34,241,532 |
| Trade and Other Receivables | 22,246,585 | 6,818,766 |
| Inventories | 31,273,648 | 28,939,985 |
| Held to maturity investments | 1,326,710 | 1,323,742 |
| Other Assets and Prepayments | 922,430 | 887,838 |
| Property, Plant and Equipment | 1,769,830,071 | 1,746,069,527 |
| Intangible asset | 825,440 | 967,501 |
| **Total Assets** | **1,889,003,800** | **1,819,248,891** |
| Trade and Other Payables | 28,938,966 | 18,820,909 |
| Provisions for Employee entitlements | 405,078 | 775,140 |
| Obligations under finance lease | - | 91,458 |
| Deferred revenue – capital grant | 409,592,631 | 286,537,396 |
| ADB funded grant | 67,226,619 | 68,398,812 |
| **Total Liabilities** | **506,163,294** | **374,623,715** |
| Contributed Equity | 1,746,440,815 | 1,746,452,278 |
| Accumulated Losses | (363,600,308) | (301,827,102) |
| **Total equity** | **1,382,840,507** | **1,444,625,176** |

Net assets decreased by $61.7 million or 4% in 2017 compared to 2016. This was mainly due to the increase in trade and other payables by $10.1 million (54%) and deferred grant balance by $123,055,235 or 43% in 2017 compared to 2016. The increase in deferred grant balance was mainly due to less capital grant utilized in 2017 compared to 2016 for project works.

## National Fire Authority

### Abridged Statement of Financial Performance

| Description | 2015 ($) | 2014 ($) |
|---|---|---|
| Income | | |
| **Fire Levy Contribution** | 9,917,473 | 9,695,483 |
| **Government Grant** | 67,227 | 1,925,730 |
| **Ambulance Grant** | 347,826 | 467,470 |
| **Structural Fire Safety** | 943,755 | 951,063 |
| **Water Levy Contribution** | 253,750 | 336,895 |
| **Other Income** | 978,073 | 944,745 |
| Total Income | **12,508,104** | **14,321,386** |
| Expenses | | |
| **Personnel expenses** | 7,091,241 | 6,693,041 |
| **Depreciation and Amortization** | 1,225,317 | 1,009,735 |
| **Operating and Administration expenses** | 3,858,747 | 2,935,441 |
| Total Expense | **12,175,305** | **10,638,217** |
| Net operating surplus for the year | **332,799** | **3,683,169** |

The Authority recorded operating surplus of $332,799 in 2015 compared to a surplus of $3,683,169 in 2016. The decline in surplus was mainly due to reduction is government grant and increase in personnel and operating expenses in 2015.

### Abridged Statement of Financial Position

| Description | 2015 ($) | 2014 ($) |
|---|---|---|
| Assets | | |
| **Cash and cash equivalents** | 2,301,767 | 7,054,046 |
| **Held-to-maturity investments** | 2,834,290 | 1,822,775 |
| **Trade and other receivables** | 2,273,541 | 1,794,720 |
| **Property, plant and equipment** | 15,348,244 | 8,784,688 |
| **Other assets** | 91,320 | 304,502 |
| Total Assets | **22,849,162** | **19,760,731** |
| Liabilities | | |
| **Trade and other payables** | 1,054,368 | 620,816 |
| **Deferred revenue** | 4,198,446 | 1,764,063 |
| **Other liabilities** | 127,460 | 239,763 |
| Total liabilities | **5,380,274** | **2,624,642** |
| Net Assets | **17,468,888** | **17,136,089** |

The Authority recorded an increase in total assets by $3,088,431 or 16% in 2015. This was mainly due to procurement of fire trucks and fire fitting equipment. These procurements also resulted in reduction in cash at bank in 2015 compared to 2014.

