



OFFICE *of the* AUDITOR GENERAL
Republic of Fiji

REPORT OF THE AUDITOR-GENERAL OF THE REPUBLIC OF FIJI

2020 & 2021 Financial Statements of Government

&

2020 & 2021 Agency Financial Statements - Ministry of Finance



PARLIAMENT OF FIJI PARLIAMENTARY
PAPER NO. 91 OF 2023



OFFICE of the AUDITOR GENERAL
Republic of Fiji

VISION

Promoting public sector accountability
and sustainability through our audits

To provide independent value adding
audit services

MISSION

To provide an environment where
our people can excel

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We uphold respect
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INTEGRITY

We are ethical, fair and
honest in our duties.

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the highest standard of
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are transparent.

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We maintain audit
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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

31 August 2023

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

Dear Sir

AUDIT REPORT ON 2020 & 2021 FINANCIAL STATEMENTS OF GOVERNMENT AND 2020 & 2021 AGENCY FINANCIAL STATEMENTS OF MINISTRY OF FINANCE

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on 2020 and 2021 Financial Statements of Government and 2020 and 2021 Agency Financial Statements of Ministry of Finance.

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

Yours faithfully

Sairusi Dukuno
ACTING AUDITOR-GENERAL



Encl.

**Part A i): 2020 Financial Statements of
 Government**



Financial Statements
Government of the Republic of Fiji
for the period ending 31 July 2020

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits

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INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE GOVERNMENT OF THE REPUBLIC OF FIJI FOR THE YEAR ENDED 31 JULY 2020

Opinion

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

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

for the year ended 31 July 2020, and notes to the financial statements, including a summary of significant accounting policies, in accordance with section 152 of the 2013 Constitution of the Republic of Fiji, section 46(2) (b) and section 47(2) (b) of the Financial Management Act 2004, and section 6 of the Audit Act 1969.

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

Basis for Opinion

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

Emphasis of Matters

I draw attention to the following matters:

1. Included in the Trust Fund Account balance of \$223,280,875 in the Statement of Assets and Liabilities (Schedule 3) is Consolidated Main Trust Fund of \$192,621,972 (Note 31). Main Trust Fund Account balances totaling \$4,223,716 were not supported with detailed listing of claimants of monies held in trust.

2. Reflected in the Statement of Assets and Liabilities (Schedule 3) is cash and cash equivalent of \$714,321,349. Unreconciled variances amounting to \$5,628,257 existed between the balances in the FMIS general ledger, and bank reconciliation statement for domestic cash. In addition, domestic cash balance of \$109,233 was not booked in the FMIS general ledger and therefore not accounted for in the financial statements.
3. Reflected in the Statement of Revenue and Expenses (Schedule 4) is total revenue of \$2,728,177,796. A total unreconciled variance of \$2,198,273 existed between the FMIS general ledger and the revenue reports of Ministries and Departments.
4. The Trading and Manufacturing Accounts are operating on semi-accrual accounting basis instead of full accrual accounting. Property, plant and equipment for TMA operations are not disclosed in the Statement of Assets and Liabilities (Schedule 3).

My opinion is not modified in respect of these matters.

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

The Permanent Secretary for Finance is responsible for the preparation of the Financial Statements of Government in accordance with the IPSAS Financial Reporting under Cash Basis of Accounting, Financial Management Act 2004, and Finance Instructions 2010 and for such internal control as the Permanent Secretary for Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
22 June, 2023

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INDEPENDENT AUDITOR'S REPORT

ANNUAL APPROPRIATION STATEMENT OF THE GOVERNMENT OF THE REPUBLIC OF FIJI FOR THE YEAR ENDED 31 JULY 2020

Opinion

I have audited the Annual Appropriation Statement and Budget Results as included in Schedules 9 to 13 for the year ended 31 July 2020, and Notes to the Financial Statements of Government including a summary of significant accounting policies for the year ended 31 July 2020, in accordance with section 152 of the 2013 Constitution of the Republic of Fiji, section 46(2)(b) and section 47(2)(b) of the Financial Management Act 2004 and section 6 of the Audit Act 1969.

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

Basis for Opinion

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

Other Matters

Significant Unutilised Budget

As shown in the Details of Reportable Expenditure Authorisation (Schedule 10), significant unutilised budget were noted in allocations for Special Expenditures (23%) and Capital Grants and Transfers (11%).

The significant unutilised budget was attributed mainly to the following:

1. Ministry of Education, Heritage and Arts – unutilised budget of \$16.4 million of a total budget of \$472.9 million was largely due to the transfer of Technical College of Fiji to Fiji National University, non-implementation of projects earmarked for the 2020 financial year and non-releasing of grants due to closure of schools during the COVID 19 pandemic;
2. Ministry of Health and Medical Services – unutilised budget \$11.9 million or 3% of a total budget of \$347.5 million was largely due to the non-implementation of projects, reallocation of budgetary items (National Blood Services) and trainings, outreach and other Public Health Programme were put on hold due to the COVID 19 pandemic restrictions;

3. Fiji Roads Authority – unutilised budget of \$45.2million or 14% of its total budget of \$317.9 million as only 86% of the grant was released by the Ministry of Finance;
4. Miscellaneous Services (Head 50) - unutilised budget of \$54.8 million or 12% of a total budget of \$450.3 million was due to the partial release of funds to agencies based on the funding needs, progress of project implementation and finalisation of procurements; and
5. Various Ministries and Departments with approved total budget of \$1.95 billion did not utilise \$182.9 million or 9% of the budget.

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

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

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

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

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

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

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

Communication with Those Charged with Governance

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



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
22 June, 2023

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**GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF RESPONSIBILITY
FOR THE PERIOD ENDING 31 JULY 2020**

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

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

In our opinion, these financial statements fairly reflect the financial position of the Government of the Republic of Fiji as at 31 July 2020 and its operations for the year ended on that date.



Shiri K Gounder
Permanent Secretary

Date: 20/06/2023



Atin Chand
Acting Head of Treasury

Date: 16/06/2023

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD ENDING 31 JULY 2020

Schedule 1

	Notes	Actual Controlled by Government 31 Jul 2020 (\$)	Actual Controlled by Government 31 Jul 2019 (\$)
Receipts			
Taxation			
Income Tax	36	702,544,406	830,139,738
(less refunds)	36	(91,994,940)	(75,710,151)
Income Tax	34	610,549,466	754,429,587
Value Added Tax			
Value Added Tax	36	855,418,376	1,031,674,957
(less refunds)	36	(227,669,216)	(199,855,087)
Value Added Tax		627,749,160	831,819,870
Customs Taxes		533,800,285	673,239,201
Other Taxes		421,902,230	560,289,664
Fees, Charges, Fines and Penalties	34	142,161,315	133,087,675
Investing Revenue		263,373,050	118,905,006
Other Revenues and Surpluses		30,987,058	45,072,931
Reimbursements and Recoveries	36	13,970,878	11,821,776
Grants in Aid (overseas)	36	67,579,422	41,985,862
Net receipts into trust funds		18,004,882	7,784,949
Borrowings			
Treasury Bills	17(e)	394,627,020	628,129,135
Overseas Loans	17(d)	331,506,706	3,216,274
Domestic Loans	17(d)	918,398,270	633,934,570
Receipts from Lending & On - Lending		6,230,680	5,764,283
Trading Activities			
Receipt from Trading Activities		11,370,556	17,624,048
Total Receipts		4,392,210,978	4,467,104,831
Payments			
Operations			
Established Staff	37	934,417,623	957,057,437
Government Wage Earners	37	53,392,431	59,914,459
Travel and Communications	37	31,851,757	37,815,306
Maintenance and Operations	37	72,899,915	78,031,413
Purchase of Goods and Services	37	171,519,823	161,562,680
Special Expenditure	37	56,970,535	85,155,959
Value Added Tax	39	31,733,470	38,118,137
Pensions Gratuities	37	32,257,184	34,647,442
Operating Grants	37	623,327,343	687,937,715
Capital Grants		814,770,542	961,159,272
Capital Payments			
Purchase/Construction of plant and equipment		142,188,486	159,402,472
Loan and interest repayment			
Repayment of borrowings overseas	17(d)	58,713,657	54,774,911
Repayment of borrowings domestic	17(d)	194,078,000	235,277,000
Repayment of Treasury Bills	17(e)	428,644,434	519,015,000
Interest Payments	40	356,986,258	326,735,388
Trading Expenses (TMA)			
Cost of Goods Sold (TMA)	43(a)	516,424	1,345,973
Other Expenses (TMA)		8,190,195	11,914,774
Net Advance Payment/(Receipt)		(44,583)	(10,732)
Total Payments		4,012,413,494	4,409,854,606

**GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD ENDING 31 JULY 2020**

Schedule 1

	Notes	Actual Controlled by Government 31 Jul 2020 (\$)	Actual Controlled by Government 31 Jul 2019 (\$)
Net increase/(decrease) in Cash & Cash Equivalents		379,797,484	57,250,225
Cash & Cash Equivalents at the beginning of period		344,074,924	286,653,731
Exchange Rate changes		(9,551,059)	170,968
Cash & Cash Equivalents at end of period	3	714,321,349	344,074,924

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

Ministry of Finance
Suva, Fiji

Dated 20 of the month of June 2023.



.....
Shiri K Gounder
Permanent Secretary for Ministry of Finance

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
 BY BUDGET FUNDING ECONOMIC CLASSIFICATION
 FOR THE PERIOD ENDING 31 JULY 2020

Schedule 2

	Original 2020 (\$)	Revised 2020 (\$)	Actual 2020 (\$)	Variance 2020 %
Revenue				
Operating Receipts	2,235,580,233	2,235,580,233	2,449,163,344	10
Investing Receipts	272,039,715	272,039,715	267,929,646	(2)
Total Revenue	2,507,619,948	2,507,619,948	2,717,092,990	8
Expenditure				
Established Staff	936,676,510	940,144,797	934,417,623	(1)
Government Wage Earners	53,415,183	54,271,849	53,392,431	(2)
Travel and Communications	30,530,122	33,146,847	31,851,757	(4)
Maintenance and Operations	69,426,044	77,858,177	72,899,915	(6)
Purchase of Goods and Services	164,608,344	178,988,373	171,519,823	(4)
Operating Grants and Transfers	644,261,846	644,201,032	623,327,343	(3)
Special Expenditures	102,623,829	73,592,224	56,970,535	(23)
Pensions, Gratuities & Compassionate Allowances	29,620,000	32,257,583	32,257,184	(0)
Charges on Account of Public Debt	361,548,486	361,548,486	356,986,258	(1)
Total Operating Expenditure	2,392,710,364	2,396,009,368	2,333,622,869	(3)
Capital Construction	101,032,734	98,414,680	92,171,276	(6)
Capital Purchase	62,909,031	56,291,896	53,014,597	(6)
Capital Grants and Transfers	934,007,112	943,876,737	839,933,212	(11)
Total Capital Expenditure	1,097,948,877	1,098,583,313	985,119,085	(10)
Value Added Tax	45,693,334	41,759,894	31,733,470	(24)
Total Expenditure	3,536,352,575	3,536,352,575	3,350,475,424	(5)
Net Deficit	1,028,732,627	1,028,732,627	633,382,434	(38)
Debt Repayments	253,284,610	253,284,610	252,791,657	(0)
Gross Deficit	1,282,017,237	1,282,017,237	886,174,091	(31)
Net Deficit as a Percent of GDP	9%	9%	6%	
Nominal GDP	11,479,900,000	11,479,900,000	10,686,120,681	(Provisional)
Gross Deficit To be Financed From:				
Overseas Loans	373,561,000	373,561,000	359,666,763	(4)
Domestic Loans	908,456,625	908,456,625	904,057,000	(0)
	1,282,017,625	1,282,017,625	1,263,723,763	(1)

**GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 31 JULY 2020**

1. General Information

The Republic of Fiji is a sovereign democratic.

The principal activities of the Government are:

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

2. Significant accounting policies

2.1 Basis of Preparation

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

The accounting policies have been applied consistently throughout the period.

2.2 Reporting Entity

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

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

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

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

2.3 Presentation currency

The presentation currency is Fiji dollars, the currency of the Government of Fiji and all values are rounded to the nearest dollar except when otherwise indicated. Cash flows are converted to Fiji dollars using the monthly average exchange rate by the Reserve Bank of Fiji. Amounts held in foreign currencies are converted using the spot rate on the reporting date effective from FY2021-2022.

2.4 Basis of Consolidation

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

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

2.5 Comparatives

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

3. Cash and cash equivalents

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

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

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

The balance of the Domestic Account is offset by the unrepresented cheques outstanding for ministries and departments as of 31 July 2020.

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

	31 Jul 2020	31 Jul 2019
	(\$)	(\$)
Overseas bank accounts	221,384,156	7,623,040
Domestic bank accounts	290,638,018	160,843,269
Trust fund accounts	192,238,484	163,891,553
Trading and Manufacturing Activities accounts	<u>10,060,691</u>	<u>11,717,062</u>
Cash on hand and balances with banks	<u>714,321,349</u>	<u>344,074,924</u>

Included in cash and cash equivalents above are the Trust Fund Accounts totaling \$192.2 million (2019: \$163.9 million) which is set aside for a specific purpose. The Trust Fund Account includes deposits, retention monies and true Trust account that ministries and departments hold in trust.

4. Donations, Grants and Other Aid

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

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

5. Borrowings

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

6. Term Loans

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

7. Trust Fund

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

8. Advance Receipts

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

9. Value Added Tax

These are VAT payment made by Ministries and Departments to Fiji Revenue & Customs Service during the year.

10. Interest Payments and Other Charges on Loans

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

11. Investment Receipts

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

12. Capital Payments

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

13. Special Expenditure

Special Expenditure (SEG 7) relate to one off or unique projects of government. In 2020, there were altogether 277 special expenditure activities, listed below are the top 14 activities.

		31 Jul 2020 (\$)	31 Jul 2019 (\$)
Activity	Head of Appropriation		
ADB Meeting	Miscellaneous Services	---	9,973,963
Social Welfare	Miscellaneous Services	9,532,055	8,380,273
General Reserves (OPR & CAP)	Miscellaneous Services	7,637,869	5,295,599
National Agriculture Census	Agriculture	4,202,068	---
Consultation Fees	Finance	2,057,854	---
VAT Clearance Charges	Republic of Fiji Military Forces	1,931,455	---
Consulate General / Trade Commission China	Industry, Trade and Tourism	1,352,207	---
Consulate General / Trade Commission Australia	Industry, Trade and Tourism	1,232,163	---
Deforestation and Forest Degradation	Forestry	952,033	---
Trade Commission - North America	Industry, Trade and Tourism	780,581	---
Workmens Compensation	Employment, Productivity and	1,049,979	1,749,996
Civil Service Coordination Implementation Unit	Civil Service	773,204	---
Analogue to Digital	Communication	---	2,000,000
Community Health Workers	Health and Medical Services	2,896,944	1,910,374
Civil Service Reform Management Unit	Miscellaneous Services	---	1,203,131
Medical Contingencies	Health and Medical Services	1,468,081	1,289,583
Household Income & Expenditure Survey	Finance	1,012,630	1,505,966
Deforestation	Forestry	---	1,548,137
Grid Extension Scheme	Infrastructure and Transport	---	5,037,501
Consul-General - Shanghai	Industry, Trade and Tourism	---	1,682,013
Consul-General - Sydney	Industry, Trade and Tourism	---	1,833,971
Consultancy Payments	Public Enterprise	---	1,976,724
		<u>36,879,123</u>	<u>45,387,231</u>
Others (comprises of 263 activities across various Ministries in 2020)		<u>20,091,412</u>	<u>39,768,728</u>
		<u>56,970,535</u>	<u>85,155,959</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

14. Undrawn Borrowing Facilities

The total undrawn loan balance from current loan facilities with the World Bank - International Bank for Reconstruction and Development (IBRD), International Fund for Agricultural Development (IFAD), European Investment Bank ('EIB') and the Asian Development Bank (ADB) was approximately \$570.8million as at 31 July 2020 compared to \$553.2 million in the same period last year. Loans undrawn from the World Bank amounted to \$94.1 million (\$101.6 million - 31 July 2019). IFAD amounted to \$5.2 million (\$4.9 million - 31 July 2019), EIB at \$159.1 million (\$162.4 - 31 July, 2019), the newly signed JICA loan amounting to 57.7 million while undrawn loans from ADB equal \$254.7million (\$284.3 million - 31 July 2019). The loan amounts were converted to the Fiji dollar using the end of year exchange rate: USD/FJD=0.4714; EUR/FJD=0.3980 and YEN/FJD=49.37.

Loan Account	Loan Proceeds Received				Undrawn balance available for future years	Restricted Cash	Fiji dollar equivalent as at 31/07/2020
	Total Loan as per Agreement	Drawdown	Capitalised Charges	Loans cancelled			
A. Multi-lateral	(USD millions)	(USD millions)	(USD millions)	(USD millions)	(USD millions)	(FJD millions)	(FJD millions)
2014 ADB - Transport Infrastructure Investment Project	100.0	6.62	0.43	0.00	86.02	5.12	182.48
2016 IBRD - Transport Infrastructure Investment Project	50.0	2.24	0.30	0.00	42.75	0.00	90.69
2016 IBRD - Pacific Regional Connectivity Program	6.0	0.00	0.00	0.00	1.63	0.01	3.45
2017 ADB-Urban Water & Sewerage Project LN 3512	42.1	4.01	0.20	0.00	34.04	0.00	72.22
2017 EIB - Urban Water & Wastewater Management Project	75.0	0.00	0.00	0.00	75.00	0.00	159.10
2020 - ADB Sustained Private Sector-Led Growth - Subprogram II	65.00	65.00	0.00	0.00	0.00	0.00	0.00
2020 - IBRD Fiscal Sustainability & Climate ResilienceLN9016 - Subprogram II	6.00	5.99	0.02	0.00	0.00	0.00	0.00
2020 - IDA Fiscal Sustainability & Climate ResilienceLN6500- Subprogram II	29.00	28.93	0.07	0.00	0.00	0.00	0.00
2020 - IDA Fiscal Sustainability & Climate ResilienceLN6501- Subprogram II	28.73	28.73	0.00	0.00	0.00	0.00	0.00
Total	401.79	141.51	1.02	0.00	239.44	5.13	507.93
B. Multi-lateral	(EUR millions)	(EUR millions)	(EUR millions)	(EUR millions)	(EUR millions)		(FJD millions)
2015 IFAD - Fiji Agricultural Partnership Project	3.10	0.00	0.00	0.00	2.05	1.14	5.15
Total	3.10	0.00	0.00	0.00	2.05	1.14	5.15
C. Bi-lateral	(YEN millions)	(YEN millions)	(YEN millions)	(YEN millions)	(YEN millions)		(FJD millions)
2020 - JICA Stand-by Loan for DRR FJ-SB1	5000.00	2125.00	25.00	0.00	2850.00	0.00	57.73
Total	5,000.00	2,125.00	25.00	0.00	2,850.00	0.00	57.73
TOTAL	5,404.89	2,266.51	26.02	0.00	3,091.49	6.26	570.81

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

15. Undrawn Grant Facilities

Particulars	Total amount of approved grant 2020	Total grants received as at 31 July 2019	Total grants received as at 31 July 2020	Undrawn balance as at 31 July 2020
	<i>FJD</i> <i>(millions)</i>	<i>FJD</i> <i>(millions)</i>	<i>FJD</i> <i>(millions)</i>	<i>FJD</i> <i>(millions)</i>
General Budget Support	11.28	2.15	10.33	0.09
Unbudgeted Project Support	6.16	8.43	5.32	0.62

Notes:

- General Budget Support - These are cash grants as provided in the Budget Estimates.
- Unbudgeted Project Support - This represent ad-hoc cash grant received and released directly for the project to the recipient agencies.
- Undrawn balance - This are unutilised funds which were returned to Head 50 on 31 July 2020.

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

16. Government Budgetary Sector

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

General Administration

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

Social Services

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

Economic Services

Ministry of Agriculture
Ministry of Fisheries
Ministry of Forests
Ministry of Lands and Mineral Resources
Ministry of Industry, Trade and Tourism
Ministry of Sugar
Ministry of Local Government

Infrastructure Services

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

17. **Assets, Liabilities, Revenues and Expenses**

a) **Revenue and Expenses**

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

	31 Jul 2020	31 Jul 2019
	(\$)	(\$)
b) Accounts Receivable		
Tax receivables - IRD and customs	186,727,007	199,505,238
Accounts receivable - Trade	2,729,584	2,658,813
Miscellaneous receivables	931,301	904,284
	<u>190,387,892</u>	<u>203,068,335</u>
c) Accounts Payable		
TMA Trade and sundry creditors	17,330	9,931
Withholding tax	314,376	450,377
VAT and Income Tax Refunds outstanding	268,600,593	254,815,142
	<u>268,932,299</u>	<u>255,275,450</u>
d) Borrowings		
The borrowings of the Government are listed below:		
Proceeds		
Domestic commercial banks	31,153,804	---
Domestic insurance companies	53,025,223	86,616,372
Domestic - Fiji National Provident Fund	508,201,196	536,573,794
Domestic - Private	326,018,047	10,744,404
Overseas development banks and similar lending agencies	331,506,706	3,216,274
Total proceeds	<u>1,249,904,976</u>	<u>637,150,844</u>
Repayments		
Domestic commercial institutions	(194,078,000)	(235,277,000)
Overseas development banks and similar lending agencies	(58,713,657)	(54,774,911)
Total repayments	<u>(252,791,657)</u>	<u>(290,051,911)</u>
e) Treasury Bills		
Treasury bills issued	394,627,020	628,129,135
Treasury bills redeemed	(428,644,434)	(519,015,000)
Net proceeds from treasury bills	<u>(34,017,414)</u>	<u>109,114,135</u>

**GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020**

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

The budget is approved on a cash basis by functional classification. The approved budget covers the fiscal period from 1 August 2019 to 31 July 2020 and includes all entities within the general government sector. The budget deals only with the general government sector which excludes other extra budgetary activities. The general government sector includes all government departments - significant departments are included in the list of entities in Note 16.

The original budget was announced on 7th June 2019 and approved by legislation on 20th June 2019.

Given the large and sudden reduction in economic activity with the COVID-19 pandemic, a COVID-19 supplementary budget was tabled in parliament on 26th March 2020 and was legislated on the same day.

A number of changes occurred due to a Redeployment Exercise which was endorsed by Cabinet in 2019-2020FY. The approval for the redeployment of funds in the 2019-2020 Budget was to fund for Capital projects under Fiji Roads Authority, shortfall in Personnel Emoluments, Wages, FNPF, Allowances, Overtime, Fringe Benefit Tax, Construction of new Police Stations for Nakasi, Nadi, Lautoka, and Nalawa, extension of sewer main from Matalivolivi pump to Blackrock camp, and to fund the ongoing projects and programmers for line agencies.

Comparison of Actual and Budget Amounts

Revenue Performance

Total revenue collection as at 31 July 2020 was \$2.72b, which exceeded budget by \$0.21b, whilst contracted against actual same period last year by \$0.46b. The key performance against budget were:

- a) Direct Taxes : an increase of \$64.59m against budget mainly driven by favorable collections from corporate & personal taxes, dividend withholding tax, capital gains tax, SRT and FBT. This is also attributed to the revision in the forecast due to COVID-19 pandemic.
- b) Indirect Taxes : an increase of \$107.37m against budget mainly driven by favorable collections from VAT, Excise Duty, Stamp Duties, Departure Tax and Water Resource Tax. The recent policies implemented in the budget had encouraged domestic spending and generated economic activity.
- c) Fees, Fines & Charges : an increase of \$23.97m against budget mainly due to increase noted in collections from LTA fees and levy, rates and public water charges and telecommunication and TV license.
- d) Grant in Aid : an increase of \$213.58m noted in light of COVID-19 pandemic.
- e) Investment : increase is mainly attributed to the diversification of EFL shares which led to a collection of \$206.0m.

The favorable result was offset by COVID-19 pandemic which resulted in below par performance for statutory bodies affecting dividends from investments and deferral of TELS loan repayments.

Expenditure Performance

SEG 1: Established staff

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

- i) Due to vacant positions at the WoG level, which resulted in the low utilisation of funds for SEG 1;
- ii) Realignment of positions in the P2P structure for Ministry of Forest and Ministry of Fisheries; and
- iii) Suspension of some SODELPA MP's without salary from May to July 2020.

SEG 2: Government wage earners

The underspending is due to the vacant positions at WoG level which has resulted in the low utilisation of funds for SEG 2.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

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

SEG 3: Travel and communications

The cost savings for SEG 3 were driven by extensive travel and border restrictions which commenced from March 2020 in light of COVID-19 outbreak.

SEG 4: Maintenance and operations

This was a result of cost savings undertaken during the year in light of COVID-19 outbreak.

SEG 5: Purchase of goods and services

As a result of cost controls and deferral of training programs in light of COVID-19 outbreak.

SEG 6: Operating grants and transfers

The cost savings for SEG 6 is mainly attributable to the following:

- i) The funds were released as and when required by the Agencies; and
- ii) Suspension of participation in international tournaments due to border restrictions. Whilst local events and programs were affected due to social gathering requirements in light of COVID-19 outbreak.

SEG 7: Special expenditures

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

- i) Fiji Sustained Private Sector, COVID-19 Relief Assistance and Technical Support for Economic Reforms were funded through donor grants;
- ii) Delay in the implementation of projects such as PPP for Housing, PPP for Health and Common Sensing;
- iii) Reprioritisation for purchase of new vessels for Government Shipping services; and
- iv) Non-Utilisation of the EUS preparatory funds due to delay in the employment & unemployment survey.

SEG 8: Capital construction

The budget released were based on the funding requirements to implement the programmes for the period reported.

SEG 9: Capital purchase

The significant cost savings in SEG 9 were mainly attributable to a number of purchases for Health services and ITC.

SEG 10: Capital grants and transfers

Funding from these allocations are released as and when required by the Agencies.

SEG 13: Value Added Tax

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

There were no other material differences between the final approved budget and the actual amounts.

Basic Differences

The budget and the accounting basis differ. The financial statements for the government are prepared on the cash basis using a classification based on the nature of expenses. The financial statements include all budget sector agencies and excludes off-budget state entities, government commercial companies and commercial statutory authorities from 1 August 2019 to 31 July 2020. The budget is approved on cash basis by functional classification and deals only with the general government sector which excludes other extra budgetary activities. The Statement of Cash Receipts and Payments includes the same entities as the budget and other extra budgetary activities such as TMAs and Trust.

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

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

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

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

Entity Differences

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

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

Timing Difference

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

A reconciliation between the actual inflows and outflows are presented in the statement of comparison of the budget and actual amounts and the amounts of total cash receipts and total cash payments reported in the statement of cash receipts and payments for the year ended 31 July 2020 is presented below:

	Total inflows	Total outflows
	(\$)	(\$)
Actual amount on comparable basis as presented in the Budget and Actual Comparative Statement	2,717,092,990	3,350,475,424
Entity differences - TMAs		
Cost of goods sold (TMA)		516,424
Other expenses (TMA)		8,190,195
Net advance payments (TMA)		(44,584)
Third party payments (Note 19)		(28,160,057)
Total Cash Receipts	<u>2,717,092,990</u>	
Total Cash Payments		<u>3,330,977,402</u>

19. **Payment by Third Parties**

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

	31 Jul 2020	31 Jul 2019
	(\$)	(\$)
Capital payments	<u>28,160,057</u>	<u>10,245,586</u>
Total third party payments	<u>28,160,057</u>	<u>10,245,586</u>

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

20. External Assistance and Other Assistance

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

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

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

	31 Jul 2020	31 Jul 2019
	(\$)	(\$)
External assistance		
Total cash receipts	<u>66,321,137</u>	<u>33,637,112</u>
Total external assistance	<u>66,321,137</u>	<u>33,637,112</u>
<u>Multilateral aid agencies</u>		
Cash receipts	<u>26,171,936</u>	<u>28,339,918</u>
Total multilateral aid agencies	<u>26,171,936</u>	<u>28,339,918</u>
<u>Bilateral aid agencies</u>		
Cash receipts	<u>40,149,201</u>	<u>5,297,194</u>
Total multilateral aid agencies	<u>40,149,201</u>	<u>5,297,194</u>
Other Assistance		
Total cash receipts	<u>1,258,285</u>	<u>8,348,750</u>
Total other assistance	<u>1,258,285</u>	<u>8,348,750</u>
<u>Non-Governmental Organizations</u>		
Cash receipts	<u>---</u>	<u>1,147,817</u>
Total NGOs	<u>---</u>	<u>1,147,817</u>
<u>Private Corporations and Other Donors</u>		
Cash receipts	<u>1,258,285</u>	<u>7,200,933</u>
Total private corporations and other donors	<u>1,258,285</u>	<u>7,200,933</u>
Loan Funds		
External assistance	<u>---</u>	<u>13,461,860</u>
Total loan funds	<u>---</u>	<u>13,461,860</u>
Grants and Donations		
External assistance	<u>67,579,422</u>	<u>41,985,862</u>
Total grants and donations	<u>67,579,422</u>	<u>41,985,862</u>

**GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont....)
FOR THE PERIOD ENDING 31 JULY 2020**

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

External Assistance

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

	Development Assistance		Emergency Assistance		Other Assistance		Total Assistance	
	31 Jul 2020	31 Jul 2019	31 Jul 2020	31 Jul 2019	31 Jul 2020	31 Jul 2019	31 Jul 2020	31 Jul 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Loan funds	28,160,057	13,461,860	44,707,839	---	286,798,866	---	359,666,762	13,461,860
Grant funds	66,321,137	33,637,112	---	---	---	---	66,321,137	33,637,112
Total	94,481,194	47,098,972	44,707,839	---	286,798,866	---	425,987,899	47,098,972

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

Other Assistance

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

	Development Assistance		Emergency Assistance		Other Assistance		Total Assistance	
	31 Jul 2020	31 Jul 2019	31 Jul 2020	31 Jul 2019	31 Jul 2020	31 Jul 2019	31 Jul 2020	31 Jul 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Grant and donations	1,258,285	8,348,750	---	---	---	---	1,258,285	8,348,750

Undrawn External Assistance and Other Assistance

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

	Development Assistance		Emergency Assistance		Other Assistance		Total Assistance	
	31 Jul 2020	31 Jul 2019	31 Jul 2020	31 Jul 2019	31 Jul 2020	31 Jul 2019	31 Jul 2020	31 Jul 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Closing balance - Loans	570,809,957	553,206,449	---	---	---	---	570,809,957	553,206,449
Closing balance - Grants	---	---	---	---	---	1,814,348	---	1,814,348

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

GOVERNMENT OF THE REPUBLIC OF FIJI
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FOR THE PERIOD ENDING 31 JULY 2020

21. Goods and Services Received

The Government of Fiji has received goods and services in 2020 from donors. These assistance include goods such as computers and medical equipment, and services such as technical assistance.

<u>Summary of goods and services received in-kind from donors</u>	Aid-in-kind 31 Jul 2020 (\$)
Donor agency	
Department of Foreign Affairs and Trade (DFAT)	66,232,903
European Union	16,048,223
New Zealand Ministry of Foreign Affairs & Trade (NZMFAT)	18,257,997
Japan International Cooperation Agency (JICA)	15,149,087
The United Nations Children Fund (UNICEF)	651,000
United Nations Development Programme (UNDP)	3,592,020
British High Commission (BHC)	3,846,468
Korea International Cooperation Agency (KOICA)	8,125,312
International Finance Corporation (IFC)	6,066,336
Global Green Growth Institute (GGGI)	2,641,711
Total value of goods and services received in-kind	<u>140,611,057</u>

Summary of goods and services received in-kind by activity

Project	
Specialist Interview Training to Fiji Police Force(BHC)	50,223
Common Sensing(BHC)	3,796,244
Governance (DFAT)	6,091,989
Australian Development Scholarships(ADS)[DFAT]	7,614,986
Australian Regional Development Scholarship (DFAT)	761,499
Access to Quality Education Program (DFAT)	7,614,986
Australia-Pacific Technical College (DFAT)	18,372,262
Fiji Health Sector Improvement Programme/ Support Programme (DFAT)	6,853,488
Pacific Women Shaping Pacific Development (DFAT)	6,091,989
Pacific Horticultural and Agriculture Market Access (DFAT)	654,889
Financial Inclusion (DFAT)	1,522,997
Fiji Community Development Program (DFAT)	3,045,995
Market Development Facility (DFAT)	5,323,328
Supporting Private Sector Development in Fiji (DFAT)	2,284,496
Public Administration Reform and Governance (EU)	6,348,897
Good Governance, Democracy, Health & Gender (EU)	1,986,306
Complementary Support to the Budget Support - Technical Assistance (EU)	359,970
Pro-Resilience Special Measure in response to food security in ACP countries (EU)	4,568,398
Social Mitigation Programme(AMSP) EDF10 (EU)	2,424,682
Complementary Support to the Budget Support - Technical Assistance (EU)	359,970
Technical Assistance (GGGI)	2,213,904
Technical Assistance (GGGI)	106,952
Technical Assistance (GGGI)	320,856
East Asia Pacific Corporate Governance (IFC)	152,815
Fiji Insurance (IFC)	226,849
Fiji Affordable Housing PPP (IFC)	699,926
Fiji Investment Competitiveness (IFC)	1,100,386
Fiji Tourism (IFC)	1,806,693
Capital Markets Development (IFC)	389,029
Fiji WINvest (IFC)	524,861
General Administrative and Business Development (IFC)	1,165,777
Training in Japan (JICA)	1,737,144
Pacific Leaders Educational Assistance for Development of State (Pacific LEADS) (JICA)	377,639
Volunteer Scheme (JICA)	799,435
Prevention and control of NCDs (JICA)	1,188,282
Improvement of Health Services through 5S-KAIZEN-TQM (JICA)	2,212,913
Volunteer Scheme (JICA)	377,377
Volunteer Scheme (JICA)	176,886
Volunteer Scheme (JICA)	54,591

**GOVERNMENT OF THE REPUBLIC OF FIJI
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FOR THE PERIOD ENDING 31 JULY 2020**

21. Goods and Services Received <i>continued</i>	Aid-in-kind 31 Jul 2020 (\$)
Volunteer Scheme (JICA)	4,565
Technical Assistance (JICA)	97,619
Introduction of Hybrid Power Generation System in the Pacific Island Countries (JICA)	3,770,433
Mainstreaming of Disaster Risk Reduction (JICA)	1,720,528
Preparatory Survey for Reconstruction of Tamavua-i-wai Bridge (JICA)	858,537
Project for Strengthening Capacity of Dept. Water & Sewerage to Improve Rural Water Supply by Ecological Purification System Technology (JICA)	4,526
Project to support reducing unaccounted water through effective control in Nadi/Ltka (JICA)	505,422
Volunteer Scheme (JICA)	536,234
Project for Promotion of Regional Initiative on Solid Waste Management (J-PRISM Phase II) (JICA)	726,957
Invitation training program(short term) (KOICA)	73,606
Strengthening Health Response Competency to Climate Change in Fiji (KOICA)	2,420,000
Dispatching experts program(volunteers, senior advisors & medical doctors)- KOICA	3,724,434
Project for Climate Change Resilient Renewable Energy Development of the Melanesians Four Countries (KOICA)	1,907,272
UNDP Parliament Strengthening Project (Phase 2)(NZMFAT)	1,079,603
Fiji NDMO Phase 3 (NZMFAT)	2,159,205
Training for Disaster Risk Reduction (NZMFAT)	900,871
Child Centred Disaster Risk Reduction (CDRR) in Fiji (NZMFAT)	696,642
Technical Assistance (NZMFAT)	719,735
Fiji Higher Education Improvement Programme 2016-2021 (NZMFAT)	1,802,264
Enhanced water security in rural villages (NZMFAT)	333,809
Policy Advisory Support Ministry of Housing and Community Development (NZMFAT)	575,788
Revitalising informal settlements and their environments (NZMFAT)	2,878,940
Model Towns Charitable Trust - Koroipita core funding Phase IV (NZMFAT)	713,790
Small Enterprise& Market development to empower disadvantaged young mothers in informal settlements (NZMFAT)	155,920
The Fiji Women's Crisis Centre (FWCC) - Accessible Services to Prevent and Respond to Violence Against Women in Fiji (NMZAT)	1,295,523
Fiji Dairy Industry Development Initiative (NZMFAT)	2,287,789
Fiji Agriculture Sector Support (NZMFAT)	820,498
Fiji MoA Design Specialist (NZMFAT)	232,187
Resilience through knowledge and action in agriculture and food security in Fiji (NZMFAT)	690,370
Consolidating Rural Training, Fiji (NZMFAT)	36,345
Fiji Fisheries Inshore Compliance Advisor (NZMFAT)	143,947
Fiji Fisheries Corporate Policy Advisor (NZMFAT)	71,974
Developing Sustainable and Responsible Tuna Longline Fisheries in Fiji (NZMFAT)	662,795
Fiji Access to Justice Project (UNDP)	1,975,611
Fiji Access to Justice Project (UNDP)	1,616,409
Child Protection Program (UNICEF)	6,000
Multiple Indicator Cluster Survey (UNICEF)	390,000
Child Protection Programme (UNICEF)	20,000
Health, Nutrition and HIV & AIDS Programme (UNICEF)	125,000
Policy, Evidence and Social Protection (UNICEF)	50,000
Policy, Evidence and Social Protection (UNICEF)	60,000
Total value of goods and services received in-kind	<u>140,611,057</u>

22. Authorisation Date

These IPSAS Financial Statements for the year ended 31 July 2020 were authorised for issue by the Permanent Secretary for Ministry of Finance on 20 June, 2023.

23. Commitments & Contingencies

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

Financial Statements
Government of the Republic of Fiji
for the period ending 31 July 2020

(Other Financial Statements required by Law)

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 JULY 2020

Schedule 3

	Notes	31 Jul 2020 (\$)	31 Jul 2019 (\$)
ASSETS			
Current Assets			
Cash and cash equivalent	3	714,321,349	344,074,924
Accounts Receivable	17(b)	190,387,892	203,068,335
Prepayments	26	1,026,161	1,070,745
Inventory	27	1,265,313	1,783,814
Total Current Assets		907,000,715	549,997,818
Non Current Assets			
Term-Loans Receivable	28	756,372,149	650,225,067
Equity Investments	29	1,087,849,323	1,313,895,388
Total Non Current Assets		1,844,221,472	1,964,120,455
TOTAL ASSETS		2,751,222,187	2,514,118,273
LIABILITIES			
Current Liabilities			
Accounts Payable	17(c)	268,932,299	255,275,450
Deferred Income	30	9,550,134	7,284,678
Trust fund account	31	223,280,875	205,478,333
Term Loans Payable - Treasury Bills	32(c)	264,132,690	298,150,105
Term Loans Payable - Overseas Loans	32(d)	526,933,794	61,127,719
Term Loans Payable - Domestic Loans	32(e)	222,561,450	194,078,000
Total Current Liabilities		1,515,391,242	1,021,394,285
Non Current Liabilities			
Term-loans Payable Overseas Loans	32(d)	1,182,172,342	1,394,270,059
Term-loans Payable Domestic Loans	32(e)	4,496,062,246	3,777,833,144
Total Non Current Liabilities		5,678,234,588	5,172,103,203
TOTAL LIABILITIES		7,193,625,830	6,193,497,488
EQUITY	45	(4,442,403,643)	(3,679,379,215)

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

Ministry of Finance
Suva, Fiji

Dated 20 of the month of June, 2023.


.....
Shiri K Gounder
Permanent Secretary for Ministry of Finance

**GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF REVENUE & EXPENSES
FOR THE PERIOD ENDING 31 JULY 2020**

Schedule 4

	Notes	31 Jul 2020 (\$)	31 Jul 2019 (\$)
REVENUE			
Operating Revenue	34	2,449,163,344	3,049,753,621
Investing Revenue	35	267,929,646	130,859,163
Trade and Manufacturing Operations	43(a)	11,084,806	17,689,401
TOTAL REVENUE		<u>2,728,177,796</u>	<u>3,198,302,185</u>
EXPENSES			
Operating Expenses	37	1,976,636,611	2,102,122,411
Capital Expenses	38	988,116,472	1,133,129,915
Value Added Tax	39	31,733,470	38,118,137
Interest Payments on Loans	40	356,986,258	326,735,388
Trading and Manufacturing Operations	43(b)	8,709,976	13,270,467
TOTAL EXPENSES		<u>3,362,182,787</u>	<u>3,613,376,318</u>
DEFICIT FOR THE YEAR		<u>(634,004,991)</u>	<u>(415,074,133)</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF CONTINGENT LIABILITIES
FOR THE YEAR ENDED 31 JULY 2020

Schedule 5

No.	Name	Notes	Guarantee Balance including accrued interest 1 Aug 2019 (\$)	New Loan Guaranteed Issued in 2020 (Aug - July) (\$)	Guarantee Reduction in 2020 Loan Repayments (\$)	Accrued Interest 2020 (\$)	FX Effect (\$)	Guaranteed Balance plus interest accrued 31 July 2020 (\$)
Section A:								
Explicit Contingent Liabilities - Guarantee of Loans Raised								
1	Fiji Airways		---	278,990,110	---	---	---	278,990,110
2	Fiji Development Bank		291,904,760	113,311,446	97,385,313	9,583	---	307,840,476
3	Fiji Electricity Authority		53,870,425	---	3,698,460	---	---	50,171,965
4	Fiji Hardwood Corporation		3,605,459	---	2,375,000	469,432	---	1,699,891
5	Fiji Sugar Corporation		241,284,794	16,160,025	58,388,436	1,647,036	(1,483,050)	199,220,369
6	Housing Authority		68,035,400	27,327,751	5,200,000	---	---	90,163,151
7	Fiji Broadcasting Corporation		10,493,063	---	2,166,772	---	---	8,326,291
8	Pacific Fishing Company Limited		4,061,740	2,240,239	3,755,344	---	---	2,546,635
	Government Guarantee	33	673,255,641	438,029,571	172,969,325	2,126,051	(1,483,050)	938,958,888
Section B:								
Other Explicit Contingent Liabilities - Subscription for Membership								
1	International Bank for Reconstruction and Development							305,927,059
2	Asian Development Bank							204,671,268
3	Asian Infrastructure Investment Bank							21,213,407
	Total	33						531,811,734
Section C:								
Implicit Contingent Liabilities								
1	National Bank of Fiji (Legal claims against the bank)							718,655
2	Provincial Councils - Loans Raised							884,627
3	Municipal Councils - Loans Raised							19,453,284
4	Fiji Revenue and Customs Service							90,768,399
	Total	33						111,824,965
Particulars		Notes	Authority		Liability as at 31 July 2020 (\$)			
Section B:								
Other Explicit Contingent Liabilities - Subscription for Membership								
1	International Bank for Reconstruction and Development		Approval of House of Representatives 30/3/71; Act No. 21 of 1971		305,927,059			
2	Asian Development Bank				204,671,268			
3	Asian Infrastructure Investment Bank				21,213,407			
	Total	33			531,811,734			
Section C:								
Implicit Contingent Liabilities								
1	National Bank of Fiji (Legal claims against the bank)		Act No. 14 of 1996		718,655			
2	Provincial Councils - Loans Raised		iTaukei Affairs Board		884,627			
3	Municipal Councils - Loans Raised		Ministry of Local Government		19,453,284			
4	Fiji Revenue and Customs Service		Litigation claims in relation to tax & customs matters		90,768,399			
	Total	33			111,824,965			

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

24. Scope of Other Financial Statements

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

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

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

25. Significant Accounting Policies relating to Other Financial Statements

25.1 Accounts Receivable

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

25.2 Prepayments

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

25.3 Inventory

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

25.4 Investments

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

25.5 Investment in Sinking Fund

The Purpose of the Sinking Fund is to build cash reserves that would be sufficient to redeem the Global Bond when it matures. This account was established mainly for the purpose of redemption of the offshore bond as well as debt repayments for Government.

25.6 Accounts Payable

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

25.7 Deferred Income

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

25.8 Treasury Bills Payable

Treasury Bills Payable are recorded at discounted value.

**GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

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

25.9 **Government Bonds**

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

25.10 **Trust Fund Accounts**

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

25.11 **Term Loans Payable**

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

25.12 **Operating Income**

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

25.13 **Investing Revenue**

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

25.14 **Loans Drawn**

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

25.15 **Expenditure**

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

	31 Jul 2020 (\$)	31 Jul 2019 (\$)
26. Prepayments		
Prepayments	<u>1,026,161</u>	<u>1,070,745</u>

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

27. Inventory

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

Raw Materials	215,161	292,384
Work-in-Progress	10,122	14,340
Finished Goods for Sales	<u>1,040,030</u>	<u>1,477,090</u>
	<u>1,265,313</u>	<u>1,783,814</u>

28. Term-Loans Receivable

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

Term-Loans Receivable

Term-Loans Receivable for Social Services	28(a)	492,539,859	407,310,146
Term-Loans Receivable for Economic Services	28(b)	<u>263,832,290</u>	<u>242,914,921</u>
Total Term-Loans Receivable		<u>756,372,149</u>	<u>650,225,067</u>

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

(a) Term-Loans Receivable for Social Services

Public Officers and Ministers	14,476	14,476
iTaukei Affairs Board	4,758,924	5,338,924
FRCS PSC Scholarship Lending	8,872,033	8,915,722
FRCS Tertiary Education Loan Scheme	474,443,815	388,590,413
Fiji Sports Council	<u>4,450,611</u>	<u>4,450,611</u>
	<u>492,539,859</u>	<u>407,310,146</u>

(b) Term-Loans Receivable for Economic Services

Fiji Pine Limited	2,200,000	2,200,000
Fiji Sugar Corporation Limited	199,616,381	173,816,930
Viti Corporation Company Ltd	2,905,000	2,905,000
Food Processors Fiji Ltd	1,900,000	1,900,000
Fiji Rice Limited	1,900,000	1,900,000
Pacific Fishing Company Limited	9,000,000	9,000,000
South Pacific Fertilizer	9,722,100	9,722,100
Housing Authority	28,856,012	32,706,299
Public Rental Board	<u>7,732,797</u>	<u>8,764,592</u>
	<u>263,832,290</u>	<u>242,914,921</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

29. Equity Investments

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

Investments as at year end were as follows:

		31 Jul 2020	31 Jul 2019
		(\$)	(\$)
Investments			
Investments in Social Services	29(a)	6,971,236	7,040,686
Investments in Economic Services	29(b)	249,422,547	238,569,496
Investments in Infrastructure Services	29(c)	831,455,540	1,068,285,206
Total Investments		<u>1,087,849,323</u>	<u>1,313,895,388</u>

(a) Investments in Social Services

	Number of Shares	31 Jul 2020	31 Jul 2019
		(\$)	(\$)
Post Fiji Limited	5,600,000	5,600,000	5,600,000
Unit Trust of Fiji (Trustee) Ltd	496,076	1,121,132	1,190,582
Unit Trust of Fiji (Management) Ltd	50,000	50,000	50,000
Fiji Broadcasting Corporation Ltd	200,002	200,002	200,002
Walesi Ltd	100	100	100
Fiji Public Trustee Corporation Ltd	2	2	2
		<u>6,971,236</u>	<u>7,040,686</u>

(b) Investments in Economic Services

	Number of Shares	31 Jul 2020	31 Jul 2019
		(\$)	(\$)
Fiji Airways	13,307,075	13,307,075	13,307,075
Fiji Hardwood Corporation	90,000,000	90,000,000	90,000,000
Pacific Fishing Company Ltd	8,228,956	14,728,956	14,728,956
Assets Fiji Ltd	2	2	2
Fiji Pine Ltd	61,002,064	61,002,064	61,002,064
Fiji Sugar Corporation Ltd	41,983,866	20,991,933	15,119,580
Fiji Rice Limited	753,112	1,506,224	1,506,224
Viti Corps Company Ltd	6,000,000	6,000,000	6,000,000
Yaqara Pastoral Company Ltd	1,191,846	1,191,846	1,191,846
Food Processors Fiji Ltd	687,679	687,679	687,679
Air Terminal Services	765,000	765,000	765,000
International Finance Corporation	2,188	4,641,494	616,674
International Bank for Reconstruction and Development	1,251	14,213,766	14,397,012
Copra Millers Fiji Ltd	12,858,366	6,429,183	6,429,183
Asian Infrastructure Investment Bank	15	3,182,011	2,148,689
Asia Development Bank Subscription	361	10,775,314	10,669,512
		<u>249,422,547</u>	<u>238,569,496</u>

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

29. *Equity Investments (Cont...)*

(c) **Investments in Infrastructure Services**

	Number of Shares	31 Jul 2020 (\$)	31 Jul 2019 (\$)
Airports (Fiji) Limited	92,300,180	92,300,180	92,300,180
Amalgamated Telecom Holdings Limited	72,966,105	146,661,871	233,491,536
Fiji Ports Corporation Limited	29,993,489	29,993,489	29,993,490
Energy Fiji Limited	375,000,000	562,500,000	712,500,000
		<u>831,455,540</u>	<u>1,068,285,206</u>

(d) **Reconciliation of Equity Investments**

The reconciliation of changes in investments are as follows:

Increase/ (decrease) in fair value of shares

Unit Trust of Fiji (Trustee) Limited	(69,451)	124,019
Fiji Sugar Corporation Ltd	5,872,353	---
Amalgamated Telecommunications Holdings	(86,829,665)	13,863,560
Energy Fiji Ltd	(150,000,000)	(37,452,450)

Exchange Rate adjustments

International Finance Corporation	4,024,819	13,606
International Bank for Reconstruction and Development	(183,246)	317,648
Asian Development Bank	105,802	24,897
Asian Infrastructure Investment Bank	1,033,321	1,098,048
	<u>(226,046,067)</u>	<u>(22,010,672)</u>

The variations noted in Equity Investments are due to sale of Energy Fiji Limited shares to Fiji National Provident Fund (1,000,000 shares); purchase of additional shares in Fiji Sugar Corporation Ltd (3,876,906 shares); decrease in share price per unit for ATH and UTOF (Trustee) shares; exchange rate adjustments for foreign investments with additional shares subscribed for International Finance Corporation (1,901 shares) and Asian Infrastructure Investment Bank (15 shares).

30. **Deferred Income**

Deferred Income	<u>9,550,134</u>	<u>7,284,678</u>
-----------------	------------------	------------------

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

31. **Trust Fund Account**

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

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

31. *Trust Fund Account (Cont...)*

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

	31 Jul 2020	31 Jul 2019
	(\$)	(\$)
Deposits, Deductions and Retention Money	30,658,903	40,873,708
Consolidated Trust Fund	192,621,972	164,604,625
Total Trust Fund Account	223,280,875	205,478,333

32. **Term-Loans Payable**

Government borrows monies either domestically or from overseas to finance its Capital Programs. Total debt of Government outstanding as at 31/07/20 are as follows:

(a) <i>Current Liabilities</i>			
Term Loans Payable - Treasury Bills	32(c)	264,132,690	298,150,105
Term Loans Payable - Overseas Loans	32(d)	526,933,794	61,127,719
Term Loans Payable - Domestic Loans	32(e)	222,561,450	194,078,000
Total Current Liabilities		1,013,627,934	553,355,824
(b) <i>Non-Current Liabilities</i>			
Term Loans Payable - Overseas Loans	32(d)	1,182,172,342	1,394,270,059
Term Loans Payable - Domestic Loans	32(e)	4,496,062,246	3,777,833,144
Total Non-Current Liabilities		5,678,234,588	5,172,103,203
Total Government Debt		6,691,862,522	5,725,459,027

Term loans payable for overseas and domestic loans have been re-classified to represent current and non-current liabilities.

(c) **Treasury bills**

Term Loans Payable - Treasury Bills

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

	31 Jul 2020	31 Jul 2019
	(\$)	(\$)
Opening balance as at 1 August	298,150,105	185,283,183
Treasury Bills Issued during the year	401,700,000	639,015,000
less unamortized amount	(7,072,980)	(10,885,865)
Treasury Bills Redemptions during the year	(439,500,000)	(519,015,000)
Non-Cash Unamortised discount	10,855,565	3,752,787
Outstanding as at 31 July	264,132,690	298,150,105

GOVERNMENT OF THE REPUBLIC OF FIJI
 NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
 FOR THE PERIOD ENDING 31 JULY 2020

32. *Term-Loans Payable (Cont...)*

	31 Jul 2020 (\$)	31 Jul 2019 (\$)
(d) Overseas loans		
Opening balance as at 1 August	1,455,397,778	1,455,292,843
Redemptions during the year	(58,713,657)	(54,774,911)
Capitalized interest	2,052,258	1,434,451
Add/(less) unamortized discount	945,129	888,134
Cash Borrowings	331,506,706	3,216,274
Non-cash borrowing-direct disbursement	28,160,057	10,245,586
Increase in public debt due to revaluation	(50,662,853)	39,095,400
Other adjustments	420,718	---
Outstanding as at 31 July	<u>1,709,106,136</u>	<u>1,455,397,778</u>

Overseas borrowings totaled \$359,666,763 as at 31 July 2020 (2019:\$13,461,860). Out of the total drawdowns, \$28,160,057 (2019: \$10,245,586) are from direct payments and \$331,506,706 (2019: \$3,216,274) from single tranche withdrawals and reimbursements receipted into the Government Central Account. The Cash Borrowings amounting to \$331,506,706 as at July 2020 were drawdowns for the policy based budget support program loans from ADB and World Bank and a stand-by loan facility from JICA.

Non Cash borrowings - By source:

Multilateral

Asian Development Bank	23,252,812	8,637,380
World Bank	4,907,245	1,608,206
Non-Cash Borrowings - overseas	<u>28,160,057</u>	<u>10,245,586</u>

Overseas loans amounting to \$28.2 million were drawn in financial year 01 August 2019 - 31 July 2020 from Government's loan facilities with Asian Development Bank and the World Bank. These loans drawn by Government are directly disbursed to the contractors by lenders.

(e) Domestic loans

Opening balance as at 1 August	3,971,911,144	3,576,152,161
Borrowings raised during the year	904,057,000	630,778,000
Add: Unamortized premium	8,658,892	(36,500)
Add: Accrued interests earned	3,218,559	943,348
Reversal of previous years accrued interest	(943,349)	(648,865)
Redemptions during the year	(194,078,000)	(235,277,000)
FSC Guaranteed Bonds with FNPF	25,799,450	---
Outstanding as at 31 July	<u>4,718,623,696</u>	<u>3,971,911,144</u>

Domestic Borrowings - By Source

Public

Commercial Banks	30,000,000	19,385,000
Insurance companies	52,027,000	66,756,000
FNPF	500,788,000	533,716,000

Private

Others	321,242,000	10,921,000
Total Domestic Borrowings raised	<u>904,057,000</u>	<u>630,778,000</u>

Government bonds were raised locally during the year in the form of Fiji Infrastructure Bonds, COVID-19 Response Bonds and Viti Bonds. Accrued interest in 2018/2019 fiscal year were reversed in this fiscal year.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

	31 Jul 2020 (\$)	31 Jul 2019 (\$)
33. Contingent Liabilities		
<i>Explicit Contingent Liabilities</i>		
Government Guarantees	<u>938,958,888</u>	<u>673,255,641</u>
<p>The Financial Management Act section(62) stipulates that Government may guarantee the financial liability of an entity in respect of a loan or otherwise, but only if the giving of the guarantee is authorized by the House of Representatives. Schedule 5 Statement of Contingent Liabilities provide in detail the various agencies (8 altogether) where government undertakes giving of guarantees by end of 31 July 2020.</p>		
<i>Other Explicit Contingent Liabilities</i>		
International Bank for Reconstruction and Development (IBRD)	305,927,059	312,219,129
Asian Development Bank (ADB)	204,671,268	204,197,274
Asian Infrastructure Investment Bank	21,213,407	---
	<u>531,811,734</u>	<u>516,416,403</u>
<p>In addition, the subscriptions for membership with International Agencies such as the International Bank for Reconstruction and Development and the Asian Development Bank are also treated as contingent liabilities as the subscriptions represent callable capital and should government fail to honour the article of agreement, the agencies would call on the callable capital. The amounts are sourced from the certificate of balances provided by ADB and IBRD.</p>		
<i>Implicit Contingent Liabilities</i>		
National Bank of Fiji - Legal claims against the bank	718,655	718,655
Provincial Councils - Loans Raised	884,627	1,216,269
Municipal Councils - Loans Raised	19,453,284	21,642,421
Fiji Revenue & Customs Services - litigation claims in relation to tax and customs matters	90,768,399	70,364,461
	<u>111,824,965</u>	<u>93,941,806</u>
Government Contingent Assets	---	---

The National Bank of Fiji comprises of legal claims against National Bank of Fiji - Asset Management Bank (NBF-AMB). This is sourced from the certificate of balances provided by the National Bank of Fiji - Asset Management Bank whereas loans raised by provincial councils and municipal councils represent a key component in the consolidation of general Government debt.

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

The Fiji Revenue & Customs Service (FRCS) as an agent of Government has a number of litigation claims made against it in relation to tax and customs matters. These matters are resolved through various means not wholly within the control of the FRCS and may or may not give rise to an obligation. This is sourced from FRCSs audited Financial Statements for the year ended 31 July 2020.

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

	31 Jul 2020 (\$)	31 Jul 2019 (\$)
34. Operating Revenue		
Operating Revenue consists of Direct Taxes, Indirect Taxes, Fees Fines & Charges, Grant Aid, Interest & Dividends and Other Receipts.		
Direct Taxes	610,549,466	754,429,587
Indirect Taxes	1,583,451,675	2,065,348,735
Fees, Charges, Fines and Penalties	142,161,315	133,087,675
Operating Revenue - Surpluses	---	467
Other Revenues and Surpluses	31,450,588	43,079,519
Reimbursements and Recoveries	13,970,878	11,821,776
Grants in Aid (overseas)	67,579,422	41,985,862
Total Operating Revenue	2,449,163,344	3,049,753,621
35. Investing Revenue		
Interest received on Term-Loans Receivable	437,231	11,248,123
Sales of Government Assets	211,282,473	5,163,696
Dividend from Investments	49,476,930	106,649,184
Interest from Bank Balances	2,176,417	1,444,002
Return of TMA excess cash to consolidated fund account	4,334,962	6,354,140
Exchange Rate Gain	221,633	---
Recovery of Fijian Affairs Loans	---	18
Total Investing Revenue	267,929,646	130,859,163
36 Revenue from Non Exchange Transactions		
The primary objective of this disclosure is to differentiate between revenue from non-exchange transactions and revenue from exchange transactions in accordance with IPSAS 23 Revenue from Non Exchange Transactions. In a non-exchange transaction, government receives value from another entity without directly giving approximately equal value in exchange. Revenue from exchange transactions on the other hand arise whereby government collected revenues and directly gives approximately equal value to another entity in exchange.		
Revenue from non exchange transactions		
<i>Direct Taxes (Gross)</i>	702,544,406	830,139,738
Direct Taxes Refunds	(91,994,940)	(75,710,151)
<i>Indirect Taxes</i>		
<i>Value Added Tax (Gross)</i>	855,418,376	1,031,674,957
Value Added Tax Refunds	(227,669,216)	(199,855,087)
Fiscal Duty	345,082,474	440,514,255
Excise Duty	154,617,781	168,272,733
Export Duty	8,277,950	8,078,905
Import Excise Duty	25,822,080	50,885,202
Service Turnover Tax	62,524,501	89,565,778
Water Resource Tax	56,197,517	73,641,286
Departure Tax	107,574,014	147,180,292

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

	31 Jul 2020 (\$)	31 Jul 2019 (\$)
36 Revenue from Non Exchange Transactions (Cont...)		
Fish Levy	16,100	48,911
Stamp Duty	66,323,391	85,170,458
Luxury Vehicle Duty	676,000	1,264,500
Telecommunication Levy	918,171	976,157
Environmental Levy	133,189,274	160,949,430
Miscellaneous indirect taxes	(5,516,738)	6,980,958
<i>Other non-exchange revenues</i>		
Grants in Aid	67,579,422	41,985,862
	<u>2,261,580,563</u>	<u>2,861,764,184</u>
Revenue from exchange transactions		
Fees, Charges, Fines and Penalties	142,161,315	133,087,675
Trading and Manufacturing Accounts - Sales Revenue	11,084,806	17,689,401
Other Revenues and Surpluses	31,450,588	43,079,986
Reimbursements and Recoveries	13,970,878	11,821,776
Repayment of Term-Loans Receivable	437,231	11,248,123
Sales of Government Assets	211,282,473	5,163,696
Dividend from Investments	49,476,930	106,649,184
Interest from Bank Balances	2,176,417	1,444,002
Return of Surplus Capital from Investments	4,334,962	6,354,140
Exchange Gain Rate	221,633	---
Recovery of Fijian Affairs Scholarships	---	18
	<u>466,597,233</u>	<u>336,538,001</u>
Total Revenue	<u>2,728,177,796</u>	<u>3,198,302,185</u>
37. Operating Expenses		
Operating expenditure includes the following:		
Established Staff	934,417,623	957,057,437
Government Wage Earners	53,392,431	59,914,459
Travel and Communications	31,851,757	37,815,306
Maintenance and Operations	72,899,915	78,031,413
Purchase of Goods and Services	171,519,823	161,562,680
Operating Grants and Transfers	623,327,343	687,937,715
Special Expenditure	56,970,535	85,155,959
Pensions, Gratuities and Compassionate Allowances	32,257,184	34,647,442
Total Operating Expenditure	<u>1,976,636,611</u>	<u>2,102,122,411</u>
38. Capital Expenses		
Capital Expenditure includes the following:		
Capital Construction	92,171,276	108,004,075
Capital Purchases	53,014,597	53,720,981
Capital Grants and Transfers	842,930,599	971,404,859
Total Capital Expenditure	<u>988,116,472</u>	<u>1,133,129,915</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

	31 Jul 2020 (\$)	31 Jul 2019 (\$)
39. Value Added Expense		
Value Added Expense	<u>31,733,470</u>	<u>38,118,137</u>
These are the VAT payments made by Ministries/Departments to Fiji Revenue & Customs Service during the year.		
40. Interest Payments and Other Charges on Loans		
Charges on Account of Public Debt is provided for in the Budget Estimates for the payment of interest on domestic and overseas loans.		
Interest Payments		
Overseas Loans	58,900,248	56,738,756
Domestic Loans	286,224,639	266,093,493
Treasury Bills	10,855,566	3,752,788
Total Interest Paid	<u>355,980,453</u>	<u>326,585,037</u>
Other charges on Public Debt - Miscellaneous Payments	1,005,805	150,351
Total Interest Paid and Miscellaneous Payments	<u>356,986,258</u>	<u>326,735,388</u>
Interest Payment on overseas loans		
1997 Asian Development Bank Third Road Upgrading project	969,050	1,156,681
1998 Japan International Corporation Agency Nadi Lautoka Water Supply and Sewerage Project	227,092	272,729
2004 Asian Development Bank Suva Nausori Water Supply and Sewerage Project	2,151,250	2,140,940
2006 Export Import Bank of China E-Government Project	497,623	560,787
2009 Asian Development Bank Emergency Flood Recovery Project	825,835	1,040,623
2010 Export Import Bank of China Fiji Low Cost Housing Project	656,827	705,625
2010 Export Import Bank of China Fiji Public Rental Housing Project	176,016	189,092
2010 Asian Development Bank Supplementary Third Road Upgrading project	1,105,987	1,186,280
2010 Asian Development Bank Supplementary Suva/Nausori Water Supply Project	1,138,514	1,089,477
2011 Export Import Bank of China Sigatoka Valley and Sawani Serea Road Project	1,593,866	1,712,280
2011 Export Import Bank of China Buca Bay and Moto Road Project	1,789,443	1,922,387
2012 Export Import Bank of China Nabouwalu and Dreketi Road Upgrading Project	4,571,536	4,854,803
2014 ADB Transport and Infrastructure Project	935,236	661,041
2016 IBRD Post Cyclone Winston Emergency LN8632	3,444,170	3,781,147
2015 Global Bond	30,016,692	28,206,565
2016-2017 ADB Emergency Assistance LN3403	3,046,852	3,405,512
2016 IBRD Transport Infrastructure LN8482	676,269	535,995
2016 IFAD Agricultural Loan EUR3.1m	25,455	22,379
2016-17 WB Fiji Cable Connection to Vanua Levu LN8666	268,185	313,182
3rd Global Bond Amortisation	945,129	888,134
2017 ADB UWSWMIIP LN 3512 Capitalised Interest	440,753	237,415
LN8840 IBRD FSCRDPL Front End Fee	965,445	1,077,496
2018 ADB LN3667 - FIJ: Sust. Private Sector Led Growth	941,827	778,186
2019/20 JICA Stand-by Loan 1	12	---
2019/20 ADB Subprog.2 FSPSLG LN3812	1,491,184	---
	<u>58,900,248</u>	<u>56,738,756</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

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

	31 Jul 2020 (\$)	31 Jul 2019 (\$)
Interest Payment on domestic loans		
Viti Bond 2012	95,550	97,710
Viti Bond 2013	211,640	211,640
Viti Bond 2014	209,200	265,960
Viti Bond 2015	336,660	336,660
Viti Bond 2016	231,765	231,765
Viti Bond 2016/17	461,150	461,150
Viti Bond 2017/18	455,820	455,820
Viti Bond 2018/19	209,174	145,808
Viti Bond 2019/20	317,224	---
Fiji Development Loan 2003	---	1,753,260
Fiji Development Loan 2004	2,405,275	8,032,970
Fiji Development Loan 2005	6,031,018	6,031,018
Fiji Development Loan 2006	25,155,880	25,504,880
Fiji Development Loan 2007	7,153,365	7,153,365
Fiji Development Loan 2008	15,382,381	16,879,006
Fiji Development Loan 2009	35,864,750	39,796,625
Fiji Development Loan 2010	40,788,500	40,922,500
Fiji Development Loan 2011	6,028,495	6,058,045
Fiji Development Loan 2012	10,578,830	10,792,505
Fiji Development Loan 2013	7,639,680	8,055,020
Fiji Development Loan 2014	8,802,500	8,802,500
Fiji Development Loan 2015	9,883,136	9,883,136
Fiji Development Loan 2016	16,777,677	16,777,877
Fiji Development Loan 2017	13,882,406	13,939,381
Fiji Development Loan 2018	26,957,135	26,714,797
Fiji Development Loan 2019	40,111,452	11,356,129
Fiji Infrastructure Bond 2019/2020	4,413,481	---
Fiji Green Bonds	5,840,495	5,433,966
	286,224,639	266,093,493

41. **Repayment of Loans**

Principal Repayments:		
Overseas Loans	58,713,657	54,774,911
Domestic Loans	194,078,000	235,277,000
Total Principal Repayments	252,791,657	290,051,911

Principal Repayments Overseas Loans

1997 Asian Development Bank Third Road Upgrading project	7,855,645	6,837,668
1998 Japan International Corporation Agency Nadi Lautoka Water Supply and Sewerage Project	2,476,543	2,349,718
2004 Asian Development Bank Suva Nausori Water Supply and Sewerage Project	4,924,794	4,352,785
2005 Asian Development Bank Suva Supplementary Nausori Water Supply and Sewerage Project	1,287,679	1,138,176
2006 Export Import Bank of China E-Government Project	3,378,828	3,352,416

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

	31 Jul 2020 (\$)	31 Jul 2019 (\$)
41. Repayment of Loans (Cont...)		
2009 Asian Development Bank Emergency Flood Recovery	489,817	439,495
2010 Asian Development Bank Supplementary Third Road Upgrading project	2,972,262	2,551,625
2010 EXIM Bank of China/ Fiji Low Cost Housing	2,750,961	2,729,456
2010 EXIM Bank of China/ Public Rental Housing	737,199	731,436
2010 EXIM Bank of China/ Sigatoka Valley & Sawani Serea	6,675,523	6,623,340
2010 EXIM Bank of China/ Buca Bay and Moto roads	7,494,651	7,436,064
2012 EXIM Bank of China Road Upgrading Project	16,360,625	16,232,732
2014 ADB Transport Infrastructure Investment Project	990,906	---
2016 IFAD Fiji Agriculture Partnership Project	318,224	---
Total Principal Repayments Overseas Loans	58,713,657	54,774,911
Principal Repayment Domestic Loans		
Fiji Development Loan 2003	---	63,200,000
Fiji Development Loan 2004	82,200,000	58,800,000
Fiji Development Loan 2005	44,280,000	---
Fiji Development Loan 2008	---	38,900,000
Fiji Development Loan 2009	2,250,000	40,650,000
Fiji Development Loan 2010	---	4,000,000
Fiji Development Loan 2011	800,000	2,100,000
Fiji Development Loan 2012	800,000	21,400,000
Fiji Development Loan 2013	13,200,000	4,200,000
Fiji Infrastructure Bond 2014	46,900,000	---
Fiji Development Loan 2017	---	560,000
Fiji Infrastructure Bond 2016/2017	2,500,000	---
Viti Bonds 2012 (4.5%)	---	48,000
Viti Bonds 2013	2,000	---
Viti Bonds 2014 (4%)	---	1,419,000
Viti Bonds 2015	1,146,000	---
Total Principal Repayments Domestic Loans	194,078,000	235,277,000
42. Ways and Means		
The Ways and Means is a short term advance facility provided by the RBF for Government where advances are given to Government for a day to meet cash deficits. The Ways and Means are replenished the day after the advances were made.		
Ways and Means Receipts	32,100,000	128,400,000
Ways and Means Repayments	(32,100,000)	(128,400,000)
	---	---

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

	31 Jul 2020 (\$)	31 Jul 2019 (\$)
43. Revenue and Expense from Trading & Manufacturing Accounts		
Trading and Manufacturing Accounts - Sales Revenue	6,773,220	12,137,075
Trading and Manufacturing Accounts - Other Revenue and Surplus	4,311,586	5,552,326
(a) Total Revenue from TMA's	11,084,806	17,689,401
Cost of Goods sold	516,424	1,345,973
Other TMA Expenditures	8,193,552	11,924,494
(b) Total Expenses from TMA's	8,709,976	13,270,467

44. Arrears of Revenue

The Arrears of Revenue position of Government as at 31/07/2020 are as follows:

Ministry of Agriculture	803,768	802,480
Office of the Auditor-General	418,518	334,823
Ministry of Communications - Telecommunication Authority of Fiji	15,273,314	15,257,498
Ministry of Defence	23,771	59,596
Ministry of Education, Heritage and Arts	34,935	56,035
Ministry of Finance (Pensions Office)	200,461	176,925
Ministry of Finance (Human Resources)	26,284	10,415
Ministry of Finance (Surcharge)	284,588	620,134
Ministry of Fisheries & Forests	27,548	24,642
Ministry of Forestry	66	-
Government Printing and Stationery Department	23,478	23,478
Ministry of Health and Medical Services	240,741	428,177
Information Technology & Computing Services	---	2,005
Judiciary	12,999,522	13,431,984
Ministry of Employment, Productivity and Industrial Relation	12,393	23,069
Ministry of Lands	30,342,570	26,936,731
Ministry of Infrastructure and Transport	437,113	310,238
Land Transport Authority	20,283,832	21,752,092
Fiji Roads Authority	---	81,605
Overseas Peacekeeping Missions	950,829	945,105
Fiji Police Force	2,388	1,431
Public Utilities (Water Authority of Fiji)	42,973,868	38,612,309
Ministry of Rural & Maritime Development	2,068,777	2,448,742
Solicitor General's Office	13,377	1,090
Department of Fiji Meteorological Services	2,144,106	1,944,106
Total Arrears of Revenue	129,586,247	124,284,710

Fiji Revenue & Customs Service Inland Revenue Department and Customs arrears have been excluded from Note 44 and recognised in Statement of Assets and Liabilities.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2020

	31 Jul 2020 (\$)	31 Jul 2019 (\$)
45. Equity Movements		
Opening Balance 1 August	(3,679,379,215)	(3,232,904,837)
Deficit for the year - consolidated fund account	(636,379,821)	(419,493,067)
Surplus for the year - trade and manufacturing account	2,374,830	4,418,934
Revaluation of External Debt due to foreign currency conversions	50,662,853	(39,095,400)
Investment Equity Adjustment	(226,046,067)	(22,010,672)
Adjustments of underlying account balances and Equity	(25,876,872)	(42,301,029)
Previous years adjustments of term loans receivables	86,348,303	78,190,028
Effects of exchange rate movements	(9,772,692)	170,968
Cash remitted to Consolidated Fund Account	(4,334,962)	(6,354,140)
Closing balance as at 31 July	<u>(4,442,403,643)</u>	<u>(3,679,379,215)</u>

46. For the year ended 31 July 2020, total amount of \$124,441,702 in penalties was waived by the Fiji Revenue & Customs Service.

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

48. Events After Reporting Date

The Trading and Manufacturing ("TMA") accounts for the Ministry of Finance and the Ministry of Forests were closed in FY 2021-2022.

The new Coalition Government, have been having discussions on forgiving TELS debt, although any final decisions would be made through the Parliament as part of the FY2023-2024 Budget.

**GOVERNMENT OF THE REPUBLIC OF FIJI
SEGMENTATION REPORT BY FUND CLASSIFICATION
FOR THE PERIOD ENDING 31 JULY 2020**

Schedule 6

Segment Information (IPSAS 18.12-15)

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

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

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

Primary Reportable Segments 2020	CFA	TMA	Consolidated Total Government
	(\$)	(\$)	(\$)
Segment revenue			
Non exchange revenue - taxes, grants and transfers	(2,261,580,563)	---	(2,261,580,563)
Exchange revenue - sale of goods and services	(187,582,781)	(11,084,806)	(198,667,587)
Exchange revenue - investments	(267,929,646)	---	(267,929,646)
Segment expenses			
Operating Expenditure	1,976,636,611	8,709,976	1,985,346,587
Capital Expenditure	988,116,472	---	988,116,472
VAT	31,733,470	---	31,733,470
Interest Payments on Loans	356,986,258	---	356,986,258
Reconciled to aggregate net income	636,379,821	(2,374,830)	634,004,991

Primary Reportable Segments 2020	CFA	TMA	Consolidated Total Government
	(\$)	(\$)	(\$)
Segment Assets			
Cash at Bank	704,260,658	10,060,691	714,321,349
Accounts Receivable	188,743,567	1,644,325	190,387,892
Prepayments	1,026,161	---	1,026,161
Inventory	---	1,265,313	1,265,313
Investments	1,087,849,323	---	1,087,849,323
Term-Loans Receivable	756,372,149	---	756,372,149
Segment Liabilities			
Accounts Payable	(268,919,012)	(13,287)	(268,932,299)
Deferred Income	(7,059,697)	(2,490,437)	(9,550,134)
Operating Trust fund	(30,690,886)	31,983	(30,658,903)
True Trust fund	(192,621,972)	---	(192,621,972)
Term Loans Payable - Treasury Bills	(264,132,690)	---	(264,132,690)
Term-loans Payable Overseas Loans	(1,709,106,136)	---	(1,709,106,136)
Term-loans Payable Domestic Loans	(4,718,623,696)	---	(4,718,623,696)
Reconciled to net liability	(4,452,902,231)	10,498,588	(4,442,403,643)

GOVERNMENT OF THE REPUBLIC OF FIJI
SUMMARY OF REVENUE
FOR THE PERIOD ENDING 31 JULY 2020

Schedule 7

Heads of Revenue	Estimate 2020 (\$)	Actual Revenue 2020 (\$)	Increase (\$)	Decrease (\$)
Operating Revenue				
21 Direct Taxes.....	545,954,691	610,549,466	64,594,775	---
22 Indirect Taxes.....	1,476,086,525	1,583,451,675	107,365,150	---
23 Fees, Fines & Charges.....	118,190,106	142,161,315	23,971,209	---
24 Operating Revenue Sales.....	1,838	---	---	1,838
27 Other Receipts.....	29,631,200	31,450,588	1,819,388	---
28 Reimbursements & Recoveries.....	36,631,274	13,970,878	---	22,660,396
29 Grant Aid.....	29,084,599	67,579,422	38,494,823	---
Total Operating Revenue	2,235,580,233	2,449,163,344	236,245,345	22,662,234
Investing Revenue				
31 Repayments of Term Loans Receivable.....	4,289,969	437,231	---	3,852,738
32 Sales of Government Assets.....	206,109,989	211,282,473	5,172,484	---
33 Dividends from Investments.....	55,571,071	49,476,930	---	6,094,141
34 Interest from Bank Balances.....	1,185,786	2,176,417	990,631	---
35 Return of Surplus Capital from Investment.....	4,882,900	4,334,962	---	547,938
38 Exchange Rate Gain.....	---	221,633	221,633	---
39 Term Loan Receivable.....	---	---	---	---
Total Investing Revenue	272,039,715	267,929,646	6,384,748	10,494,817
TOTAL REVENUE	2,507,619,948	2,717,092,990	242,630,093	33,157,051

GOVERNMENT OF THE REPUBLIC OF FIJI
 DETAILED REVENUE COMPARISON
 FOR THE PERIOD ENDING 31 JULY 2020

Schedule 8

Heads and Subheads of Revenue	Estimate 2020 (\$)	Actual Revenue 2020 (\$)	Increase (\$)	Decrease (\$)	Actual Revenue 2019 (\$)
OPERATING REVENUE					
21 - DIRECT TAXES					
1. Income Tax					
01. Income Tax.....	436,323,455	483,006,167	46,682,712	---	607,700,313
02. Capital Gains Tax.....	12,454,813	18,928,040	6,473,227	---	24,957,774
03. Withholding & Dividend Taxes.....	97,176,423	108,615,259	11,438,836	---	121,771,500
Total.....	545,954,691	610,549,466	64,594,775	---	754,429,587
<i>Net Increase.....</i>			64,594,775		
22 - INDIRECT TAXES					
1. Value Added Tax					
01. Value Added Tax.....	548,364,558	627,749,160	79,384,602	---	831,819,871
2. Custom Taxes					
01. Fiscal Duty.....	361,798,453	345,082,474	---	16,715,978	440,514,255
02. Excise Duty.....	143,028,651	154,617,781	11,589,130	---	168,272,733
03. Export Duty.....	7,196,633	8,277,950	1,081,317	---	8,078,905
04. Import Duty.....	26,339,124	25,822,080	---	517,044	50,885,202
6. Service Turnover Tax					
01. Hotel Turnover Tax.....	59,328,762	62,524,501	3,195,739	---	89,565,778
7. Water Resource Tax					
01. Water Resource Tax.....	49,544,170	56,197,517	6,653,347	---	73,641,286
9. Departure Tax					
01. Departure Tax.....	106,232,928	107,574,014	1,341,086	---	139,258,522
10. Fish Levy Tax					
01. Fish Levy.....	80,642	16,100	---	64,542	48,911
12. Stamp Duty					
01. Stamp Duty.....	55,528,882	66,323,391	10,794,509	---	85,170,458
13. Luxury Vehicle Levy					
01. Luxury Vehicle Levy.....	472,920	676,000	203,080	---	1,264,500
14. Telecommunication Levy					
01. Telecommunication levy.....	885,425	918,171	32,746	---	976,157
19. Health and Environment Levy					
02. Environmental Levy.....	115,671,812	133,189,274	17,517,462	---	168,871,199
99. Miscellaneous Fees and Receipts					
01. Miscellaneous Fees and Receipts.....	1,613,565	(5,516,738)	---	7,130,303	6,980,958
Total.....	1,476,086,525	1,583,451,675	131,793,018	24,427,867	2,065,348,735
<i>Net Increase.....</i>			107,365,151		
23 - FEES, FINES & CHARGES					
02. Duty					
01. Stamp Duty.....	---	47,353	47,353	---	141,665
03. Fees					
01. Agricultural Produce and Inspection.....	4,774	24,970	20,196	---	740
02. Native Timber Measurement.....	180,023	197,783	17,760	---	317,061
03. Land and Survey Fees.....	428,330	581,776	153,446	---	518,058
04. Mining Fees.....	172,268	199,966	27,698	---	67,413
06. Passports.....	4,164,384	4,916,879	752,495	---	9,159,281
07. Town Planning Fees.....	180,398	352,153	171,755	---	295,953
08. Examination Fees.....	66,132	70,598	4,466	---	69,518
09. Government Day Schools-Fees.....	20,323	20,299	---	24	30,097
10. Government Boarding Schools-Fees.....	365,809	413,154	47,345	---	382,380
11. Health Fumigation and Quarantine.....	1,012,229	1,686,708	674,479	---	1,174,635
12. Hospital.....	1,629,940	1,609,122	---	20,818	1,971,177
13. Fiji School of Nursing.....	---	57	57	---	276
14. Cemetery Fees.....	58,637	59,993	1,356	---	64,312
17. Audit Fees.....	453,302	907,328	454,026	---	692,300

GOVERNMENT OF THE REPUBLIC OF FIJI
DETAILED REVENUE COMPARISON
FOR THE PERIOD ENDING 31 JULY 2020

Schedule 8

Heads and Subheads of Revenue	Estimate 2020 (\$)	Actual Revenue 2020 (\$)	Increase (\$)	Decrease (\$)	Actual Revenue 2019 (\$)
18. Court Fees.....	1,282,336	1,240,400	---	41,936	1,241,526
19. Registration.....	1,390,300	1,695,489	305,189	---	1,903,287
20. Management Fee.....	---	---	---	---	3,125
21. LTA Fees and Fines.....	33,599,788	41,641,995	8,042,207	---	38,383,531
23. LTA Road User Levy.....	11,571,061	14,108,226	2,537,165	---	13,731,525
27. Offshore Fisheries Management Fees.....	1,423,800	1,577,718	153,918	---	1,446,641
28. Permit.....	4,332,820	5,195,267	862,447	---	1,740,108
29. Citizenship.....	1,572,629	1,579,934	7,305	---	416,060
30. VISA.....	456,481	295,069	---	161,412	69,177
31. MSAF Fees.....	1,444,151	1,577,034	132,883	---	2,057,541
32. Search Fees.....	120,000	70,521	---	49,479	22,061
75. Civil Aviation.....	---	8,700	8,700	---	1,040
76. Land Sales Revenue Fees.....	---	---	---	---	38,938
99. Miscellaneous Fees.....	5,264,400	6,358,666	1,094,266	---	5,416,865
04. Licenses					
01. Arms.....	41,100	52,536	11,436	---	27,536
02. Banks.....	---	---	---	---	---
03. Coasting.....	37,181	67,422	30,241	---	60,819
05. Liquor.....	953,500	1,009,600	56,100	---	862,949
06. Trading.....	388,300	414,352	26,052	---	504,072
07. Dogs.....	20,185	25,468	5,283	---	36,973
09. Money Lenders.....	24,400	29,393	4,993	---	59,894
10. Hotels and Guest Houses.....	168,900	170,748	1,848	---	161,420
11. License Insurance, Agents and Brokers.....	8,879	1,276	---	7,603	15,207
12. Telecommunications and Television.....	5,000,000	5,735,356	735,356	---	2,578,795
14. Fishing.....	10,810	19,760	8,951	---	8,360
16. Civil Aviation.....	5,450	---	---	5,450	---
17. License- Security Industry.....	26,832	27,900	1,068	---	29,837
99. Other.....	1,413,073	2,257,539	844,466	---	1,838,597
05. Rates - Public Works					
01. Water Charges.....	37,326,687	43,323,627	5,996,940	---	43,714,575
06. Fees Royalties					
03. Royalties - Sand, Coral, Metal, etc.....	175,006	682,357	507,351	---	354,074
07. Fines					
01. Court Fines.....	1,368,300	1,740,879	372,579	---	1,446,585
05. Spot Fine.....	---	100	100	---	---
08. Administrative Fines and Penalty					
02. Administrative Fines and Forfeitures.....	27,188	165,844	138,656	---	31,691
Total.....	118,190,106	142,161,315	24,257,932	286,722	133,087,675
<i>Net Increase.....</i>			23,971,210		
24 - OPERATING REVENUE - SALES					
02. Sales - Cash.....	1,838	---	---	1,838	467
Total.....	1,838	---	---	1,838	467
<i>Net Decrease.....</i>				1,838	
27 - OTHER REVENUE AND SURPLUSES					
01. Surplus/Deficit from Agency					
01. RBF Revaluation Reserve Account.....	1,490,524	1,490,524	---	---	1,964,015
06. Sales of items from Technical.....	13,544	1,127	---	12,417	26,618
02. Rent and Hire of Government Property					
01. Rental for Land.....	13,501,035	14,650,325	1,149,290	---	16,513,923
02. Rental for Official Quarters.....	53,000	68,723	15,723	---	61,243
03. Rental for Buildings.....	54,323	48,925	---	5,398	30,000
04. Hire of Plant and Vehicles.....	80,978	94,496	13,518	---	104,649
06. Revenue from Rest Houses.....	2,612	2,444	---	168	3,575
03. Commission Revenue					
01. Commission.....	3,766,306	4,511,673	745,367	---	4,543,242

GOVERNMENT OF THE REPUBLIC OF FIJI
 DETAILED REVENUE COMPARISON
 FOR THE PERIOD ENDING 31 JULY 2020

Schedule 8

Heads and Subheads of Revenue	Estimate 2020 (\$)	Actual Revenue 2020 (\$)	Increase (\$)	Decrease (\$)	Actual Revenue 2019 (\$)
99. Other Revenue					
01. Sale of Photographs.....	521	675	154	---	368
02. Sales of Publications.....	32,134	21,209	---	10,925	59,952
03. Revenue from Production of Films.....	101	73	---	28	275
04. Survey & Sales of Navigation Publications	413,978	339,567	---	74,411	593,952
05. Meat Inspection.....	15,152	16,416	1,264	---	18,457
06. Veterinary and Animal Quarantine.....	8,850	13,033	4,183	---	10,140
07. Freight and Charter Receipts.....	735,618	630,861	---	104,757	1,050,634
08. Chemical Analysis.....	700	787	87	---	1,367
09. Valuation Fees.....	13,425	9,769	---	3,656	28,810
10. Sale of Farm Product.....	53,864	76,050	22,186	---	44,450
11. Sale of Surplus Farm Produce.....	52,400	77,526	25,126	---	60,659
13. Sale of Fish and Ice.....	490,485	562,998	72,513	---	678,046
14. Sale of Sheep and Wool.....	8,831	1,222	---	7,609	34,243
15. Irrigation Commercial Undertaking.....	2,393	---	---	2,393	---
17. Agricultural Landlord and Tenant Tribunal.....	2,139	2,557	418	---	2,451
20. Board Members Fees	168,900	294,719	125,819	---	124,995
22. Land Preparation Farmers Contribution	---	2,129	2,129	---	---
23. Agro Input Farmers Contribution	8,189	130,132	121,943	---	32,640
24. Pound Keeping	1,662	25,582	23,920	---	3,016
25. Sale of Animals by Auction	958	23,586	22,628	---	1,184
26. Sale of Livestock	---	34,395	34,395	---	---
27. Plant and Equipment	---	3,670	3,670	---	---
99. Other Revenue	8,658,578	8,315,395	---	343,183	17,086,615
Total.....	29,631,200	31,450,588	2,384,333	564,945	43,079,519
<i>Net Increase.....</i>			1,819,388		
28 - REIMBURSEMENT AND RECOVERIES					
11. Reimbursement of Services					
01. Reimbursement for Meteorological Services	344,037	321,101	---	22,936	550,459
06. Reimbursement-HA Low Cost Housing....	3,364,006	5,130,113	1,766,107	---	---
07. Reimbursement-PRB Housing Project.....	901,482	913,214	11,732	---	824,155
08. Reimbursement of WALESI Digital Television	24,000,000	---	---	24,000,000	50,505
99. Other.....	---	142,834	142,834	---	---
12. Refund of Payments					
03. Recoveries of Overpayments in Previous Years	463,976	766,030	302,054	---	600,971
04. Care Programme.....	---	---	---	---	2,333,272
05. Refund of Grants in Previous Years.....	---	1,012,661	1,012,661	---	---
22. Contributions for Capital Projects					
02. Rural Electrifications.....	---	19	19	---	19
03. Project Contributions.....	333,454	---	---	333,454	---
23. Contributions for Overseas Peacekeeping					
01. United Nations Peacekeeping force	---	---	---	---	---
02. Multinational Force and Observers	3,516,182	2,800,234	---	715,948	4,565,304
31. MoE Technical College Recovery	3,708,137	2,840,222	---	867,915	2,897,091
32. Capital Revenue	---	44,450	44,450	---	---
Total.....	36,631,274	13,970,878	3,279,857	25,940,253	11,821,776
<i>Net Decrease</i>				22,660,396	

GOVERNMENT OF THE REPUBLIC OF FIJI
 DETAILED REVENUE COMPARISON
 FOR THE PERIOD ENDING 31 JULY 2020

Schedule 8

Heads and Subheads of Revenue	Estimate 2020 (\$)	Actual Revenue 2020 (\$)	Increase (\$)	Decrease (\$)	Actual Revenue 2019 (\$)
29 - GRANTS IN AID					
01. Australia Government Grants.....	1,468,266	25,909,470	24,441,204	---	---
02. NZ Government Grants.....	7,759,691	11,601,706	3,842,015	---	---
03. United Nations Development Programme...	9,815,917	14,275,681	4,459,764	---	22,810,323
04. European Union	---	---	---	---	---
05. China Government Grants	9,333,765	10,370,397	1,036,632	---	---
06. Japan Government Grants.....	669,039	1,227,226	558,187	---	1,863,797
08. India Government Grants.....	37,921	37,921	---	---	4,127,112
99. Other Grant Aid.....	---	4,157,021	4,157,021	---	13,184,630
Total.....	29,084,599	67,579,422	38,494,823	-	41,985,862
<i>Net Increase.....</i>			38,494,823		
Total Operating Revenue.....	2,235,580,233	2,449,163,344	264,804,738	51,221,625	3,049,753,621
<i>Net Increase.....</i>			213,583,113		
INVESTING REVENUE					
31 - REPAYMENTS OF TERM LOANS RECEIVABLE					
11. Interest for Social Services Term Loans					
02. Interest Economic Service Term Loan	---	---	---	---	340,000
13. Interest Fiji Sports Council	77,886	144,645	66,759	---	122,392
14. Interest PAFCO Loan.....	292,500	292,500	---	---	472,500
16. Interest Term Loan & Advances	83	86	3	---	102
12. Principal Social Services Term Loans					
08. Principal- PSC Tertiary Education.....	3,900,000	---	---	3,900,000	4,693,527
22. Principal Term Loans Economic Service					
02. Principal - Copra Industry.....	19,500	---	---	19,500	19,602
04. Principal - Fiji Pine.....	---	---	---	---	5,600,000
Total.....	4,289,969	437,231	66,762	3,919,500	11,248,123
<i>Net Decrease.....</i>				3,852,738	
32 - SALES OF GOVERNMENT ASSETS					
21. Sales Proceeds in Economic Services.....	206,109,989	206,109,989	---	---	---
31. Sales Proceeds in Infrastructure Services..	---	5,172,484	5,172,484	---	5,163,696
Total	206,109,989	211,282,473	5,172,484	-	5,163,696
<i>Net Increase</i>			5,172,484		
33 - DIVIDENDS FROM INVESTMENTS					
01. Investments in Social Services.....	2,856,777	1,056,777	---	1,800,000	1,710,795
02. Investments in Economic Services.....	29,093,729	32,042,179	2,948,450	---	30,715,621
03. Investments in Infrastructure Services.....	23,620,565	16,377,974	---	7,242,591	74,222,768
Total.....	55,571,071	49,476,930	2,948,450	9,042,591	106,649,184
<i>Net Decrease</i>				6,094,141	
34 - INTEREST FROM BANK BALANCES					
02. Interest from Domestic Bank.....	291,587	1,618,804	1,327,217	---	356,165
03. Interest from Term Deposits Local Banks	894,199	557,613	---	336,586	1,087,837
Total.....	1,185,786	2,176,417	1,327,217	336,586	1,444,002
<i>Net Increase</i>			990,631		

GOVERNMENT OF THE REPUBLIC OF FIJI
 DETAILED REVENUE COMPARISON
 FOR THE PERIOD ENDING 31 JULY 2020

Schedule 8

Heads and Subheads of Revenue	Estimate 2020 (\$)	Actual Revenue 2020 (\$)	Increase (\$)	Decrease (\$)	Actual Revenue 2019 (\$)
35 - RETURN OF SURPLUS CAPITAL FROM INVESTMENTS					
74. Return of Surplus Capital from TMA Operations	4,882,900	4,334,962	---	547,938	6,354,140
Total.....	4,882,900	4,334,962	---	547,938	6,354,140
<i>Net Decrease.....</i>				547,938	
38 - EXCHANGE RATE GAIN					
02. Exchange Rate Gain - JICA.....	---	221,633	221,633	---	---
Total.....	---	221,633	221,633	---	---
<i>Net Increase.....</i>			221,633		
39 - SCHOLARSHIP BOND RECOVERY					
01. Payment Term Loan FAB.....	---	---	---	---	18
Total.....	---	---	---	---	18
<i>Net Increase.....</i>					
Total Investing Revenue.....	272,039,715	267,929,646	9,736,546	13,846,615	130,859,163
<i>Net Decrease.....</i>				4,110,069	
SUMMARY OF REVENUE					
Operating Revenue.....	2,235,580,233	2,449,163,344	264,804,738	51,221,625	3,049,753,621
Investing Revenue	272,039,715	267,929,646	9,736,546	13,846,615	130,859,163
GRAND TOTAL.....	2,507,619,948	2,717,092,990	274,541,284	65,068,240	3,180,612,783