# Agricultural Marketing Authority

## Abridged Statement of Financial Performance

| Description | 31 July 2016 7 months ($) | 31 December 2015 12 months ($) | 31 December 2014 12 months ($) | 31 December 2013 12 months ($) | 31 December 2012 12 months ($) | 31 December 2011 12 months ($) | 31 December 2010 12 months ($) | 31 December 2009 12 months ($) |
|---|---|---|---|---|---|---|---|---|
| Sales | 1,448,096 | 2,085,498 | 757,345 | 420,435 | 373,600 | 336,879 | 1,406,676 | 1,735,120 |
| Cost of sales | (1,964,620) | (2,515,012) | (900,215) | (329,329) | (355,169) | (285,690) | (1,245,631) | (2,037,599) |
| **Gross Profit/ (Loss)** | **(516,524)** | **(429,514)** | **(142,870)** | **91,106** | **18,431** | **51,189** | **161,045** | **(302,479)** |
| Government grant | 3,910,300 | 1,879,761 | 1,171,401 | 779,004 | 869,566 | 849,285 | 1,109,778 | 1,555,556 |
| Other revenue | 515,233 | 373,224 | 220,960 | 308,754 | 157,283 | 203,345 | 271,114 | 228,820 |
| | **3,909,009** | **1,823,471** | **1,249,491** | **1,178,864** | **1,045,280** | **1,103,819** | **1,541,937** | **1,481,897** |
| **Expenditure** | | | | | | | | |
| Administration expenses | (1,283,419) | (1,641,482) | (1,061,286) | (849,301) | (806,309) | (940,859) | (1,417,386) | (1,097,635) |
| Distribution and marketing expenses | (77,651) | (98,505) | (35,885) | (29,985) | (37,138) | (30,193) | (28,095) | (124,067) |
| **profit from operations** | **2,547,939** | **83,484** | **152,320** | **299,578** | **201,833** | **132,767** | **96,456** | **260,195** |
| Finance cost | - | - | - | - | - | - | (6,067) | (20,348) |
| **(Loss)/ profit before income tax** | **2,547,939** | **83,484** | **152,320** | **299,578** | **201,833** | **132,767** | **90,389** | **239,847** |
| Income tax expense | - | - | - | - | - | - | - | - |
| **(Loss)/ profit for the year** | **2,547,939** | **83,484** | **152,320** | **299,578** | **201,833** | **132,767** | **90,389** | **239,847** |

## Abridged Statement of Financial Position

| Description | 31 July 2016 7 months ($) | 31 December 2015 12 months ($) | 31 December 2014 12 months ($) | 31 December 2013 12 months ($) | 31 December 2012 12 months ($) | 31 December 2011 12 months ($) | 31 December 2010 12 months ($) |
|---|---|---|---|---|---|---|---|
| Cash and cash equivalents | 2,849,734 | 501,118 | 580,860 | 560,834 | 342,460 | 173,996 | 151,715 |
| Trade and other receivables | 278,586 | 355,320 | 215,591 | 149,639 | 324,857 | 337,858 | 358,625 |
| Inventories | 40,826 | 39,072 | 34,307 | 32,113 | 31,307 | 31,307 | 30,845 |
| Property, plant and equipment | 2,065,705 | 1,453,363 | 969,242 | 487,828 | 457,528 | 591,881 | 754,851 |
| **Total Assets** | **5,234,851** | **2,348,873** | **1,800,000** | **1,230,414** | **1,156,152** | **1,135,042** | **1,296,036** |
| Trade and other payables | 375,685 | 388,903 | 322,174 | 243,576 | 257,641 | 247,105 | 257,112 |
| Employee entitlement liability | - | - | - | - | - | - | 19,682 |
| Term Loan | - | - | - | - | - | 23,121 | 124,223 |
| Deferred revenue | 2,065,705 | 1,453,363 | 969,242 | 487,828 | 457,528 | 591,881 | 754,851 |
| **Total Liabilities** | **2,441,390** | **1,842,266** | **1,291,416** | **731,404** | **715,169** | **862,107** | **1,155,868** |
| Retained earnings | 2,793,461 | 506,607 | 508,584 | 499,010 | 440,983 | 272,935 | 140,168 |
| **Total Equity** | **2,793,461** | **506,607** | **508,584** | **499,010** | **440,983** | **272,935** | **140,168** |