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF EXPENDITURE AGAINST APPROPRIATION HEADS
FOR THE YEAR ENDED 31 JULY 2020

Schedule 9

Heads of Appropriation	Original Budget 2020 (\$)	Redeployment (\$)	Revised Estimate 2020 (\$)	Actual Expenses 2020 (\$)	(Over) / Under Expenditure (\$)
GENERAL ADMINISTRATION					
Office of the President	2,676,321	---	2,676,321	2,627,244	49,077
Office of the Prime Minister	16,077,143	---	16,077,143	13,993,296	2,083,847
Office of the Attorney General	8,029,835	---	8,029,835	7,355,599	674,236
Ministry of Finance	70,572,247	774,982	71,347,229	69,549,924	1,797,305
Ministry of iTaukei Affairs	14,077,777	16,039	14,093,816	14,093,763	53
Ministry of Defence and National Security	14,657,902	---	14,657,902	14,435,817	222,085
Ministry of Employment, Productivity and Industrial Relations	10,994,126	---	10,994,126	9,929,491	1,064,635
Ministry of Foreign Affairs	36,918,100	---	36,918,100	35,330,039	1,588,061
Office of the Auditor General	5,250,817	355,452	5,606,269	5,606,269	---
Fijian Elections Office	4,545,262	168,063	4,713,325	4,713,324	1
Judiciary	45,134,226	2,156,857	47,291,083	47,290,815	268
Parliament	7,862,365	606,278	8,468,643	8,468,596	47
Office of Director of Public Prosecutions	6,496,609	---	6,496,609	5,927,734	568,875
Media Industry Development Authority	80,000	---	80,000	47,147	32,853
Independent Commission	30,239,089	243,054	30,482,143	29,799,630	682,513
Ministry of Disaster Management and Meteorological Services	7,170,845	3,997	7,174,842	7,157,471	17,371
Ministry of Justice	5,004,302	---	5,004,302	4,584,528	419,774
Fiji Corrections Service	34,417,833	589,428	35,007,261	35,007,255	6
Ministry of Communication	38,316,580	---	38,316,580	35,162,401	3,154,179
Ministry of Civil Services	2,999,827	---	2,999,827	2,505,215	494,612
Ministry of Rural and Maritime Development	14,964,822	---	14,964,822	13,657,499	1,307,323
Republic of Fiji Military Forces	89,202,341	410,000	89,612,341	89,060,373	551,968
Fiji Police Force	163,304,500	4,458,669	167,763,169	167,681,197	81,972
Peacekeeping Missions	64,969,582	(347,231)	64,622,351	61,296,206	3,326,145
Total for General Administration	693,962,451	9,435,588	703,398,039	685,280,833	18,117,206
SOCIAL SERVICES					
Ministry of Education, Heritage and Arts	472,851,154	---	472,851,154	456,493,906	16,357,248
Ministry of Health and Medical Services	347,505,432	---	347,505,432	335,640,629	11,864,803
Ministry of Housing and Community Development	13,626,040	---	13,626,040	12,927,037	699,003
Ministry of Women, Children and Poverty Alleviation	144,575,932	143,274	144,719,206	142,167,460	2,551,746
Ministry of Youth and Sports	16,287,148	---	16,287,148	15,464,210	822,938
Higher Education Institutions	102,691,978	---	102,691,978	102,155,407	536,571
Total for Social Services	1,097,537,684	143,274	1,097,680,958	1,064,848,649	32,832,309
ECONOMIC SERVICES					
Ministry of Agriculture	61,818,465	620,375	62,438,840	61,686,149	752,691
Ministry of Fisheries	16,062,810	---	16,062,810	14,665,930	1,396,880
Ministry of Forests	14,801,998	---	14,801,998	13,269,543	1,532,455
Ministry of Lands and Mineral Resources	25,356,279	---	25,356,279	22,103,042	3,253,237
Ministry of Industry, Trade and Tourism	57,838,023	---	57,838,023	50,505,854	7,332,169
Ministry of Sugar Industry	112,465,518	300,732	112,766,250	112,198,474	567,776
Ministry of Public Enterprise	---	---	---	---	---
Ministry of Local Government	14,106,900	---	14,106,900	12,489,495	1,617,405
Total for Economic Services	302,449,993	921,107	303,371,100	286,918,487	16,452,613

GOVERNMENT OF THE REPUBLIC OF FIJI
 STATEMENT OF EXPENDITURE AGAINST APPROPRIATION HEADS
 FOR THE YEAR ENDED 31 JULY 2020

Schedule 9

Heads of Appropriation	Original Budget 2020 (\$)	Redeployment (\$)	Revised Estimate 2020 (\$)	Actual Expenses 2020 (\$)	(Over) / Under Expenditure (\$)
INFRASTRUCTURE SERVICES					
Ministry of Infrastructure and Transport	63,045,223	1,788,055	64,833,278	63,324,949	1,508,329
Water Authority of Fiji	183,019,308	489,686	183,508,994	175,172,453	8,336,541
Ministry of Waterways and Environment	21,088,600	464,191	21,552,791	20,468,862	1,083,929
Fiji Roads Authority	276,544,054	41,328,756	317,872,810	272,656,354	45,216,456
Total for Infrastructure	543,697,185	44,070,688	587,767,873	531,622,618	56,145,255
UNALLOCABLE					
Miscellaneous Services	507,536,776	(57,208,240)	450,328,536	395,558,782	54,769,754
Pensions, Gratuities and Compassionate Allowances	29,620,000	2,637,583	32,257,583	32,257,184	399
Charges on Account of Public Debt	361,548,486	---	361,548,486	356,986,258	4,562,228
Total for Unallocable Services	898,705,262	(54,570,657)	844,134,605	784,802,224	59,332,381
GRAND TOTAL	3,536,352,575	---	3,536,352,575	3,353,472,811	182,879,764


GOVERNMENT OF THE REPUBLIC OF FIJI
DETAILS OF EXPENDITURE REPORTABLE AUTHORISATIONS
FOR THE PERIOD ENDING 31 JULY 2020

Summary by Standard Expenditure Group (SEG)	Original Budget 2020 (\$)	Redeployment (\$)	Virements (\$)	Revised Estimate 2020 (\$)	Actual Expenditure 2020 (\$)	(Over) / Under Expenditure %
1. Established Staff	936,676,510	3,385,812	82,475	940,144,797	934,417,623	1
2. Government Wage Earners	53,415,183	186,246	670,420	54,271,849	53,392,431	2
3. Travel and Communications	30,530,122	11,965	2,604,760	33,146,847	31,851,757	4
4. Maintenance and Operations	69,426,044	---	8,432,133	77,858,177	72,899,915	6
5. Purchase of Goods and Services	164,608,344	20,311	14,359,718	178,988,373	171,519,823	4
6. Operating Grants and Transfers	644,261,846	5,400,033	(5,460,847)	644,201,032	623,327,343	3
7. Special Expenses	102,623,829	(22,698,246)	(6,333,359)	73,592,224	56,970,535	23
8. Capital Construction	101,032,734	1,314,893	(3,932,947)	98,414,680	92,171,276	6
9. Capital Purchase	62,909,031	---	(6,617,135)	56,291,896	53,014,597	6
10. Capital Grants and Transfers	934,007,112	11,655,551	(1,785,926)	943,876,737	842,930,599	11
11. Pensions, Gratuities & Compassionate Allowances	29,620,000	2,637,583	---	32,257,583	32,257,184	0
12. Charges on Account of Public Debt	11,800,000	---	276,304	12,076,304	11,861,371	2
13. Value Added Tax	45,693,334	(1,914,148)	(2,019,292)	41,759,894	31,733,470	24
14. Interest Payment on overseas loans	60,492,598	---	(276,304)	60,216,294	58,900,248	2
15. Interest Payment on domestic loans	289,255,888	---	---	289,255,888	286,224,639	1
GRAND TOTAL	3,536,352,575	---	---	3,536,352,575	3,353,472,811	5

Actuals for all the SEGs are within the revised budget.

Ministry of Finance
Suva, Fiji

Dated 20 of the month of June, 2023.


.....
Shiri K Gounder
Permanent Secretary for Ministry of Finance

**GOVERNMENT OF THE REPUBLIC OF FIJI
BUDGET RESULT, ESTIMATES AND PROJECTIONS
FOR THE PERIOD 2018 - 2022**

	Actual 2018 (\$)	Actual 2019 (\$)	Estimate 2020 (\$)	Actual 2020 (\$)	Projected 2021 (\$)	Projected 2022 (\$)
REVENUE						
Operating Revenue	3,079,416,368	3,049,753,621	2,235,580,233	2,449,163,344	2,177,629,600	2,271,574,200
Investing Revenue	165,023,264	130,859,163	272,039,715	267,929,646	31,787,800	32,165,800
TOTAL REVENUE	3,244,439,632	3,180,612,784	2,507,619,948	2,717,092,990	2,209,417,400	2,303,740,000
EXPENDITURE						
Operating Expenditure	2,029,871,453	2,102,122,411	2,031,161,878	1,976,636,611	2,003,811,878	2,003,593,878
Interest Payments on Loans	291,503,011	326,735,388	361,548,486	356,986,258	378,958,486	315,848,686
Capital Expenditure	1,382,283,665	1,133,129,915	1,097,948,877	988,116,472	890,390,077	885,547,377
Value Added Tax	37,476,706	38,118,137	45,693,334	31,733,470	40,985,234	40,594,434
TOTAL EXPENDITURE	3,741,134,835	3,600,105,851	3,536,352,575	3,353,472,811	3,314,145,675	3,245,584,375
BUDGET RESULT	(496,695,203)	(419,493,067)	(1,028,732,627)	(636,379,821)	(1,104,728,275)	(941,844,375)

**GOVERNMENT OF THE REPUBLIC OF FIJI
DISAGGREGATION OF ACTUAL REVENUE AND EXPENDITURE BY ECONOMIC TYPE
FOR THE PERIOD 2018 - 2022**

Description	Actual 2018 (\$)	Actual 2019 (\$)	Estimate 2020 (\$)	Actual 2020 (\$)	Projected 2021 (\$)	Projected 2022 (\$)
REVENUE						
Operating Revenue						
Direct Receipts (Income Tax & Capital Gain Tax)	825,724,215	754,429,587	545,954,691	610,549,466	544,508,900	568,620,600
Indirect Revenue						
VAT	788,486,612	831,819,871	548,364,558	627,749,160	546,912,400	571,130,500
Customs	666,366,034	667,751,095	538,362,861	533,800,285	539,018,200	562,886,700
Service Turnover Tax	97,871,902	89,565,778	59,328,762	62,524,501	59,171,700	61,791,900
Water Resource Tax	64,289,698	73,641,286	49,544,170	56,197,517	49,413,000	51,601,000
Departure Tax	139,529,223	139,258,522	106,232,928	107,574,014	105,951,600	110,643,300
Fish Levy	85,687	48,911	80,642	16,100	80,400	84,000
Stamp Duty	85,266,235	85,170,458	55,528,882	66,323,391	55,381,800	57,834,200
Luxury Vehicle Tax	2,063,000	1,264,500	472,920	676,000		
Telecommunication Levy	1,007,902	976,157	885,425	918,171	883,100	922,200
Credit Card Levy						
Third Party Insurance Levy	953,444					
Environmental Levy	158,463,670	168,871,199	115,671,812	133,189,274	115,365,500	120,474,000
Health Levy						
Miscellaneous Fees & Receipts	1,528,220	6,980,958	1,613,565	(5,516,738)		
Fees, Fines, Charges and Penalties	142,973,799	133,087,675	118,190,106	142,161,315	119,757,400	122,795,900
Operating Revenue Sales	1,630	467	1,838		1,800	1,900
Other Revenue and Surpluses	34,401,166	43,079,519	29,631,200	31,450,588	28,566,900	29,809,800
Reimbursement and Recoveries	20,942,757	11,821,776	36,631,274	13,970,878	12,616,900	12,978,200
Grant in Aid	49,461,174	41,985,862	29,084,599	67,579,422		
Total Operating Revenue	3,079,416,368	3,049,753,621	2,235,580,233	2,449,163,344	2,177,629,600	2,271,574,200
Investing Revenue						
Repayment of Term Loans Receivable	6,011,984	11,248,123	4,289,969	437,231	3,919,500	3,920,400
Sale of Government Assets	1,397,889	5,163,696	206,109,989	211,282,473		
Dividends from Investment	149,766,928	106,649,184	55,571,071	49,476,930	21,778,400	22,078,600
Interest from Bank Balance	1,862,994	1,444,002	1,185,786	2,176,417	1,182,600	1,235,000
Interest on Term Loans and Advances						
Return of Surplus Capital from Investment	5,961,851	6,354,140	4,882,900	4,334,962	4,907,300	4,931,800
Exchange Rate Gain	21,618	18		221,633		
Scholarship Bond Recovery						
Total Investing Revenue	165,023,264	130,859,163	272,039,715	267,929,646	31,787,800	32,165,800
TOTAL REVENUE	3,244,439,632	3,180,612,784	2,507,619,948	2,717,092,990	2,209,417,400	2,303,740,000

**GOVERNMENT OF THE REPUBLIC OF FIJI
DISAGGREGATION OF ACTUAL REVENUE AND EXPENDITURE BY ECONOMIC TYPE
FOR THE PERIOD 2018 - 2022**

Description	Actual 2018 (\$)	Actual 2019 (\$)	Estimate 2020 (\$)	Actual 2020 (\$)	Projected 2021 (\$)	Projected 2022 (\$)
EXPENDITURE						
General Administration Services						
Operating Expenditure	694,944,558	715,445,797	620,712,396	556,845,435	614,787,095	614,569,095
Capital Expenditure	69,857,616	61,233,042	59,820,079	56,779,378	59,556,079	59,556,079
Total General Administration	764,802,174	776,678,839	680,532,475	613,624,813	674,343,174	674,125,174
Social Services						
Operating Expenditure	890,476,411	987,416,987	1,014,698,082	994,802,117	1,013,183,200	1,013,183,200
Capital Expenditure	60,590,711	56,157,618	69,306,190	62,121,661	35,503,500	31,860,900
Total Social Services	951,067,122	1,043,574,605	1,084,004,272	1,056,923,778	1,048,686,700	1,045,044,100
Economic Services						
Operating Expenditure	125,986,292	122,816,611	104,654,091	101,585,365	98,884,091	98,884,091
Capital Expenditure	240,763,991	162,743,182	191,607,031	181,753,486	130,702,231	130,702,231
Total Economic Services	366,750,283	285,559,793	296,261,122	283,338,851	229,586,322	229,586,322
Infrastructure Services						
Operating Expenditure	173,973,322	171,277,256	152,816,109	215,530,384	152,816,109	152,816,109
Capital Expenditure	589,335,161	620,356,667	388,951,837	374,434,336	388,858,837	388,858,837
Total Infrastructure Services	763,308,483	791,633,923	541,767,946	589,964,720	541,674,946	541,674,946
Miscellaneous Services						
Operating Expenditure	107,932,560	70,518,319	108,661,200	75,616,126	94,521,401	94,521,401
Capital Expenditure	421,337,810	232,639,405	388,263,740	313,027,611	275,769,440	274,569,440
Total Miscellaneous Services	529,270,370	303,157,724	496,924,940	388,643,737	370,290,841	369,090,841
Unallocable						
Pensions, Gratuities and Compassionate Allowance	36,956,687	34,647,442	29,620,000	32,257,184	29,620,000	29,620,000
Value Added Tax	37,476,706	38,118,137	45,693,334	31,733,470	40,985,234	40,594,434
Interest Payments on Loans	291,503,011	326,735,388	361,548,486	356,986,258	378,958,500	315,848,700
Total Unallocable	365,936,404	399,500,967	436,861,820	420,976,912	449,563,734	386,063,134
TOTAL EXPENDITURE	3,741,134,836	3,600,105,851	3,536,352,575	3,353,472,811	3,314,145,717	3,245,584,517
DEFICIT FOR THE YEAR	(496,695,204)	(419,493,067)	(1,028,732,627)	(636,379,821)	(1,104,728,317)	(941,844,517)

**GOVERNMENT OF THE REPUBLIC OF FIJI
ESTIMATE AND ACTUAL BUDGET RESULT
FOR THE PERIOD 2018- 2020**

Schedule 13

	Actual 2018 (\$)	Actual 2019 (\$)	Estimate 2020 (\$)	Actual 2020 (\$)
REVENUE				
Operating Revenue	3,079,416,368	3,049,753,621	2,235,580,233	2,449,163,344
Investing Revenue	165,023,264	130,859,163	272,039,715	267,929,646
TOTAL REVENUE	<u>3,244,439,632</u>	<u>3,180,612,784</u>	<u>2,507,619,948</u>	<u>2,717,092,990</u>
EXPENDITURE				
Operating Expenditure	2,029,871,453	2,102,122,411	2,031,161,878	1,976,636,611
Interest Payments on Loans	291,503,011	326,735,388	361,548,486	356,986,258
Capital Expenditure	1,382,283,665	1,133,129,915	1,097,948,877	988,116,472
Value Added Tax	37,476,706	38,118,137	45,693,334	31,733,470
TOTAL EXPENDITURE	<u>3,741,134,835</u>	<u>3,600,105,851</u>	<u>3,536,352,575</u>	<u>3,353,472,811</u>
BUDGET RESULT	<u>(496,695,203)</u>	<u>(419,493,067)</u>	<u>(1,028,732,627)</u>	<u>(636,379,821)</u>

Part A ii): 2021 Financial Statements of Government



Financial Statements
Government of the Republic of Fiji
for the period ending 31 July 2021

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits

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INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF THE GOVERNMENT OF THE REPUBLIC OF FIJI FOR THE YEAR ENDED 31 JULY 2021

Opinion

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

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

for the year ended 31 July 2021, and notes to the financial statements, including a summary of significant accounting policies, in accordance with section 152 of the 2013 Constitution of the Republic of Fiji, section 46(2) (b) and section 47(2) (b) of the Financial Management Act 2004, and section 6 of the Audit Act 1969.

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

Basis for Opinion

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

Emphasis of Matters

I draw attention to the following matters:

1. Included in the Trust Fund Account balance of \$252,465,811 in the Statement of Assets and Liabilities (Schedule 3) is Consolidated Main Trust Fund of \$227,921,288 (Note 31). Main Trust Fund Account balances totalling \$6,194,832 were not supported with detailed listing of claimants of monies held in trust.

2. Reflected in the Statement of Assets and Liabilities (Schedule 3) is cash and cash equivalent of \$673,649,302. Unreconciled variances amounting to \$7,331,938 existed between the balances in the FMIS general ledger and bank reconciliation statement for domestic cash. In addition, overseas cash balance of AUD\$109,395 was not booked in the FMIS general ledger and therefore not accounted for in the financial statements.
3. Reflected in the Statement of Revenue and Expenses (Schedule 4) is total revenue of \$2,152,368,707. A total unreconciled variance of \$7,210,312 existed between the FMIS general ledger and the revenue reports of Ministries and Departments.
4. Reflected in the Statement of Revenue and Expenses (Schedule 4) is total expenditure of \$3,195,068,594. The Ministry of Fisheries and the Ministry of Waterways and Environment were not able to provide appropriate supporting documents including payments vouchers and journal vouchers for payments totalling \$2,665,164.
5. The Trading and Manufacturing Accounts are operating on semi-accrual accounting basis instead of full accrual accounting. Property, plant and equipment for TMA operations are not disclosed in the Statement of Assets and Liabilities (Schedule 3).

My opinion is not modified in respect of these matters.

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

The Permanent Secretary for Finance is responsible for the preparation of the Financial Statements of Government in accordance with the IPSAS Financial Reporting under Cash Basis of Accounting, Financial Management Act 2004, and Finance Instructions 2010 and for such internal control as the Permanent Secretary for Finance determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Government's internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Permanent Secretary for Finance.

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



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
22 June, 2023

OFFICE OF THE AUDITOR GENERAL

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INDEPENDENT AUDITOR'S REPORT

ANNUAL APPROPRIATION STATEMENT OF THE GOVERNMENT OF THE REPUBLIC OF FIJI FOR THE YEAR ENDED 31 JULY 2021

Opinion

I have audited the Annual Appropriation Statement and Budget Results as included in Schedules 9 to 13 for the year ended 31 July 2021, and Notes to the Financial Statements of Government including a summary of significant accounting policies for the year ended 31 July 2021, in accordance with section 152 of the 2013 Constitution of the Republic of Fiji, section 46(2)(b) and section 47(2)(b) of the Financial Management Act 2004 and section 6 of the Audit Act 1969.

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

Basis for Opinion

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

Other Matters

Significant Unutilised Budget

As shown in the Details of Reportable Expenditure Authorisation (Schedule 10), significant unutilised budget were noted in allocations for Government Wage Earners (15%), Travel and Communication (20%) Maintenance and Operations (11%) Operating Grants and Transfers (13%), Special Expenditures (32%), Capital Construction (35%), Capital Grants and Transfers (14%), Charges on Account of Public Debt (74%) and Interest payment on overseas loan (52%)

The significant unutilised budget was attributed mainly to the following:

1. Ministry of Finance – there was an unutilised budget of \$17.8 million or 28% of a total budget of \$64.4 million under Head 4 as grants to the FRCS was released only on needs basis for funding.

Miscellaneous Services (Head 50) – unutilised budget of \$82.4 million or 15% of a total budget of \$542.3million was due to the partial release of funds to agencies based on the funding needs and non-implementation of projects due the restrictions/impacts of COVID

Finance Charges on Public Debt (Head 52) – unutilised budget of \$59.97 million due to the COVID – 19 crisis, Government has signed Debt Service Suspension Initiative agreement with the Exim Bank of China for the deferment of principal and interest payment;

2. Ministry of Communication – unutilised budget of \$11 million or 23% of a total budget of \$47.4 million due to reallocation of Digital Government Transformation project budget and non-implementation of projects due to the restrictions/impacts of COVID – 19;
3. Fiji Police Force – unutilised budget of \$18.2 million or 9% of a total budget of \$200.6 million was largely due to the number of vacant positions not filled and on-going project for the construction of the New Nakasi, Lautoka, Nadi and Nalawa Police Station was put on hold due to the Covid – 19 pandemics;
4. Ministry of Education, Heritage and Arts – unutilised budget of \$18 million or 4% of a total budget of \$450.6 million was largely due to the suspension of location allowance for primary and secondary school teachers, reduction in FNPF employer contributions from 10% to 5%, suspension of free milk program and reduction in Government boarding school rations for second term due to school closure as the result of the COVID 19 pandemic;
5. Ministry of Health and Medical Services – unutilised budget of \$45.3 million or 11% of a total budget of \$394.3 million was largely due to the number of vacant positions not filled, trainings, outreach and other Public Health Programme were put on hold due to the COVID 19 pandemic restrictions, progress of project implementations and finalisation of procurements;
6. Ministry of Women, Children and Poverty Alleviation - unutilised budget of \$21 million or 13% of a total budget of \$156.1 million was due to the vacant positions, reduction in the monthly top up from \$20 to \$10 for Bus Fare Programme for Older/Disable Person due to COVID 19 restrictions, no new approval of cases received for social pension schemes and non-implementation of Social Welfare Management Information System due to delay in recruitment of National Coordinator;
7. Higher Education Institutions – unutilised budget of \$27.7 million or 34% of a total budget of \$81.4 million was due to the partial and the non-release of quarterly grants to Higher Education Institutions;
8. Ministry of Agriculture – unutilised budget of \$18.6 million or 28% of a total budget of \$65.3 million was largely due to the non-release of capital grant to Agricultural Marketing Authority, delay in implementation of programs and filling of vacant positions due to impact of COVID – 19;
9. Ministry of Commerce, Trade, Tourism and Transport – unutilised budget of \$20.9 million or 24% of a total budget of \$86.9 million was largely due to the vacant positions, non-release of grant to Film Fiji and Real B and partial release of second quarter marketing grant in full amount of third quarter grant to Tourism Fiji due to COVID 19 – pandemic;
10. Water Authority Fiji – unutilised budget of \$19.8 million or 11% of a total budget of \$180.4 million as only 89% of the grant was released by the Ministry of Finance;
11. Fiji Roads Authority – unutilised budget of \$62.8 million or 18% of a total budget of \$339.9 million as only 82% of the grant was released by the Ministry of Finance; and
12. Various Ministries and Departments with approved total budget of \$655.4 million did not utilise \$61.6 million or 9% of the budget.

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

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

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

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

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

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

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

Communication with Those Charged with Governance

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



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
22 June, 2023

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**GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF RESPONSIBILITY
FOR THE PERIOD ENDING 31 JULY 2021**

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

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

In our opinion, these financial statements fairly reflect the financial position of the Government of the Republic of Fiji as at 31 July 2021 and its operations for the year ended on that date.



Shiri K Gounder
Permanent Secretary

Date: 20/06/2023



Atin Chand
Acting Head of Treasury

Date: 16/06/2023

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD ENDING 31 JULY 2021

Schedule 1

	Notes	Actual Controlled by Government 31 Jul 2021 (\$)	Actual Controlled by Government 31 Jul 2020 (\$)
Receipts			
Taxation			
Income Tax	36	496,219,343	702,544,406
(less refunds)	36	(30,046,421)	(91,994,940)
Income Tax	34	466,172,922	610,549,466
Value Added Tax			
Value Added Tax	36	653,731,783	855,418,376
(less refunds)	36	(210,588,658)	(227,669,216)
Value Added Tax		443,143,125	627,749,160
Customs Taxes		399,769,143	533,800,285
Other Taxes		103,532,090	421,902,230
Fees, Charges, Fines and Penalties	34	123,673,743	142,161,315
Investing Revenue		266,519,479	263,373,050
Other Revenues and Surpluses		15,976,451	30,987,058
Reimbursements and Recoveries	36	24,259,714	13,970,878
Grants in Aid (overseas)	36	283,843,544	67,579,422
Net receipts into trust funds		29,238,673	18,004,882
Borrowings			
Treasury Bills	17(e)	388,019,696	394,627,020
Overseas Loans	17(d)	1,118,947,913	331,506,706
Domestic Loans	17(d)	506,926,344	918,398,270
Receipts from Lending & On - Lending		2,443,000	6,230,680
Trading Activities			
Receipt from Trading Activities		8,959,291	11,370,556
Total Receipts		4,181,425,128	4,392,210,978
Payments			
Operations			
Established Staff	37	886,174,964	934,417,623
Government Wage Earners	37	42,291,080	53,392,431
Travel and Communications	37	21,609,685	31,851,757
Maintenance and Operations	37	65,468,561	72,899,915
Purchase of Goods and Services	37	167,465,518	171,519,823
Special Expenditure	37	55,347,403	56,970,535
Value Added Tax	39	27,960,685	31,733,470
Pensions Gratuities	37	30,760,749	32,257,184
Operating Grants	37	549,598,903	623,327,343
Capital Grants		829,755,696	814,770,542
Capital Payments			
Purchase/Construction of plant and equipment		111,891,501	142,188,486
Loan and interest repayment			
Repayment of borrowings overseas	17(d)	452,129,617	58,713,657
Repayment of borrowings domestic	17(d)	222,561,451	194,078,000
Repayment of Treasury Bills	17(e)	388,800,000	428,644,434
Interest Payments	40	370,272,668	356,986,258
Trading Expenses (TMA)			
Cost of Goods Sold (TMA)	43(a)	(192,503)	516,424
Other Expenses (TMA)		4,980,308	8,190,195
Net Advance Payment/(Receipt)		15,963	(44,583)
Total Payments		4,226,892,249	4,012,413,494

**GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD ENDING 31 JULY 2021**

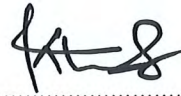
Schedule 1

		Actual Controlled by Government 31 Jul 2021 (\$)	Actual Controlled by Government 31 Jul 2020 (\$)
	Notes		
Net increase/(decrease) in Cash & Cash Equivalents		(45,467,121)	379,797,484
Cash & Cash Equivalents at the beginning of period		714,321,349	344,074,924
Exchange Rate changes		4,795,074	(9,551,059)
Cash & Cash Equivalents at end of period	3	673,649,302	714,321,349

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

Ministry of Finance
Suva, Fiji

Dated 20 of the month of June 2023.



.....
Shiri K Gounder
Permanent Secretary for Ministry of Finance

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
BY BUDGET FUNDING ECONOMIC CLASSIFICATION
FOR THE PERIOD ENDING 31 JULY 2021**

Schedule 2

	Original 2021 (\$)	Revised 2021 (\$)	Actual 2021 (\$)	Variance 2021 %
Revenue				
Operating Receipts	1,620,864,097	1,620,864,096	1,873,001,982	16
Investing Receipts	52,705,917	52,705,918	269,982,949	412
Total Revenue	1,673,570,014	1,673,570,014	2,142,984,931	28
Expenditure				
Established Staff	939,821,664	923,515,155	886,174,964	(4)
Government Wage Earners	47,573,551	49,487,406	42,291,080	(15)
Travel and Communications	24,322,873	27,001,639	21,609,685	(20)
Maintenance and Operations	65,396,968	73,485,599	65,468,561	(11)
Purchase of Goods and Services	169,386,961	182,576,146	167,465,518	(8)
Operating Grants and Transfers	634,912,184	635,025,073	549,598,903	(13)
Special Expenditures	82,440,061	81,870,937	55,347,403	(32)
Pensions, Gratuities & Compassionate Allowances	27,370,000	27,370,000	30,760,749	12
Charges on Account of Public Debt	430,247,502	430,247,502	370,272,668	(14)
Total Operating Expenditure	2,421,471,764	2,430,579,457	2,188,989,531	(10)
Capital Construction	132,090,154	110,774,290	71,865,445	(35)
Capital Purchase	53,842,515	55,654,245	48,112,798	(14)
Capital Grants and Transfers	1,022,382,821	1,035,667,699	851,490,693	(18)
Total Capital Expenditure	1,208,315,490	1,202,096,234	971,468,936	(19)
Value Added Tax	44,816,777	41,928,340	27,960,685	(33)
Total Expenditure	3,674,604,031	3,674,604,031	3,188,419,152	(13)
Net Deficit	2,001,034,017	2,001,034,017	1,045,434,221	(48)
Debt Repayments	749,495,200	749,495,200	674,636,641	(10)
Gross Deficit	2,750,529,217	2,750,529,217	1,720,070,862	(37)
Net Deficit as a Percent of GDP	20.2%	20.2%	11.1%	
Nominal GDP	9,905,252,000	9,905,252,000	9,406,760,822	(Estimated)
Gross Deficit To be Financed From:				
Overseas Loans	1,410,236,459	1,410,236,459	1,142,556,778	(19)
Domestic Loans	1,340,292,758	1,340,292,758	483,509,000	(64)
	2,750,529,217	2,750,529,217	1,626,065,778	(41)

**GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 31 JULY 2021**

1. General Information

The Republic of Fiji is a sovereign democratic.

The principal activities of the Government are:

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

2. Significant accounting policies

2.1 Basis of Preparation

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

The accounting policies have been applied consistently throughout the period.

2.2 Reporting Entity

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

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

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

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

2.3 Presentation currency

The presentation currency is Fiji dollars, the currency of the Government of Fiji and all values are rounded to the nearest dollar except when otherwise indicated. Cash flows are converted to Fiji dollars using the monthly average exchange rate by the Reserve Bank of Fiji. Amounts held in foreign currencies are converted using the spot rate on the reporting date effective from FY2021-2022.

2.4 Basis of Consolidation

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

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

2.5 Comparatives

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

3. Cash and cash equivalents

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

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

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

The balance of the Domestic Account is offset by the unrepresented cheques outstanding for ministries and departments as of 31 July 2021.

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

	31 Jul 2021	31 Jul 2020
	(\$)	(\$)
Overseas bank accounts	8,134,898	221,384,156
Domestic bank accounts	427,161,605	290,638,018
Trust fund accounts	227,579,392	192,238,484
Trading and Manufacturing Activities accounts	10,773,407	10,060,691
Cash on hand and balances with banks	<u>673,649,302</u>	<u>714,321,349</u>

Included in cash and cash equivalents above are the Trust Fund Accounts totalling \$227.6 million (2020: \$192.2 million) which is set aside for a specific purpose. The Trust Fund Account includes deposits, retention monies and true Trust account that ministries and departments hold in trust.

4. Donations, Grants and Other Aid

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

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

5. Borrowings

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

6. Term Loans

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

7. Trust Fund

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

8. Advance Receipts

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

9. Value Added Tax

These are VAT payment made by Ministries and Departments to Fiji Revenue & Customs Service during the year.

10. Interest Payments and Other Charges on Loans

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

11. Investment Receipts

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

12. Capital Payments

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

13. Special Expenditure

Special Expenditure (SEG 7) relate to one off or unique projects of government. In 2021, there were altogether 240 special expenditure activities, listed below are the top 14 activities.

Activity	Head of Appropriation	31 Jul 2021 (\$)	31 Jul 2020 (\$)
Digital Fiji	Communication	8,095,728	---
Social Welfare	Miscellaneous Services	6,735,322	9,532,055
Social Welfare Top Up (DFAT)	Women, Children And Poverty Alleviation	6,481,500	---
General Reserves (OPR & CAP)	Miscellaneous Services	3,870,584	7,637,869
Vaccine Passports	Communication	2,649,986	---
Community Health Workers	Health and Medical Services	2,331,529	2,896,944
Closure of Missions	Foreign Affairs	1,999,450	---
Consulate General / Trade	Industry, Trade and Tourism	1,500,000	1,352,207
Commission China			
Medical Contingencies	Health and Medical Services	1,461,951	1,468,081
Consulate General / Trade	Industry, Trade and Tourism	1,165,170	1,232,163
Commission Australia			
VAT Clearance Charges	Republic of Fiji Military Forces	1,114,978	1,931,455
Consultation Fees	Finance	995,386	2,057,854
Special Drug Operations	Fiji Police Force	963,395	675,134
COVID-19 Response & Preparedness (ADB)	Health and Medical Services	617,239	---
		<u>39,982,218</u>	<u>28,783,762</u>
Others (comprises of 226 activities across various Ministries in 2021)		<u>15,365,185</u>	<u>28,186,773</u>
		<u>55,347,403</u>	<u>56,970,535</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

14. Undrawn Borrowing Facilities

The total undrawn loan balance from current loan facilities with the World Bank - International Bank for Reconstruction and Development ('IBRD'), International Fund for Agricultural Development ('IFAD'), European Investment Bank ('EIB') and the Asian Development Bank ('ADB') was approximately FJD\$519.4million as at 31 July 2021 compared to FJD\$570.8 million in the same period last year. Loans undrawn from the World Bank amounted to \$132.41 million (\$94.1 million - FY2020) . IFAD is nil (\$5.2 million - FY2020), EIB at \$156.32 million (\$159.1 million -FY2020) while undrawn loans from ADB equal \$230.68million (\$254.7 million - FY2020). The loan amounts were converted to the Fiji dollar using the end of year exchange rate: USD/FJD=0.4798.

Loan Account	Loan Proceeds							Fiji dollar equivalent as at 31/07/2021
	Total Loan as per Agreement	Drawdown	Capitalised Charges	Loans cancelled	Undrawn balance available for future years	Restricted Cash		
A. Multi-lateral	(USD millions)	(USD millions)	(USD millions)	(USD millions)	(USD millions)	(FJD millions)	(FJD millions)	
2014 ADB - Transport Infrastructure Investment Project	100.00	5.93	0.24	0.00	79.84	3.74	166.41	
2016 IBRD - Transport Infrastructure Investment Project	50.00	1.84	0.00	0.00	40.91	0.00	85.26	
2016 IBRD - Pacific Regional Connectivity Program	5.95	0.00	0.00	0.00	1.63	0.01	3.39	
2017 ADB-Urban Water & Sewerage Project LN 3512	42.11	3.05	0.16	0.00	30.83	0.00	64.27	
2017 EIB - Urban Water & Wastewater Management Project	75.00	0.00	0.00	0.00	75.00	0.00	156.32	
2020-IDA 6733 FIJI COVID-19 Emergency Response Project	6.40	0.84	0.00	0.00	5.96	0.20	12.42	
2020-ADB LN3952 Sustained Private Sector-Led Growth - Subprogram 3	200.00	200.00	0.00	0.00	0.00	0.00	0.00	
2020-AIIB L0427A Sustained Private Sector-Led Growth - Subprogram 3	50.00	49.88	0.13	0.00	0.00	0.00	0.00	
2021-IDA 6828 Fiji Social Protection COVID-19 Response and System Development	50.00	34.59	0.00	0.00	15.04	0.20	31.34	
2021-IDA 6843 Fiji Recovery And Resilience First Development Policy Financing	109.54	109.54	0.00	0.00	0.00	0.00	0.00	
2021-IBRD 9211 Fiji Recovery & Resilience 1st Development Policy Loan	25.00	24.94	0.06	0.00	0.00	0.00	0.00	
Total	714.00	430.60	0.60	0.00	249.20	4.15	519.41	
B. Multi-lateral	(EUR millions)	(EUR millions)	(EUR millions)	(EUR millions)	(EUR millions)	(FJD millions)	(FJD millions)	
2015 IFAD - Fiji Agricultural Partnership Project	3.10	0.00	0.00	0.00	0.00	0.00	0.00	
Total	3.10	0.00	0.00	0.00	0.00	0.00	0.00	
C. Bi-lateral	(YEN millions)	(YEN millions)	(YEN millions)	(YEN millions)	(YEN millions)	(FJD millions)	(FJD millions)	
2020 - JICA Stand-by Loan for DRR FJ-SB1	5,000.00	2,850.00	0.00	0.00	0.00	0.00	0.00	
2021- JICA COVID-19 Crisis Response Emergency Support Loan	10,000.00	9,990.00	10.00	0.00	0.00	0.00	0.00	
Total	15,000.00	12,840.00	10.00	0.00	0.00	0.00	0.00	
TOTAL	15,717.10	13,270.60	10.60	0.00	249.20	4.15	519.41	

GOVERNMENT OF THE REPUBLIC OF FIJI
 NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
 FOR THE PERIOD ENDING 31 JULY 2021

15. Undrawn Grant Facilities

Particulars	Total amount of approved grant 2021	Total grants received as at 31 July 2020	Total grants received as at 31 July 2021	Undrawn balance as at 31 July 2021
	<i>FJD (millions)</i>	<i>FJD (millions)</i>	<i>FJD (millions)</i>	<i>FJD (millions)</i>
General Budget Support	18.62	10.33	15.42	7.10
Unbudgeted Project Support	7.00	5.32	6.72	1.22

Notes:

- General Budget Support - These are cash grants as provided in the Budget Estimates.
- Unbudgeted Project Support - This represent ad-hoc cash grant received and released directly for the project to the recipient agencies.
- Undrawn balance - This are unutilised funds which were returned to Head 50 on 31 July 2021.

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

16. Government Budgetary Sector

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

General Administration

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

Social Services

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

Economic Services

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

Infrastructure Services

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

17. **Assets, Liabilities, Revenues and Expenses**

a) **Revenue and Expenses**

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

	31 Jul 2021	31 Jul 2020
	(\$)	(\$)
b) Accounts Receivable		
Tax receivables - IRD and customs	210,913,427	186,727,007
Accounts receivable - Trade	2,122,455	2,729,584
Miscellaneous receivables	976,542	931,301
	<u>214,012,424</u>	<u>190,387,892</u>
c) Accounts Payable		
TMA Trade and sundry creditors	4,028	17,330
Withholding tax	222,291	314,376
VAT and Income Tax Refunds outstanding	176,439,629	268,600,593
	<u>176,665,948</u>	<u>268,932,299</u>
d) Borrowings		
The borrowings of the Government are listed below:		
Proceeds		
Domestic commercial banks	115,330,228	31,153,804
Domestic insurance companies	60,853,077	53,025,223
Domestic - Fiji National Provident Fund	317,813,194	508,201,196
Domestic - Private	12,929,845	326,018,047
Overseas development banks and similar lending agencies	1,118,947,913	331,506,706
Total proceeds	<u>1,625,874,257</u>	<u>1,249,904,976</u>
Repayments		
Domestic commercial institutions	(222,561,451)	(194,078,000)
Overseas development banks and similar lending agencies	(452,129,617)	(58,713,657)
Total repayments	<u>(674,691,068)</u>	<u>(252,791,657)</u>
e) Treasury Bills		
Treasury bills issued	388,019,696	394,627,020
Treasury bills redeemed	(388,800,000)	(428,644,434)
Net proceeds from treasury bills	<u>(780,304)</u>	<u>(34,017,414)</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

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

The budget is approved on a cash basis by functional classification. The approved budget covers the fiscal period from 1 August 2020 to 31 July 2021 and includes all entities within the general government sector. The budget deals only with the general government sector which excludes other extra budgetary activities. The general government sector includes all government departments - significant departments are included in the list of entities in Note 16.

The original budget was announced on 7th July 2020 and approved by legislation on 30th July 2020.

A number of changes occurred due to a Redeployment Exercise which was endorsed by Cabinet in 2020-2021FY. The approval for the redeployment of funds in the 2020-2021 Budget was to fund for Unemployment benefit, Fiji Servicemen's After Care Fund, First Home Purchase, VAT, and ongoing projects and programs for line agencies.

Comparison of Actual and Budget Amounts

Revenue Performance

Total revenue collection as at 31 July 2021 was \$2.14b, which exceeded budget by \$0.47b, whilst contracted against actual same period last year by \$0.58b. The key performance against budget were:

- a) Fees, Fines & Charges : an increase of \$34.58m against budget mainly due to increase noted in collections from LTA fees, LTA levy, permit fees, license coasting, license telecom & TV, hospital fees and water charges.
- b) Operating Rev-Reimb & Recovery : an increase of \$13.18m against budget mainly driven by higher collection of revenues from municipal council, refund of payments form grants from previous years and contribution for overseas peace keeping.
- c) Grant in Aid : an increase of \$254.73m noted in light of COVID-19 pandemic.
- d) Investment : increase is mainly attributed to the diversification of EFL shares which led to a collection of \$209.97m.

The favourable result was offset by below par performance on Direct and Indirect Tax collection as a result of COVID-19 pandemic.

Expenditure Performance

SEG 1: Established staff

The underspending is due to the freeze in hiring of civil servants, which resulted in the low utilisation of funds.

SEG 2: Government wage earners

The underspending is due to the freeze in hiring of civil servants at whole of Government level, which has resulted in the low utilisation of funds for SEG 2.

SEG 3: Travel and communications

The under utilisation of funds under SEG 3 were driven by extensive travel and border restrictions in light of COVID-19 outbreak.

SEG 4: Maintenance and operations

This was a result of COVID-19 outbreak which resulted in slowdown of the maintenance activities and operations.

SEG 5: Purchase of goods and services

The underspending is due to the supply chain disruption caused by COVID-19.

SEG 6: Operating grants and transfers

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

- i) The funds were released to recipient agencies only based in the funding need of each agency; and
- ii) Restrictions imposed by the COVID-19 pandemic on grant recipients' ability to undertake projects and programs.

**GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021**

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

SEG 7: Special expenditures

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

- i) Trainings, outreach activities, and other public health programs were put on hold as a result of border closures and restrictions imposed by the COVID-19 protocols;
- ii) Delay in the implementation of projects such as PPP for Housing, Business Start Up Initiative and Schools Infrastructure Audit;
- iii) Social Welfare Top-Up (DFAT) - as only certain approved categories of assistance were funded based on the standards amount as per agreement; and
- iv) Non-utilisation of funds for Online Business License system and Social Welfare Management Information system.

SEG 8: Capital construction

- i) The budget released were based on the funding requirements to implement the programmes for the period reported; and
- ii) The delay in the tender process and on-going projects were put on hold as a result of COVID-19.

SEG 9: Capital purchase

The under utilisation of funds is mainly attributed to supply chain disruptions caused by COVID-19.

SEG 10: Capital grants and transfers

- i) Funding from these allocations are released as and when required; and
- ii) Due to border closure and restrictions imposed by the COVID-19 protocols.

SEG 13: Value Added Tax

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

There were no other material differences between the final approved budget and the actual amounts.

Basic Differences

The budget and the accounting basis differ. The financial statements for the government are prepared on the cash basis using a classification based on the nature of expenses. The financial statements include all budget sector agencies and excludes off-budget state entities, government commercial companies and commercial statutory authorities from 1 August 2020 to 31 July 2021. The budget is approved on cash basis by functional classification and deals only with the general government sector which excludes other extra budgetary activities. The Statement of Cash Receipts and Payments includes the same entities as the budget and other extra budgetary activities such as TMAs and Trust.

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

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

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

**GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021**

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

Entity Differences

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

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

Timing Difference

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

A reconciliation between the actual inflows and outflows are presented in the statement of comparison of the budget and actual amounts and the amounts of total cash receipts and total cash payments reported in the statement of cash receipts and payments for the year ended 31 July 2021 is presented below:

	Total inflows	Total outflows
	(\$)	(\$)
Actual amount on comparable basis as presented in the Budget and Actual Comparative Statement	2,142,984,931	3,188,419,152
Entity differences - TMAs		
Cost of goods sold (TMA)		(192,503)
Other expenses (TMA)		4,980,308
Net advance payments (TMA)		15,963
Third party payments (Note 19)		(23,608,865)
Total Cash Receipts	<u><u>2,142,984,931</u></u>	
Total Cash Payments		<u><u>3,169,614,055</u></u>

19. **Payment by Third Parties**

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

	31 Jul 2021	31 Jul 2020
	(\$)	(\$)
Capital payments	23,608,865	28,160,057
Total third party payments	<u><u>23,608,865</u></u>	<u><u>28,160,057</u></u>

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

20. External Assistance and Other Assistance

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

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

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

	31 Jul 2021 (\$)	31 Jul 2020 (\$)
External assistance		
Total cash receipts	<u>279,379,895</u>	<u>66,321,137</u>
Total external assistance	<u>279,379,895</u>	<u>66,321,137</u>
<u>Multilateral aid agencies</u>		
Cash receipts	<u>58,071,859</u>	<u>26,171,936</u>
Total multilateral aid agencies	<u>58,071,859</u>	<u>26,171,936</u>
<u>Bilateral aid agencies</u>		
Cash receipts	<u>221,308,036</u>	<u>40,149,201</u>
Total multilateral aid agencies	<u>221,308,036</u>	<u>40,149,201</u>
Other Assistance		
Total cash receipts	<u>4,463,650</u>	<u>1,258,285</u>
Total other assistance	<u>4,463,650</u>	<u>1,258,285</u>
<u>Non-Governmental Organizations</u>		
Cash receipts	<u>---</u>	<u>---</u>
Total NGOs	<u>---</u>	<u>---</u>
<u>Private Corporations and Other Donors</u>		
Cash receipts	<u>4,463,650</u>	<u>1,258,285</u>
Total private corporations and other donors	<u>4,463,650</u>	<u>1,258,285</u>
Loan Funds		
External assistance	<u>---</u>	<u>---</u>
Total loan funds	<u>---</u>	<u>---</u>
Grants and Donations		
External assistance	<u>283,843,545</u>	<u>67,579,422</u>
Total grants and donations	<u>283,843,545</u>	<u>67,579,422</u>

**GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021**

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

External Assistance

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

	Development Assistance		Emergency Assistance		Other Assistance		Total Assistance	
	31 Jul 2021	31 Jul 2020	31 Jul 2021	31 Jul 2020	31 Jul 2021	31 Jul 2020	31 Jul 2021	31 Jul 2020
Loan funds	\$ 23,608,865	\$ 28,160,057	\$ 590,147,794	\$ 44,707,839	\$ 530,695,427	\$ 286,798,866	\$ 1,144,452,086	\$ 359,666,762
Grant funds	279,379,895	66,321,137	--	--	--	--	279,379,895	66,321,137
Total	302,988,760	94,481,194	590,147,794	44,707,839	530,695,427	286,798,866	1,423,831,981	425,987,899

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

Other Assistance

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

	Development Assistance		Emergency Assistance		Other Assistance		Total Assistance	
	31 Jul 2021	31 Jul 2020	31 Jul 2021	31 Jul 2020	31 Jul 2021	31 Jul 2020	31 Jul 2021	31 Jul 2020
Grant and donations	\$ 4,463,650	\$ 1,258,285	\$ --	\$ --	\$ --	\$ --	\$ 4,463,650	\$ 1,258,285

Undrawn External Assistance and Other Assistance

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

	Development Assistance		Emergency Assistance		Other Assistance		Total Assistance	
	31 Jul 2021	31 Jul 2020	31 Jul 2021	31 Jul 2020	31 Jul 2021	31 Jul 2020	31 Jul 2021	31 Jul 2020
Closing balance - Loans	\$ 475,650,000	\$ 570,809,957	\$ 43,760,000	\$ --	\$ --	\$ --	\$ 519,410,000	\$ 570,809,957
Closing balance - Grants	--	--	--	--	8,320,000	--	8,320,000	--

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

21. Goods and Services Received

The Government of Fiji has received goods and services in 2021 from donors. These assistance include goods such as computers and medical equipment, and services such as technical assistance.

<u>Summary of goods and services received in-kind from donors</u>	Aid-in-kind 31 Jul 2021
Donor agency	\$
European Union(EU)	17,091,019
New Zealand Ministry of Foreign Affairs & Trade (NZMFAT)	11,464,836
Japan International Cooperation Agency (JICA)	17,815,331
The United Nations Children Fund (UNICEF)	5,936,904
The United Nations Development Programme (UNDP)	1,108,800
The Government of India	1,849,032
Korea International Cooperation Agency (KOICA)	12,835,293
International Finance Corporation (IFC)	3,497,493
Total value of goods and services received in-kind	<u>71,598,708</u>

Summary of goods and services received in-kind by activity

Project	
East Asia Pacific Corporate Governance(IFC)	228,050
Child Protection Programme(UNICEF)	50,000
Public Administration Reform and Governance (EU)	6,157,275
Good Governance, Democracy, Health & Gender(EU)	5,581,244
Fiji Access to Justice Project (UNDP)	1,108,800
Child Protection Program (UNICEF)	10,000
Child Protection Program (UNICEF)	40,000
Police Programme (NZMFAT)	700,000
Developing Climate Disaster Risk Financing Framework & Parametric Insurance in Fiji (Government of India)	1,849,032
Complementary Support to the Budget Support - Technical Assistance (EU)	1,922,101
Multiple Indicator Cluster Survey (UNICEF)	481,083
NZ Scholarships and Short Term Attachment Training (NZMFAT)	3,974,825
Training in Japan (JICA)	993,072
Pacific Leaders Educational Assistance for Development of State (JICA)	422,584
Training in Korea for Civil Servants (KOICA)	117,647
Short Term Invitation training program (KOICA)	416,806
Child Protection Programme (UNICEF)	20,000
Water, Sanitation and Hygiene Programme (UNICEF)	1,400,000
Education Programme (UNICEF)	649,217
Volunteer Scheme (JICA)	170,947
Fiji Higher Education Programme 2016-2021(NZMFAT)	491,674
Strengthening Health Response Competency to Climate Change in Fiji (KOICA)	2,016,807
Health, Nutrition and HIV & AIDS Programme (UNICEF)	1,611,604
Water, Sanitation and Hygiene Programme (UNICEF)	730,000
Prevention and control of NCDs (JICA)	191,346
Cure Kids - Fiji Rheumatic Heart Disease Prevention (NZMFAT)	702,001
Project for Elimination of Filariasis in the Pacific (JICA)	824,038
Child Protection Programme (UNICEF)	100,000
Fiji-Ryukyu Medical Education Partnership Project (JICA)	124,113
Improvement of Health Services through 5S-KAIZEN-TQM (JICA)	640,531
Volunteer Scheme (JICA)	137,139
Fiji Health PPP (IFC)	553,021
Dispatching experts program (KOICA)	4,428,571
Volunteer Scheme (JICA)	136,467
Policy Advisory Support - Ministry of Housing and Community Development (NZMFAT)	288,000
Revitalising informal settlements and their environments- RISE (NZMFAT)	702,001

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

21. Goods and Services Received (cont...)	Aid-in-kind 31 Jul 2021 \$
Model Towns Charitable Trust - Koroipita core funding Phase IV (NZMFAT)	190,736
Small Enterprise & Market to Empower disadvantage young mothers in informal settlements (NZMFAT)	102,134
Policy, Evidence and Social Protection (UNICEF)	120,000
Volunteer Scheme (JICA)	53,450
Fiji Women's Rights Movement - Building Gender Transformative Institutions (NZMFAT)	84,486
Child Protection Programme (UNICEF)	600,000
Emergency Response- DRR (UNICEF)	85,000
The Fiji Women's Crisis Centre (FWCC) - Accessible Services to Prevent and Respond to Violence Against Women in Fiji (NZMFAT)	957,000
Policy, Evidence and Social Protection (UNICEF)	40,000
Fiji Dairy Industry Development Initiative Phase II (NZMFAT)	819,500
Fiji Agriculture Sector Support (NZMFAT)	201,150
Pro-Resilience Special Measure in response to food security in ACP countries (EU)	556,398
Capacity Enhancement for the Sustainable Development and Sound Management of Fisheries in Fiji and Other Pacific Island Countries in Line with SDF14 (JICA)	702,376
Regional Advisor for Port Operation & Maintenance and Policy in PICs (JICA)	486,859
Fiji Investment Competitiveness (IFC)	615,787
Fiji Tourism (IFC)	431,186
Capital Markets Development (IFC)	344,476
Fiji Invest (IFC)	228,052
General Administrative and Business Development (IFC)	1,096,921
Social Mitigation Programme - EDF 10 (EU)	2,874,001
Enhancing Community Resilience in Fiji (NZMFAT)	571,740
Disaster Risk Reduction Advisor (JICA)	337,919
Mainstreaming of Disaster Risk Reduction (JICA)	1,379,567
Disaster Risk Reduction (NZMFAT)	683,778
Technical Assistance for Policy and Planning Advise on Disaster Risk Mitigation (NZMFAT)	672,000
Child Centred Disaster Risk Reduction in Fiji (NZMFAT)	323,810
Reinforcing Meteorological Training Functions of Fiji Meteorological Services (JICA)	91,278
Third country training at Fiji Meteorological Services (JICA)	211,292
Introduction of Hybrid Power Generation System in the Pacific Island Countries (JICA)	3,928,422
Climate Change Resilient Renewable Energy Development Project - 1.55 MW Solar Project in Taveuni (JICA)	5,855,462
Improvement of Rural Water Supply through Ecological Purification System Technology (JICA)	211,292
Reducing Unaccounted Water through Effective control in Nadi/Ltka Regional Water Supply Scheme (JICA)	450,734
Project for Nadi Flood Alleviation (JICA)	4,254,767
Promotion of Regional Initiative on Solid Waste Management (JICA)	799,388
Project Preparation for Reconstruction of Tamavua-i-wai Bridge (JICA)	1,267,751
Total value of goods and services received in-kind	<u>71,598,708</u>

22. Authorisation Date

These IPSAS Financial Statements for the year ended 31 July 2021 were authorised for issue by the Permanent Secretary for Ministry of Finance on 20 June, 2023.

23. Commitments & Contingencies

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

Financial Statements
Government of the Republic of Fiji
for the period ending 31 July 2021

(Other Financial Statements required by Law)

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF ASSETS AND LIABILITIES
AS AT 31 JULY 2021

Schedule 3

	Notes	31 Jul 2021 (\$)	31 Jul 2020 (\$)
ASSETS			
Current Assets			
Cash and cash equivalent	3	673,649,302	714,321,349
Accounts Receivable	17(b)	214,012,424	190,387,892
Prepayments	26	1,042,124	1,026,161
Inventory	27	1,457,816	1,265,313
Total Current Assets		890,161,666	907,000,715
Non Current Assets			
Term-Loans Receivable	28	817,927,818	756,372,149
Equity Investments	29	885,869,258	1,087,849,323
Total Non Current Assets		1,703,797,076	1,844,221,472
TOTAL ASSETS		2,593,958,742	2,751,222,187
LIABILITIES			
Current Liabilities			
Accounts Payable	17(c)	176,665,948	268,932,299
Deferred Income	30	7,739,903	9,550,134
Trust fund account	31	252,465,811	223,280,875
Term Loans Payable - Treasury Bills	32(c)	269,565,261	264,132,690
Term Loans Payable - Overseas Loans	32(d)	85,027,189	526,933,794
Term Loans Payable - Domestic Loans	32(e)	282,774,500	222,561,450
Total Current Liabilities		1,074,238,612	1,515,391,242
Non Current Liabilities			
Term-loans Payable Overseas Loans	32(d)	2,337,451,329	1,182,172,342
Term-loans Payable Domestic Loans	32(e)	4,710,105,837	4,496,062,246
Total Non Current Liabilities		7,047,557,166	5,678,234,588
TOTAL LIABILITIES		8,121,795,778	7,193,625,830
EQUITY	45	(5,527,837,036)	(4,442,403,643)

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

Ministry of Finance
Suva, Fiji

Dated 20 of the month of June, 2023.



Shiri K Gounder
Permanent Secretary for Ministry of Finance

**GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF REVENUE & EXPENSES
FOR THE PERIOD ENDING 31 JULY 2021**

Schedule 4

	Notes	31 Jul 2021 (\$)	31 Jul 2020 (\$)
REVENUE			
Operating Revenue	34	1,873,001,982	2,449,163,344
Investing Revenue	35	269,982,949	267,929,646
Trade and Manufacturing Operations	43(a)	9,383,776	11,084,806
TOTAL REVENUE		<u>2,152,368,707</u>	<u>2,728,177,796</u>
EXPENSES			
Operating Expenses	37	1,818,716,863	1,976,636,611
Capital Expenses	38	973,342,804	988,116,472
Value Added Tax	39	27,960,685	31,733,470
Interest Payments on Loans	40	370,272,668	356,986,258
Trading and Manufacturing Operations	43(b)	4,775,574	8,709,976
TOTAL EXPENSES		<u>3,195,068,594</u>	<u>3,362,182,787</u>
DEFICIT FOR THE YEAR		<u>(1,042,699,887)</u>	<u>(634,004,991)</u>

**GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF CONTINGENT LIABILITIES
FOR THE YEAR ENDED 31 JULY 2021**

No.	Name	Notes	Guarantee Balance including accrued interest 1 Aug 2020 (\$)	New Loan Guaranteed Issued in 2020 (Aug - July) (\$)	Guarantee Reduction in 2021 Loan Repayments (\$)	Accrued Interest 2021 (\$)	FX Effect (\$)	Guaranteed Balance plus interest accrued 31 July 21 (\$)
Section A:								
Explicit Contingent Liabilities - Guarantee of Loans Raised								
1	Fiji Airways		278,990,110	192,672,777	8,139,776	788,020	(42,597,216)	421,713,915
2	Fiji Development Bank		307,840,476	144,491,051	142,488,035	(1,041,152)	---	308,802,340
3	Fiji Electricity Authority		50,171,965	---	50,171,965	---	---	---
4	Fiji Hardwood Corporation		1,699,891	---	1,279,306	231,866	---	652,451
5	Fiji Sugar Corporation		199,220,369	25,150,421	11,293,991	5,791,436	(1,951,488)	216,916,747
6	Housing Authority		90,163,151	20,000,000	8,000,000	---	---	102,163,151
7	Fiji Broadcasting Corporation		8,326,292	---	8,326,292	---	---	---
8	Pacific Fishing Company Limited		2,546,635	1,584,684	3,353,237	---	---	778,082
	Government Guarantee	33	938,958,889	383,898,933	233,052,602	5,770,170	(44,548,704)	1,051,026,686
Particulars								
		Notes	Authority			Liability as at 31 July 2021 (\$)		
Section B:								
Other Explicit Contingent Liabilities - Subscription for Membership								
1	International Bank for Reconstruction and Development							300,571,105
2	Asian Development Bank							204,190,684
3	Asian Infrastructure Investment Bank							20,842,018
	Total	33						525,603,807
Section C:								
Implicit Contingent Liabilities								
1	National Bank of Fiji (Legal claims against the bank)							390,000
2	Provincial Councils - Loans Raised							796,399
3	Municipal Councils - Loans Raised							18,450,858
4	Fiji Revenue and Customs Service							58,474,353
	Total	33						78,111,610

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE YEAR ENDED 31 JULY 2021

24. Scope of Other Financial Statements

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

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

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

25. Significant Accounting Policies relating to Other Financial Statements

25.1 Accounts Receivable

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

25.2 Prepayments

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

25.3 Inventory

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

25.4 Investments

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

25.5 Investment in Sinking Fund

The Purpose of the Sinking Fund is to build cash reserves that would be sufficient to redeem the Global Bond when it matures. This account was established mainly for the purpose of redemption of the offshore bond as well as debt repayments for Government.

25.6 Accounts Payable

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

25.7 Deferred Income

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

25.8 Treasury Bills Payable

Treasury Bills Payable are recorded at discounted value.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE YEAR ENDED 31 JULY 2021

25. Significant Accounting Policies relating to Other Financial Statements (cont...)

25.9 Government Bonds

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

25.10 Trust Fund Accounts

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

25.11 Term Loans Payable

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

25.12 Operating Income

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

25.13 Investing Revenue

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

25.14 Loans Drawn

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

25.15 Expenditure

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

25.16 Changes in Accounting Policies

Following legal opinion clarifying that Heads 51 and 52 are standing appropriations out of the Consolidated Fund for specific purposes that are authorised by the Constitution and the Pension Act. Therefore, H51 and H52 (SEGs 11, 12, 14 and 15) are not part of the Annual Appropriation Act and section 22 of the FMA is not applicable by the most recent Annual Appropriation Act.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

		31 Jul 2021 (\$)	31 Jul 2020 (\$)
26. Prepayments			
Prepayments		<u>1,042,124</u>	<u>1,026,161</u>
Advances paid to staffs are recorded as prepayments, they are cleared to relevant expenditures upon retirement.			
27. Inventory			
Inventory comprises of raw materials; work in progress and finished goods of the Government Trading and Manufacturing Activities (TMAs). Inventories are valued at cost using the periodic inventory method. Inventory as at year end are as follows:			
Raw Materials		196,368	215,161
Work-in-Progress		1,100	10,122
Finished Goods for Sales		<u>1,260,348</u>	<u>1,040,030</u>
		<u>1,457,816</u>	<u>1,265,313</u>
28. Term-Loans Receivable			
Term loans receivables are funds lent to state owned enterprises and students (scholarships) as part of Government on lending and on-lending program.			
Term-Loans Receivable			
Term-Loans Receivable for Social Services	28(a)	557,246,595	492,539,859
Term-Loans Receivable for Economic Services	28(b)	<u>260,681,223</u>	<u>263,832,290</u>
Total Term-Loans Receivable		<u>817,927,818</u>	<u>756,372,149</u>
Loans provided by the Government to third parties are represented as follows:			
(a) Term-Loans Receivable for Social Services			
Public Officers and Ministers		14,476	14,476
iTaukei Affairs Board		4,518,924	4,758,924
Public Service Scholarship Lending		8,824,081	8,872,033
Tertiary Education Loan Scheme		539,438,503	474,443,815
Loans to Fiji Sports Council		<u>4,450,611</u>	<u>4,450,611</u>
		<u>557,246,595</u>	<u>492,539,859</u>
(b) Term-Loans Receivable for Economic Services			
Fiji Pine Limited		---	2,200,000
Fiji Sugar Corporation Limited		200,264,576	199,616,381
Viti Corporation Ltd		2,905,000	2,905,000
Food Processors Fiji Limited		1,900,000	1,900,000
Fiji Rice Limited		1,900,000	1,900,000
Pacific Fishing Company Limited		9,000,000	9,000,000
South Pacific Fertilizer		9,236,100	9,722,100
Housing Authority		27,978,031	28,856,012
Public Rental Board		<u>7,497,516</u>	<u>7,732,797</u>
		<u>260,681,223</u>	<u>263,832,290</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

29. Equity Investments

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

Investments as at year end were as follows:

		31 Jul 2021 (\$)	31 Jul 2020 (\$)
Investments			
Investments in Social Services	29(a)	6,979,676	6,971,236
Investments in Economic Services	29(b)	250,053,534	249,422,547
Investments in Infrastructure Services	29(c)	628,836,048	831,455,540
Total Investments		<u>885,869,258</u>	<u>1,087,849,323</u>

(a) Investments in Social Services	Number of Shares	31 Jul 2021 (\$)	31 Jul 2020 (\$)
Post Fiji Limited	5,600,000	5,600,000	5,600,000
Unit Trust of Fiji (Trustee) Ltd	496,076	1,129,572	1,121,132
Unit Trust of Fiji (Management) Ltd	50,000	50,000	50,000
Fiji Broadcasting Corporation Ltd	200,002	200,002	200,002
Walesi Ltd	100	100	100
Fiji Public Trustee Corporation Ltd	2	2	2
		<u>6,979,676</u>	<u>6,971,236</u>

(b) Investments in Economic Services

Fiji Airways	13,307,075	13,307,075	13,307,075
Fiji Hardwood Corporation	90,000,000	90,000,000	90,000,000
Pacific Fishing Company Ltd	7,364,478	14,728,956	14,728,956
Assets Fiji Ltd	2	2	2
Fiji Pine Ltd	61,002,064	61,002,064	61,002,064
Fiji Sugar Corporation Ltd	41,983,866	20,991,933	20,991,933
Fiji Rice Limited	753,112	1,506,224	1,506,224
Viti Corps Company Ltd	6,000,000	6,000,000	6,000,000
Yaqara Pastoral Company Ltd	1,191,846	1,191,846	1,191,846
Food Processors Fiji Ltd	687,679	687,679	687,679
Air Terminal Services	765,000	765,000	765,000
International Finance Corporation	2,188	4,560,234	4,641,494
International Bank for Reconstruction and Development	1,251	13,964,922	14,213,766
Copra Millers Fiji Ltd	12,858,366	6,429,183	6,429,183
Asian Infrastructure Investment Bank	20	4,168,403	3,182,011
Asia Development Bank Subscription	361	10,750,013	10,775,314
		<u>250,053,534</u>	<u>249,422,547</u>

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

29. *Equity Investments (cont...)*

(c) **Investments in Infrastructure Services**

	Number of Shares	31 Jul 2021 (\$)	31 Jul 2020 (\$)
Airports (Fiji) Limited	92,300,180	92,300,180	92,300,180
Amalgamated Telecom Holdings Limited	72,966,105	124,042,379	146,661,871
Fiji Ports Corporation Limited	29,993,490	29,993,489	29,993,489
Energy Fiji Limited	255,000,000	382,500,000	562,500,000
		<u>628,836,048</u>	<u>831,455,540</u>

(d) **Reconciliation of Equity Investments**

	31 Jul 2021 (\$)	31 Jul 2020 (\$)
The reconciliation of changes in investments are as follows:		
Increase/ (decrease) in fair value of shares		
Unit Trust of Fiji (Trustee) Limited	8,440	(69,451)
Fiji Sugar Corporation Ltd	---	5,872,353
Amalgamated Telecommunications Holdings	(22,619,493)	(86,829,665)
Energy Fiji Ltd	(180,000,000)	(150,000,000)
Exchange Rate adjustments		
International Finance Corporation	(81,260)	4,024,819
International Bank for Reconstruction and Development	(248,845)	(183,246)
Asian Development Bank	(25,301)	105,802
Asian Infrastructure Investment Bank	986,393	1,033,321
	<u>(201,980,066)</u>	<u>(226,046,067)</u>

The variations noted in the Equity Investments are due to the disposal of Government interests in Energy Fiji Limited; increase and decrease in share price per unit (as at 31/07/20 and 31/07/21) for UTOF (Trustee) and ATH shares respectively; exchange rate adjustments for foreign investment with additional shares subscribed for Asian Infrastructure Investment Bank (USD500,000).

30. **Deferred Income**

Deferred Income	<u>7,739,903</u>	<u>9,550,134</u>
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Deferred revenues are received cash deposits that government has collected, but not yet reported as revenue on the income statement. As they are reported as revenue in subsequent periods, (i.e. "amortized"), the amounts are deducted from the deferred revenue account.

31. **Trust Fund Account**

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

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

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

		31 Jul 2021 (\$)	31 Jul 2020 (\$)
31. <i>Trust Fund Account (cont...)</i>			
The Consolidated Trust Fund Account records monies received by the Government which do not belong to it and is therefore considered a liability of Government. Closing balances in this account comprised the following:			
Deposits, Deductions and Retention Money		24,544,523	30,658,903
Consolidated Trust Fund		<u>227,921,288</u>	<u>192,621,972</u>
Total Trust Fund Account		<u>252,465,811</u>	<u>223,280,875</u>
32. Term-Loans Payable			
Government borrows monies either domestically or from overseas to finance its Capital Programs. Total debt of Government outstanding as at 31/07/21 are as follows:			
(a) <i>Current Liabilities</i>			
Term-Loans Payable - Treasury Bills	32(c)	269,565,261	264,132,690
Term Loans Payable - Overseas Loans	32(d)	85,027,189	526,933,794
Term Loans Payable - Domestic Loans	32(e)	<u>282,774,500</u>	<u>222,561,450</u>
Total Current Liabilities		<u>637,366,950</u>	<u>1,013,627,934</u>
(b) <i>Non-Current Liabilities</i>			
Term-Loans Payable - Overseas Loans	32(d)	2,337,451,329	1,182,172,342
Term-Loans Payable - Domestic Loans	32(e)	<u>4,710,105,837</u>	<u>4,496,062,246</u>
Total Non-Current Liabilities		<u>7,047,557,166</u>	<u>5,678,234,588</u>
Total Government Debt		<u>7,684,924,116</u>	<u>6,691,862,522</u>
Term loans payable for overseas and domestic loans have been re-classified to represent current and non-current liabilities.			
(c) Treasury bills			
Term-Loans Payable - Treasury Bills			
The Government through the Reserve Bank of Fiji floats Treasury Bills to raise funds from the domestic market on a short term basis. Treasury Bills are sold at a discount from their face value of which the investor will receive the face value upon maturity.			
Opening Balance as at 01 August		264,132,690	298,150,105
Treasury Bills Issued during the year		392,600,000	401,700,000
less unamortized amount		(4,580,303)	(7,072,980)
Treasury Bills Redemptions during the year		(388,800,000)	(439,500,000)
Non-Cash Unamortised discount		<u>6,212,874</u>	<u>10,855,565</u>
Outstanding as at 31 July		<u>269,565,261</u>	<u>264,132,690</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

32. *Term-Loans Payable (cont...)*

	31 Jul 2021 (\$)	31 Jul 2020 (\$)
(d) Overseas loans		
Opening Balance as at 01 August	1,709,106,136	1,455,397,778
Redemptions during the year	(452,129,617)	(58,713,657)
Capitalized interest	1,426,708	2,052,258
Add/(less) unamortized discount	447,160	945,129
Cash Borrowings	1,118,947,913	331,506,706
Non-cash borrowing-direct disbursement	23,608,865	28,160,057
Increase in public debt due to revaluation	21,071,353	(50,662,853)
Other adjustments	---	420,718
Outstanding as at 31 July	<u>2,422,478,518</u>	<u>1,709,106,136</u>

Overseas borrowings totaled \$1,142,556,778 as at 31 July 2021 (2020: \$359,666,763). Out of the total drawdowns, \$23,608,865 (2020: \$28,160,057) are from direct payments and \$1,118,947,913 (2020: \$331,506,706) from single tranche withdrawals and reimbursements receipted into the Government Central Account, replenishment to DAs. The Cash Borrowings amounting to \$1,118,947,913 as at July 2021 were actual cash drawdowns for the policy based budget support program loans from ADB, AIIB, World Bank and JICA.

Non Cash borrowings - By source:

Multilateral

Asian Development Bank	19,365,703	23,252,812
World Bank	4,243,162	4,907,245
Non-Cash Borrowings - overseas	<u>23,608,865</u>	<u>28,160,057</u>

Overseas loans amounting to \$23.6 million were drawn in financial year 01 August 2020 - 31 July 2021 from Government's loan facilities with Asian Development Bank and the World Bank. These loans drawn by Government are directly disbursed to the contractors by lenders. While Front End Fee which were deducted at source for the JICA, AIIB and IBRD loan is also included as non-cash borrowings.

(e) Domestic loans

Outstanding 1 August	4,718,623,696	3,971,911,144
Borrowings raised during the year	483,509,000	904,057,000
Add: Unamortized premium	16,527,651	8,658,892
Add: Accrued interests earned	---	3,218,559
Reversal of previous years accrued interest	(3,218,559)	(943,349)
Redemptions during the year	(222,561,451)	(194,078,000)
FSC Guaranteed Bonds with FNPF	---	25,799,450
Outstanding 31 July	<u>4,992,880,337</u>	<u>4,718,623,696</u>

Domestic Borrowings - By Source

Public

Commercial Banks	110,000,000	30,000,000
Insurance companies	58,000,000	52,027,000
FNPF	302,800,000	500,788,000

Private

Others	12,709,000	321,242,000
Total Domestic Borrowings raised	<u>483,509,000</u>	<u>904,057,000</u>

Government bonds raised locally during the year were in the form of Fiji Infrastructure Bonds. Accrued interest in 2019/2020 fiscal year were reversed in this fiscal year.

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

	31 Jul 2021 (\$)	31 Jul 2020 (\$)
33. Contingent Liabilities		
<i>Explicit Contingent Liabilities</i>		
Government Guarantees	<u>1,051,026,686</u>	<u>938,958,888</u>
<p>The Financial Management Act section(62) stipulates that Government may guarantee the financial liability of an entity in respect of a loan or otherwise, but only if the giving of the guarantee is authorized by the House of Representatives. Schedule 5 Statement of Contingent Liabilities provide in detail the various agencies (8 altogether) where government undertakes giving of guarantees by end of 31 July 2021.</p>		
<i>Other Explicit Contingent Liabilities</i>		
International Bank for Reconstruction and Development	300,571,105	305,927,059
Asian Development Bank	204,190,684	204,671,268
Asian Infrastructure Investment Bank	<u>20,842,018</u>	<u>21,213,407</u>
	<u>525,603,807</u>	<u>531,811,734</u>
<p>In addition, the subscriptions for membership with International Agencies such as the International Bank for Reconstruction and Development (IBRD) and the Asian Development Bank are also treated as contingent liabilities as the subscriptions represent callable capital and should government fail to honour the article of agreement, the agencies would call on the callable capital. The amounts are sourced from the certificate of balances provided by ADB and IBRD.</p>		
<i>Implicit Contingent Liabilities</i>		
National Bank of Fiji - Legal claims against the bank	390,000	718,655
Provincial Councils - Loans Raised	796,399	884,627
Municipal Councils - Loans Raised	18,450,858	19,453,284
Fiji Revenue & Customs Service - litigation claims in relation to tax and customs matters	58,474,353	90,768,399
	<u>78,111,610</u>	<u>111,824,965</u>
Government Contingent Assets	<u>---</u>	<u>---</u>

The National Bank of Fiji comprises of legal claims against National Bank of Fiji - Asset Management Bank (NBF-AMB). This is sourced from the certificate of balances provided by the National Bank of Fiji - Asset Management Bank whereas loans raised by provincial councils and municipal councils represent a key component in the consolidation of general Government debt.

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

The Fiji Revenue and Customs Service (FRCS) as an agent of Government has a number of litigation claims made against it in relation to tax and customs matters. These matters are resolved through various means not wholly within the control of the FRCS and may or may not give rise to an obligation. This is sourced from FRCSs audited Financial Statements for the year ended 31 July 2021.

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

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NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

	31 Jul 2021 (\$)	31 Jul 2020 (\$)
34. Operating Revenue		
Operating Revenue consists of Direct Taxes, Indirect Taxes, Fees Fines & Charges, Grant Aid, Interest & Dividends and Other Receipts.		
Direct Taxes	466,172,922	610,549,466
Indirect Taxes	946,444,358	1,583,451,675
Fees, Charges, Fines and Penalties	123,673,743	142,161,315
Operating Revenue - Surpluses	---	---
Other Revenues and Surpluses	28,607,701	31,450,588
Reimbursements and Recoveries	24,259,714	13,970,878
Grants in Aid (overseas)	283,843,544	67,579,422
Total Operating Revenue	1,873,001,982	2,449,163,344

35. Investing Revenue

Interest received on Term-Loans Receivable	2,630,433	437,231
Sales of Government Assets	210,497,812	211,282,473
Dividend from Investments	51,304,648	49,476,930
Interest from Bank Balances	2,086,586	2,176,417
Return of TMA excess cash to consolidated fund account	3,463,470	4,334,962
Exchange Rate Gain	---	221,633
Total Investing Revenue	269,982,949	267,929,646

36. Revenue from Non Exchange Transactions

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

Revenue from non exchange transactions

Direct Taxes (Gross)	496,219,343	702,544,406
Direct Taxes Refunds	(30,046,421)	(91,994,940)
Indirect Taxes		
<i>Value Added Tax (Gross)</i>	653,731,783	855,418,376
Value Added Tax Refunds	(210,588,658)	(227,669,216)
Fiscal Duty	280,357,577	345,082,474
Excise Duty	107,368,682	154,617,781
Export Duty	8,224,194	8,277,950
Import Excise Duty	3,818,690	25,822,080
Service Turnover Tax	1,120,176	62,524,501
Water Resource Tax	71,955,081	56,197,517
Departure Tax	903,510	107,574,014
Fish Levy	---	16,100
Stamp Duty	7,867,853	66,323,391

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NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

	31 Jul 2021 (\$)	31 Jul 2020 (\$)
36. Revenue from Non Exchange Transactions (cont...)		
Luxury Vehicle Duty	7,500	676,000
Telecommunication Levy	835,417	918,171
Environmental Levy	20,831,281	133,189,274
Miscellaneous indirect taxes	11,272	(5,516,738)
Other non-exchange revenues		
Grants in Aid	283,843,544	67,579,422
	<u>1,696,460,824</u>	<u>2,261,580,563</u>
Revenue from exchange transactions		
Fees, Charges, Fines and Penalties	123,673,743	142,161,315
Trading and Manufacturing Accounts - Sales Revenue	9,383,776	11,084,806
Other Revenues and Surpluses	28,607,701	31,450,588
Reimbursements and Recoveries	24,259,714	13,970,878
Repayment of Term-Loans Receivable	2,630,433	437,231
Sales of Government Assets	210,497,812	211,282,473
Dividend from Investments	51,304,648	49,476,930
Interest from Bank Balances	2,086,586	2,176,417
Return of Surplus Capital from Investments	3,463,470	4,334,962
Exchange Gain Rate	---	221,633
	<u>455,907,883</u>	<u>466,597,233</u>
Total Revenue	<u>2,152,368,707</u>	<u>2,728,177,796</u>
37. Operating Expenses		
Operating expenditure includes the following:		
Established Staff	886,174,964	934,417,623
Government Wage Earners	42,291,080	53,392,431
Travel and Communications	21,609,685	31,851,757
Maintenance and Operations	65,468,561	72,899,915
Purchase of Goods and Services	167,465,518	171,519,823
Operating Grants and Transfers	549,598,903	623,327,343
Special Expenditure	55,347,403	56,970,535
Pensions, Gratuities and Compassionate Allowances	30,760,749	32,257,184
Total Operating Expenditure	<u>1,818,716,863</u>	<u>1,976,636,611</u>
38. Capital Expenses		
Capital Expenditure includes the following:		
Capital Construction	71,865,445	92,171,276
Capital Purchases	48,112,798	53,014,597
Capital Grants and Transfers	853,364,561	842,930,599
Total Capital Expenditure	<u>973,342,804</u>	<u>988,116,472</u>
39. Value Added Expense		
Value Added Expense	<u>27,960,685</u>	<u>31,733,470</u>

These are the VAT payments made by Ministries/Departments to Fiji Revenue & Customs Service during the year.

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NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont..)
FOR THE PERIOD ENDING 31 JULY 2021

	31 Jul 2021 (\$)	31 Jul 2020 (\$)
40. Interest Payments and Other Charges on Loans		
Charges on Account of Public Debt is provided for in the Budget Estimates for the payment of interest on domestic and overseas loans.		
Interest Payments		
Overseas Loans	28,009,124	58,900,248
Domestic Loans	335,202,265	286,224,639
Treasury Bills	6,212,874	10,855,566
Total Interest Paid	<u>369,424,263</u>	<u>355,980,453</u>
Other charges on Public Debt - Miscellaneous Payments	848,405	1,005,805
Total Interest Paid and Miscellaneous Payments	<u>370,272,668</u>	<u>356,986,258</u>
Interest Payment on overseas loans		
1997 Asian Development Bank Third Road Upgrading project	387,869	969,050
1998 Japan International Corporation Agency Nadi Lautoka Water Supply and Provision for Exchange Rates Fluctuation	161,409	227,092
2004 Asian Development Bank Suva Nausori Water Supply and Sewerage Project	77,562	---
2006 Export Import Bank of China E-Government Project	1,065,778	2,151,250
2009 Asian Development Bank Emergency Flood Recovery Project	---	497,623
2010 Export Import Bank of China Fiji Low Cost Housing Project	183,721	825,835
2010 Export Import Bank of China Fiji Public Rental Housing Project	---	656,827
2010 Asian Development Bank Supplementary Third Road Upgrading project	---	176,016
2010 Asian Development Bank Supplementary Suva/Nausori Water Supply Project	343,896	1,105,987
2011 Export Import Bank of China Sigatoka Valley and Sawani Serea Road Project	513,609	1,138,514
2011 Export Import Bank of China Buca Bay and Moto Road Project	---	1,593,866
2012 Export Import Bank of China Nabouwalu and Dreketi Road Upgrading Project	---	1,789,443
2014 ADB Transport and Infrastructure Project	---	4,571,536
2016 IBRD Post Cyclone Winston Emergency LN8632	503,234	935,236
2015 Global Bond	1,328,443	3,444,170
2016-2017 ADB Emergency Assistance LN3403	14,648,660	30,016,692
2016 IBRD Transport Infrastructure LN8482	1,011,307	3,046,852
2016 IFAD Agricultural Loan EUR3.1m	412,293	676,269
2016-17 WB Fiji Cable Connection to Vanua Levu LN8666	19,175	25,455
3rd Global Bond Amortisation	99,386	268,185
2017 ADB UWSWIP LN 3512 Capitalised Interest	---	945,129
LN8840 IBRD FSCRDPL Front End Fee	343,254	440,753
2018 ADB LN3667 - FIJ: Sust. Private Sector Led Growth	335,559	965,445
2019/20 JICA Stand-by Loan 1	395,404	941,827
2019/20 ADB Subprog.2 FSPSLG LN3812	4,302	12
2019/2020 IBRD Fiscal Sustainability Climate Resilience Development Policy Program 2	1,084,874	1,491,184
2019/2020 Non-Concessional IDA Fiscal Sustainability Climate Resilience Development Policy Program 2	186,295	---
2019/2020 Concessional IDA Fiscal Sustainability Climate Resilience Development Policy Program 2	1,242,710	---
2020/21 IDA Fiji COVID-19 Emergency Response Project	498,299	---
	689	---

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FOR THE PERIOD ENDING 31 JULY 2021

	31 Jul 2021 (\$)	31 Jul 2020 (\$)
40. Interest Payments and Other Charges on Loans (cont...)		
2020/2021 Asian Development Bank Sustained Private Sector-Led Growth Reform Program 3	2,157,810	---
2020/2021 Asian Infrastructure Investment Bank Sustained Private Sector-Led Growth Reform Program 3	773,824	---
2020/2021 Export Import Bank of China Debt Service Suspension Initiative 1	<u>229,762</u>	<u>---</u>
	<u>28,009,124</u>	<u>58,900,248</u>

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

Interest Payment on domestic loans

Viti Bond 2012	95,550	95,550
Viti Bond 2013	211,550	211,640
Viti Bond 2014	209,200	209,200
Viti Bond 2015	290,820	336,660
Viti Bond 2016	231,765	231,765
Viti Bond 2016/17	461,150	461,150
Viti Bond 2017/18	455,820	455,820
Viti Bond 2018/19	293,390	209,175
Viti Bond 2019/20	482,510	317,224
Fiji Development Loan 2004	---	2,405,275
Fiji Development Loan 2005	1,657,030	6,031,018
Fiji Development Loan 2006	25,155,880	25,155,880
Fiji Development Loan 2007	7,153,365	7,153,365
Fiji Development Loan 2008	15,382,381	15,382,381
Fiji Development Loan 2009	35,787,875	35,864,750
Fiji Development Loan 2010	40,788,500	40,788,500
Fiji Development Loan 2011	6,005,495	6,028,495
Fiji Development Loan 2012	10,535,230	10,578,830
Fiji Development Loan 2013	7,402,840	7,639,680
Fiji Development Loan 2014	7,185,150	8,802,500
Fiji Development Loan 2015	9,883,136	9,883,136
Fiji Development Loan 2016	16,777,677	16,777,677
Fiji Development Loan 2017	13,835,031	13,882,406
Fiji Development Loan 2018	26,957,135	26,957,135
Fiji Development Loan 2019	41,054,801	40,111,452
Fiji Infrastructure Bond 2019/2020	49,601,432	4,413,481
Fiji Infrastructure Bond 2020/2021	4,948,725	---
Fiji Green Bonds	5,840,495	5,840,495
Fiji Covid-19 Response Bonds	5,950,000	---
FSC GVT. Guaranteed Bonds with FNPF	<u>568,332</u>	<u>---</u>
	<u>335,202,265</u>	<u>286,224,639</u>

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NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

	31 Jul 2021 (\$)	31 Jul 2020 (\$)
41. Repayment of Loans		
Principal Repayments:		
Overseas Loans	452,129,617	58,713,657
Domestic Loans	222,507,024	194,078,000
Total Principal Repayments	674,636,641	252,791,657
Principal Repayments Overseas Loans		
1997 Asian Development Bank Third Road Upgrading project	8,116,850	7,855,645
1998 Japan International Corporation Agency Nadi Lautoka Water Supply and Sewerage Project	2,391,154	2,476,543
2004 Asian Development Bank Suva Nausori Water Supply and Sewerage Project	5,167,576	4,924,794
2005 Asian Development Bank Suva Supplementary Nausori Water Supply and Sewerage Project	1,352,425	1,287,679
2006 Export Import Bank of China E-Government Project	---	3,378,828
2009 Asian Development Bank Emergency Flood Recovery	512,729	489,817
2010 Asian Development Bank Supplementary Third Road Upgrading project	3,073,786	2,972,262
2010 EXIM Bank of China/ Fiji Low Cost Housing	---	2,750,961
2010 EXIM Bank of China/ Public Rental Housing	---	737,199
2010 EXIM Bank of China/ Sigatoka Valley & Sawani Serea	---	6,675,523
2010 EXIM Bank of China/ Buca Bay and Moto roads	---	7,494,651
2012 EXIM Bank of China Road Upgrading Project	---	16,360,625
2014 ADB Transport Infrastructure Investment Project	2,004,008	990,906
2016 IFAD Fiji Agriculture Partnership Project	355,851	318,224
2015 JP Morgan 3rd Global Bond Issuance	428,724,544	---
2016 World Bank Transport Infrastructure Investment Project	430,694	---
Total Principal Repayments Overseas Loans	452,129,617	58,713,657
Government had participated in the Debt Service Suspension Initiative (DSS) with bilateral creditors during the fiscal year. The suspension windows of the DSSI were from 1 May 2020 to 31 December 2020 and from 1 January 2021 to 30 June 2021. At the end of the FY, Government had finalised DSSI Agreement with EXIM Bank of China which resulted in the suspension of debt servicing (for both Interest and Principal repayment).		
Principal Repayment Domestic Loans		
Fiji Development Loan 2004	---	82,200,000
Fiji Development Loan 2005	51,800,000	44,280,000
Fiji Development Loan 2006	128,000,000	---
Fiji Development Loan 2009	---	2,250,000
Fiji Development Loan 2011	---	800,000
Fiji Development Loan 2012	---	800,000
Fiji Development Loan 2013	2,300,000	13,200,000
Fiji Infrastructure Bond 2014	---	46,900,000
Fiji Infrastructure Bond 2015	12,500,000	---
Fiji Infrastructure Bond 2016/2017	---	2,500,000
Viti Bonds 2013	---	2,000
Viti Bonds 2015	---	1,146,000
Viti Bonds 2016	797,000	---
Viti Bonds 2016/2017	1,365,000	---
FSC GVT. Guaranteed Bonds with FNPF	25,745,024	---
Total Principal Repayments Domestic Loans	222,507,024	194,078,000

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

	31 Jul 2021 (\$)	31 Jul 2020 (\$)
42. Ways and Means		
The Ways and Means is a short term advance facility provided by the RBF for Government where advances are given to Government for a day to meet cash deficits. The Ways and Means are replenished the day after the advances were made.		
Ways and Means Receipts	22,700,000	32,100,000
Ways and Means Repayments	<u>(22,700,000)</u>	<u>(32,100,000)</u>
	---	---
43. Revenue and Expense from Trading & Manufacturing Accounts		
Trading and Manufacturing Accounts - Sales Revenue	5,078,564	6,773,220
Trading and Manufacturing Accounts - Other Revenue and Surplus	<u>4,305,212</u>	<u>4,311,586</u>
(a) Total Revenue from TMA's	<u>9,383,776</u>	<u>11,084,806</u>
Cost of Goods sold	(192,503)	516,424
Other TMA Expenditures	<u>4,968,077</u>	<u>8,193,552</u>
(b) Total Expenses from TMA's	<u>4,775,574</u>	<u>8,709,976</u>
44. Arrears of Revenue		
The Arrears of Revenue position of Government as at 31/07/2021 are as follows:		
Ministry of Agriculture	803,578	803,768
Office of the Auditor-General	258,830	418,518
Ministry of Communications-Telecommunication Authority of Fiji	10,059,652	15,273,314
Ministry of Defence	13,587	23,771
Ministry of Education, Heritage and Arts	31,322	34,935
Ministry of Economy (Pensions Office)	242,672	200,461
Ministry of Economy (Human Resources)	26,284	26,284
Ministry of Economy (Surcharge)	248,238	284,588
Ministry of Economy (Construction Implementation Unit)	1,664,256	---
Ministry of Fisheries	19,996	27,548
Ministry of Forestry	175	66
Department of Public Enterprise - Government Printing and Stationery	15,437	23,478
Ministry of Health and Medical Services	365,678	240,741
Information Technology & Computing Services	111	---
Judiciary	13,444,435	12,999,522
Ministry of Employment, Productivity and Industrial Relation	39,803	12,393
Ministry of Land & Mineral Resources	33,432,792	30,342,570
Ministry of Infrastructure and Transport	125,979	437,113
Land Transport Authority	22,237,606	20,283,832
Overseas Peacekeeping Missions	1,019,121	950,829
Fiji Police Force	2,181	2,388
Public Utilities (Water Authority of Fiji)	30,855,508	42,973,868
Ministry of Rural & Maritime Development	2,068,777	2,068,777
Solicitor General's Office	35,425	13,377
Department of Fiji Meteorological Services	2,144,106	2,144,106
Ministry of Youth & Sports	914	---
Total Arrears of Revenue	<u>119,156,463</u>	<u>129,586,247</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
NOTES TO AND FORMING PARTS OF OTHER FINANCIAL STATEMENTS (Cont...)
FOR THE PERIOD ENDING 31 JULY 2021

	31 Jul 2021 (\$)	31 Jul 2020 (\$)
44. <i>Arrears of Revenue (cont...)</i>		
Fiji Revenue & Customs Service Inland Revenue Department and Customs arrears have been excluded from Note 44 and recognised in Statement of Assets and Liabilities		
45. Equity Movements		
Opening Balance 1 August	(4,442,403,643)	(3,679,379,215)
Deficit for the year - consolidated fund account	(1,047,308,089)	(636,379,821)
Surplus for the year - trade and manufacturing account	4,608,202	2,374,830
Revaluation of External Debt due to foreign currency conversions	(23,176,870)	50,662,853
Investment Equity Adjustment	(201,980,066)	(226,046,067)
Adjustments of underlying account balances and Equity	116,090,298	(25,876,872)
Previous years adjustments of term loans receivables	65,001,528	86,348,303
Effects of exchange rate movements	4,795,074	(9,772,692)
Cash remitted to Consolidated Fund Account	(3,463,470)	(4,334,962)
Closing balance as at 31 July	<u>(5,527,837,036)</u>	<u>(4,442,403,643)</u>

46. For the year ended 31 July 2021, total amount of \$38,226,441 in penalties was waived by the Fiji Revenue & Customs Service.

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

48. The Environment and Climate Adaptation Levy (ECAL) is consortium of taxes on prescribed services, items and income. In this regard, due to the Global Pandemic of Covid-19 and its impact on Fiji's economic activities, the ECAL tax was reduced from 10 percent to 5 percent. Particularly, ECAL on superyacht charter, motor vehicles and white good were also reduced from 10% to 5%. Furthermore, ECAL was amended to be applicable on prescribed services that has a turnover above \$3 million instead of the previous threshold of \$1.25 million.

ECAL proceeds are collected by the Fiji Revenue & Customs Service and administered by the Ministry of Finance in accordance with the Finance Management Act 2004 and Finance Instruction 2010. This innovative fiscal financing tool has helped raise public finance to support climate change and environmental conservation programmes.