## Fiji Higher Education Commission

### Abridged Statement of Comprehensive Income

| Description | 2018 ($) | 2017 Restated ($) |
|---|---|---|
| Government Grant | 1,513,366 | 1,472,604 |
| MFAT grant | 70,000 | 100,000 |
| Release of deferred income | 1,874,402 | 620,572 |
| Conference collection | - | 8,786 |
| Other Income- Reimbursements from Technical College of Fiji | - | 46,381 |
| Other refunds | 8,064 | 3,030 |
| **Total Operating Income** | **3,465,832** | **2,251,373** |
| Depreciation and amortisation expense | (81,866) | (67,680) |
| Salaries and employee costs | (1,588,765) | (1,381,925) |
| Operating expenses | (1,806,326) | (792,618) |
| **Total Operating Expenses** | **(3,476,957)** | **(2,242,223)** |
| **(Loss)/Profit for the year** | **(11,125)** | **9,150** |

The Commission recorded an operating loss of $11,125 in 2018 compared to a net profit of $9,150 in 2017. The operating loss was due to an increase in total operating expenses by $1.2 million or 55% which was mainly attributed to increase in expenditure for consultancy fees, under operating expense, by $972,248 or 338%.

**Abridged Statement of Financial Position**

| Description | 2018 ($) | 2017 Restated ($) |
|---|---|---|
| Cash and cash equivalents | 1,255,509 | 1,839,802 |
| Other debtors, deposits and prepayments | 167,182 | 89,631 |
| Property plant and equipment | 242,412 | 258,757 |
| Intangible assets | 181,812 | 182,439 |
| **Total Assets** | **1,846,915** | **2,370,629** |
| Trade payables and accruals | 195,890 | 128,148 |
| Provisional Tax | 3,454 | 14,193 |
| Provision for annual leave | 34,953 | 32,328 |
| Deferred Income | 1,296,957 | 1,869,174 |
| **Total Liabilities** | **1,531,254** | **2,043,843** |
| **Net Assets** | **315,661** | **326,786** |

The Commission's net asset decreased by $11,125 or 3% in 2018 compared to 2017. The decrease in net assets was mainly attributed to the decrease in cash and cash equivalents by $584,293 or 32%.

## Fiji Revenue and Customs Service

### Abridged Statement of Comprehensive Income

| Description | 2018<br>($) | 2017<br>(Restated)<br>($) |
|---|---|---|
| Grants from Government | 42,091,985 | 42,099,362 |
| Fees and Charges | 10,550,737 | 11,164,464 |
| Other Income | 7,727,738 | 4,139,600 |
| **Total Agency Revenue** | **60,370,460** | **57,403,426** |
| Employee Costs | 37,502,184 | 35,042,722 |
| Other Expenditure | 20,922,071 | 13,127,524 |
| Total Expenditure | **58,424,255** | **48,170,246** |
| **Net Surplus for the year** | **1,946,205** | **9,233,180** |
| Other Comprehensive Income | - | - |
| **Total Comprehensive Income** | **1,946,205** | **9,233,180** |

Net surplus of the FRCS decreased by $7.3 million in 2018 compare to 2017. Total income increased by $3.0 million as a result of the increase in other income. The total expenditure increased substantially by $10.3 million in 2018 compared to 2017 as a result of increases in other expenditures.

### Abridged Statement of Financial Position

| Description | 2018<br>($) | 2017<br>(Restated)<br>($) |
|---|---|---|
| Cash at bank | 31,337,496 | 44,132,251 |
| Investments | 40,399,887 | 37,862,469 |
| Other Current Assets | 3,947,110 | 4,824,970 |
| Non-Current Assets | 46,051,591 | 29,904,116 |
| **Total Assets** | **121,736,084** | **116,723,806** |
| Current Liabilities | 4,397,385 | 4,742,482 |
| Deferred Grant Income | 34,340,466 | 30,929,296 |
| **Total Liabilities** | **38,737,851** | **35,671,778** |
| **Net Assets** | **82,998,233** | **81,052,028** |
| **Total Equity** | **82,998,233** | **81,052,028** |

Net assets increased by $1.9 million in 2018 compared to 2017. The increase was mainly due to the increase in non-current assets of $16.1 million in 2018.