49. **Events After Reporting Date**

The new Coalition Government, have been having discussions on forgiving TELS debt, although any final decisions would be made through the Parliament as part of the FY2023-2024 Budget.

**GOVERNMENT OF THE REPUBLIC OF FIJI
SEGMENTATION REPORT BY FUND CLASSIFICATION
FOR THE PERIOD ENDING 31 JULY 2021**

Schedule 6

Segment Information (IPSAS 18.12-15)

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

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

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

Primary Reportable Segments 2021

	CFA	TMA	Consolidated Total Government
	(\$)	(\$)	(\$)
Segment Revenue			
Non exchange revenue - taxes, grants and transfers	(1,696,460,824)	---	(1,696,460,824)
Exchange revenue - sale of goods and services	(176,541,158)	(9,383,776)	(185,924,934)
Exchange revenue - investments	(269,982,949)	---	(269,982,949)
Segment Expenses			
Operating Expenditure	1,818,716,863	4,775,574	1,823,492,437
Capital Expenditure	973,342,804	---	973,342,804
VAT	27,960,685	---	27,960,685
Interest Payments on Loans	370,272,668	---	370,272,668
Reconciled to aggregate Net Income	<u>1,047,308,089</u>	<u>(4,608,202)</u>	<u>1,042,699,887</u>

Primary Reportable Segments 2020

	CFA	TMA	Consolidated Total Government
	(\$)	(\$)	(\$)
Segment Assets			
Cash at Bank	662,875,895	10,773,407	673,649,302
Accounts Receivable	212,190,603	1,821,821	214,012,424
Prepayments	1,042,124	---	1,042,124
Inventory	---	1,457,816	1,457,816
Investments	885,869,258	---	885,869,258
Term-Loans Receivable	817,927,818	---	817,927,818

GOVERNMENT OF THE REPUBLIC OF FIJI
 SEGMENTATION REPORT BY FUND CLASSIFICATION
 FOR THE PERIOD ENDING 31 JULY 2021

Schedule 6

Segment Information (IPSAS 18.12-15) (cont...)

	CFA	TMA	Consolidated Total Government
	(\$)	(\$)	(\$)
Segment Liabilities			
Accounts Payable	(176,664,893)	(1,055)	(176,665,948)
Deferred Income	(5,250,216)	(2,489,687)	(7,739,903)
Operating Trust fund	(24,630,243)	85,720	(24,544,523)
True Trust fund	(227,921,288)	---	(227,921,288)
Term Loans Payable - Treasury Bills	(269,565,261)	---	(269,565,261)
Term-loans Payable Overseas Loans	(2,422,478,518)	---	(2,422,478,518)
Term-loans Payable Domestic Loans	(4,992,880,337)	---	(4,992,880,337)
Reconciled to Net Liability	<u>(5,539,485,058)</u>	<u>11,648,022</u>	<u>(5,527,837,036)</u>

GOVERNMENT OF THE REPUBLIC OF FIJI
SUMMARY OF REVENUE
FOR THE PERIOD ENDING 31 JULY 2021

Schedule 7

Heads of Revenue	Estimate	Actual Revenue	Increase	Decrease
	2021 (\$)	2021 (\$)	(\$)	(\$)
Operating Revenue				
21 Direct Taxes.....	497,967,490	466,172,922	---	31,794,568
22 Indirect Taxes.....	967,739,627	946,444,358	---	21,295,269
23 Fees, Fines & Charges.....	89,091,205	123,673,743	34,582,538	---
24 Operating Revenue Sales.....	1,782	---	---	1,782
27 Other Receipts.....	25,872,046	28,607,701	2,735,655	---
28 Reimbursements & Recoveries.....	11,081,675	24,259,714	13,178,039	---
29 Grant Aid.....	29,110,272	283,843,544	254,733,272	---
Total Operating Revenue	1,620,864,097	1,873,001,982	305,229,504	53,091,619
Investing Revenue				
31 Repayments of Term Loans Receivable.....	2,902,805	2,630,433	---	272,372
32 Sales of Government Assets.....	---	210,497,812	210,497,812	---
33 Dividends from Investments.....	45,377,248	51,304,648	5,927,400	---
34 Interest from Bank Balances.....	222,329	2,086,586	1,864,257	---
35 Return of Surplus Capital from Investment	4,203,535	3,463,470	-	740,065
38 Exchange Rate Gain.....	---	---	---	---
39 Term Loan Receivable	---	---	---	---
Total Investing Revenue	52,705,917	269,982,949	218,289,469	1,012,437
TOTAL REVENUE	1,673,570,014	2,142,984,931	523,518,973	54,104,056

GOVERNMENT OF THE REPUBLIC OF FIJI
DETAILED REVENUE COMPARISON
FOR THE PERIOD ENDING 31 JULY 2021

Schedule 8

Heads and Subheads of Revenue	Estimate 2021 (\$)	Actual Revenue 2021 (\$)	Increase (\$)	Decrease (\$)	Actual Revenue 2020 (\$)
OPERATING REVENUE					
21 - DIRECT TAXES					
1. Income Tax					
01. Income Tax.....	396,535,061	368,815,410	---	27,719,651	483,006,167
02. Capital Gains Tax.....	14,974,664	20,716,150	5,741,486	---	18,928,040
03. Withholding & Dividend Taxes.....	86,457,765	76,641,362	---	9,816,403	108,615,259
Total.....	497,967,490	466,172,922	5,741,486	37,536,054	610,549,466
<i>Net Decrease.....</i>				31,794,568	
22 - INDIRECT TAXES					
1. Value Added Tax					
01. Value Added Tax.....	569,148,179	443,143,125	---	126,005,054	627,749,160
2. Custom Taxes					
01. Fiscal Duty.....	174,559,270	280,357,577	105,798,307	---	352,811,984
02. Excise Duty.....	109,377,276	107,368,682	---	2,008,594	154,617,781
03. Export Duty.....	6,059,178	8,224,194	2,165,016	---	8,277,950
04. Import Duty.....	5,088,520	3,818,690	---	1,269,830	25,822,080
6. Service Turnover Tax					
01. Hotel Turnover Tax.....	521,128	1,120,176	599,048	---	62,524,501
7. Water Resource Tax					
01. Water Resource Tax.....	51,548,900	71,955,081	20,406,181	---	56,197,517
9. Departure Tax					
01. Departure Tax.....	21,304,521	903,510	---	20,401,011	107,574,014
10. Fish Levy Tax					
01. Fish Levy.....	---	---	---	---	16,100
12. Stamp Duty					
01. Stamp Duty.....	3,813,251	7,867,853	4,054,602	---	66,323,391
13. Luxury Vehicle Levy					
01. Luxury Vehicle Levy.....	---	7,500	7,500	---	676,000
14. Telecommunication Levy					
01. Telecommunication levy.....	878,541	835,417	---	43,124	(6,811,339)
19. Health and Environment Levy					
02. Environmental Levy.....	24,665,936	20,831,281	---	3,834,655	133,189,274
99. Miscellaneous Fees and Receipts					
01. Miscellaneous Fees and Receipts.....	774,927	11,272	---	763,655	(5,516,738)
Total.....	967,739,627	946,444,358	133,030,654	154,325,923	1,583,451,675
<i>Net Decrease.....</i>				21,295,269	
23 - FEES, FINES & CHARGES					
01. Dues					
01. Light Due - Port & Harbor.....	---	---	---	---	---
02. Duty					
01. Stamp Duty.....	---	22,491	22,491	---	47,353
03. Fees					
01. Agricultural Produce and Inspection.....	11,863	100,753	88,890	---	24,970
02. Native Timber Measurement.....	131,078	264,615	133,537	---	197,783
03. Land and Survey Fees.....	475,662	358,381	---	117,281	581,776
04. Mining Fees.....	2,565	543,419	540,854	---	199,966
06. Passports.....	5,230,230	2,588,735	---	2,641,495	4,916,879
07. Town Planning Fees.....	259,480	454,182	194,702	---	352,153
08. Examination Fees.....	61,249	62,931	1,682	---	70,598
09. Government Day Schools-Fees.....	12,241	30,565	18,324	---	20,299
10. Government Boarding Schools-Fees.....	88,601	311,522	222,921	---	413,154
11. Health Fumigation and Quarantine.....	1,503,828	1,244,145	---	259,683	1,686,708
12. Hospital.....	1,297,673	5,837,735	4,540,062	---	1,609,122
13. Fiji School of Nursing.....	---	---	---	---	57
14. Cemetery Fees.....	71,060	65,492	---	5,568	59,993
17. Audit Fees.....	825,714	397,689	---	428,025	907,328
18. Court Fees.....	1,138,774	917,506	---	221,268	1,240,400
19. Registration.....	1,403,610	1,892,184	488,574	---	1,695,489

GOVERNMENT OF THE REPUBLIC OF FIJI
DETAILED REVENUE COMPARISON
FOR THE PERIOD ENDING 31 JULY 2021

Schedule 8

Heads and Subheads of Revenue	Estimate 2021 (\$)	Actual Revenue 2021 (\$)	Increase (\$)	Decrease (\$)	Actual Revenue 2020 (\$)
20. Management Fee.....	---	---	---	---	---
21. LTA Fees and Fines.....	32,581,114	35,648,750	3,067,636	---	41,641,995
23. LTA Road User Levy.....	11,220,251	13,076,214	1,855,963	---	14,108,226
27. Offshore Fisheries Management Fees.....	1,452,406	1,398,292	---	54,114	1,577,718
28. Permit.....	---	3,425,089	3,425,089	---	5,195,267
29. Citizenship.....	---	661,416	661,416	---	1,579,934
30. VISA.....	---	39,710	39,710	---	295,069
31. MSAF Fees.....	1,379,141	1,217,844	---	161,297	1,577,034
32. Search Fees.....	---	13,193	13,193	---	70,521
75. Civil Aviation.....	---	40	40	---	8,700
76. Land Sales Revenue Fees.....	---	---	---	---	---
99. Miscellaneous Fees.....	5,104,774	6,554,285	1,449,511	---	6,358,666
04. Licenses					
01. Arms.....	36,315	38,821	2,506	---	52,536
02. Banks.....	---	---	---	---	---
03. Coasting.....	44,421	120,826	76,405	---	67,422
05. Liquor.....	880,208	466,693	---	413,515	1,009,600
06. Trading.....	207,674	30,603	---	177,071	414,352
07. Dogs.....	22,873	32,791	9,918	---	25,468
09. Money Lenders.....	26,821	24,123	---	2,698	29,393
10. Hotels and Guest Houses.....	122,663	148,640	25,977	---	170,748
11. License Insurance, Agents and Brokers.....	8,610	---	---	8,610	1,276
12. Telecommunications and Television.....	768,597	9,533,667	8,765,070	---	5,735,356
14. Fishing.....	14,457	23,396	8,939	---	19,761
16. Civil Aviation.....	8,436	---	---	8,436	---
17. License- Security Industry.....	13,987	40,938	26,951	---	27,900
99. Other.....	1,370,761	1,632,353	261,592	---	2,257,539
05. Rates - Public Works					
01. Water Charges.....	19,577,330	32,764,811	13,187,481	---	43,323,627
06. Fees Royalties					
03. Royalties - Sand, Coral, Metal, etc.....	169,700	123,037	---	46,663	682,357
07. Fines					
01. Court Fines.....	1,540,674	1,521,857	---	18,817	1,740,979
08. Administrative Fines and Penalty					
02. Administrative Fines and Forfeitures.....	26,364	44,009	17,645	---	165,844
Total.....	89,091,205	123,673,743	39,147,079	4,564,541	142,161,316
<i>Net Increase.....</i>			34,582,538		
24 - OPERATING REVENUE - SALES					
02. Sales - Cash.....	1,782	---	---	1,782	---
Total.....	1,782	---	---	1,782	---
<i>Net Decrease.....</i>				1,782	
27 - OTHER REVENUE AND SURPLUSES					
01. Surplus/Deficit from Agency					
01. RBF Revaluation Reserve Account.....	1,500,000	2,689,427	1,189,427	-	1,490,524
06. Sales of items from Technical.....	13,133	---	---	13,133	1,127
02. Rent and Hire of Government Property					
01. Rental for Land.....	12,025,019	14,140,272	2,115,253	---	14,650,325
02. Rental for Official Quarters.....	59,036	72,590	13,554	---	68,723
03. Rental for Buildings.....	46,763	384,406	337,643	---	48,925
04. Hire of Plant and Vehicles.....	85,046	159,582	74,536	---	94,496
06. Revenue from Rest Houses.....	1,927	1,504	-	423	2,444
03. Commission Revenue					
01. Commission.....	3,093,422	3,811,484	718,062	---	4,511,673
99. Other Revenue					
01. Sale of Photographs.....	505	92	---	413	675
02. Sales of Publications.....	31,160	1,367	---	29,793	21,209
03. Revenue from Production of Films.....	98	---	---	98	73
04. Survey & Sales of Navigation Publications.....	393,279	86,666	---	306,613	339,567

GOVERNMENT OF THE REPUBLIC OF FIJI
 DETAILED REVENUE COMPARISON
 FOR THE PERIOD ENDING 31 JULY 2021

Schedule 8

Heads and Subheads of Revenue	Estimate 2021 (\$)	Actual Revenue 2021 (\$)	Increase (\$)	Decrease (\$)	Actual Revenue 2020 (\$)
05. Meat Inspection.....	14,693	17,183	2,490	---	16,416
06. Veterinary and Animal Quarantine.....	11,292	18,386	7,094	---	13,033
07. Freight and Charter Receipts.....	545,587	197,503	---	348,084	630,861
08. Chemical Analysis.....	763	12	---	751	787
09. Valuation Fees.....	3,914	12,842	8,928	---	9,769
10. Sale of Farm Product.....	---	45,715	45,715	---	76,050
11. Sale of Surplus Farm Produce.....	131,243	77,922	-	53,321	77,526
13. Sale of Fish and Ice.....	455,383	469,727	14,344	---	562,998
14. Sale of Sheep and Wool.....	1,314	6,010	4,696	---	1,222
15. Irrigation Commercial Undertaking.....	2,321	---	---	2,321	---
17. Agricultural Landlord and Tenant Tribunal.....	2,240	2,194	---	46	2,557
19. Drying and Storage Facilities.....	---	---	---	---	---
20. Board Members Fees.....	186,389	233,698	47,309	---	294,719
22. Land Preparation Farmers Contribution.....	---	12,670	12,670	---	2,129
23. Agro Input Farmers Contribution.....	7,941	45,927	37,986	---	130,132
24. Pound Keeping.....	21,873	20,950	---	923	25,582
25. Sale of Animals by Auction.....	18,221	2,741	---	15,480	23,586
26. Sale of Livestock.....	---	15,255	15,255	---	34,395
27. Plant and Equipment.....	---	12,141	12,141	---	3,670
99. Other Revenue.....	7,219,484	6,069,435	---	1,150,049	8,315,395
Total.....	25,872,046	28,607,701	4,657,103	1,921,448	31,450,588
<i>Net Increase.....</i>			2,735,655		
28 - REIMBURSEMENT AND RECOVERIES					
11. Reimbursement of Services					
01. Reimbursement for Meteorological Services.....	333,606	124,641	---	208,965	321,101
06. Reimbursement - HA Low Cost Housing.....	3,466,779	---	---	3,466,779	5,130,113
07. Reimbursement - PRB Housing Project.....	929,023	---	---	929,023	913,214
08. Reimbursement of WALESI Digital Television.....	---	17,787,229	17,787,229	---	---
99. Other.....	---	1,225,351	1,225,351	---	142,834
12. Refund of Payments					
03. Recoveries of Overpayments in Previous Years.....	449,910	1,107,264	657,354	---	766,030
05. Refund of Grants in Previous Years.....	---	300,872	300,872	---	1,012,661
22. Contributions for Capital Projects					
02. Rural Electrifications.....	---	---	---	---	19
03. Project Contributions.....	316,781	---	---	316,781	---
23. Contributions for Overseas Peacekeeping					
02. Multinational Force and Observers.....	2,830,800	3,714,357	883,557	---	2,800,234
31. MoE Technical College Recovery					
2,754,776	---	---	2,754,776	---	2,840,222
32. Capital Revenue					
---	---	---	---	---	44,450
Total.....	11,081,675	24,259,714	20,854,363	7,676,324	13,970,878
<i>Net Increase.....</i>			13,178,039		
29 - GRANTS IN AID					
01. Australia Government Grants.....	9,998,494	154,773,127	144,774,633	---	25,909,470
02. NZ Government Grants.....	---	61,293,087	61,293,087	---	11,601,706
03. United Nations Development Programme.....	1,105,842	17,454,436	16,348,594	---	14,275,681
04. European Union.....	13,173,641	32,279,595	19,105,954	---	---
05. China Government Grants.....	4,482,295	118,923	-	4,363,372	10,370,397
06. Japan Government Grants.....	350,000	761,360	411,360	---	1,227,226
08. India Government Grants.....	---	---	---	---	37,921
99. Other Grant Aid.....	---	17,163,016	17,163,016	---	4,157,021
Total.....	29,110,272	283,843,544	259,096,644	4,363,372	67,579,422
<i>Net Increase.....</i>			254,733,272		
Total Operating Revenue.....	1,620,864,097	1,873,001,982	462,527,329	210,389,444	2,449,163,345
<i>Net Increase.....</i>			252,137,885		

GOVERNMENT OF THE REPUBLIC OF FIJI
 DETAILED REVENUE COMPARISON
 FOR THE PERIOD ENDING 31 JULY 2021

Schedule 8

Heads and Subheads of Revenue	Estimate 2021 (\$)	Actual Revenue 2021 (\$)	Increase (\$)	Decrease (\$)	Actual Revenue 2020 (\$)
INVESTING REVENUE					
31 - REPAYMENTS OF TERM LOANS RECEIVABLE					
11. Interest for Social Services Term Loans					
13. Interest Fiji Sports Council	133,518	89,012	---	44,506	144,645
14. Interest PAFCO Loan.....	---	---	---	---	292,500
16. Interest Term Loan & Advances	---	98,421	98,421	---	86
12. Principal Social Services Term Loans					
08. Principal - PSC Tertiary Education.....	2,263,787	---	---	2,263,787	---
12. Principal - South Pacific Fertiliser.....	486,000	---	---	486,000	---
22. Principal Term Loans Economic Service					
02. Principal - Copra Industry.....	19,500	---	---	19,500	---
04. Principal - Fiji Pine.....	---	2,443,000	2,443,000	---	---
Total.....	2,902,805	2,630,433	2,541,421	2,813,793	437,231
<i>Net Decrease.....</i>				272,372	
32 - SALES OF GOVERNMENT ASSETS					
21. Sales Proceeds in Economic Services.....	---	209,974,833	209,974,833	---	206,109,989
31. Sales Proceeds in Infrastructure Services.....	---	522,979	522,979	---	5,172,484
Total	---	210,497,812	210,497,812	---	211,282,473
<i>Net Increase</i>			210,497,812		
33 - DIVIDENDS FROM INVESTMENTS					
01. Investments in Social Services.....	477,248	---	---	477,248	1,056,777
02. Investments in Economic Services.....	33,400,000	29,249,898	---	4,150,102	32,042,179
03. Investments in Infrastructure Services.....	11,500,000	22,054,750	10,554,750	---	16,377,974
Total.....	45,377,248	51,304,648	10,554,750	4,627,350	49,476,930
<i>Net Increase</i>			5,927,400		
34 - INTEREST FROM BANK BALANCES					
02. Interest from Domestic Bank.....	188,040	1,373,387	1,185,347	---	1,618,804
03. Interest from Term Deposits Local Banks..	34,289	713,199	678,910	---	557,613
Total.....	222,329	2,086,586	1,864,257	---	2,176,417
<i>Net Increase</i>			1,864,257		
35 - RETURN OF SURPLUS CAPITAL FROM INVESTMENTS					
74. Return of Surplus Capital from TMA Operations	4,203,535	3,463,470	---	740,065	4,334,962
Total.....	4,203,535	3,463,470	---	740,065	4,334,962
<i>Net Decrease.....</i>				740,065	
38 - EXCHANGE RATE GAIN					
02. Exchange Rate Gain - JICA.....	---	---	---	---	221,633
Total.....	---	---	---	---	221,633
39 - SCHOLARSHIP BOND RECOVERY					
01. Payment Term Loan FAB.....	---	---	---	---	---
Total.....	---	---	---	---	---
Total Investing Revenue.....	52,705,917	269,982,949	225,458,240	8,181,208	267,929,646
<i>Net Increase</i>			217,277,032		
SUMMARY OF REVENUE					
Operating Revenue.....	1,620,864,097	1,873,001,982	462,527,329	210,389,444	2,449,163,345
Investing Revenue	52,705,917	269,982,949	225,458,240	8,181,208	267,929,646
GRAND TOTAL.....	1,673,570,014	2,142,984,931	687,985,569	218,570,652	2,717,092,991

GOVERNMENT OF THE REPUBLIC OF FIJI
STATEMENT OF EXPENDITURE AGAINST APPROPRIATION HEADS
FOR THE YEAR ENDED 31 JULY 2021

Schedule 9

Heads of Appropriation	Original Budget 2021 (\$)	Redeployment (\$)	Revised Estimate 2021 (\$)	Actual Expenses 2021 (\$)	(Over) / Under Expenditure (\$)
GENERAL ADMINISTRATION					
Office of The President	2,203,995	---	2,203,995	2,115,821	88,174
Office of The Prime Minister	14,874,733	---	14,874,733	10,199,828	4,674,905
Office of The Attorney-General	10,096,101	---	10,096,101	8,056,742	2,039,359
Ministry of Finance	64,439,084	---	64,439,084	46,628,278	17,810,806
Ministry of iTaukei Affairs	14,069,555	---	14,069,555	13,486,530	583,025
Ministry of Defence & National Security & Policing	13,808,734	187,732	13,996,466	13,390,406	606,060
Ministry of Employment, Productivity and Industrial Relations	10,743,811	---	10,743,811	7,914,868	2,828,943
Ministry of Foreign Affairs	32,692,449	---	32,692,449	28,054,514	4,637,935
Office of the Auditor-General	5,048,231	---	5,048,231	5,048,231	-
Fiji Elections Office	4,376,167	---	4,376,167	3,886,816	489,351
Judiciary	53,373,297	---	53,373,297	44,552,718	8,820,579
Parliament	8,611,163	---	8,611,163	7,759,011	852,152
Office of the Director of Public Prosecutions	6,229,836	---	6,229,836	5,591,720	638,116
Media Industry Development Authority	76,867	---	76,867	23,843	53,024
Independent Commissions	31,201,116	---	31,201,116	28,928,274	2,272,842
Ministry of Justice	4,561,089	---	4,561,089	3,927,930	633,159
Fiji Corrections Service	33,669,868	---	33,669,868	32,326,510	1,343,358
Ministry of Communications	47,438,463	---	47,438,463	36,405,386	11,033,077
Ministry of Civil Service	2,991,300	---	2,991,300	2,071,055	920,245
Ministry of Rural and Maritime Development & Disaster Management	16,624,010	---	16,624,010	14,410,416	2,213,594
Republic of Fiji Military Forces	81,045,437	3,823,600	84,869,037	83,865,606	1,003,431
Fiji Police Force	200,611,728	---	200,611,728	182,377,338	18,234,390
Peacekeeping Missions	57,470,611	(3,823,600)	53,647,011	50,079,861	3,567,150
Total for General Administration	716,257,645	187,732	716,445,377	631,101,702	85,343,675
SOCIAL SERVICES					
Ministry of Education, Heritage and Arts	450,586,698	---	450,586,698	432,575,277	18,011,421
Ministry of Health and Medical Services	394,344,448	---	394,344,448	349,069,062	45,275,386
Ministry of Housing and Community Development	13,467,843	860,000	14,327,843	13,525,021	802,822
Ministry of Women, Children & Poverty Alleviation	158,983,195	(2,864,268)	156,118,927	135,046,699	21,072,228
Ministry of Youth and Sports	11,800,552	---	11,800,552	8,108,115	3,692,437
Higher Education Institutions	81,385,814	---	81,385,814	53,730,416	27,655,398
Total for Social Services	1,110,568,550	(2,004,268)	1,108,564,282	992,054,590	116,509,692
ECONOMIC SERVICES					
Ministry of Agriculture	65,289,410	---	65,289,410	46,641,382	18,648,028
Ministry of Fisheries	15,473,006	---	15,473,006	13,787,416	1,685,590
Ministry of Forests	15,694,219	---	15,694,219	13,886,409	1,807,810
Ministry of Lands & Mineral Resources	24,876,001	---	24,876,001	19,534,507	5,341,494
Ministry of Commerce, Trade, Tourism & Transport	87,113,375	(209,000)	86,904,375	65,963,060	20,941,315
Ministry of Sugar Industry	53,590,454	11,292,939	64,883,393	64,654,159	229,234
Ministry of Local Government	10,488,675	(800,000)	9,688,675	8,177,250	1,511,425
Total for Economic Services	272,525,140	10,283,939	282,809,079	232,644,183	50,164,896
INFRASTRUCTURE SERVICES					
Ministry of Infrastructure and Meteorological Services	30,610,156	---	30,610,156	24,658,445	5,951,711
Water Authority of Fiji	195,393,797	(15,000,000)	180,393,797	160,616,615	19,777,182
Ministry of Waterways and Environment	15,865,913	---	15,865,913	11,120,706	4,745,207
Fiji Roads Authority	348,943,798	(9,000,000)	339,943,798	277,125,292	62,818,506
Total for Infrastructure	590,813,664	(24,000,000)	566,813,664	473,521,058	93,292,606
UNALLOCABLE					
Miscellaneous Services	526,821,530	15,532,597	542,354,127	459,938,070	82,416,057
Pensions, Gratuities and Compassionate Allowances	27,370,000	---	27,370,000	30,760,749	(3,390,749)
Charges on Account of Public Debt	430,247,502	---	430,247,502	370,272,668	59,974,834
Total for Unallocable Services	984,439,032	15,532,597	999,971,629	860,971,487	139,000,142
GRAND TOTAL	3,674,604,031	---	3,674,604,031	3,190,293,020	484,311,011

Schedule 10

GOVERNMENT OF THE REPUBLIC OF FIJI
 DETAILS OF EXPENDITURE REPORTABLE AUTHORISATIONS
 FOR THE PERIOD ENDING 31 JULY 2021

Summary by Standard Expenditure Group (SEG)	Original Budget 2021 (\$)	Redeployment (\$)	Virements (\$)	Revised Estimate 2021 (\$)	Actual Expenditure 2021 (\$)	(Over) / Under Expenditure %
1. Established Staff	939,821,664	---	(16,306,509)	923,515,155	886,174,964	4
2. Government Wage Earners	47,573,551	---	1,913,855	49,487,406	42,291,080	15
3. Travel and Communications	24,322,873	---	2,678,766	27,001,639	21,609,685	20
4. Maintenance and Operations	65,396,968	123,229	7,965,402	73,485,599	65,468,561	11
5. Purchase of Goods and Services	169,386,961	---	13,189,185	182,576,146	167,465,518	8
6. Operating Grants and Transfers	634,912,184	187,732	(74,843)	635,025,073	549,598,903	13
7. Special Expenses	82,440,061	(272,231)	(296,893)	81,870,937	55,347,403	32
8. Capital Construction	132,090,154	(9,627,769)	(11,688,095)	110,774,290	71,865,445	35
9. Capital Purchase	53,842,515	---	1,811,730	55,654,245	48,112,798	14
10. Capital Grants and Transfers	1,022,382,821	10,468,948	2,815,930	1,035,667,699	853,364,561	18
11. Pensions, Gratuities & Compassionate Allowances	27,370,000	---	---	27,370,000	30,760,749	(12)
12. Charges on Account of Public Debt	27,244,593	---	---	27,244,593	7,061,280	74
13. Value Added Tax	44,816,777	(879,909)	(2,008,528)	41,928,340	27,960,685	33
14. Interest Payment on overseas loans	58,575,275	---	---	58,575,275	28,009,124	52
15. Interest Payment on domestic loans	344,427,634	---	---	344,427,634	335,202,264	3
GRAND TOTAL	3,674,604,031	---	---	3,674,604,031	3,190,293,020	13

Actuals for all the SEGs are within the revised budget.

Ministry of Finance
 Suva, Fiji

Dated 20 of the month of June, 2023.



Shiri K Gounder
 Permanent Secretary for Ministry of Finance

GOVERNMENT OF THE REPUBLIC OF FIJI
BUDGET RESULT, ESTIMATES AND PROJECTIONS
FOR THE PERIOD 2019 - 2023

	Actual 2019 (\$)	Actual 2020 (\$)	Original 2021 (\$)	Actual 2021 (\$)	Projected 2022 (\$)	Projected 2023 (\$)
REVENUE						
Operating Revenue	3,049,753,621	2,449,163,344	1,620,864,097	1,873,001,982	1,766,628,921	1,853,483,755
Investing Revenue	130,859,163	267,929,646	52,705,917	269,982,949	39,116,863	82,742,002
TOTAL REVENUE	3,180,612,784	2,717,092,990	1,673,570,014	2,142,984,931	1,805,745,784	1,936,225,757
EXPENDITURE						
Operating Expenditure	2,102,122,411	1,976,636,611	1,991,224,262	1,818,716,863	1,949,462,400	1,827,702,562
Interest Payments on Loans	326,735,388	356,986,258	430,247,502	370,272,668	411,822,200	409,408,000
Capital Expenditure	1,133,129,915	988,116,472	1,208,315,490	973,342,804	929,027,400	922,701,290
Value Added Tax	38,118,137	31,733,470	44,816,777	27,960,685	39,208,100	39,003,540
TOTAL EXPENDITURE	3,600,105,851	3,353,472,811	3,674,604,031	3,190,293,020	3,329,520,100	3,198,815,393
BUDGET RESULT	(419,493,067)	(636,379,821)	(2,001,034,017)	(1,047,308,089)	(1,523,774,316)	(1,262,589,636)

**GOVERNMENT OF THE REPUBLIC OF FIJI
DISAGGREGATION OF ACTUAL REVENUE AND EXPENDITURE BY ECONOMIC TYPE
FOR THE PERIOD 2019 - 2023**

Description	Actual 2019 (\$)	Actual 2020 (\$)	Original 2021 (\$)	Actual 2021 (\$)	Projected 2022 (\$)	Projected 2023 (\$)
REVENUE						
Operating Revenue						
Direct Receipts (Income Tax & Capital Gain Tax)	754,429,587	610,549,466	497,967,490	466,172,922	554,386,443	582,105,765
Indirect Revenue						
VAT	831,819,871	627,749,160	569,148,179	443,143,125	633,631,773	665,313,362
Customs	667,751,095	533,800,285	295,084,244	399,769,143	329,379,562	345,848,540
Service Turnover Tax	89,565,778	62,524,501	521,128	1,120,176	---	---
Water Resource Tax	73,641,286	56,197,517	51,548,900	71,955,081	57,389,311	60,258,777
Departure Tax	139,258,522	107,574,014	21,304,521	903,510	23,718,290	24,904,205
Fish Levy	48,911	16,100	---	---	---	---
Stamp Duty	85,170,458	66,323,391	3,813,251	7,867,853	---	---
Luxury Vehicle Tax	1,264,500	676,000	---	7,500	---	---
Telecommunication Levy	976,157	918,171	878,541	835,417	978,078	1,026,982
Credit Card Levy	---	---	---	---	---	---
Third Party Insurance Levy	168,871,199	133,189,274	24,665,936	20,831,282	27,460,549	28,833,576
Environmental Levy	---	---	---	---	---	---
Health Levy	---	---	---	---	---	---
Miscellaneous Fees & Receipts	6,980,958	(5,516,738)	774,927	11,272	---	---
Fees, Fines, Charges and Penalties	133,087,675	142,161,315	89,091,205	123,673,743	99,185,101	104,144,357
Operating Revenue Sales	467	---	1,782	---	1,984	2,083
Other Revenue and Surpluses	43,079,519	31,450,588	25,872,046	28,607,700	28,383,361	29,490,029
Reimbursement and Recoveries	11,821,776	13,970,878	11,081,675	24,259,714	12,114,469	11,556,079
Grant in Aid	41,985,862	67,579,422	29,110,272	283,843,544	---	---
Total Operating Revenue	3,049,753,621	2,449,163,344	1,620,864,097	1,873,001,982	1,766,628,921	1,853,483,755
Investing Revenue						
Repayment of Term Loans Receivable	11,248,123	437,231	2,902,805	2,630,433	4,203,550	55,550,806
Sale of Government Assets	5,163,696	211,282,473	---	210,497,812	---	---
Dividends from Investment	106,649,184	49,476,930	45,377,248	51,304,648	30,022,895	22,059,768
Interest from Bank Balance	1,444,002	2,176,417	222,329	2,086,586	210,628	217,649
Interest on Term Loans and Advances	---	---	---	---	---	---
Return of Surplus Capital from Investment	6,354,140	4,334,962	4,203,535	3,463,470	4,679,790	4,913,779
Exchange Rate Gain	---	221,633	---	---	---	---
Scholarship Bond Recovery	18	---	---	---	---	---
Total Investing Revenue	130,859,163	267,929,646	52,705,917	269,982,949	39,116,863	82,742,002
TOTAL REVENUE	3,180,612,784	2,717,092,990	1,673,570,014	2,142,984,931	1,805,745,784	1,936,225,757

**GOVERNMENT OF THE REPUBLIC OF FIJI
DISAGGREGATION OF ACTUAL REVENUE AND EXPENDITURE BY ECONOMIC TYPE
FOR THE PERIOD 2019 - 2023**

Description	Actual 2019 (\$)	Actual 2020 (\$)	Original 2021 (\$)	Actual 2021 (\$)	Projected 2022 (\$)	Projected 2023 (\$)
EXPENDITURE						
General Administration Services						
Operating Expenditure	715,445,797	556,845,435	627,752,687	567,188,647	609,333,500	573,564,443
Capital Expenditure	61,233,042	56,779,378	74,200,809	53,648,612	25,769,800	41,341,292
Total General Administration	776,678,839	613,624,813	701,953,496	620,837,259	635,103,300	614,905,736
Social Services						
Operating Expenditure	987,416,987	994,802,117	1,008,364,101	924,565,956	987,371,400	985,227,536
Capital Expenditure	56,157,618	62,121,661	87,541,314	60,191,671	59,555,300	79,679,650
Total Social Services	1,043,574,605	1,056,923,778	1,095,905,415	984,757,627	1,046,926,700	1,064,907,186
Economic Services						
Operating Expenditure	122,816,611	101,585,365	137,076,557	120,349,343	136,576,500	30,443,337
Capital Expenditure	162,743,182	181,753,486	129,644,273	108,896,925	128,179,500	91,641,693
Total Economic Services	285,559,793	283,338,851	266,720,830	229,246,268	264,756,000	122,085,030
Infrastructure Services						
Operating Expenditure	171,277,256	215,530,384	116,346,811	113,815,272	115,625,700	107,124,129
Capital Expenditure	620,356,667	374,434,336	473,120,426	358,775,563	469,694,100	394,609,593
Total Infrastructure Services	791,633,923	589,964,720	589,467,237	472,590,835	585,319,800	501,733,722
Miscellaneous Services						
Operating Expenditure	70,518,319	75,616,126	74,314,106	62,036,896	73,185,300	103,973,117
Capital Expenditure	232,639,405	313,027,611	443,808,668	391,830,033	245,828,700	315,429,062
Total Miscellaneous Services	303,157,724	388,643,737	518,122,774	453,866,928	319,014,000	419,402,179
Unallocable						
Pensions, Gratuities and Compassionate Allowance	34,647,442	32,257,184	27,370,000	30,760,749	27,370,000	27,370,000
Value Added Tax	38,118,137	31,733,470	44,816,777	27,960,685	39,208,100	39,003,540
Interest Payments on Loans	326,735,388	356,986,258	430,247,502	370,272,668	411,822,200	409,408,000
Total Unallocable	399,500,967	420,976,912	502,434,279	428,994,102	478,400,300	475,781,540
TOTAL EXPENDITURE	3,600,105,851	3,353,472,811	3,674,604,031	3,190,293,020	3,329,520,100	3,198,815,393
DEFICIT FOR THE YEAR	(419,493,067)	(636,379,821)	(2,001,034,017)	(1,047,308,089)	(1,523,774,316)	(1,262,589,636)

**GOVERNMENT OF THE REPUBLIC OF FIJI
ESTIMATE AND ACTUAL BUDGET RESULT
FOR THE PERIOD 2019- 2021**

Schedule 13

	Actual 2019 (\$)	Actual 2020 (\$)	Original 2021 (\$)	Actual 2021 (\$)
REVENUE				
Operating Revenue	3,049,753,621	2,449,163,344	1,620,864,097	1,873,001,982
Investing Revenue	130,859,163	267,929,646	52,705,917	269,982,949
TOTAL REVENUE	3,180,612,784	2,717,092,990	1,673,570,014	2,142,984,931
EXPENDITURE				
Operating Expenditure	2,102,122,411	1,976,636,611	1,991,224,262	1,818,716,863
Interest Payments on Loans	326,735,388	356,986,258	430,247,502	370,272,668
Capital Expenditure	1,133,129,915	988,116,472	1,208,315,490	973,342,804
Value Added Tax	38,118,137	31,733,470	44,816,777	27,960,685
TOTAL EXPENDITURE	3,600,105,851	3,353,472,811	3,674,604,031	3,190,293,020
BUDGET RESULT	(419,493,067)	(636,379,821)	(2,001,034,017)	(1,047,308,089)

**Part B: Report on the Financial Statements of
Government**

The Office of the Auditor-General – Republic of Fiji

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

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

This report satisfies these requirements.

As a result of its mandate, the Office of the Auditor-General has a distinctive view of the entire public sector of matters affecting financial and non-financial performance. We use this perspective to achieve our vision of promoting public sector accountability and sustainability through our audits by providing comprehensive analysis and value-adding recommendations.

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, taxpayers and the general public as well.

Acronyms

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

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

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1.0 SUMMARY

1.1 Introduction

All Ministries and Departments prepare annual agency financial statements. Permanent Secretaries and Management of these agencies are responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Financial Management Act (FMA) 2004 and other applicable laws and regulations. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error, selecting appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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

The accounts of other public entities¹ have not been included in the Financial Statements of Government.

Budget sectors

<p>General Administration Sector</p>	<ul style="list-style-type: none"> • Office of the President, Office of the Prime Minister & Department of Immigration, Office of the Attorney-General, Ministry of Finance, Ministry of iTaukei Affairs, Ministry of Defence, National Security & Policing, Ministry of Employment, Productivity and Industrial Relations, Ministry of Foreign Affairs, Judiciary, Parliament, Office of the Director of Public Prosecutions, Ministry of Justice, Fiji Corrections Service, Ministry of Communication, Ministry of Civil Service and Public Service Commission, Ministry of Rural, Maritime Development & Disaster Management, Republic of Fiji Military Forces, Fiji Police Force and Peacekeeping Missions
<p>Social Services Sector</p>	<ul style="list-style-type: none"> • Ministry of Education, Heritage and Arts, Ministry of Health and Medical Services, Ministry of Housing and Community Development, Ministry of Women, Children and Poverty Alleviation, Ministry of Youth and Sports and Higher Education Institutions
<p>Economic Services Sector</p>	<ul style="list-style-type: none"> • Ministry of Agriculture, Ministry of Fisheries, Ministry of Forests, Ministry of Lands and Mineral Resources, Ministry of Commerce, Trade, Tourism & Transport, Ministry of Sugar Industry and Ministry of Local Government
<p>Infrastructure Sector</p>	<ul style="list-style-type: none"> • Ministry of Infrastructure & Meteorological Services, Ministry of Waterways and Environment and grants paid to Water Authority of Fiji and Fiji Roads Authority.

¹ Other public entities are entities other than Ministries and Departments

2019 - 2020 Budget

Government expenditures were guided by the following objectives²:

- Ensure prudent utilization of allocated resources to derive real value for money;
- Promote efficient management of operational spending such as wage bill, travel, telecommunication and other incidentals;
- Ensure adequate funding is directed towards infrastructure development to uplift the standard of our roads, bridges and jetties and develop a standardized selection criteria for screening of all project proposals within predefined parameters, in line with the 5-Year and 20-Year NDP;
- Maintain access to quality education;
- Modernise our health and medical services through public private partnerships;
- Channel adequate financial resources towards provision of clean and safe water, electrification and expansion of sewerage services;
- Encourage home ownership through affordable housing and strata titles;
- Ensure a well-targeted and effective social protection system for the elderly, disabled, and financially disadvantaged;
- Provide adequate resources for disaster rehabilitation, climate change adaptation and mitigation;
- Continue to digitise Government services to improve ease of doing business and access to public services;
- Incentivise investments in emerging sectors such as ICT that will support value addition and job creation; and
- Effectively monitor implementation of projects through the Ministry of Finance.

The 2019 – 2020 budget was revised in March 2020. The revised total expenditure takes into account the current spending trend, reprioritisation of capital expenditures, anticipated operational savings and new COVID-19 related allocations.

2020 - 2021 Budget

Government expenditures were guided by the following objectives³:

- Reprioritise expenditure to support economic recovery, temporary unemployment assistance and key capital projects to create jobs;
- Review existing expenditure programs and scale back spending in non-priority areas, and temporarily suspend certain initiatives;
- Comprehensive review of the civil service wage bill and curtail remuneration-related expenditure including overtime, meal claims and other allowances;
- Control expenditure on travel, telecommunication, office supplies and consumables, and other incidentals;
- Defer low value-for-money expenditure programmes and focus on high economic impact spending;
- Review major expenditures in the Education sector including the Tertiary Education Loans Scheme (TELS) and National Toppers Scheme (NTS);
- Review sugar industry expenditure policies to reduce the burden on Government and taxpayers;
- Mandate proper feasibility and economic cost benefit analysis as a criteria for appraisal and selection of new projects;

² Economic and Fiscal Update Supplement to the 2019 – 2020 Budget

³ Economic and Fiscal Update Supplement to the 2020 – 2021 Budget

- Ensure resources are allocated based on a multi-year perspective and dependent on implementation capacity of agencies;
- Continue funding for social protection initiatives and ensuring it is well targeted;
- Provide adequate funding for road maintenance, public utilities and continuation of essential social services like health and medical services; and
- Thorough monitoring of projects and budget utilisation by the Ministry of Finance.

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

1.2 Results of Our Audits

2020

We issued 35 audit opinions which included one for the Financial Statements of Government and 34 for Agency Financial Statements of Ministries and Departments.

2021

We issued 36 audit opinions which included one for the Financial Statements of Government and 35 for Agency Financial Statements of Ministries and Departments.

The details of the results of our audits are discussed in **Chapter 3** and **Appendix A**.

Quality and Timeliness of Financial Statements

Financial Statements of Government

2020

- An unmodified audit opinion with emphasis of matters issued on 22 June 2023, which was after the legislative deadline of 30 April 2021.
- The Permanent Secretary for Finance signed the audited financial statements on 20 June 2023.
- We received the first acceptable draft financial statements for audit on 26 February 2021 with other amended draft financial statements received on 17/02/22, 09/09/22 and 28/11/22 respectively.

2021

- An unmodified audit opinion with emphasis of matters was issued on 22 June 2023, which was after the legislative deadline of 30 April 2022.
- The Permanent Secretary for Finance signed the audited financial statements on 20 June 2023.
- We received the first acceptable draft financial statements for audit on 26 January 2022 with other amended draft financial statements received on 06/10/22 and 28/11/22 respectively.

Ministries and Departments

2020

- We issued unmodified opinions for 26 or 76% of the 34 agency financial statements compared to 19 (53%) unmodified opinions of the 36 agency financial statements issued in 2019. The remaining financial statements for 8 Ministries in 2020 were issued with modified audit opinions.
- The submission of draft financial statements for 21 or 62% of Ministries/Departments were timely while 13 or 38% were significantly late after the set deadline of 31 October 2020, 28 or

82% of the draft financial statements were of good quality while 6 or 18% required audit and accounting adjustments after submission for our audit.

- Comments on draft management letters for 22 or 65% of Ministries/Departments were received on time and audited accounts for 26 or 76% of Ministries/Departments were signed and returned on time.

2021

- We issued unmodified opinions for 29 or 83% of the 35 agency financial statements compared to 26 unmodified opinions issued in 2020. The remaining financial statements for 6 Ministries were issued with modified audit opinions.
- The submission of draft financial statements for 28 or 80% of Ministries/Departments were timely while 7 or 20% were significantly late after the set deadline on 31 October 2021. However, 30 or 86% of the draft financial statements were of good quality while 5 or 14% required audit and accounting adjustments after submission for our audit.
- Comments on draft management letters for 23 or 66% of Ministries/Departments were received on time and audited accounts for 25 or 71% of Ministries/Departments were signed and returned on time.

Delayed submissions of draft financial statements contributed to delays in our audits. Delays were also attributed to the following:

- Rectifying errors and omissions on the draft financial statements submitted for audit;
- Delays in the submissions of management comments for issues raised in draft management letters;
- Delays in returning the signed accounts; and
- Documents required for audit were not provided on time.

1.3 Financial Performance, Position and Sustainability

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

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

Financial Snapshot

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

Understanding Financial Performance (Statement of Revenue and Expenses)

2020

Table 1.1 provides a snapshot of revenue and expenses for 2020 in comparison to 2019.

Table 1.1: Revenue and Expenses Snapshot for 2020

Description	31/07/20 (\$)	31/07/19 (\$)	Increase/ (Decrease) (\$)
Direct Taxes	610,549,466	754,429,587	▼ (143,880,121)
Indirect Taxes	1,583,451,675	2,065,348,735	▼ (481,897,060)
Fees, Fines and Charges	142,161,315	133,087,675	▲ 9,073,640
Operating Revenue Sales	---	467	▼ (467)
Other Receipts	31,450,588	43,079,519	▼ (11,628,931)
Reimbursements and Recoveries	13,970,878	11,821,776	▲ 2,149,102
Grant Aid	67,579,422	41,985,862	▲ 25,593,560
Total Operating Revenue	2,449,163,344	3,049,753,621	▼ (600,590,277)
Repayments of Term Loan Receivable	437,231	11,248,123	▼ (10,810,892)
Sale of Government Assets	211,282,473	5,163,696	▲ 206,118,777
Dividends from Investments	49,476,930	106,649,184	▼ (57,172,254)
Interest from Bank Balances	2,176,417	1,444,002	▲ 732,415
Return of Surplus Capital from Investment	4,334,962	6,354,140	▼ (2,019,178)
Exchange Rate Gain	221,633	---	▲ 221,633
Term Loan Receivable	---	18	▼ (18)
Total Investing Revenue	267,929,646	130,859,163	▲ 137,070,483
Trade and Manufacturing Operations	11,084,806	17,689,401	▼ (6,604,595)
Total Revenue	2,728,177,796	3,198,302,185	▼ (470,124,389)
Operating Expenditure	556,845,435	715,445,797	▼ (158,600,362)
Capital Expenditure	56,779,378	61,233,042	▼ (4,453,664)
Total General Administration Services	613,624,813	776,678,839	▼ (163,054,026)
Operating Expenditure	994,802,117	987,416,987	▲ 7,385,130
Capital Expenditure	62,121,661	56,157,618	▲ 5,964,043
Total Social Services	1,056,923,778	1,043,574,605	▲ 13,349,173
Operating Expenditure	101,585,365	122,816,611	▼ (21,231,246)
Capital Expenditure	181,753,486	162,743,182	▲ 19,010,304
Total Economic Services	283,338,851	285,559,793	▼ (2,220,942)
Operating Expenditure	215,530,384	171,277,256	▲ 44,253,128

Description	31/07/20 (\$)	31/07/19 (\$)	Increase/ (Decrease) (\$)
Capital Expenditure	374,434,336	620,356,667	▼ (245,922,331)
Total Infrastructure Services	589,964,720	791,633,923	▼ (201,669,203)
Operating Expenditure	75,616,126	70,518,319	▲ 5,097,807
Capital Expenditure	313,027,611	232,639,405	▲ 80,388,206
Total Miscellaneous Services	388,643,737	303,157,724	▲ 85,486,013
Pensions, Gratuities and Compassionate Allowance	32,257,184	34,647,442	▼ (2,390,258)
Value Added Tax	31,733,470	38,118,137	▼ (6,384,667)
Interest Payments on Loans	356,986,258	326,735,388	▲ 30,250,870
Trading and Manufacturing Operations	8,709,976	13,270,467	▼ (4,560,491)
Total Unallocable	429,686,888	412,771,434	▲ 16,915,454
Total Expenditure	3,362,182,787	3,613,376,318	▼ (251,193,531)
Key Financial Ratio			
Operating Margin⁴	1.24	1.45	▼

▲ Increase from previous year

▼ Decrease from previous year

There was an overall decrease in revenue by \$470.1 million or 15%, which was mainly due to decreases in direct taxes, indirect taxes and dividends from investments as a result of Covid-19 pandemic.

Expenditure for social services, miscellaneous services and unallocable expenditures increased while expenditure for general administration, economic and infrastructure services decreased, resulting in an overall decrease of \$ 251.2 million or 7% in 2020.

2021

Table 1.2 provides a snapshot of revenue and expenses for 2021 in comparison to 2020.

Table 1.2: Revenue and Expenses Snapshot

Description	31/07/21 (\$)	31/07/20 (\$)	Increase/ (Decrease) (\$)
Direct Taxes	466,172,922	610,549,466	▼ (144,376,544)
Indirect Taxes	946,444,358	1,583,451,675	▼ (637,007,317)
Fees, Fines and Charges	123,673,743	142,161,315	▼ (18,487,572)
Other Receipts	28,607,701	31,450,588	▼ (2,842,887)
Reimbursements and Recoveries	24,259,714	13,970,878	▲ 10,288,836
Grant Aid	283,843,544	67,579,422	▲ 216,264,122
Total Operating Revenue	1,873,001,982	2,449,163,344	▼ (576,161,362)
Repayments of Term Loan Receivable	2,630,433	437,231	▲ 2,193,202
Sale of Government Assets	210,497,812	211,282,473	▼ (784,661)
Dividends from Investments	51,304,648	49,476,930	▲ 1,827,718
Interest from Bank Balances	2,086,586	2,176,417	▼ (89,831)

⁴ Operating margin benchmark is > 1.0

Description	31/07/21 (\$)	31/07/20 (\$)	Increase/ (Decrease) (\$)
Return of Surplus Capital from Investment	3,463,470	4,334,962	▼ (871,492)
Exchange Rate Gain	---	221,633	▼ (221,633)
Total Investing Revenue	269,982,949	267,929,646	▲ 2,053,303
Trade and Manufacturing Operations	9,383,776	11,084,806	▼ (1,701,030)
Total	2,152,368,707	2,728,177,796	▼ (575,809,089)
Operating Expenditure	567,188,647	556,845,435	▲ 10,343,212
Capital Expenditure	53,648,612	56,779,378	▼ (3,130,766)
Total General Administration Services	620,837,259	613,624,813	▲ 7,212,446
Operating Expenditure	924,565,956	994,802,117	▼ (70,236,161)
Capital Expenditure	60,191,671	62,121,661	▼ (1,929,990)
Total Social Services	984,757,627	1,056,923,778	▼ (72,166,151)
Operating Expenditure	120,349,343	101,585,365	▲ 18,763,978
Capital Expenditure	108,896,925	181,753,486	▼ (72,856,561)
Total Economic Services	229,246,268	283,338,851	▼ (54,092,583)
Operating Expenditure	113,815,272	215,530,384	▼ (101,715,112)
Capital Expenditure	358,775,563	374,434,336	▼ (15,658,773)
Total Infrastructure Services	472,590,835	589,964,720	▼ (117,373,885)
Operating Expenditure	62,036,896	75,616,126	▼ (13,579,230)
Capital Expenditure	391,830,033	313,027,611	▲ 78,802,422
Total Miscellaneous Services	453,866,929	388,643,737	▲ 65,223,192
Pensions, Gratuities and Compassionate Allowance	30,760,749	32,257,184	▼ (1,496,435)
Value Added Tax	27,960,685	31,733,470	▼ (3,772,785)
Interest Payments on Loans	370,272,668	356,986,258	▲ 13,286,410
Trading and Manufacturing Operations	4,775,574	8,709,976	▼ (3,934,402)
Total Unallocable	433,769,676	429,686,888	▲ 4,082,788
Total Expenditure	3,195,068,594	3,362,182,787	▼ (167,114,193)
Key Financial Ratio			
Operating Margin⁵	1.03	1.24	▼

▲ Increase from previous year

▼ Decrease from previous year

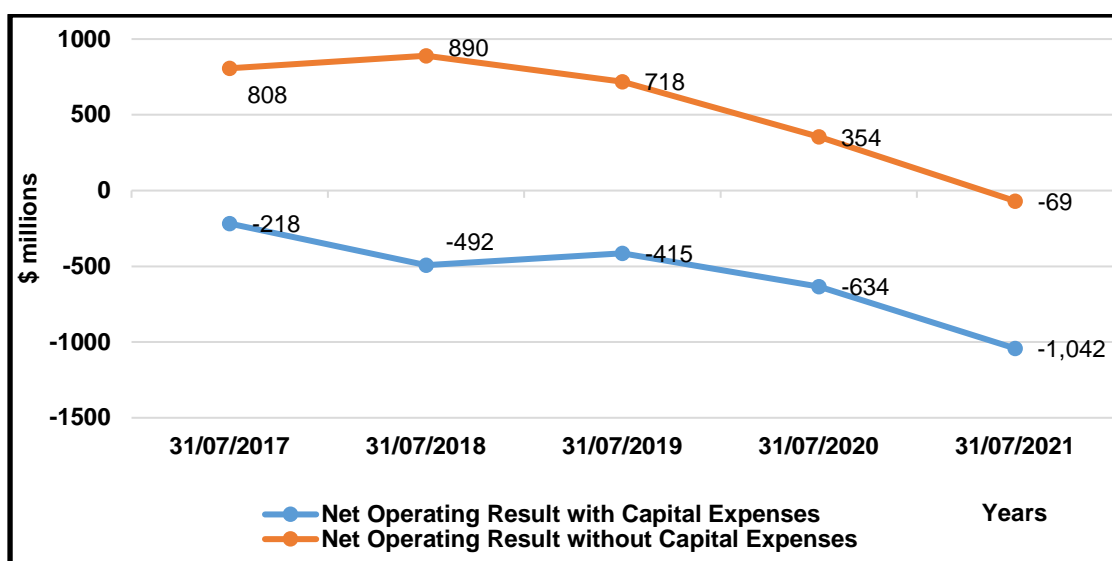
There was an overall decrease in revenue by \$575.8 million or 21%, which was mainly due decreases in direct taxes, indirect taxes, fees, fines and charges as a result of Covid-19 pandemic.

Expenditure for general administration services, miscellaneous services and unallocable expenditures increased while expenditure for social, economic and infrastructure services decreased, resulting in an overall decrease of \$ 167.1 million or 5% in 2021.

⁵ Operating margin benchmark is > 1.0

The net operating result with and without the inclusion of capital expenditures is shown in Figure 1.1 below.

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



Source: Financial Statements of Government for 2017 - 2021

2020

Net operating balance (with capital expenditure) remained in deficit in 2020 as in the last four years. The net operating deficit increased by 53% from \$415 million in 2019 to \$634 million in 2020. With capital expenses excluded, Government's net operating balance recorded a surplus of \$354 million for 2020 (2019: \$718.1 million).

2021

Net operating balance (with capital expenditure) remained in deficit in 2021 as in the last four years. The net operating deficit increased by 64% from \$634 million in 2020 to \$1,042 million in 2021. With capital expenses excluded, Government's net operating balance recorded a deficit of \$69.4 million for 2021 (2020: \$354.1 million surplus). This shows that revenue was not sufficient to cover operating expenses and that \$69.4 million of operating expenditure were funded by borrowings.

Understanding Financial Position (Statement of Assets and Liabilities)

2020

Table 1.4 provides an overview of assets and liabilities for 2020 in comparison to 2019.

Table 1.4: Assets and Liabilities Snapshot

Description	31/07/20 (\$)	31/07/19 (\$)	Increase/ (Decrease) (\$)
Cash and Cash Equivalents	714,321,349	344,074,924	370,246,425
Accounts Receivable	190,387,892	203,068,335	(12,680,443)
Prepayments	1,026,161	1,070,745	(44,584)
Inventory	1,265,313	1,783,814	(518,501)

Description	31/07/20 (\$)	31/07/19 (\$)	Increase/ (Decrease) (\$)
Term-Loans Receivable	756,372,149	650,225,067	▲ 106,147,082
Equity Investments	1,087,849,323	1,313,895,388	▼ (226,046,065)
Total Assets	2,751,222,187	2,514,118,273	▲ 237,103,914
Liabilities			
Accounts Payable	268,932,299	255,275,450	▲ 13,656,849
Deferred Income	9,550,134	7,284,678	▲ 2,265,456
Trust Fund Account	223,280,875	205,478,333	▲ 17,802,542
Term Loans Payable - Treasury Bills	264,132,690	298,150,105	▼ (34,017,415)
Term Loans Payable - Overseas Loans	1,709,106,136	1,455,397,778	▲ 253,708,358
Term Loans Payable - Domestic Loans	4,718,623,696	3,971,911,144	▲ 746,712,552
Total Liabilities	7,193,625,830	6,193,497,488	▲ 1,000,128,342
Net Liability	(4,442,403,643)	(3,679,379,215)	▲ (763,024,428)
Key Financial Ratios			
Current ratio ⁶	0.60	0.54	▲

▲ Increase from previous year ▼ Decrease from previous year

Total assets increased by \$237.1 million or 9% due to increases in cash and cash equivalents by \$370.2 million and term loans receivable by \$106.1 million. The major increase in term loans receivable was due to the increase in financial assistance to students through the Tertiary Education Loan Scheme and Fiji Sugar Corporations Ltd.

Liabilities increased by \$1 billion or 16% in 2020 due to increases in term loans payable (overseas loans) by \$253.7 million and term loans payable (domestic loans) by \$746.7 million. The increase in term loans payable was due to the increase in government bond issued during the year.

Total assets were \$2.8 billion against total liabilities of \$7.2 billion. The Government has yet to record all its property, plant and equipment in the Statement of Financial Position.

2021

Table 1.5 provides an overview of assets and liabilities for 2021 in comparison to 2020.

Table 1.5: Assets and Liabilities Snapshot

Description	31/07/21 (\$)	31/07/20 (\$)	Increase/ (Decrease) (\$)
Cash and Cash Equivalents	673,649,302	714,321,349	▼ (40,672,047)
Accounts Receivable	214,012,424	190,387,892	▲ 23,624,532
Prepayments	1,042,124	1,026,161	▲ 15,963
Inventory	1,457,816	1,265,313	▲ 192,503
Term-Loans Receivable	817,927,818	756,372,149	▲ 61,555,669
Equity Investments	885,869,258	1,087,849,323	▼ (201,980,065)
Total Assets	2,593,958,742	2,751,222,187	▼ (157,263,445)

⁶ Current ratio benchmark is > 1.0

Description	31/07/21 (\$)	31/07/20 (\$)	Increase/ (Decrease) (\$)
Liabilities			
Accounts Payable	176,665,948	268,932,299	▼ (92,266,351)
Deferred Income	7,739,903	9,550,134	▼ (1,810,231)
Trust Fund Account	252,465,811	223,280,875	▲ 29,184,936
Term Loans Payable - Treasury Bills	269,565,261	264,132,690	▲ 5,432,571
Term Loans Payable - Overseas Loans	2,422,478,518	1,709,106,136	▲ 713,372,382
Term Loans Payable - Domestic Loans	4,992,880,337	4,718,623,696	▲ 274,256,641
Total Liabilities	8,121,795,778	7,193,625,830	▲ 928,169,948
Net Liability	(5,527,837,036)	(4,442,403,643)	▲ (1,085,433,393)
Key Financial Ratios			
Current ratio ⁷	0.83	0.60	▲

▲ Increase from previous year

▼ Decrease from previous year

Total assets decreased by \$157.3 million or 6% due to decrease in cash and cash equivalents by \$40.7 million and equity investments by \$202 million. The major decrease in equity investments was due to the divestment of Energy Fiji Limited shares and the reduction in share price for Amalgamated Telecom Holdings Ltd.

Liabilities increased by \$928.2 million or 13% due to increases in term loans payable (overseas loans) by \$713.4 million and term loans payable (domestic loans) by \$274.3 million. The increase in term loans payable was due to the increase in overseas loans during the year.

Total assets were \$2.6 billion against total liabilities of \$8.1 billion. The Government has yet to record all its property, plant and equipment in the Statement of Financial Position.

Understanding Sustainability

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

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

Table 1.6 below shows the debt sustainability of Government for the last five years.

Table 1.6: Movement in Debt Sustainability to GDP

FY Ended	31/7/17	31/7/18	31/7/19	31/07/20	31/7/21
Total Debt	\$4.7 billion	\$5.2 billion	\$5.7 billion	\$6.7 billion	\$7.7 billion
GDP	\$11.1 billion	\$11.7 billion	\$11.8 billion	\$9.7 billion	\$8.9 billion
Debt to GDP Ratio	42%	44%	48%	69%	87%

Source: FBoS Release No: 95, 2022

⁷ Current ratio benchmark is > 1.0

There is an increase in debt to GDP ratio from 48% in 2019 to 69% in 2020 and 87% in 2021 which indicates that there is more burden of debt against the total production of goods and services by the Government.

Financial Flexibility

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

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

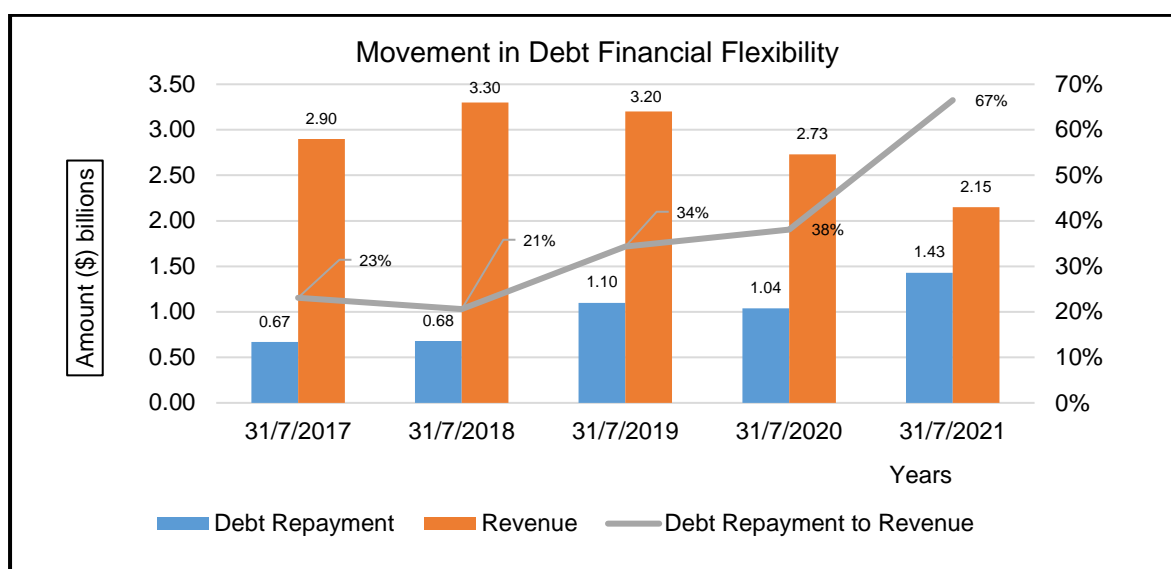
Table 1.7 and Figure 1.3 below shows the debt financial flexibility of Government for the last five years.

Table 1.7: Movement in Debt Financial Flexibility

FY Ended	31/7/17	31/7/18	31/7/19	31/7/20	31/7/21
Debt Repayment	\$0.67 billion	\$0.68 billion	\$1.10 billion	\$1.04 billion	\$1.43 billion
Revenue	\$2.90 billion	\$3.30 billion	\$3.20 billion	\$2.73 billion	\$2.15 billion
Debt Repayment to Revenue	23%	21%	34%	38%	67%

Source: Financial Statements of Government 2017 - 2021

Figure 1.3: Movement in Debt Financial Flexibility



Financial Vulnerability

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

Table 1.8 below shows the financial vulnerability measure of Government for the last five years.

Table 1.8: Movement in Financial Vulnerability Measure

FY Ended	31/7/17	31/7/18	31/7/19	31/7/20	31/7/21
External Debt	\$1.4 billion	\$1.4 billion	\$1.4 billion	\$1.7 billion	\$2.4 billion
Total Debt	\$4.7 billion	\$5.2 billion	\$5.7 billion	\$6.7 billion	\$7.7 billion
External Debt to Total Debt	29%	28%	25%	25%	31%

Source: Financial Statements of Government 2017 - 2021

2020

Government has a debt mix of approximately 25% external borrowing against 75% domestic borrowings.

2021

Government has a debt mix of approximately 31% external borrowing against 69% domestic borrowings.

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

1.4 Understanding Internal Controls

Good internal controls provide reasonable assurance that Ministries or Departments are achieving their objectives relating to operations, reporting and compliance. We assess the controls used by the Ministries/Departments using the following five key elements:

- (i) Control environment – actions, attitudes and values that influence daily operations;
- (ii) Risk assessment – processes for identifying, assessing and managing risk;
- (iii) Control activities – policies, procedures, and actions taken to prevent or detect errors;
- (iv) Information and communication – systems to inform staff about control responsibilities; and
- (v) Monitoring activities – oversight of internal controls for existence and effectiveness.

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.

The internal controls for Ministries and Departments were assessed and categorised as either effective, generally effective or ineffective as follows:

Rating	Internal control assessment
🟢 Effective	No deficiencies identified in internal controls
🟡 Generally effective	Deficiencies identified in internal controls
🔴 Ineffective	Significant deficiencies identified in internal controls

Summary of control assessments across the whole of government and by Sectors are shown in Table 1.9 and Table 1.10 below:

Table 1.9: Summary of Control Assessments for 2020

Sector	No. of Ministries/Departments				
	Control Environment (CE)	Risk Assessment (RA)	Control Activities (CA)	Information and Communication Control (IC)	Monitoring Activities (MA)
General Administration					
Effective	14	12	9	15	10
Generally Effective	5	7	9	4	8
Ineffective	1	1	2	1	2
Social Services					
Effective	2	3	---	3	1
Generally Effective	3	1	4	2	3
Ineffective	---	1	1	---	1
Economic Services					
Effective	2	3	1	3	1
Generally Effective	5	4	6	4	6
Ineffective	---	---	---	---	---

Sector	No. of Ministries/Departments				
	Control Environment (CE)	Risk Assessment (RA)	Control Activities (CA)	Information and Communication Control (IC)	Monitoring Activities (MA)
Infrastructure Services					
Effective	---	1	---	2	---
Generally Effective	2	1	2	---	2
Ineffective	---	---	---	---	---

Table 1.10: Summary of Control Assessments for 2021

Sector	No. of Ministries/Departments				
	Control Environment (CE)	Risk Assessment (RA)	Control Activities (CA)	Information and Communication Control (IC)	Monitoring Activities (MA)
General Administration					
Effective	16	13	11	16	10
Generally Effective	4	7	9	4	10
Ineffective	1	1	1	1	1
Social Services					
Effective	2	4	1	3	1
Generally Effective	3	1	3	2	3
Ineffective	---	---	1	---	1
Economic Services					
Effective	4	4	3	4	2
Generally Effective	3	3	4	3	5
Ineffective	---	---	---	---	---
Infrastructure Services					
Effective	---	1	---	2	---
Generally Effective	2	1	2	---	2
Ineffective	---	---	---	---	---

It was noted that the internal controls for Ministries and Departments are collectively effective for both financial years 31 July 2020 and 31 July 2021. Detailed discussions on assessment of internal controls and deficiencies noted have been reported in the following respective sector reports and in **Chapter 5** and **Appendix C** of this report:

1. 2020 – 2021 Audit Report on General Administration Sector (Parliamentary Paper No. 54 of 2023)
2. 2020 – 2021 Audit Report on Social Services Sector (Parliamentary Paper No. 55 of 2023)
3. 2020 - 2021 Audit Report on Economic Services Sector (Parliamentary Paper No. 56 of 2023)
4. 2020 – 2021 Audit Report on Infrastructure Sector (Parliamentary Paper No. 57 of 2023)

This report summarises our analysis of the financial position, performance, sustainability and timeliness and quality of financial reporting of the whole of Government. The report also includes the results of internal control assessments of respective Ministries and Departments.

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 agency. These have been considered in this report as they impacted the overall system of control of the Ministries and Departments as at 31 July 2020 and 31 July 2021.

1.5 Reference to Comments

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

1.6 Report Structure

Chapter	Description
Chapter 1	Provides a summary of the report
Chapter 2	Provides context for audit findings and conclusions and types of audit opinion
Chapter 3	Evaluates the audit opinion results, timeliness and quality of reporting
Chapter 4	Financial Statements of Government
Chapter 5	Assess the strength of internal controls in ministries & departments
Chapter 6	Discusses significant audit matters in the 2020 and 2021 Financial Statements of Government
Appendices	Appendices containing Assessment, Audit Opinions and Glossary

2.0 CONTEXT

2.1 Legislative Framework

The following legislation establishes the financial accountability frameworks and legislative time frames to complete financial statements audits for Ministries and Department. Refer to Table 2.1 below.

Table 2.1: Legislative Framework

Entity Type	Legislative Framework	Legislative Timeframe
Financial Statements of Government	<ul style="list-style-type: none"> Financial Management Act 2004 International Public Sector Accounting Standards (IPSAS) financial reporting under cash basis of accounting 	30 th April
Ministries & Departments	<ul style="list-style-type: none"> Financial Management Act 2004 Finance Instructions 2010 	31 st December

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

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

The Minister for Finance is responsible for managing the financial affairs of the Government as a whole in accordance with the requirements of the Constitution of Republic of Fiji and the FMA 2004 and with due regard to the principles of responsible financial management. In addition, the Permanent Secretary of a Ministry/Department is responsible for managing the financial affairs of the entity in accordance with the requirements of the FMA 2004 and with due regards to the principles of responsible financial management.

2.2 Annual Financial Statements of Ministries and Departments

Each Ministry/Department must prepare the following statements as required by Section 71 (1) of the Finance Instructions 2010 (FI 2010) as part of annual financial statements:

- Statement of receipts and expenditure;
- Profit and loss statement for each trading and manufacturing activity (where applicable);
- Appropriation statement;
- Statement of assets and liabilities for each trading and manufacturing activity (where applicable);
- Notes to the statement of assets and liabilities for each trading and manufacturing activity (where applicable);
- Statement of losses;
- Trust account statement of receipts and payments (where applicable).

On 01 May 2020, the Permanent Secretary for Finance issued *Circular No. 03/2019-2020 – Closing of Accounts, Processes & Procedures* to all Ministries/Departments to submit the 2020 draft annual financial statements to the Auditor-General by 31 October 2020.

Likewise, on 30 April 2021, the Permanent Secretary for Finance issued *Circular No. 08/2020-2021 – Closing of Accounts, Processes & Procedures* to all Ministries/Departments to submit the 2021 draft annual financial statements to the Auditor-General by 31 October 2021.

Except for Trading and Manufacturing Accounts (TMA) which are accounted for on accrual basis, Ministries/Departments prepare their financial statements using FMA 2004 and FI 2010.

Ministries/Departments must prepare and make publicly available, for each financial year, an annual report which must be tabled in Parliament by the responsible Minister. The annual report must include the audited annual financial statements and audit report issued by the Auditor-General for the financial year.

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

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

2.3 Consolidation Process

The accounts of Ministries and Departments are consolidated with those of the Ministry of Finance using *International Public Sector Accounting Standards (IPSAS): Financial Reporting under Cash Basis of Accounting* reporting requirements, *Cabinet Decision 277 of 2010 - Adoption of Cash Basis IPSAS* and disclosures made as required by FMA 2004. Additional statements are prepared in accordance with modified cash basis of accounting. Consolidated financial statements include State-agencies which are part of the national budget estimates and financials of those agencies outside the budget, such as TMAs and Trust Fund Accounts, as required by law.

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

2.4 Role of the Auditor-General

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

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

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

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

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

- (a) the accounts of the Consolidated Fund;

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

The Auditor-General must satisfy himself or herself that -

- (a) the accounts have been faithfully and properly kept;
- (b) expenditure has been properly authorised, properly applied and otherwise properly accounted for;
- (c) where applicable, all reasonable precautions have been taken to safeguard the collection of public money and trust money and other money and that the laws, directions and/or instructions relating to its collection have been duly observed;
- (d) where applicable, expenditure of money appropriate by Parliament has been applied to the purposes for which the money was appropriated; and
- (e) provisions of the Constitution of the Republic of Fiji and of the FMA 2004, and of any other law relating to money or property subject to his or her audit, have been complied with in all material respects.

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

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

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

An audit involves performing procedures to obtain audit evidence about the figures and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

2.5 Reporting to Parliament

At least once every year, the Auditor-General must report to Parliament on audits completed under the Audit Act 1969. In addition, a report of the Auditor-General to Parliament about an audit must be submitted to the Speaker of Parliament within 9 months after the financial year in which the audit relates or within a longer period appointed by resolution of Parliament.

The Act also requires that the Auditor-General must report on other significant matters which the Auditor-General wishes to bring to the attention of Parliament.

Other significant matters highlighted in this report, include control weaknesses which *could cause* or *is causing* severe disruption to the process or on the ability of an auditee to achieve process objectives and comply with relevant legislation.

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

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

- (a) Minister responsible for finance; and
- (b) Responsible authority and the Minister of the entity subject to audit.

2.6 Types of Audit Opinion

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

Modified Opinions:

We issue a **qualified opinion** 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 we, having obtained sufficient appropriate audit evidence, conclude that misstatements, individually or in the aggregate, are both material and pervasive to the financial statements.

We issue a **Disclaimer of Opinion** when we are unable to obtain sufficient appropriate audit evidence 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.

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

3.0 RESULTS OF OUR AUDITS – MINISTRIES & DEPARTMENTS

We audit the financial statements of Ministries and Departments to provide reasonable assurance about whether the financial statements are free from material misstatements.

3.1 Key Findings and Audit Conclusion

2020

We issued 34 audit opinions on the 2020 financial statements of Ministries and Departments, 26 or 76% were unmodified opinions while 8 or 24% were modified opinions. This indicated that 26 agency financial statements did not contain material misstatements.

2021

We issued 35 audit opinions on the 2021 financial statements of Ministries and Departments, 29 or 83% were unmodified opinions while 6 or 17% were modified opinions. This indicated that 29 agency financial statements did not contain material misstatements.

Introduction

In addition to the Financial Statements of Government, each year, we also audit the financial statements of Ministries and Departments to provide assurance on their reliability.

The Ministry of Finance advised all Ministries and Departments to provide the 2020 and 2021 draft agency financial statements to the Auditor-General by 31 October 2020 and 31 October 2021 respectively. If an agency complies with the monthly and quarterly reporting requirements set by the FI 2010 throughout the year, it should be able to prepare and present a high-quality financial statement in a timely manner.

We assessed the quality and timeliness of financial statements by considering:

- Year - end closing process – whether accounts were closed-off by the due date;
- Timeliness – whether completed 2020 and 2021 draft financial statements were submitted for audit by the agreed date;
- Quality – the extent of accounting and auditing adjustments made during the audit;
- Management comments – time taken (in days) by Ministries/Departments to submit management comments on audit findings; and
- Signing of financial statements – time taken (in days) to submit signed audited financial statements.

Our assessment criteria are included in Section 3.2 to Section 3.5 while the result of the assessment for each Ministry/Department are included in [Appendix C](#). The summary of the whole of government assessments of timeliness and quality are shown in Table 3.1 and 3.2 below.

Table 3.1: Summary of Timeliness and Quality Assessment for 2020

	No. of Ministries/Departments				
	Compliance to Year-End Process	Quality of Financial Statements	Timeliness of Financial Statement	Timeliness of Management Comments	Timeliness of Signing of Financial Statements
Effective	15	28	9	17	14
Generally Effective	18	---	12	5	12
Ineffective	1	6	13	12	8
Total	34	34	34	34	34

Table 3.2: Summary of Timeliness and Quality Assessment for 2021

	No. of Ministries/Departments				
	Compliance to Year-End Process	Quality of Financial Statements	Timeliness of Financial Statement	Timeliness of Management Comments	Timeliness of Signing of Financial Statements
Effective	16	29	13	18	11
Generally Effective	16	1	15	5	14
Ineffective	3	5	7	12	10
Total	35	35	35	35	35

It is noted that most Ministries/Departments were effective or generally effective in complying with the year-end closing processes, quality of the financial statements and timeliness of signing audited financial statements.

However, some Ministries/Departments were rated as ineffective as follows:

2020

- untimely submission of draft financial statements – 38% of the 34 Ministries/Departments
- untimely submission of management comments – 35% of the 34 Ministries/Departments
- untimely signing of audited financial statements - 24% of the 34 Ministries/Departments

2021

- untimely submission of draft financial statements – 20% of the 35 Ministries/Departments
- untimely submission of management comments – 34% of the 35 Ministries/Departments
- untimely signing of audited financial statements - 29% of the 35 Ministries/Departments

Audit Opinion Results

Table 3.3 summarises the types of audit opinions issued on the 2020 and 2021 financial statements by sectors.

Table 3.3: Audit Opinions Issued for FY 2020 and 2021

Sector	2020		2021	
	Modified Opinion (Qualified)	Unmodified Opinion	Modified Opinion (Qualified)	Unmodified Opinion
General Administration	3	17	3	18
Social Services	2	3	---	5
Economic Services	1	6	1	6
Infrastructure Services	2	---	2	---
Total	8	26	6	29

The summary and details of the agencies that fall under each sector and the opinion issued on the financial statements have been reported in the four sector reports submitted to Parliament.

Modified Opinions

2020

We issued modified opinions on 8 (24%) of the 34 financial statements of Ministries and Departments for 2020.

Refer to Table 3.4 for Ministries/Departments with modified audit opinion and the key areas.

Table 3.4: Key Areas for Modified Audit Opinion – Auditor’s Reports

✓ New Key Area/emphasis of matter ✓ Recurring Key Area/emphasis of matter

Ministries/Departments	Key Areas for Modified Audit Opinion					
	Revenue	Main Trust Fund Account	Expenditure	TMA	Cash	Receivables
General Administration						
Judiciary		✓				
Republic of Fiji Military Forces			✓			
Peacekeeping Missions			✓			
Social Services						
Ministry of Education, Heritage and Arts			✓			
Ministry of Women, Children and Poverty Alleviation			✓			
Economic Services						
Ministry of Lands and Mineral Resources	✓					
Infrastructure Services						
Ministry of Infrastructure and Transport		✓		✓	✓	✓
Ministry of Waterways and Environment		✓				

2021

We issued modified opinions on 6 (17%) of the 35 financial statements of Ministries and Departments for 2021.

Refer to Table 3.5 for Ministries/Departments with modified audit opinion and the key areas.

Table 3.5: Key Areas for Modified Audit Opinion – Auditor’s Reports

✓ New Key Area/emphasis of matter ✓ Recurring Key Area/emphasis of matter

Ministries/Departments	Key Areas for Modified Audit Opinion					
	Revenue	Main Trust Fund Account	Expenditure	TMA	Cash	Receivables
General Administration						
Judiciary		✓				
Republic of Fiji Military Forces			✓			
Peacekeeping Missions			✓			
Economic Services						
Ministry of Lands and Mineral Resources	✓					
Infrastructure Services						
Ministry of Infrastructure and Meteorological Services		✓		✓	✓	✓
Ministry of Waterways and Environment		✓				

The key reasons for the modified audit opinions, as discussed in [Appendix D](#) have been reported to the management of the respective agencies and in the various sector reports to Parliament.

Unmodified Opinions

2020

We issued unmodified opinions on 26 or 76% of the 34 financial statements for Ministries and Departments with emphasis of matters and other matters in several Auditor’s Reports.

Refer to Table 3.6 for Ministries/Departments with unmodified audit opinion and with emphasis of matter/other matter.

Table 3.6: Ministries/Departments with Unmodified Audit Opinion

✓ Unmodified with emphasis of matter and/or other matter

Ministry/Department	Emphasis of Matter/Other Matters
1. Office of the President	
2. Office of the Prime Minister and Fijian Immigration Department	
3. Office of the Attorney General	
4. Ministry of Finance	
5. Ministry of iTaukei Affairs	
6. Ministry of Defence and National Security and Policing	
7. Ministry of Employment, Productivity and Industrial Relations	✓
8. Ministry of Foreign Affairs	✓
9. Parliament	
10. Office of the Director of Public Prosecutions	
11. Ministry of Justice	

Ministry/Department	Emphasis of Matter/Other Matters
12. Fiji Corrections Service	
13. Ministry of Communication	
14. Department of Information, Technology and Computing Services (ITC)	
15. Ministry of Civil Service	
16. Ministry of Rural and Maritime Development	
17. Fiji Police Force	
18. Ministry of Health and Medical Services	✓
19. Ministry of Housing and Community Development	✓
20. Ministry of Youth and Sports	
21. Ministry of Agriculture	
22. Ministry of Fisheries	✓
23. Ministry of Forestry	
24. Ministry of Commerce, Trade, Tourism and Transport	
25. Ministry of Sugar Industry	
26. Ministry of Local Government	

2021

We issued unmodified opinions on 29 or 83% of the 35 financial statements for Ministries and Departments with emphasis of matters and other matters in several Auditor's Reports.

Refer to Table 3.7 for Ministries/Departments with unmodified audit opinion and with emphasis of matter/other matter.

Table 3.7: Ministries/Departments with Unmodified Audit Opinion

✓ Unmodified with emphasis of matter and/or other matter

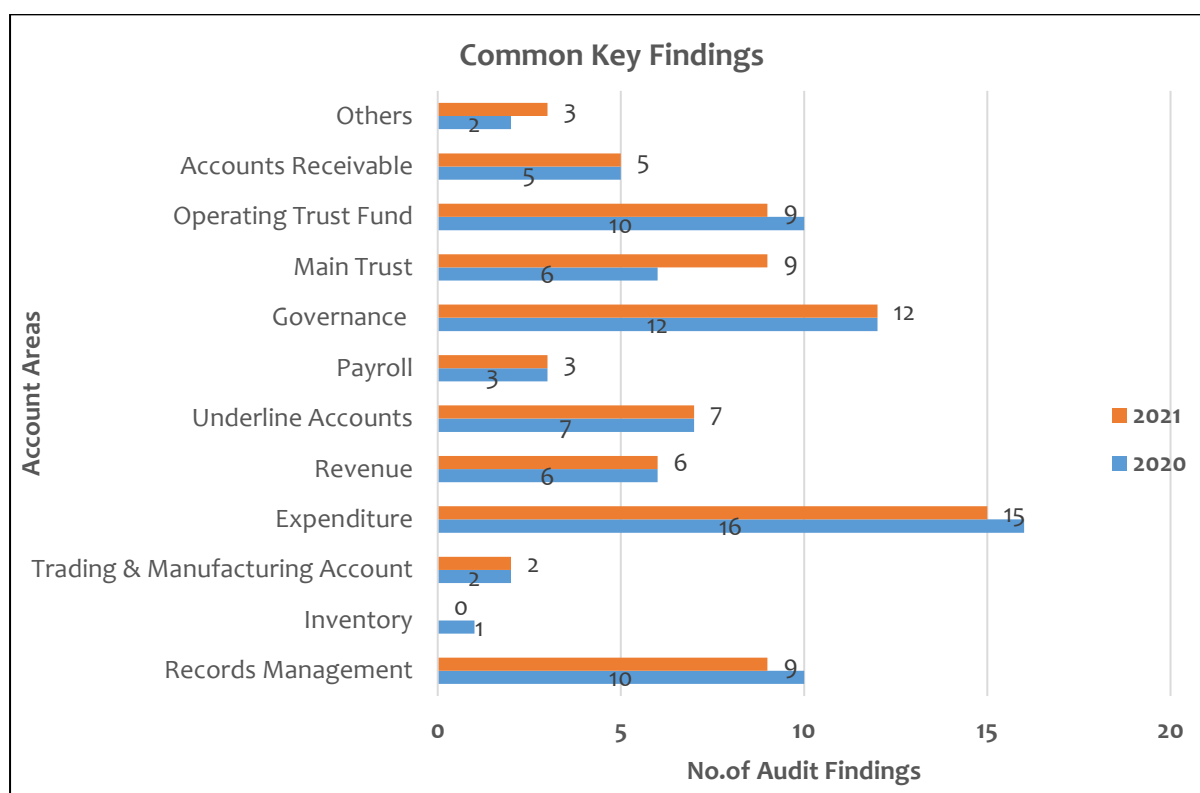
Ministry/Department	Emphasis of Matter/Other Matters
1. Office of the President	
2. Office of the Prime Minister and Fijian Immigration Department	
3. Office of the Attorney General	
4. Ministry of Finance	
5. Ministry of iTaukei Affairs	
6. Ministry of Defence and National Security and Policing	
7. Ministry of Employment, Productivity and Industrial Relations	✓
8. Ministry of Foreign Affairs	✓
9. Parliament	
10. Office of the Director of Public Prosecutions	
11. Public Service Commission	
12. Ministry of Justice	
13. Fiji Corrections Service	
14. Ministry of Communication	
15. Department of Information, Technology and Computing Services (ITC)	
16. Ministry of Civil Service	
17. Ministry of Rural and Maritime Development	
18. Fiji Police Force	✓
19. Ministry of Education, Heritage and Arts	
20. Ministry of Health and Medical Services	✓
21. Ministry of Housing and Community Development	✓
22. Ministry of Women, Children and Poverty Alleviation	✓
23. Ministry of Youth and Sports	

Ministry/Department	Emphasis of Matter/Other Matters
24. Ministry of Agriculture	
25. Ministry of Fisheries	✓
26. Ministry of Forestry	
27. Ministry of Commerce, Trade, Tourism and Transport	
28. Ministry of Sugar Industry	
29. Ministry of Local Government	

Common Key Findings

A total 80 common key findings were reported in the sector reports across the 34/35 Ministries and Departments for 2020 and 2021. The findings are categorised according to the account areas as shown in Figure 3.1 below.

Figure 3.1: Common Audit Findings across Ministries/Departments



3.2 Year-End Closing Process

A quality financial statements preparation process will reduce the risk of untimely, inaccurate and distorted financial reporting.

2020

On 01 May 2020, the Permanent Secretary for Finance issued Circular No. 03/2019-2020 to Permanent Secretaries, Heads of Departments, High Commissioners and Ambassadors in Fiji Overseas Missions in which procedures for closing of 2020 accounts and timelines were detailed.

The key focus areas in the Circular include:

- Retirement of imprests by 17 July 2020
- Cancellation of unprocessed purchase orders by 20 July 2020
- Processing of payments by 29 July 2020
- Clearance of stale cheques by 6 August 2020
- Closing date for journal adjustments by 6 August 2020
- Clearance of Inter-departmental clearance accounts by 7 August 2020
- Processing of virements by 21 August 2020
- Completion of reconciliations by 28 August 2020
- Submission of arrears of revenue returns by 28 August 2020
- Annual Board of Survey on Drawings Account cheques by 28 August 2020

2021




On 30 April 2021, the Permanent Secretary for Finance issued Circular No. 08/2020-2021 to Permanent Secretaries, Heads of Departments, High Commissioners and Ambassadors in Fiji Overseas Missions in which procedures for closing of 2021 accounts and timelines were detailed.

The key focus areas in the Circular include:

- Retirement of imprests by 16 July 2021
- Cancellation of unprocessed purchase orders by 19 July 2021
- Processing of payments by 29 July 2021
- Clearance of stale cheques by 6 August 2021
- Closing date for journal adjustments by 6 August 2021
- Clearance of Inter-departmental clearance accounts by 6 August 2021
- Processing of virements by 20 August 2021
- Completion of reconciliations by 27 August 2021
- Submission of arrears of revenue returns by 27 August 2021
- Annual Board of Survey on Drawings Account cheques by 27 August 2021

When Ministries and Departments achieve the key focus areas by the due dates, they are more likely to prepare accurate and timely draft financial statements for audit.

There were 10 key focus areas in the 2020 and 2021 closing of accounts which we have classified into either effective, generally effective or ineffective as follows:

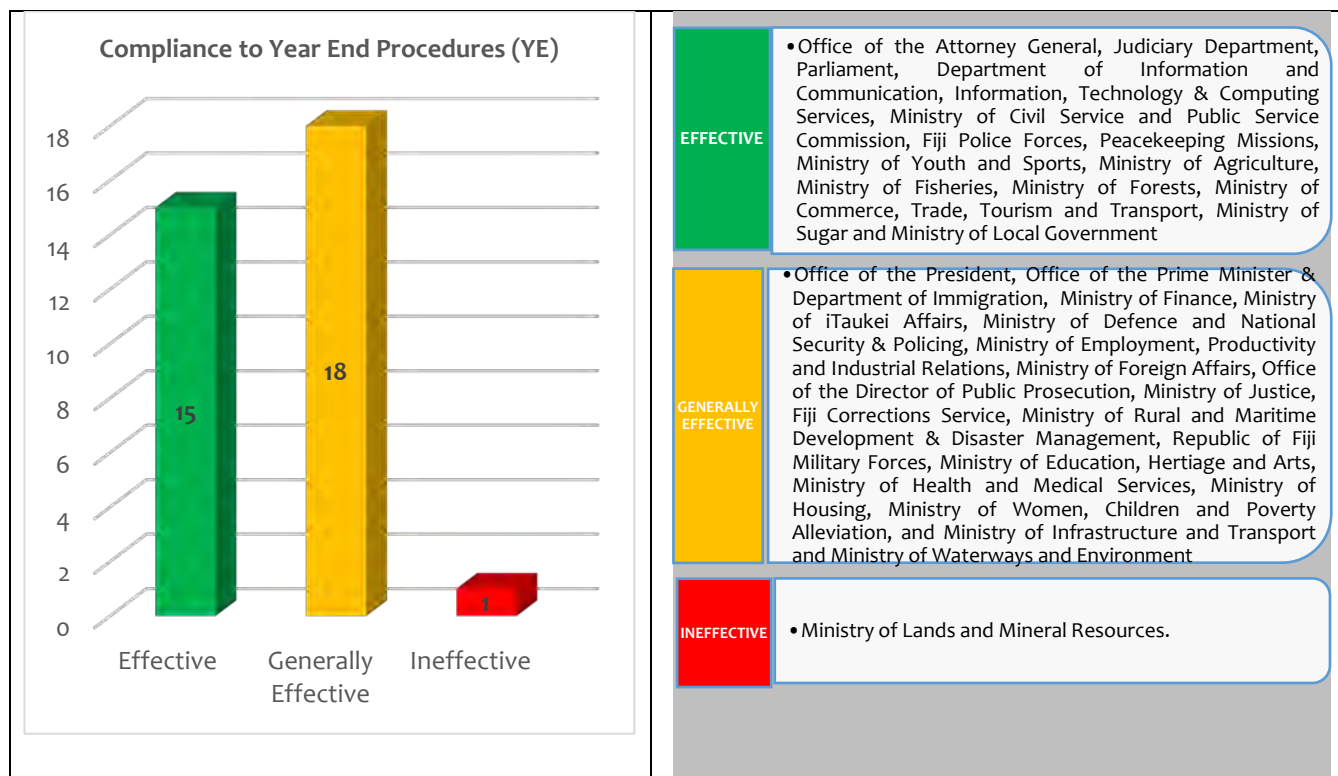
Rating	Year-end close process assessment
 Effective	All 10 key processes completed by due date
 Generally effective	Five of 10 key processes completed within two weeks of due date
 Ineffective	Less than five of 10 key processes completed within two weeks of due date

2020

Of the 34 Ministries and Departments, fifteen (15) completed all processes by the due dates and eighteen (18) completed 5 of 10 key processes within 2 weeks of due dates and were categorised as effective and generally effective, respectively. One (1) Ministry was ineffective as they completed less than 5 of 10 key processes within two weeks of the due date.

Refer to Figure 3.2 below for details.