## National Council for Persons with Disabilities

### Abridged Statement of Financial Performance

| Description | 2017 ($) | 2016 ($) |
|---|---|---|
| Government Grant – Operational | 551,900 | 227,500 |
| Other Income | 26,017 | 15,669 |
| **Total Income** | **577,917** | **243,169** |
| **Expenditure** | | |
| Personnel Expense | 203,405 | 130,364 |
| Operating and Administrative Expenses | 363,019 | 92,979 |
| **Total Expenditure** | **566,424** | **223,343** |
| **Net Surplus** | **11,493** | **19,826** |

Net surplus of the Council decreased by $8,333 in 2017 compared to 2016. Total income and total payments have substantially increased as the accounting period for the Council has been changed from "January to December" to "August to July" in 2016. The comparative amounts in the Statement of Comprehensive Income is not entirely comparable as the 2016 Financial statements only cover 7 months (January to July) while the 2017 Financial statements cover 12 months (August to July).

**Abridged Statement of Financial Position**

| Description | 2017 ($) | 2016 ($) |
|---|---|---|
| **Assets** | | |
| Cash and Cash Equivalents | 43,215 | 31,722 |
| Telephone Deposits | 600 | 600 |
| **Total Assets** | **43,815** | **32,322** |

Total assets increased by $11,493 in 2017 compared to 2016. The comparative amounts in the Statement of Financial Position is not entirely comparable as the 2016 Financial statements only cover for 7 months (January to July) while the 2017 Financial statements cover 12 months (August to July).

## Investment Fiji

### Abridged Statement of Financial Performance

| Description | 2020 ($) | 2019 ($) |
|---|---|---|
| Government grant | 1,970,841 | 2,715,295 |
| Registration extract fees | 647 | 459 |
| International Business Award - Income | 79,510 | 293,878 |
| Other income | 29,493 | 32,314 |
| **Total income** | **2,080,491** | **3,041,946** |
| Administrative expenses | 295,429 | 306,558 |
| Depreciation | 99,034 | 95,440 |
| Operating expenses | 478,013 | 565,648 |
| Amortization of Intangible asset | 96,432 | 96,432 |
| Personnel expenses | 1,398,086 | 1,544,266 |
| International Business Award- expenses | 269,996 | 294,027 |
| **Total expenditure** | **2,636,990** | **2,902,371** |
| **Net (deficit) / surplus for the year** | **(556,499)** | **139,575** |

Investment Fiji recorded net deficit of $556,499 for the financial year ending 31 July 2020 compared to a surplus of $139,575 recorded in 2019. The deficit recorded in 2020 was mainly attributed to the decrease in government grant received in 2020 compared to the grant received in 2019. The decrease in government grant was the result of the COVID-19 response budget by government. In addition, due to the impacts of global pandemic COVID-19, International Business Awards was not hosted by Investment Fiji in 2020 which resulted in a decrease in International Business Awards Income by $214,368 or 73% in 2020 compared to revenue recorded in 2019.

### Abridged Statement of Financial Position

| Description | 2020 ($) | 2019 ($) |
|---|---|---|
| Cash on hand and at bank | 383,751 | 739,872 |
| Receivables | 92,089 | 92,389 |
| Property, plant and equipment | 203,333 | 262,944 |
| Intangible Assets | 346,204 | 439,426 |
| **Total Assets** | **1,025,377** | **1,534,631** |
| Trade creditors and accruals | 80,331 | 92,055 |
| Payable to Ministry of Economy | 167,500 | 82,500 |
| Provisions for employee entitlement | 98,001 | 95,591 |
| Deferred grant income | 85,320 | 113,761 |
| **Total Liabilities** | **431,152** | **383,907** |
| **Net Assets** | **594,225** | **1,150,724** |

Investment Fiji recorded a decrease in net assets by $556,499 or 48 % in 2020 compared to 2019. The decrease in net assets was mainly due to the decrease in cash at the end of the financial year compared to 2019.