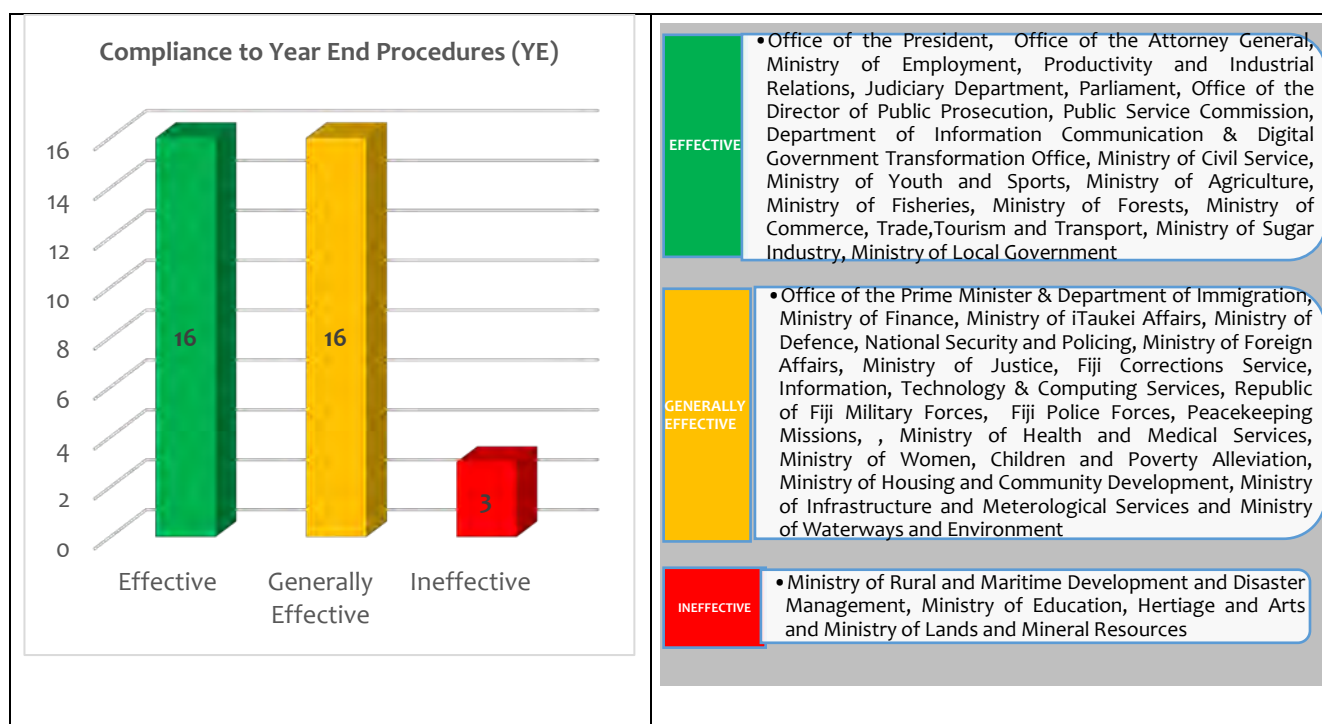
Figure 3.2: Compliance with Year-End Closing Processes for 2020



2021

Of the 35 Ministries and Departments, sixteen (16) completed all processes by the due dates and sixteen (16) completed 5 of 10 key processes within 2 weeks of due dates and were categorised as effective and generally effective, respectively. Three (3) Ministries and Departments were ineffective as they completed less than 5 of 10 key processes within two weeks of the due date. Refer Figure 3.3 below for details.

Figure 3.3: Compliance with Year-End Closing Processes for 2021



3.3 Quality of Draft Agency Financial Statements

We assessed the quality of financial statements by the extent of audit/accounting adjustments made to draft financial statements throughout the audit which indicate the effectiveness of the agency’s internal review processes to identify and correct errors before financial statements are provided for audit. Refer to the table below for the rating.

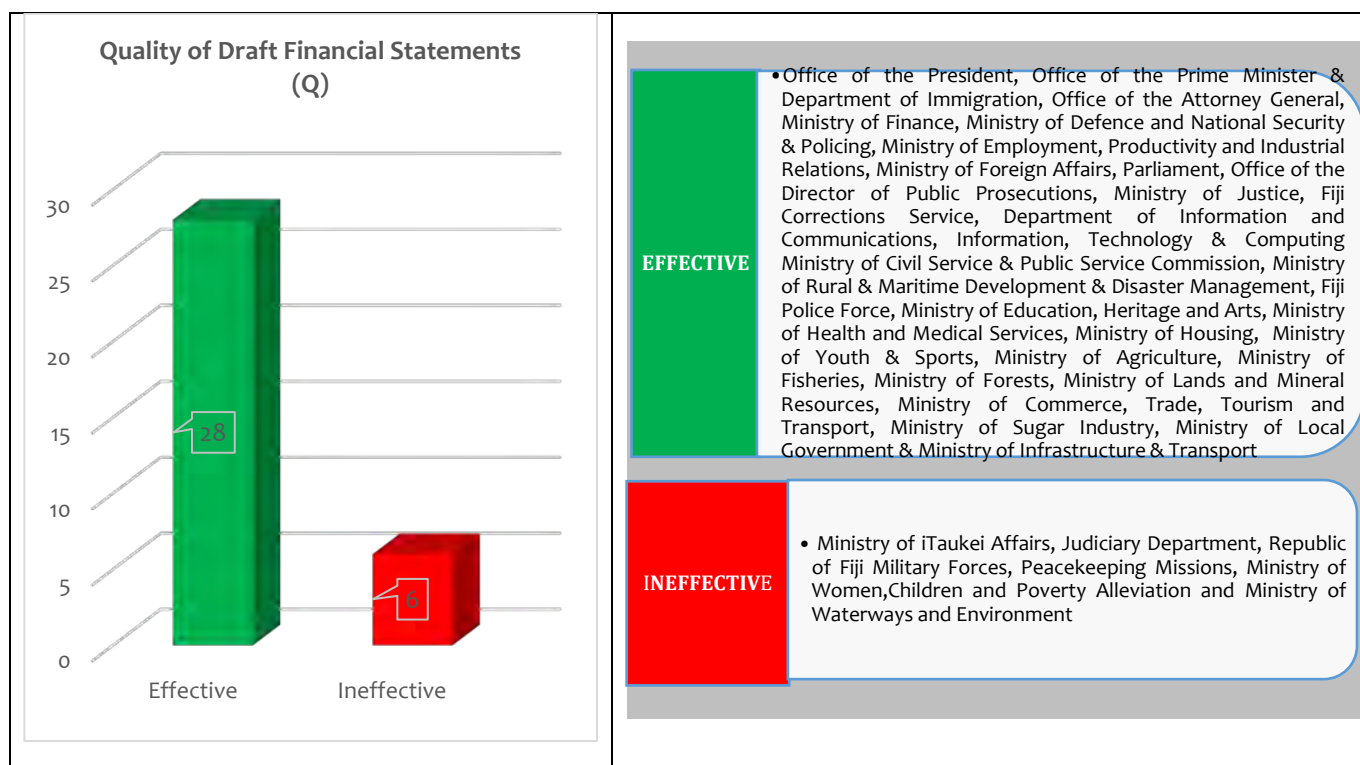
Rating	Quality of draft financial statements assessment
Effective	No adjustments or resubmission of financial statements were required
Generally effective	Adjustments on operating results/net assets were less than 1% (< 1%)
Ineffective	<ul style="list-style-type: none"> Adjustments on operating results/net assets were more than 1% (> 1%) Re-submissions of draft financial statements

2020

Of the 34 Ministries and Departments, 28 or 82% submitted quality draft financial statements for audit.

The quality of draft financial statements submitted by 6 Ministries and Departments were considered ineffective. Refer to Figure 3.4 below for details.

Figure 3.4: Quality of Draft Financial Statements for 2020

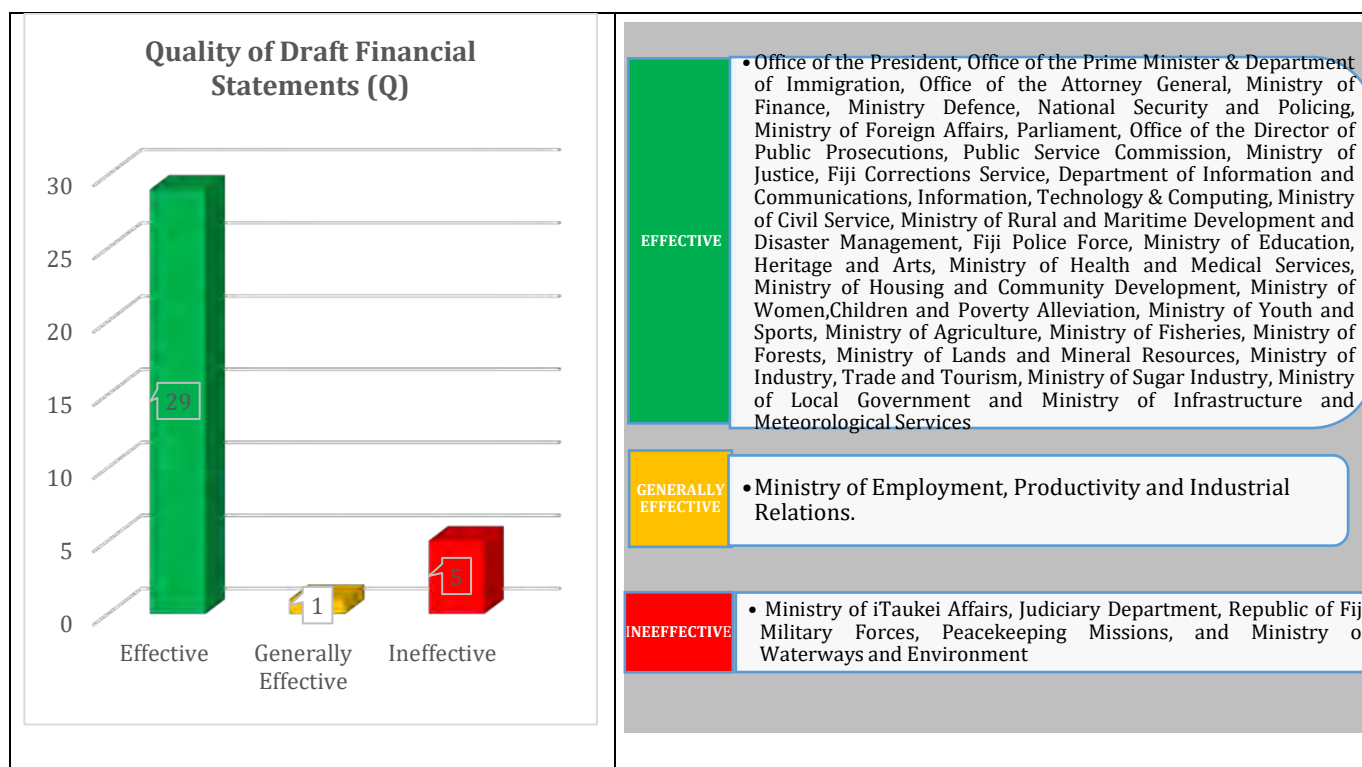


2021

Of the 35 Ministries and Departments, 30 or 86% submitted quality draft financial statements for audit.

The quality of draft financial statements submitted by 5 Ministries and Departments were considered unsatisfactory/ineffective. Refer to Figure 3.5 below for details.

Figure 3.5: Quality of Draft Financial Statements for 2021



3.4 Timeliness of Financial Reporting

To assess the timeliness of acceptable draft financial statements, we have compared the date the draft financial statements were due according to the deadline stated in the Finance Instructions 2010 and the date it was received.

2020

Rating	Timeliness of draft financial statements assessment
🟢 Effective	Acceptable draft financial statements received before or on 15 October 2020
🟡 Generally effective	Acceptable draft financial statements received on or before 31 October 2020
🔴 Ineffective	Acceptable draft financial statements received after 15 November 2020

13 or 38% of Ministries and Departments did not meet the due date for submission of draft financial statements for audit.

Refer to Table 3.8 below for details:


Table 3.8: Submission of Draft Financial Statements by 31 October 2020

✓ Met the timeline

✗ Did not meet timeline


Ministry/Department	Meeting Timelines
General Administration	
1. Office of the President	✓
2. Office of the Prime Minister & Department of Immigration	✓
3. Office of the Attorney General	✓
4. Ministry of Finance	✗
5. Ministry of iTaukei Affairs	✗
6. Ministry of Defence and National Security	✓
7. Ministry of Employment, Productivity and Industrial Relations	✓
8. Ministry of Foreign Affairs	✓
9. Judiciary	✗
10. Parliament	✓
11. Office of the Director of Public Prosecution	✓
12. Ministry of Justice	✓
13. Fiji Corrections Service	✓
14. Department of Information and Communication	✓
15. Department of Information, Technology and Computing Services	✓
16. Ministry of Civil Service & Public Service Commission	✓
17. Ministry of Rural and Maritime Development	✗
18. Republic of Fiji Military Forces	✗
19. Fiji Police Force	✗
20. Peacekeeping Missions	✗
Social Services	
21. Ministry of Education, Heritage and Arts	✗
22. Ministry of Health and Medical Services	✗
23. Ministry of Housing and Community Development	✗
24. Ministry of Women, Children and Poverty Alleviation	✓
25. Ministry of Youth and Sports	✓
Economic Services	
26. Ministry of Agriculture	✓
27. Ministry of Fisheries	✓
28. Ministry of Forestry	✓
29. Ministry of Lands and Mineral Resources	✗
30. Ministry of Commerce, Trade, Tourism and Transport	✓
31. Ministry of Sugar Industry	✓
32. Ministry of Local Government	✓
Infrastructure Services	
33. Ministry of Infrastructure and Meteorological Services	✗
34. Ministry of Waterways and Environment	✗


2021

Rating	Timeliness of draft financial statements assessment
 Effective	Acceptable draft financial statements received before or on 15 October 2021
 Generally effective	Acceptable draft financial statements received on or before 31 October 2021
 Ineffective	Acceptable draft financial statements received after 15 November 2021

7 or 20% of Ministries and Departments did not meet the due date for submission of draft financial statements for audit. Refer to Table 3.9 below for details:

Table 3.9: Submission of Draft Financial Statements by 31 October 2021

 Met the timeline

 Did not meet timeline

Ministry/Department	Meeting Timelines
General Administration	
1. Office of the President	
2. Office of the Prime Minister & Department of Immigration	
3. Office of the Attorney General	
4. Ministry of Finance	
5. Ministry of iTaukei Affairs	
6. Ministry of Defence and National Security	
7. Ministry of Employment, Productivity and Industrial Relations	
8. Ministry of Foreign Affairs	
9. Judiciary	
10. Parliament	
11. Office of the Director of Public Prosecution	
12. Ministry of Justice	
13. Fiji Corrections Service	
14. Department of Information and Communication	
15. Department of Information, Technology and Computing Services	
16. Ministry of Civil Service	
17. Public Service Commission	
18. Ministry of Rural and Maritime Development	
19. Republic of Fiji Military Forces	
20. Fiji Police Force	
21. Peacekeeping Missions	
Social Services	
22. Ministry of Education, Heritage and Arts	
23. Ministry of Health and Medical Services	
24. Ministry of Housing and Community Development	
25. Ministry of Women, Children and Poverty Alleviation	
26. Ministry of Youth and Sports	
Economic Services	
27. Ministry of Agriculture	

Ministry/Department	Meeting Timelines
28. Ministry of Fisheries	✓
29. Ministry of Forestry	✓
30. Ministry of Lands and Mineral Resources	✓
31. Ministry of Commerce, Trade, Tourism and Transport	✓
32. Ministry of Sugar Industry	✓
33. Ministry of Local Government	✓
Infrastructure Services	
34. Ministry of Infrastructure and Meteorological Services	✓
35. Ministry of Waterways and Environment	✓

3.5 Timeliness of provision of management comments and signing of financial statements

To assess the timeliness of provision of management comments and signing of financial statements, we have compared the date the draft management letter and audited financial statements were issued to the agency and the date management comments and signed accounts were received.

Rating	Timelines
Timeliness of Management Comments	
🟢 Effective	Within 14 days from the issue of Draft Management Letter
🟡 Generally effective	Within 21 days from the issue of Draft Management Letter
🔴 Ineffective	After 21 days from the issue of Draft Management Letter
Timeliness of Signed Accounts Received	
🟢 Effective	Within 5 days from the issue of Financial Statements for signing
🟡 Generally effective	Within 15 days from the issue of Financial Statements for signing
🔴 Ineffective	After 15 days from the issue of Financial Statements for signing

2020

Comments on draft management letters for 22 or 65% of Ministries/Departments were received on time and audited accounts for 26 or 76% of Ministries/Departments were signed and returned on time.

2021

Comments on draft management letters for 23 or 66% of Ministries/Departments were received on time and audited accounts for 25 or 71% of Ministries/Departments were signed and returned on time.

Refer to [Appendix C](#) for details.

4.0 FINANCIAL STATEMENTS OF GOVERNMENT

4.1 Introduction

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

Consolidated Fund Reporting

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

This report covers the following transactions for the financial year:

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

Consolidated Trust Account

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

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

Appropriation Statement

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

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

An appropriation made by an Annual Appropriation Act lapses at the end of the financial year to which it relates except where the Minister has authorised the carry over to the following year of

all or part of the unused appropriation that relates to known liabilities as at a particular date, for use in the following year, subject to such conditions as the Minister specifies in the authorisation.

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

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

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

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

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

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

Quality of Financial Report

The quality of the Financial Statements of Government largely depends on the reliability of the information provided to the Ministry of Finance by other Ministries and Departments.

4.2 Submission of Draft Financial Statements of Government

2020

We received the first draft Financial Statements of Government for audit on 26 February 2021. Following this, amendments were made on additional disclosures and correction of errors and omissions.

2021

We received the first draft Financial Statements of Government for audit on 26 January 2022. Following this, amendments were made on additional disclosures and correction of errors and omissions.

Refer to Table 4.1 below for details.

Table 4.1: Various Submission of Draft Financial Statements of Government for Audit

Draft Financial Statements	FY 2020 Date Received	FY 2021 Date Received
First draft	26/02/21	26/01/22
Second draft	17/02/22	06/10/22
Third draft	09/09/22	
Final draft	28/11/22	28/11/22

4.3 Results of our Audits

2020

The Permanent Secretary for Finance signed the 2020 Financial Statements of Government on 20 June 2023. An unmodified audit opinion with emphasis of matters on the financial statements was issued after the legislative deadline of 30 April 2021.

Emphasis of Matters

- Included in the Trust Fund Account balance of \$223,280,875 in the Statement of Assets and Liabilities (Schedule 3) is Consolidated Main Trust Fund of \$192,621,972 (Note 31). Main Trust Fund Account balance totalling \$4,223,716 were not supported with detailed listing of claimants of monies held in trust.
- Reflected in the Statement of Assets and Liabilities (Schedule 3) is cash and cash equivalent of \$714,321,349. Unreconciled variances amounting to \$5,628,257 existed between the balances in the FMIS general ledger and bank reconciliation statement for domestic cash. In addition, domestic cash balance of \$109,233 was not booked in the FMIS general ledger and therefore not accounted for in the financial statements.
- Reflected in the Statement of Revenue and Expenses (Schedule 4) is total revenue of \$2,728,177,796. A total unreconciled variance of \$2,198,273 existed between the FMIS general ledger and the revenue reports of Ministries and Departments.
- The Trading and Manufacturing Accounts are operating on semi-accrual accounting basis instead of full accrual accounting. Property, plant and equipment for TMA operations are not disclosed in the Statement of Assets and Liabilities (Schedule 3).

2021

The Permanent Secretary for Finance signed the 2021 Financial Statements of Government on 20 June 2023. An unmodified audit opinion with emphasis of matters on the financial statements was issued after the legislative deadline of 30 April 2022.

Emphasis of Matters

- Included in the Trust Fund Account balance of \$252,465,811 in the Statement of Assets and Liabilities (Schedule 3) is Consolidated Main Trust Fund of \$227,921,288 (Note 31). Main Trust

Fund Account balance totalling \$6,194,832 were not supported with detailed listing of claimants of monies held in trust.

- Reflected in the Statement of Assets and Liabilities (Schedule 3) is cash and cash equivalent of \$673,649,302. Unreconciled variances amounting to \$7,331,938 existed between the balances in the FMIS general ledger and bank reconciliation statement for domestic cash. In addition, overseas cash balance of AUD\$109,395 was not booked in the FMIS general ledger and therefore not accounted for in the financial statements.
- Reflected in the Statement of Revenue and Expenses (Schedule 4) is total revenue of \$2,152,368,707. A total unreconciled variance of \$7,210,312 existed between the FMIS general ledger and the revenue reports of Ministries and Departments.
- The Trading and Manufacturing Accounts are operating on semi-accrual accounting basis instead of full accrual accounting. Property, plant and equipment for TMA operations are not disclosed in the Statement of Assets and Liabilities (Schedule 3).

5.0 ASSESSMENT OF INTERNAL CONTROLS

5.1 Introduction

In this chapter, we detail our assessment of the strength of the internal controls designed, implemented and maintained by Ministries and Departments to ensure reliable financial reporting for both Financial Years 2020 and 2021.

We assess financial controls using the guidelines provided in the International Standards on Auditing/International Standards for Supreme Audit Institutions. We have noted the similarities of the controls in these standards with that of the internal control framework of the Committee of the Sponsoring Organisations of the Treadway Commission (COSO), which is widely recognised as a benchmark for designing and evaluating internal controls.

Internal controls are processes designed and implemented by Permanent Secretaries, Heads of Departments and other senior officials of Ministries and Departments to provide reasonable assurance about the achievement of a Ministry or Department's objectives with regard to reliability of financial reporting effectiveness and efficiency of operations, and compliance with applicable laws and regulations. The term "control" refers to any aspects of one or more components of internal control.

Permanent Secretaries, Heads of Departments and other personnel of Ministries and Departments are responsible for the preparation of the financial statements in accordance with the Financial Management Act 2004, and Finance Instructions 2010, and for such internal controls as they determine is necessary to enable preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Internal control issues arising during our audit were reported to the Permanent Secretary or Head of Department of Ministries and Departments.

Summary of our internal control assessments for the Ministries and Departments against each element of internal controls is in [Appendix C](#).

5.2 Internal Control Framework.

During our audits, we assessed the design and implementation of controls to ensure that they are suitably designed to prevent, detect and correct material misstatements. Where audit strategy requires, we also test the operating effectiveness to ensure the internal controls are functioning as designed.

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.

Internal controls are categorised against the following five components and assessed as either effective, generally effective or ineffective as follows:

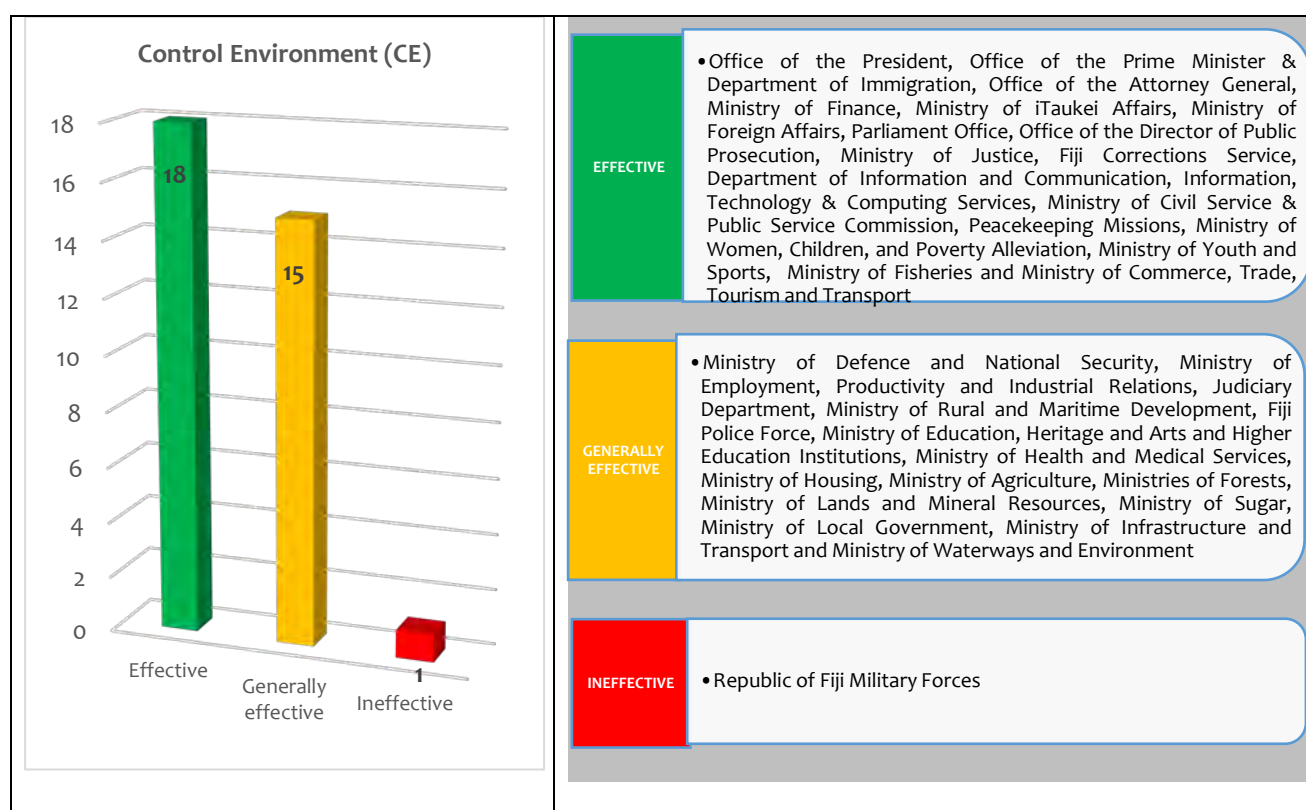
Rating	Internal control assessment
Effective	No deficiencies identified in internal controls
Generally effective	Deficiencies identified in internal controls
Ineffective	Significant deficiencies identified in internal controls

Control Environment (CE)

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

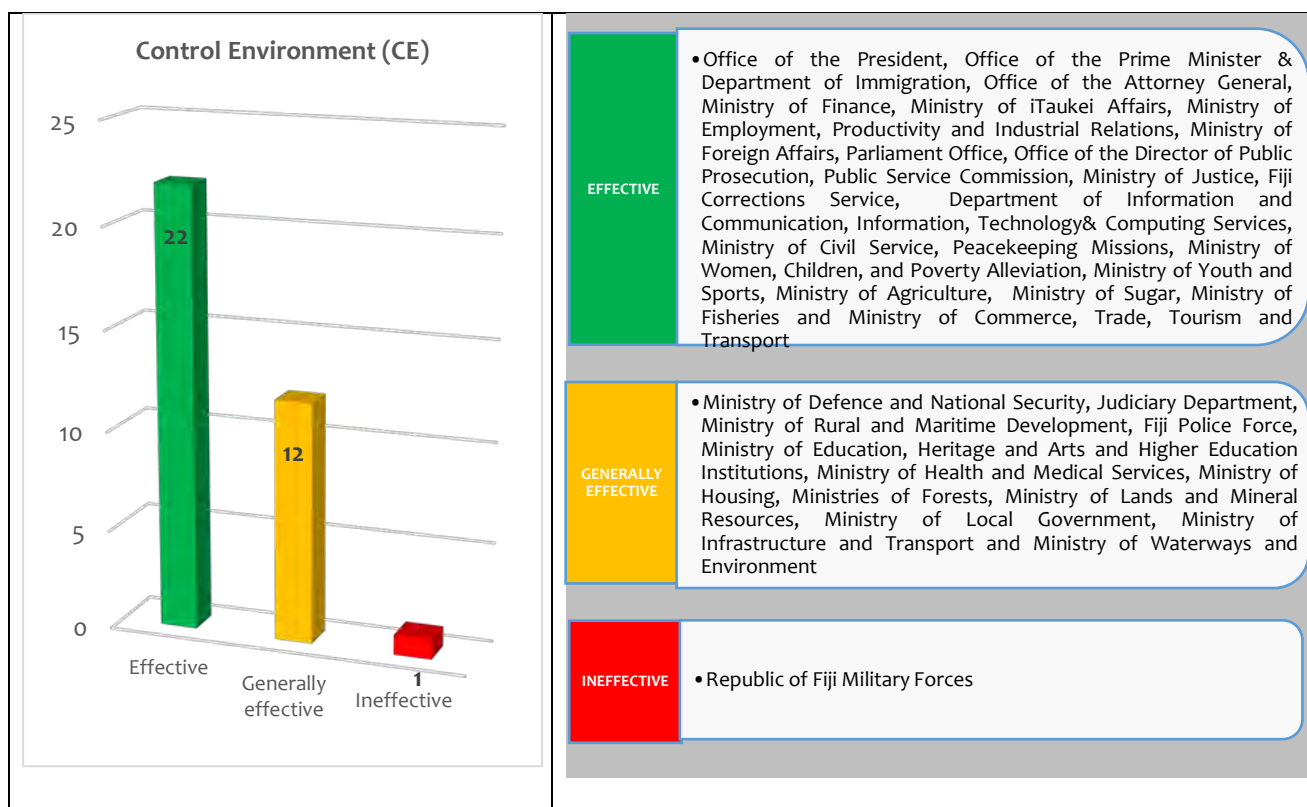
Examples of issues which fall under this category are ethical breaches, gaps in internal controls or controls are non-existent, individuals are not held accountable for breaches in control or the entities’ code of ethics, staff recruitment, training and professional development, performance assessment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

Figure 5.1: Categories of Control Environment for 2020



Of the 34 Ministries and Departments reported, the control environment for 33 (97%) agencies were regarded as effective/generally effective. One Department requires improvement in setting standards, processes and structures for carrying out internal control across the agency.

Figure 5.2: Categories of Control Environment for 2021



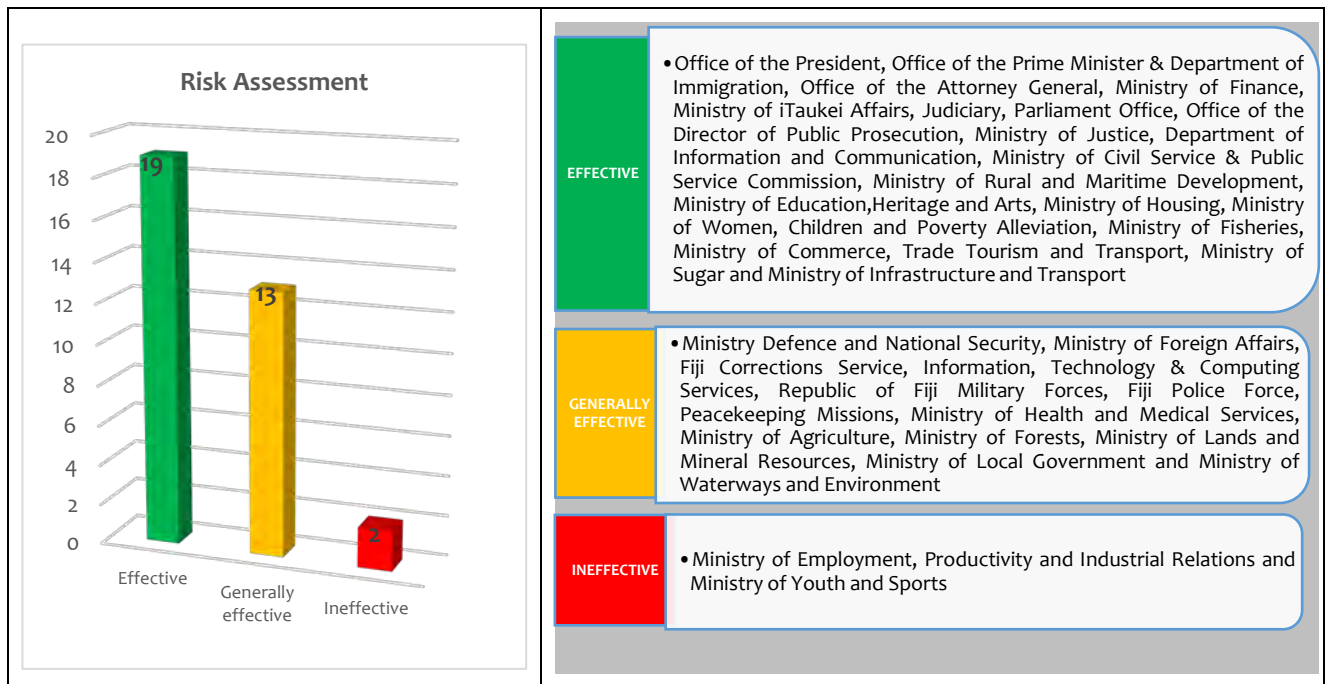
Of the 35 Ministries and Departments reported, the control environment for 34 (97%) agencies were regarded as effective/generally effective. One Department requires improvement in setting standards, processes and structures for carrying out internal control across the agency.

Risk Assessment (RA)

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

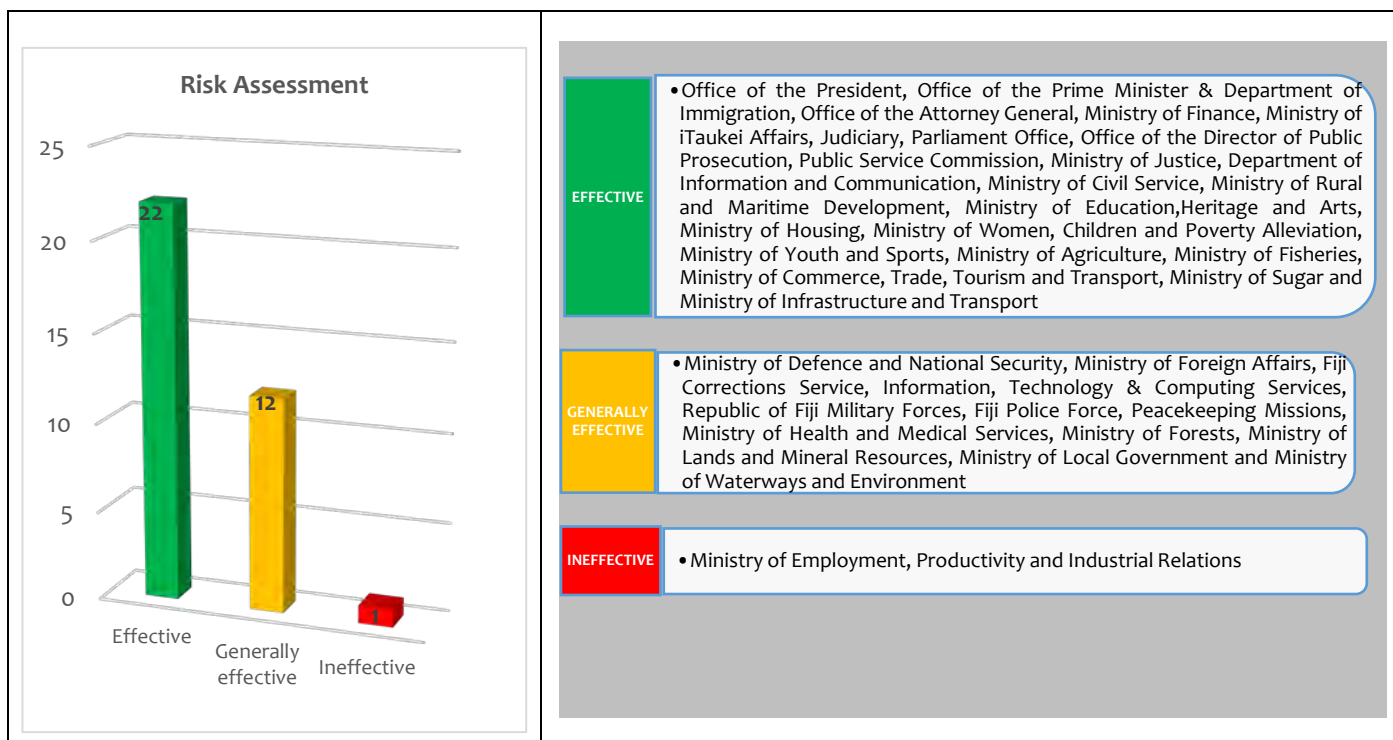
Examples of issues which would fall under this category are absence of risk management framework, operational including fraud and enterprise risks not identified, assessed and mitigated and impact of changes in business processes on controls not identified and assessed.

Figure 5.3: Categories of risk assessment for 2020



Of the 34 Ministries and Departments reported, the risk assessment for 32 (94%) agencies were regarded as effective/generally effective. Two Ministries require improvement in the process for identifying and analysing risks including determining how risks should be managed.

Figure 5.4: Categories of risk assessment for 2021



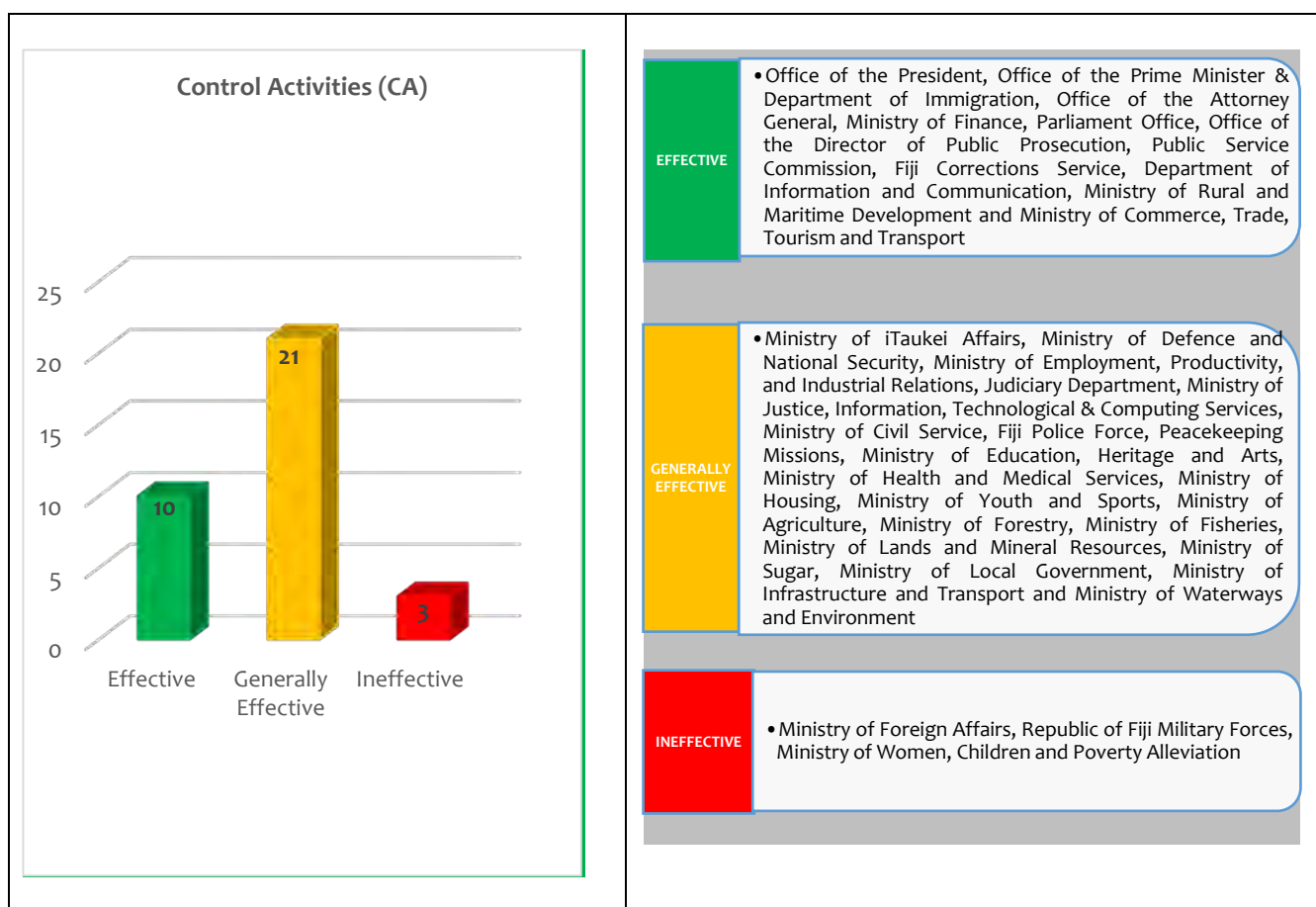
Of the 35 Ministries and Departments reported, the risk assessment for 34 (97%) agencies were regarded as effective/generally effective. One Ministry requires improvement in the process for identifying and analysing risks including determining how risks should be managed.

Control Activities (CA)

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

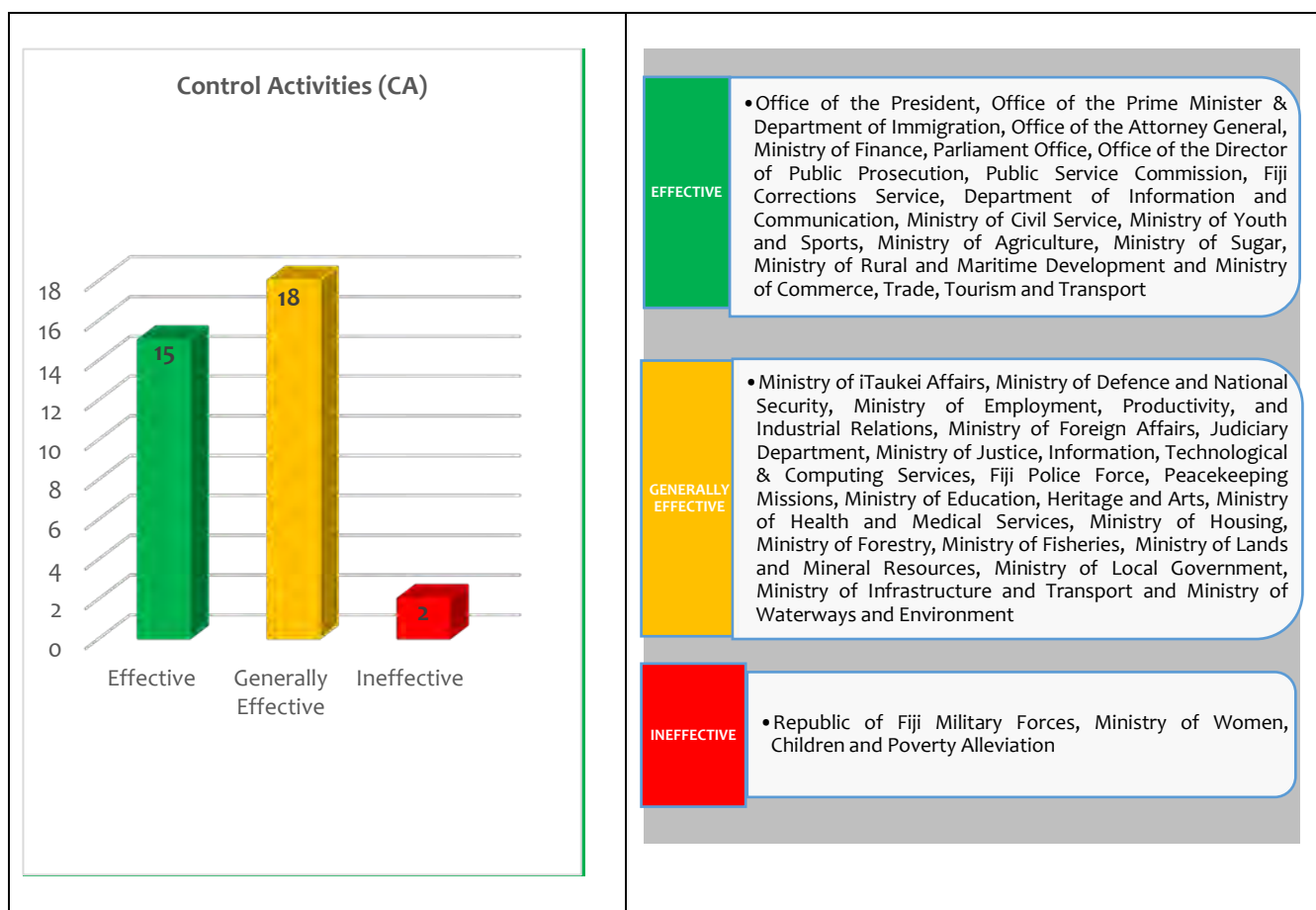
Examples of issues which would fall under this category are general controls relating to information technology, documentation of procedures which have in-built checks and balances which are aligned to the policies of the entity. Specific control activities include those relating to authorisation, performance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

Figure 5.5: Categories of control activities for 2020



Of the 34 Ministries and Departments reported, the control activities for 31 (91%) agencies were considered effective/generally effective. Three Ministries / Department require improvement in the establishment of policies and procedures to help ensure that management’s directives to mitigate risks to the achievement of objectives.

Figure 5.6: Categories of control activities for 2021



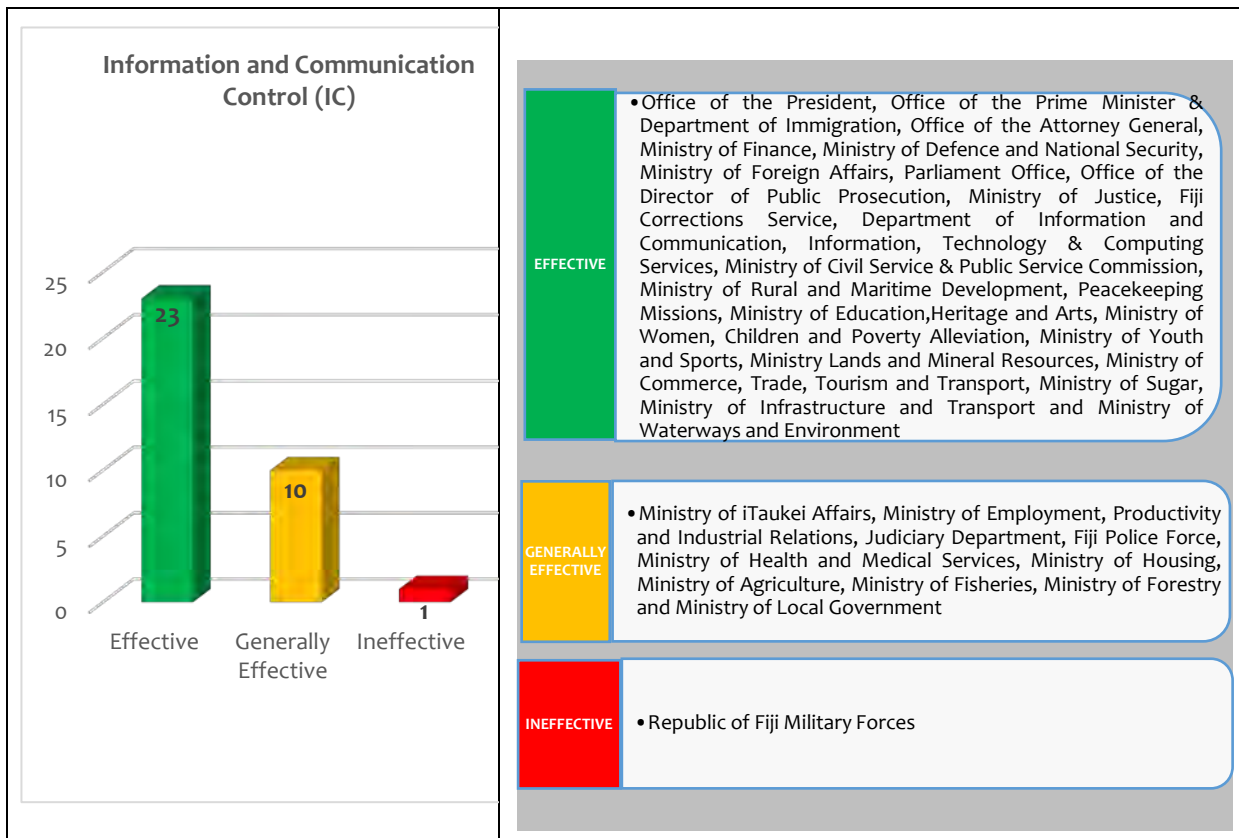
Of the 35 Ministries and Departments reported, the control activities for 33 (94%) agencies were considered effective/generally effective. Two Ministries / Department require improvement in the establishment of policies and procedures to help ensure that management’s directives to mitigate risks to the achievement of objectives.