## Fiji Teachers Registration Authority

### Abridged Statement of Financial Performance

| Description | 2018 ($) | 2017 ($) |
|---|---|---|
| Government grant | 368,294 | 370,398 |
| Other Income | 394 | 962 |
| Amortisation | 20,656 | 20,252 |
| **Total income** | **389,344** | **391,612** |
| Depreciation expense | 20,656 | 20,252 |
| Employee benefit expense | 312,208 | 300,391 |
| Administration expenses | 60,702 | 52,203 |
| Interest expenses | 4,624 | 4,624 |
| **Total expenditure** | **398,190** | **377,470** |
| **Net (Deficit) / Surplus for the year** | **(8,846)** | **14,142** |

The Authority recorded net deficit of $8,846 for the financial year ended 31 July 2018 compared to a surplus of $14,142 in 2017. The deficit recorded in 2018 was mainly attributed to the increase in employee benefit expense by $11,817 or 4% and administration expense by $8,499 or 16% when compared to 2017.

### Abridged Statement of Financial Position

| Description | 2018 ($) | 2017 ($) |
|---|---|---|
| Cash and cash equivalents | 62,382 | 76,783 |
| Prepayments and other assets | 737 | 133 |
| Property, plant and equipment | 47,980 | 65,757 |
| Intangible Assets | 760 | 1,000 |
| **Total Assets** | **111,859** | **143,673** |
| Trade payables and other accruals | 22,394 | 7,802 |
| Deferred revenue | 48,740 | 66,757 |
| Obligations under finance lease (current) | 10,880 | 10,880 |
| Employee entitlements | 8,918 | 18,488 |
| Obligations under finance lease (non-current) | 12,694 | 22,667 |
| **Total Liabilities** | **103,626** | **126,594** |
| **Net Assets** | **8,233** | **17,079** |

The Authority recorded a decrease in net assets by $8,846 or 52 % in 2018 when compared to 2017. The decrease in net assets is mainly due to significant decrease in cash and cash equivalent by $14,401 or 19% and property, plant and equipment by $17,777 or 27%.

# Appendix C: Audits not complete as at 31 October 2021

| Entity | Year Last Audited | | | | | Comments |
|---|---|---|---|---|---|---|
| | Prior 2016 | 2017 | 2018 | 2019 | 2020 | |
| 1. Tourism Fiji | ✓ | | | | | Audit of 2015, 2016 and 2017 accounts are being finalized. |
| 2. National Fire Authority | ✓ | | | | | Audit for 2016 accounts are being finalized.<br><br>Audit for 2017 yet to commence. |
| 3. Agricultural Marketing Authority | ✓ | | | | | Audit of 2017 accounts being finalized.<br><br>Audit for 2018 – 2019 yet to commence. |
| 4. I-Taukei Affairs Board | ✓ | | | | | The latest audited financial statements was for the year ended 31 December 2002. Revised draft financial statements for 2003 to 2005 and 2006 were resubmitted for audit on 27/08/21 and 01/09/21 respectively.<br><br>Draft Financial statements for 2007 to 2019 are yet to be submitted for audit. |
| 5. Fiji Servicemen's After-Care Fund | ✓ | | | | | Draft accounts for 2017-2020 yet to be received. |
| 6. Real Estate Agents Board | ✓ | | | | | Draft accounts for 2013 – 2015 audit received on 04/08/20. Audit yet to commence. |
| 7. Fiji Human Rights & Anti-Discrimination Commission | ✓ | | | | | 2017-2020 draft accounts yet to be submitted for audit. |
| 8. Independent Legal Services Commission | ✓ | | | | | 2016 - 2019 accounts yet to be received. |
| 9. Telecommunication Authority of Fiji | ✓ | | | | | 2015 - 2016 draft financial statements |

| Entity | Year Last Audited | | | | | Comments |
|---|---|---|---|---|---|---|
| | | | | | | were received on 23/03/21. Audit conduct is in progress. |
| 10. Fiji Medical & Dental Secretariat | ✓ | | | | | 2016 – 2019 draft financial statements were received on 11/09/20. Audit conduct for 2016 & 2017 are in progress. |
| 11. National Food & Nutrition Centre | ✓ | | | | | 2015 - 2016 draft financials were received on 16/9/19 and are yet to be audited. |
| 12. Sugar Industry Tribunal | ✓ | | | | | 2017-2018 audit being finalized. |
| 13. Fiji Meats Industry Board | | ✓ | | | | 2018 accounts is being finalized.<br><br>Audit for 2019 accounts is yet to commence. |
| 14. Fiji Teacher's Registration Authority | | | ✓ | | | Audits for 2019 - 2020 are being finalised. |
| 15. Film Fiji | | ✓ | | | | Audit for 2018 is being finalized.<br><br>2019 audit yet to commence. |
| 16. National Council for Persons with Disabilities | | ✓ | | | | 2018 draft financials submitted for audit on 30/09/19 and audit is yet to commence.<br><br>2019 – 2020 draft financials to be prepared on IFRS for SMEs and resubmitted. |
| 17. Fiji Higher Education Commission | | | ✓ | | | 2019 audit in progress. |
| 18. Land Transport Authority | | | ✓ | | | The audit for 2019 and 2020 accounts is in progress. |
| 19. Fiji Revenue and Customs Services | | | ✓ | | | 2019 audit is being finalized. |
| 20. Fiji Roads Authority | | | ✓ | | | 2019 audit is being finalized. |

| Entity | Year Last Audited | | | | | Comments |
|---|---|---|---|---|---|---|
| 21. Maritime Safety Authority of Fiji | ✓ | | | | | 2017 – 2019 audit yet to commence. Draft accounts for 2020 is yet to be submitted for audit. |
| 22. Consumer Council of Fiji | | | | | ✓ | 2020 audit yet to commence. |
| 23. Fijian Competition and Consumer Commission | | | | ✓ | | 2020 audit is in progress. |
| 24. Fiji Sports Council | | | ✓ | | | 2019 audit is in progress. |
| 25. Water Authority of Fiji | | ✓ | | | | 2018 audit is in progress. |
| 26. National Substance Abuse Advisory Council | ✓ | | | | | 2016 & 2017 audits are in progress. |

# Appendix D: Entities not subject to audit by the Auditor-General

| Entity | Audit requirement | Audited by/Comments |
|---|---|---|
| 1. National Trust of Fiji | Auditor-General or such other auditor approved in that behalf by the Minister responsible for finance. | Auditor appointed by Trust as follows:<br>• 2006-2007 RP Singh & Company.<br>• 2008-2010 HN Pande & Company.<br>• 2011-2013 I Naiveli & Company.<br>• 2014-2018 HN Pande & Company.<br>• 2019 R. P Singh<br><br>2019 audit completed. |
| 2. Legal Aid Commission | Auditor appointed by the Commission. | Auditor appointed by the Commission as follows:<br><br>• 2014 – 2016 A M Narsey & Company<br>• 2017 – 2019 PWC<br><br>2019 audit completed. |
| 3. Fiji Museum | Auditor appointed by the Minister responsible for Fiji Museum | Ernst & Young appointed auditor for financial year ended 31 July 2019.<br><br>Audit for 31 July 2019 completed. |
| 4. Tertiary Scholarship and Loans Board | In accordance with the Audit Act (Cap. 70) and the Financial Management Act 2004;<br><br>b) by an independent auditor appointed by the Minister; or<br><br>c) by an independent auditor as so directed by the Minister for Finance. | KPMG appointed as auditors for 2014-2018 financial statements.<br><br>PWC appointed auditor for 2019 - 2020 financial statements.<br><br>Audit completed for financial year ended 31 July 2020. |

# Appendix E: 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 means 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. |
| Amortised | Gradually write off the initial cost of an asset. |
| Assessment for impairment | Assessment done to ensure that an entity's assets are not carried at more than their recoverable amount (i.e. the higher of fair value less costs of disposal and value in use). |
| Audit evidence | A difference between the amounts, classification, presentation, or disclosure of a reported financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework. |
| Backlog | Accumulation of draft financial statements not submitted for audit. Draft financial statements prior to 2019 not submitted to Auditor-General for audit is taken as a backlog audit. |
| Business continuity risk | Business interruption can result from natural occurrences and accidental or deliberate criminal acts. Those interruptions can have significant financial and operational ramifications. Over time, an organization will experience an event that will result in the loss of information, access to properties (tangible or intangible), or the services of personnel. Exposure to those types of risks and the planning for business continuity is an integral part of an organization s risk management process. |
| Capital works | Amount capitalized to the balance sheet for contributions by an entity to major assets owned by the entity, including expenditure on:<br>• Capital renewal of existing assets that returns the service potential or the life of the asset to that which it had originally. |

| Term | Definition |
|---|---|
| | • Capital expansion which extends an existing asset at the same standard to a new group of users. |
| Completion of Audit | The audit is considered complete when audit opinion is issued by the Auditor-General. |
| Consolidated fund account | The main bank account of the government where public monies are paid into for the operations of government. Trust money is not paid into this account. |
| Deferred income | Deferred income refers to money received by an entity before it provides the related goods or services to the customer. |
| Deficiencies | Failing, weakness or shortcoming. |
| Depreciation | The systematic allocation of a fixed asset's capital value as an expense over its expected useful life to take account of normal usage, obsolescence, or the passage of time. |
| Disaster recovery plan | Is a plan that describes how work can be resumed quickly and effectively after a disaster. |
| Estimated useful lives | Estimated lifespan of a depreciable fixed asset, during which it can be expected to contribute to an entity's operations. |
| Express an opinion | A written expression of the auditor's overall conclusion on the financial report based on audit evidence obtained. |
| Fraud | An intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage. |
| Governance | Governance is defined as the manner in which those in vested authority uses its powers to achieve the institution's objectives, including its powers to design, implement and innovate the organization's policies, rules, systems and processes and to engage and involve its stakeholders. |
| Governing bodies | A body of persons or officers having ultimate control. They are mainly constituted for the purpose of administration. |
| Impairment | When an asset's carrying amount exceeds the amount that can be recovered through use or sale of the asset. |
| International Financial Reporting Standards | Standards adopted by Fiji Institute of Accountants for financial reporting by large and medium entities in Fiji. |
| Management | Those with the executive responsibility for conducting an Entity's operations. |

| Term | Definition |
|---|---|
| | |
| Management Letter | Management Letter highlighting areas where improvements can be made by an entity following an audit. |
| Material Misstatement | A significant difference between the amounts, classification, presentation, or disclosure of a reported financial statement item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework. |
| Materiality | This relates to the size or nature of the item or error judged in the particular circumstances of its omission or misstatement. Information is material if its omission or misstatement could influence the economic decisions of users, taken on the basis of the financial statements. |
| Other significant matters | Include control weaknesses which *could cause* or *is causing* severe disruption of the process or severe adverse effect on the ability of an auditee to achieve process objectives and comply with relevant legislation.<br>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. |
| Provision for loan accounts | A provision made to allow for the possibility that some debts due for payment in the future may never be paid. |
| Reasonable assurance | A high but not absolute level of assurance. |
| Revaluation | The action of assessing the value of something again. |
| Risks | The probability or threat of quantifiable damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through preemptive action. |
| Risk Management Policy | Provides method of identifying, assessing, controlling, monitoring and reporting existing and potential risks faced by an entity. |
| Signed Financial Statements | Means when audit opinion is issued by the Auditor General on the financial statement. |
| 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. |
| Leasehold land | Real property held by a tenant (lessee) under a lease for a fixed term, after which it is returned to the owner (the lessor). |
| Valuation | The process of determining the fair value of an asset. |

| Term | Definition |
|---|---|
| | |
| Value-adding | Financial or non-financial gains arising from improved compliance or mitigation of risks. |
| Work in progress | The total value of the materials and labor for unfinished projects. |
| Written- down value | The value of an asset after accounting for depreciation or amortization. |
| Zero-book values | Arises when fixed assets are fully depreciated. |

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