Information and Communication Control (IC)

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

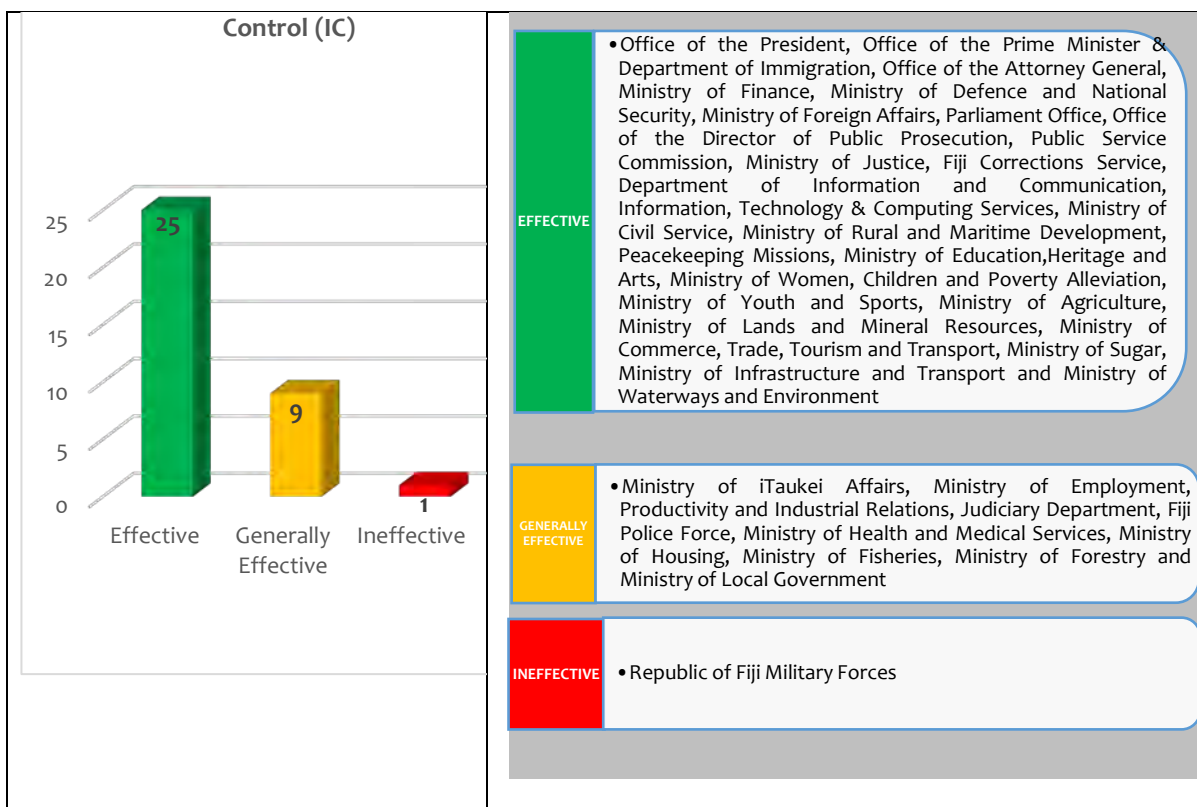
Examples of issues which would fall under this category are reported to Permanent Secretaries and line Ministers of entities on matters relating to internal controls.

Figure 5.7: Categories of information and communication control for 2020



Of the 34 Ministries and Departments reported, the information and communication control for 33 (97%) agencies were considered as effective/generally effective. One Department require improvement in the information and communication control to help ensure the achievement of objectives.

Figure 5.8: Categories of information and communication control for 2021



Of the 35 Ministries and Departments reported, the information and communication control for 34 (97%) agencies were considered as effective/generally effective. One Department require improvement in the information and communication control to help ensure the achievement of objectives.

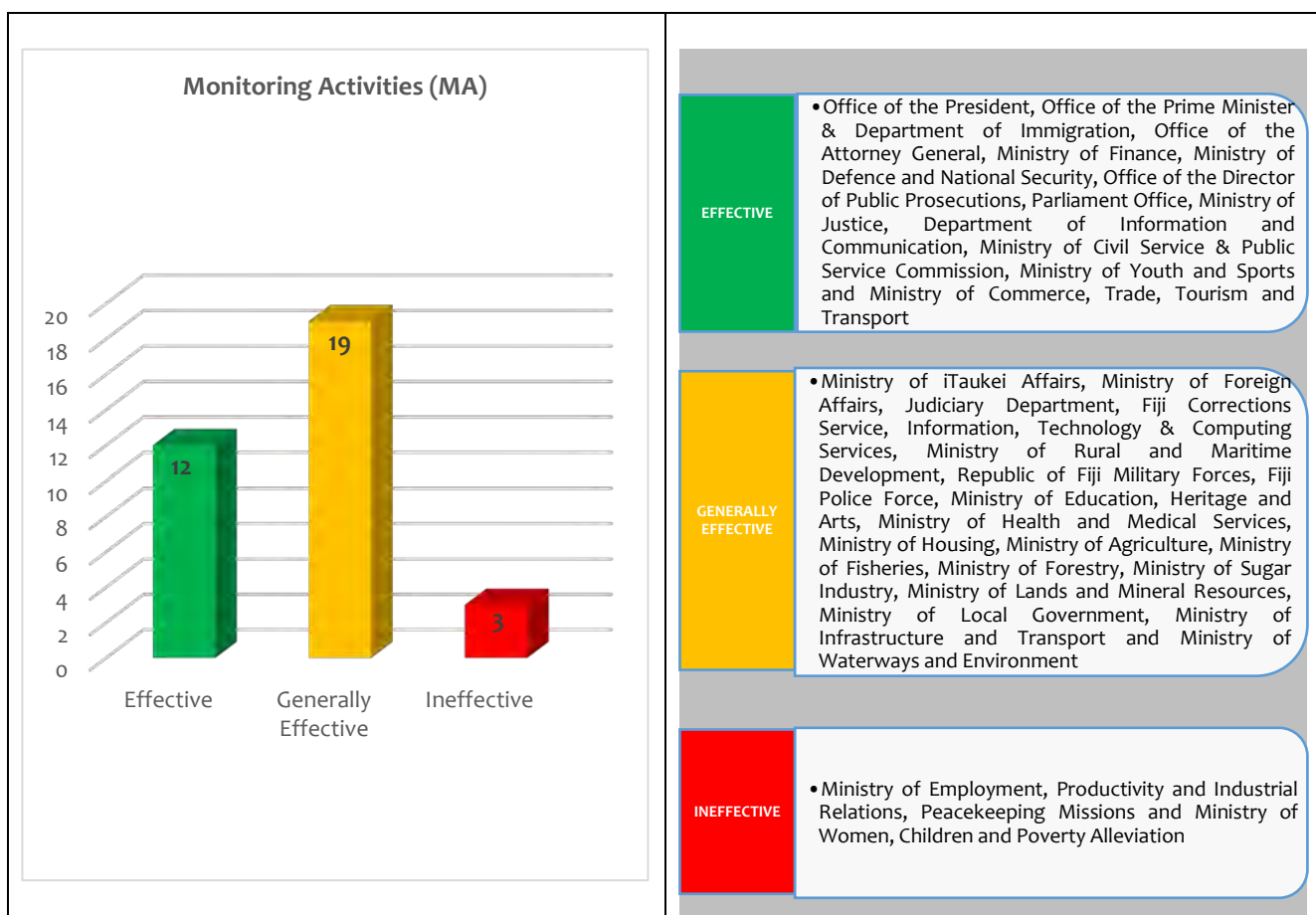
Monitoring Activities (MA)

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

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

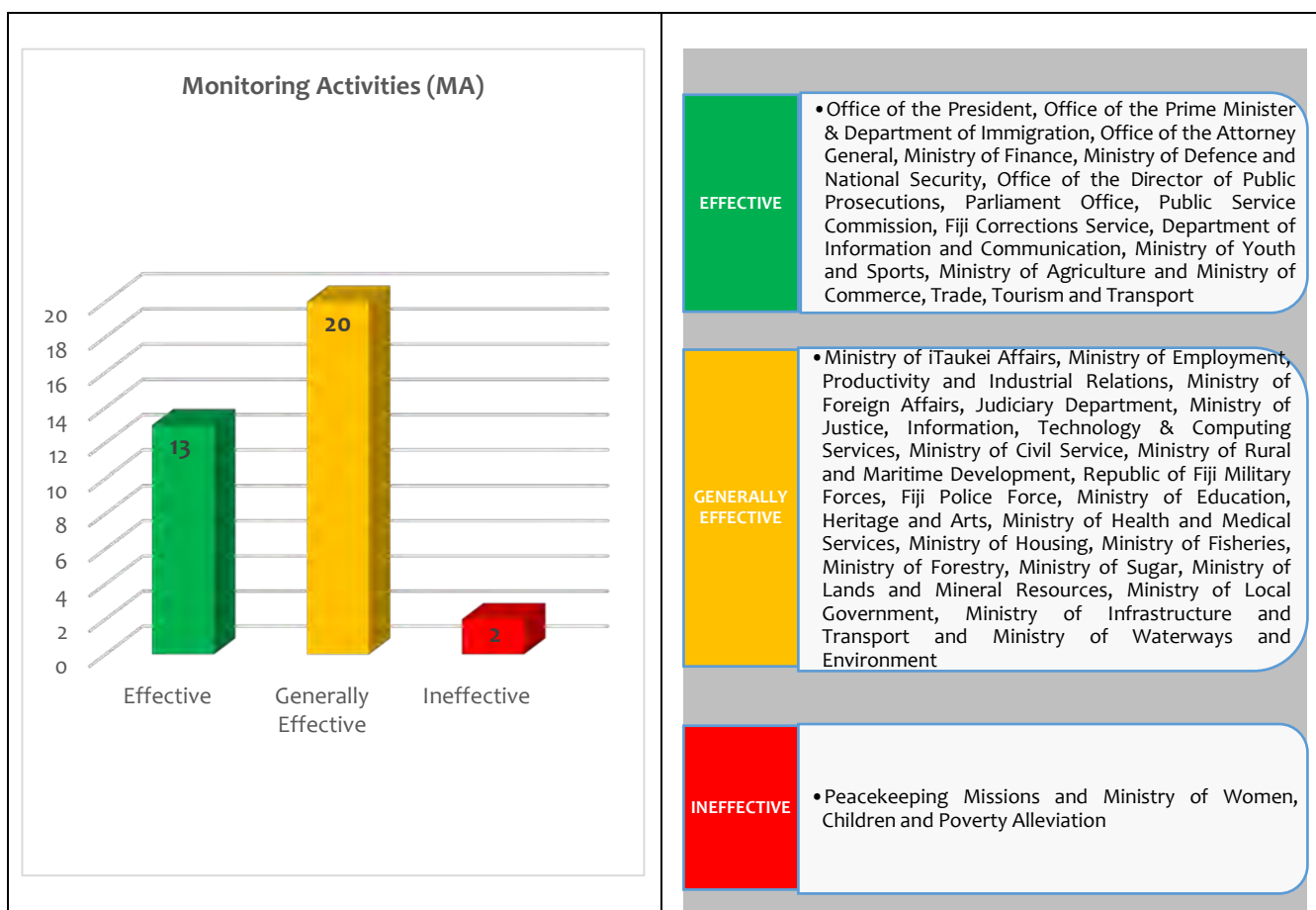
The monitoring activities of Ministries and Departments was assessed and categorised as effective, generally effective and ineffective in the graph below.

Figure 5.9: Categories of monitoring activities for 2020



Of the 34 Ministries and Departments reported, the monitoring activities for 31 (91%) agencies were regarded as effective/generally effective. Three Ministries / Department require improvement in the on-going evaluations, separate evaluations to ascertain whether controls are present and functioning.

Figure 5.10: Categories of monitoring activities for 2021



Of the 35 Ministries and Departments reported, the monitoring activities for 33 (94%) agencies were regarded as effective/generally effective. Two Ministries / Department require improvement in the on-going evaluations, separate evaluations to ascertain whether controls are present and functioning.

6.0 SIGNIFICANT AUDIT MATTERS

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

In this chapter, we discuss significant audit matters in the 2020 and 2021 Financial Statements of Government. The significant audit matters for Ministries and Departments have also been reported in the following Sector Reports.

1. 2020 – 2021 Audit Report on General Administration Sector (Parliamentary Paper No. 54 of 2023)
2. 2020 – 2021 Audit Report on Social Services Sector (Parliamentary Paper No. 55 of 2023)
3. 2020 - 2021 Audit Report on Economic Services Sector (Parliamentary Paper No. 56 of 2023)
4. 2020 – 2021 Audit Report on Infrastructure Sector (Parliamentary Paper No. 57 of 2023)

FINANCIAL STATEMENTS OF GOVERNMENT

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

Section 58(3) of the Finance Instructions 2010 states that, the names and balances of each account must be listed and the reconciliation shall be signed by the responsible officer. Unreconciled items must be investigated and resolved promptly.

The audit noted that the detailed listings were not maintained for Main Trust Fund accounts totalling \$4.2 million and \$6.2 million for 2020 and 2021 FY respectively. Refer to [Appendix E](#) for details.

Poor records management and the lack of reconciliations has resulted in the issue. As such, the audit could not ascertain the accuracy and completeness of the component of Trust Fund account balance totalling \$4.2 million and \$6.2million for 2020 and 2021 FY respectively.

This issue was included as a qualification in the audit report for the year ended 31 July 2019.

The respective Ministries have agreed to the recommendations provided in their management letters.

Recommendations

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

Agreed Management Action

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

MDAs are now maintaining accurate records of claimants for monies held in the Trust Fund and submitting them with their reconciliations to the MoF on a monthly basis. Timely monitoring is carried out, and any issues are brought to the attention of the AHs of the agencies on a monthly basis through the RCR and resolved in a timely manner.

6.2 Accounting policies - Recurring

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

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

Recommendation

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

Agreed Management Action

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

The Financial Management Act ('FMA') 2004 has been amended and the MoF is currently reviewing the subsidiary legislations such as the Finance Instructions ('FI') 2010 and Procurement Regulations 2010. The MoF will review the accompanying policies after reviewing the subsidiary legislations to ensure that accounting policies on the treatment of property, plant and equipment are captured and reflected in the financial legislation.

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

6.3 Unutilised Budget

A total of \$3,536,352,575 was approved in the 2020 COVID Response budget in March of 2020. In 2021, the approved budget was \$3,674,604,031.

Schedule 10 of the Financial Statements of Government (Details of Expenditure Reportable Authorisations) showed that actual expenditure for the year against the budget estimates.

From the approved budget estimate of \$3,536,352,575 in 2020, only \$3,353,472,811 was utilised. A total of \$182,879,764 was unutilised.

The significant unutilised budget was mainly from the Ministry of Education, Heritage and Arts, (\$16.4 million), Ministry of Health and Medical Services (\$11.9 million), Fiji Roads Authority (\$45.2 million and Miscellaneous Services – Head 50 (\$54.8 million).

The reason for the unutilised budget was mainly due to projects not implemented as a result of the COVID 19 pandemic.

In 2021, unutilised budget was \$484,311,011 from a budget estimate of \$3,674,604,031. The significant unutilised budget were from the Ministry of Finance (\$17.8 million), Miscellaneous Services – Head 50 (\$82.4 million), Ministry of Communications (\$11 million), Fiji Police Force (\$18.2 million), Ministry of Education, Heritage, and Arts (\$18 million), Ministry of Health and Medical Services (\$45.3 million), Ministry of Women, Children and Poverty Alleviation (\$21 million), Higher Education Institutions (\$27.7 million), Ministry of Agriculture (\$18.6 million), Ministry of Commerce, Trade, Tourism and Transport (\$20.9 million), Water Authority Fiji (\$19.8 million) and Fiji Roads Authority (\$62.8 million).

The Ministry of Finance confirmed the unutilised budget of the above Ministries and Departments.⁸

CONSOLIDATED ISSUES – MINISTRIES AND DEPARTMENTS

6.4 Overseas Bank Account not recorded in the General Ledger - Ministry of Foreign Affairs

Financial transactions shall be posted into the automated information system (General Ledger System) using journal entry input forms or directly from source documents such as journal vouchers or payment vouchers.⁹

The audit review of the bank audit confirmation provided by Fiji High Commission to Canberra, Australia revealed that the High Commission had two bank accounts. However, one bank account with AUD\$109,394.56 balance was not reflected in the Ministry's FMIS general ledger as at 31 July 2021. This account had a 1% interest rate. Refer to Table 6.1 below for details.

Table 6.1: Overseas Bank Account not recorded in the General Ledger- Ministry of Foreign Affairs

Bank	Account Name	Account Number	Balance as at 31 July 2021 (AUD)
Westpac Banking Corporation	High Commission of the Republic of Fiji	032729356331	109,394.56

This has led to balance being understated in the FMIS general ledger.

Recommendation

The Ministry should ensure that all bank accounts maintained at Overseas Missions and Embassies are reflected in the Ministry's FMIS general ledger.

⁸ Ministry of Finance correspondence dated 9 August 2023

⁹ Ministry of Foreign Affairs, Finance Manual 2019 – Section 12.2.1

Agreed Management Action – Ministry of Foreign Affairs

The second bank account at FHC Canberra was established when the property at 13 State Circle Forrest was sold and funds were retained mainly for maintenance work for any of the Fiji Government owned properties in Australia.

- This bank account is dormant, and funds remain unutilized till to-date.
- It is recommended that Westpac account number 032729356331 be closed and funds in the account amounting \$109,394.56 are transferred to FHC Canberra's active Westpac bank account number 032-719 00-0040.
- Following this transfer, an entry to be carried out in the General Ledger are as below:
Dr. Canberra Cash (SAG51) - A\$109,394.56 (to be converted to FJD).
Cr. Miscellaneous Revenue (SRG27) - A\$109,394.56 (to be converted to FJD).

Agreed Management Action – Ministry of Finance

Accounting Heads ('AH') have been advised to ensure compliance with the Financial Legislations in various AH meetings. In addition, it is the responsibility of the Permanent Secretary ('PS') and AH to manage the financial affairs of their Ministry as the accounting cadre have been demarcated to the line agencies.

6.5 Variances between FMIS GL and Bank Reconciliation Statement - Recurring

The review of Cash and cash equivalent held by the government revealed an unreconciled variance of \$5.6 million between the FMIS general ledger balance and the bank reconciliation statement for 2020 FY. Similarly, there was an unreconciled variance of \$7.3 million between the FMIS general ledger balance and the bank reconciliation statement for 2021 FY.

Refer to Table 6.2 and Table 6.3 for details.

Table 6.2: Variance in Domestic Cash and Trust Cash (2020 FY)

Ministry	Allocation	Description	Amount as per GL (\$)	Amount as per Bank Reconciliation Statement (\$)	Variance (\$)
Ministry of Infrastructure and Transport	44025191011540201	TMA DOMINION CASH WBC SUVA	1,046,688	140,955	905,733
	44026291011540201	TMA DOMINION CASH WBC SUVA	601,763	102,254	499,509
Ministry of Waterways and Environment	94210142101520301	WATERWAYS BANK A/C	86,874	390,245	(303,371)
	94230188999520301	ENVIRONMENT TRUST DRAWINGS ACCOUNT	3,264,633	9,884,064	(6,619,431)
Ministry of Employment, Productivity and Industrial Relations	90710107003520301	WORKMENS COMP	797,154	884,084	(86,930)
Ministry of Health and Medical Services	42225122999540301	TMA DOMINION CASH CNB SUVA	471,412	495,179	(23,767)
				Total	(5,628,257)

Table 6.3: Variance in Domestic Cash and Trust /TMA Cash (2021 FY)

Ministry	Allocation	Description	Amount as per GL (\$)	Amount as per Bank Reconciliation Statement (\$)	Variance (\$)
Ministry of Infrastructure and Transport	44025191011540201	TMA DOMINION CASH WBC SUVA	1,031,538	121,302	910,236
	44026291011540201	TMA DOMINION CASH WBC SUVA	751,013	251,503	499,510
Ministry of Waterways and Environment	94210142101520301	WATERWAYS BANK A/C	(64,774)	342,136	(406,910)
	94230188999520301	ENVIRONMENT TRUST DRAWINGS ACCOUNT	5,412,482	13,638,249	(8,225,767)
Ministry of Employment, Productivity and Industrial Relations	90710107003520301	WORKMENS COMP	783,066	868,990	(85,924)
Ministry of Health and Medical Services	42225122999540301	TMA DOMINION CASH CNB SUVA	434,488	457,597	(23,109)
				Total	(7,331,964)

The variance was the sum of the consolidated variances in cash accounts for TMA and Trust Fund accounts.

In addition, audit noted cash omitted from the general ledger amounting to \$109,233 (Ministry of Disaster Management and Meteorological Services 2020).

The finding indicates the lack of monitoring of bank reconciliation process carried out by the respective Ministries responsible for the cash accounts. This has resulted in the misstatement of cash and cash equivalent.

Recommendation

The Ministries holding cash accounts should ensure that the FMIS general ledger is reconciled monthly and variances are investigated and resolved.

Agreed Management Action – 2020 and 2021

The MoF has continuously been advising the respective MDAs to perform reconciliations in a timely manner even if the account is active with zero balance. Furthermore, Ministry of Foreign Affairs, Ministry of Waterways and Environment and Judiciary are continuing with the reconciliations to identify the anomalies.

6.6 Variance in Revenue (Partially) - Recurring

The audit noted a total variance of \$2,198,273 and \$7,210,312 existed between the FMIS general ledger and the revenue reports of Ministries and Department for 2020 and 2021 FY respectively. This comprises of the:

- variance of \$2.4 million and \$2.97 million noted for Ministry of Lands and Mineral Resources CCLS system and FMIS GL for 2020 and 2021 FY respectively.

- variance of \$0.1 million and \$4.2 million noted for Ministry of Health Monthly Revenue Reports and FMIS GL for 2020 and 2021 FY respectively.

Refer to [Appendix F](#) for details.

This may impact the accuracy of the total revenue recorded and highlighted in the Auditor's Report.

Recommendation

Ministries/Department must ensure that revenue reconciliations are carried out and variances noted are investigated and adjusted accordingly.

Agreed Management Action

MoF has been highlighting the same issues with recommendations in its RCR to the respective AHs and the PSs. In addition, discussions have been held with the AHs to address the aforementioned issues.

MoF has been continuously monitoring on the revenue reconciliations and have managed to resolve the issues pertaining to Ministry of Education, Heritage and Arts, Ministry of Justice, and Ministry of Forestry in the respective financial years.

APPENDIX A: AUDIT OPINION RESULTS

The following tables present the results of our audit of the 2020 and 2021 financial statements for Ministries and Departments. Consistent with presentation in this report, the results have been summarised by sectors.

The legislated timeframe for issuing of audit opinion for:

- 2020 was 31 December 2020; and
- 2021 was 31 December 2021.

General Administration

Ministry/Department	Date 2020 audit report signed	2020 Audit Opinion Type	Date 2021 audit report signed	2021 Audit Opinion Type
1. Office of the President	25 March 2022	Unmodified	22 August 2022	Unmodified
2. Office of the Prime Minister and Department of Immigration	10 August 2022	Unmodified	16 September 2022	Unmodified
3. Office of the Attorney General	23 June 2022	Unmodified	12 September 2022	Unmodified
4. Ministry of Finance	13 October 2022	Unmodified	13 October 2022	Unmodified
5. Ministry of iTaukei Affairs	1 July 2022	Unmodified	1 July 2022	Unmodified
6. Ministry of Defence, National Security & Policing	18 August 2022	Unmodified	18 August 2022	Unmodified
7. Ministry of Employment, Productivity and Industrial Relations	11 July 2022	Unmodified with Other Matter	19 December 2022	Unmodified with Other Matter
8. Ministry of Foreign Affairs	24 May 2022	Unmodified with Other Matter	18 November 2022	Unmodified with Other Matter
9. Judiciary	2 September 2022	Modified	2 September 2022	Modified
10. Parliament	23 July 2022	Unmodified	19 September 2022	Unmodified
11. Office of the Director of Public Prosecutions	3 March 2022	Unmodified	28 July 2022	Unmodified
12. Ministry of Justice	11 July 2022	Unmodified	23 September 2022	Unmodified
13. Fiji Corrections Service	1 August 2022	Unmodified	29 December 2022	Unmodified
14. Department of Information and Communications	18 July 2022	Unmodified	28 July 2022	Unmodified

Ministry/Department	Date 2020 audit report signed	2020 Audit Opinion Type	Date 2021 audit report signed	2021 Audit Opinion Type
15. Department of Information, Technology and Computing Services (ITC)	18 July 2022	Unmodified	13/10/2022	Unmodified
16. Ministry of Civil Service Public Service Commission	11 April 2022	Unmodified	5 August 2022	Unmodified
17. Ministry of Rural and Maritime Development and Disaster Management	14 September 2022	Unmodified	14 September 2022	Unmodified
18. Republic of Fiji Military Forces	18 November 2022	Modified with Other Matter	18 November 2022	Modified with Other Matter
19. Fiji Police Force	30 June 2022	Unmodified	17/10/2022	Unmodified with Emphasis of Matter
20. Peacekeeping Missions	18 November 2022	Modified with Other Matter	18 November 2022	Modified with Other Matter

Two separate audit opinions were issued for Ministry of Civil Service and Public Service Commission for FY 2021

Social Services

Ministry/Department	Date 2020 audit report signed	2020 Audit Opinion Type	Date 2021 audit report signed	2021 Audit Opinion Type
21. Ministry of Education, Heritage and Arts and Higher Education Institutions	29 November 2022	Modified	29 November 2022	Unmodified
22. Ministry of Health and Medical Services	29 November 2022	Unmodified with Other Matter	29 November 2022	Unmodified with Other Matter
23. Ministry of Housing and Community Development	15 November 2022	Unmodified with Other Matter	15 November 2022	Unmodified with Other Matter
24. Ministry of Women, Children and Poverty Alleviation	6 June 2022	Modified with Emphasis of Matter	6 June 2022	Unmodified with Emphasis of Matter
25. Ministry of Youth and Sports	3 March 2022	Unmodified	28 July 2022	Unmodified

Economic Services

	Ministry/Department	Date 2020 audit report signed	2020 Audit Opinion Type	Date 2021 audit report signed	2021 Audit Opinion Type
26.	Ministry of Agriculture	1 June 2022	Unmodified	1 August 2022	Unmodified
27.	Ministry of Fisheries	8 July 2022	Unmodified with Emphasis of Matter	8 July 2022	Unmodified with Emphasis of Matter
28.	Ministry of Forests	28 July 2022	Unmodified	28 July 2022	Unmodified
29.	Ministry of Lands and Mineral Resources	18 August 2022	Modified	18 August 2022	Modified
30.	Ministry of Industry, Trade and Tourism	5 May 2022	Unmodified	5 May 2022	Unmodified
31.	Ministry of Sugar Industry	23 March 2022	Unmodified	25 May 2022	Unmodified
32.	Ministry of Local Government	22 September 2022	Unmodified	22 September 2022	Unmodified

Infrastructure Services

	Ministry/Department	Date 2020 audit report signed	2020 Audit Opinion Type	Date 2021 audit report signed	2021 Audit Opinion Type
33.	Ministry of Infrastructure and Transport	19 August 2022	Modified with Emphasis of Matter	19 August 2022	Modified with Emphasis of Matter
34.	Ministry of Waterways and Environment	26 October 2022	Modified	26 October 2022	Modified

APPENDIX B: OTHER MEASURES OF FINANCIAL VULNERABILITY

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

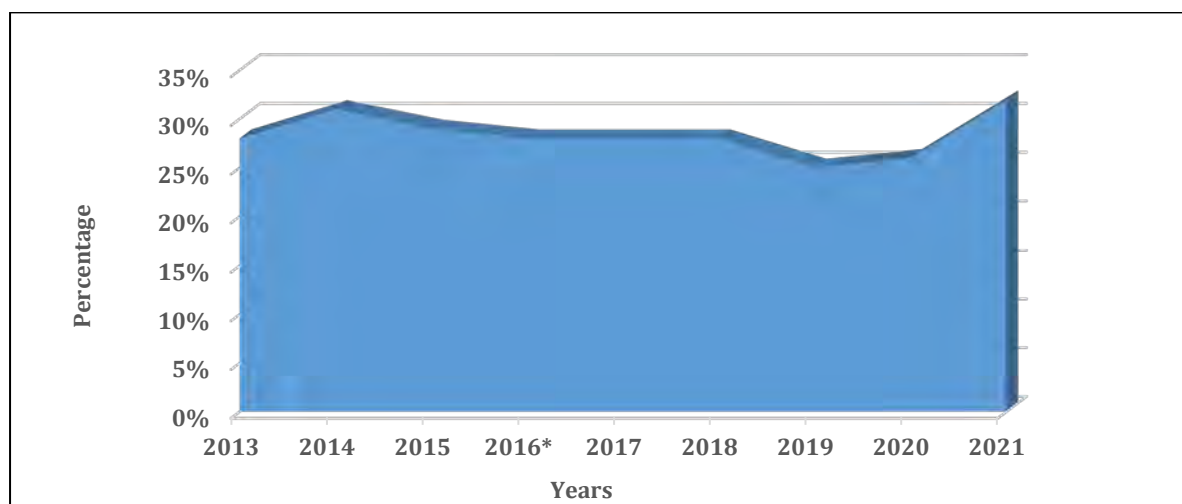
A measure of vulnerability is the comparison of Overseas Borrowings to the Total Government Debt. Overseas Borrowings to Total Government Debt for a period of nine years is shown in the table below.

Year	Outstanding Overseas Borrowings Amount \$'000	Government Debt Amount \$'000	Percentage
2013	1,081,097.40	3,824,940.00	28%
2014	1,254,277.30	4,083,194.80	31%
2015	1,241,407.40	4,221,151.90	29%
2016*	1,258,728.40	4,502,423.80	28%
2017	1,367,960.90	4,667,607.50	29%
2018	1,455,292.80	5,216,728.20	28%
2019	1,455,397.80	5,725,459.00	25%
2020	1,709,106.10	6,691,862.50	26%
2021	2,422,478.50	7,684,924.10	32%

* 7 months

In 2020, overseas borrowings made up 26% of outstanding government borrowings which increased by 1% when compared to 2019.

In 2021, overseas borrowings made up 32% of outstanding government borrowings which increased by 6% when compared to 2020.



*7 months

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

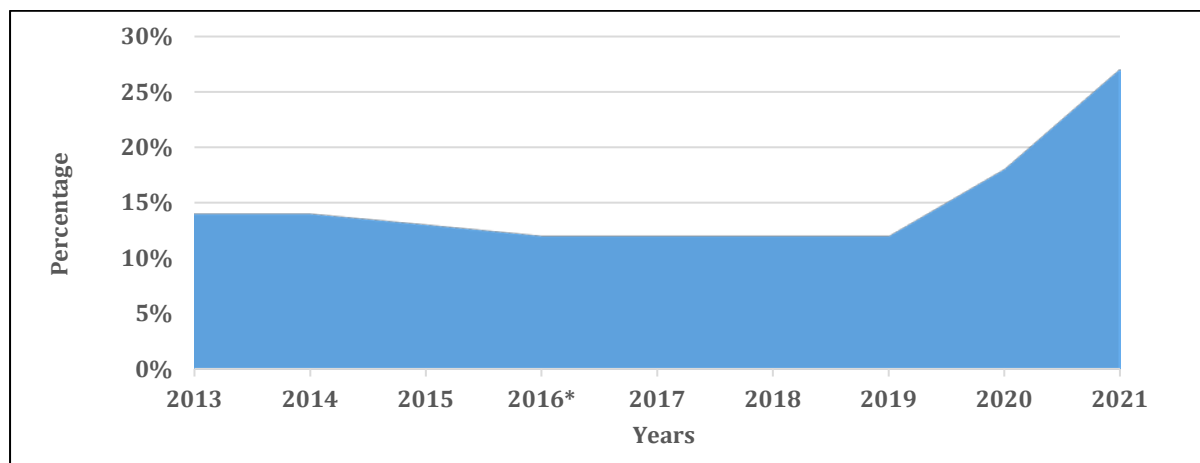
Another measure of financial vulnerability is the comparison of Overseas Borrowings to Gross Domestic Product (GDP). The table below compares Overseas Borrowings to GDP over a period of nine years.

Year	Overseas Borrowings Amount \$'000	Nominal GDP Amount \$'000	Percentage of Overseas Borrowings/GDP
2013	1,081,097.40	7,715,729.7	14%
2014	1,254,277.30	9,167,032.4	14%
2015	1,241,407.40	9,822,110.3	13%
2016*	1,258,728.40	10,327,298.8	12%
2017	1,367,960.90	11,064,951.6	12%
2018	1,455,292.80	11,650,555.6	12%
2019	1,455,397.80	11,842,611.0	12%
2020	1,709,106.10	9,709,805.1[r]	18%
2021	2,422,478.50	8,895,928.3 [p]	27%

[r]: GDP Revised Figure

[p]: GDP Provisional Figure

[*]: 7 months



*7 months

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

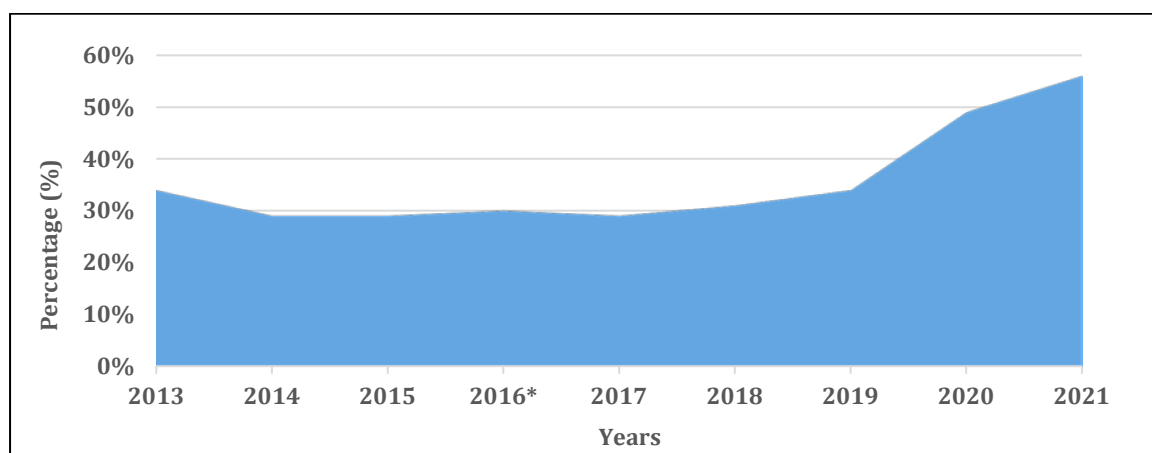
Year	Domestic Borrowings Amount \$'000	Nominal GDP Amount \$'000	% of Domestic Borrowings/GDP
2013	2,641,564.5	7,715,729.7	34%
2014	2,698,317.5	9,167,032.4	29%
2015	2,836,488.6	9,822,110.3	29%
2016*	3,079,850.6	10,327,298.8	30%
2017	3,204,762.3	11,064,951.6	29%
2018	3,576,152.2	11,650,555.6	31%
2019	3,971,911.1	11,842,611.0	34%
2020	4,718,623.7	9,709,805.1[r]	49%
2021	4,992,880.3	8,895,928.3 [p]	56%

[r]: GDP Revised Figure

[p]: GDP Provisional Figure

[*]: 7 months

Domestic Borrowing as a percentage of GDP increased to 49% in 2020 and 56% in 2021.



*7 months

The figure above shows that the Domestic Borrowing as a percentage of the GDP showed an increase from 2019 to 2021.

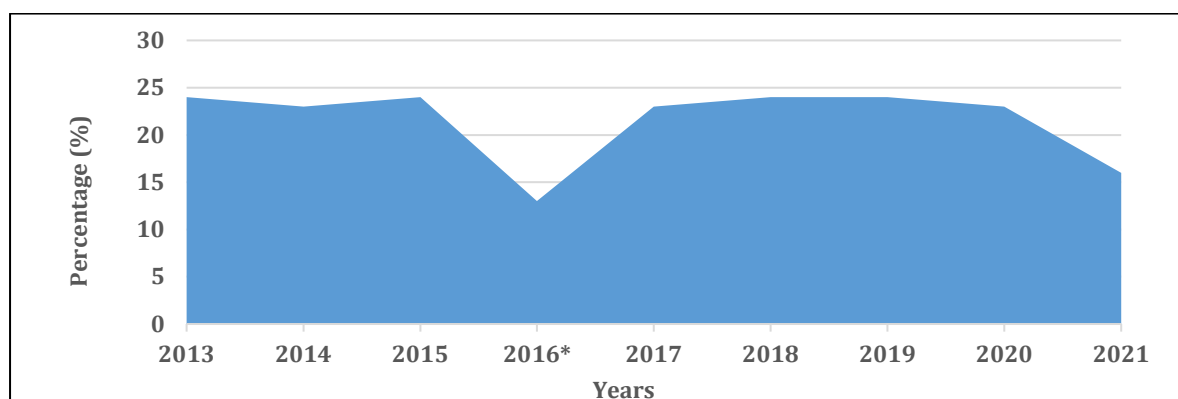
The table and figure below shows the comparison between Tax Revenue and GDP. The tax revenue as a percentage of GDP in the past nine years has been between 13% and 24%. In 2020, this percentage decreased from 24% to 23%. In 2021, this percentage further decreased from 23% to 16%.

Year	Tax Revenue Amount \$'000	GDP Amount \$'000	Percentage of Tax Revenue/GDP
2013	1,879,295.2	7,715,729.7	24%
2014	2,117,742.4	9,167,032.4	23%
2015	2,359,863.2	9,822,110.3	24%
2016*	1,314,520.0	10,327,298.8	13%
2017	2,579,175.4	11,064,951.6	23%
2018	2,831,635.8	11,650,555.6	24%
2019	2,819,778.3	11,842,611.0	24%
2020	2,194,001.1	9,709,805.1[r]	23%
2021	1,412,617.3	8,895,928.3 [p]	16%

[r]: GDP Revised Figure

[p]: GDP Provisional Figure

[*]: 7 months



*7 months

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

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

Year	Public Debt Amount \$'000	Tax Revenue Amount \$'000	Public Debt / Tax Revenue
2013	3,824,940.0	1,879,295.2	2.0
2014	4,083,194.8	2,117,742.4	1.9
2015	4,221,151.9	2,359,863.2	1.8
2016*	4,502,423.8	1,314,520.0	3.4
2017	4,667,607.5	2,579,175.4	1.8
2018	5,216,728.2	2,831,635.8	1.8
2019	5,725,459.0	2,819,778.3	2.0
2020	6,691,862.5	2,194,001.1	3.1
2021	7,684,924.1	1,412,617.3	5.4

[*]: 7 months

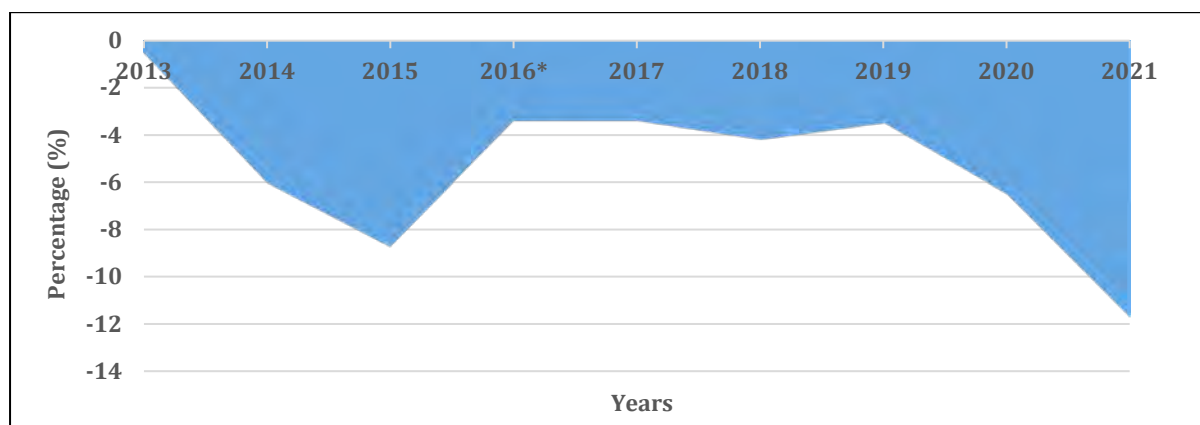
The table below shows the comparison of Government Deficit to GDP.

Year	Gross Deficit Amount \$'000	GDP Amount \$'000	Percentage of Gross Surplus (Deficit) /GDP
2013	(37,583.7)	7,715,729.7	-0.5%
2014	(554,256.8)	9,167,032.4	-6.0%
2015	(859,086.2)	9,822,110.3	-8.7%
2016*	(347,125.0)	10,327,298.8	-3.4%
2017	(371,812.0)	11,064,951.6	-3.4%
2018	(492,092.8)	11,650,555.6	-4.2%
2019	(415,074.1)	11,842,611.0	-3.5%
2020	(634,005.0)	9,709,805.1[r]	-6.5%
2021	(1,042,699.9)	8,895,928.3 [p]	-11.7%

[r]: GDP Revised Figure

[p]: GDP Provisional Figure

[*]: 7 months



*7 months

In 2020, the Gross Deficit as a percentage of GDP increased to 6.5% and further increased to 11.7% in 2021.

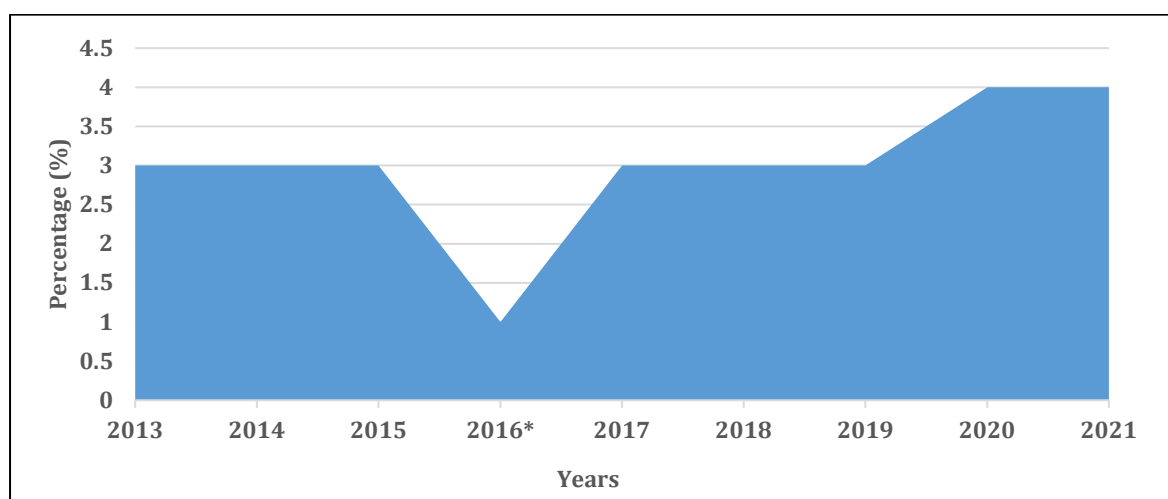
The table and the figure below compares interest payments to GDP for a period of nine years. Interest payments as a percentage of GDP remained the same at 3% in 2017, 2018 and 2019. It slightly increased to 4% in 2020 and 2021.

Year	Interest Payments Amount \$'000	GDP Amount \$'000	Percentage of Interest Payments /GDP
2013	260,450.7	7,715,729.7	3%
2014	264,309.2	9,167,032.4	3%
2015	295,416.3	9,822,110.3	3%
2016*	150,088.6	10,327,298.8	1%
2017	276,746.1	11,064,951.6	3%
2018	291,503.0	11,650,555.6	3%
2019	326,735.4	11,842,611.0	3%
2020	356,986.3	9,709,805.1[r]	4%
2021	370,272.7	8,895,928.3 [p]	4%

[r]: GDP Revised Figure

[p]: GDP Provisional Figure

[*]: 7 months



*7 months

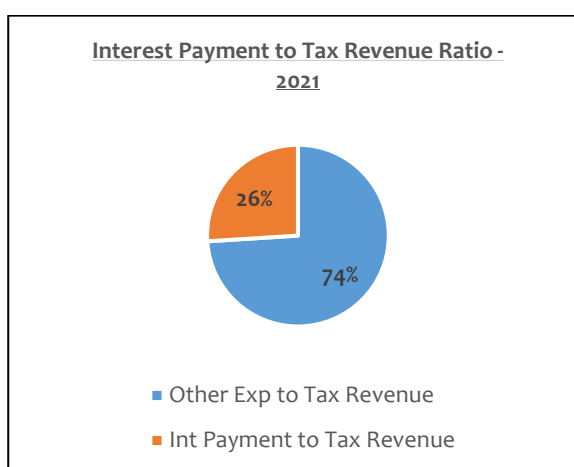
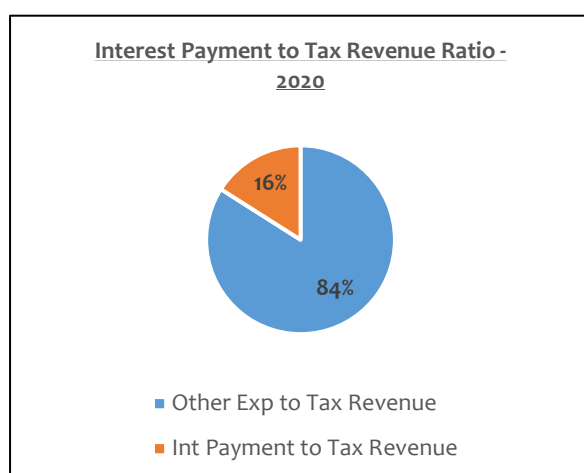
The interest payment to tax revenue indicator measures the financial cost of the public debt as a proportion of the tax revenue. It is generally used as a measure of the public income tolerance to an increase in unproductive expenditure or the country’s possibilities to face other expenditures.

This financial cost of the public debt as a proportion of the tax revenue has since increased from 2018 to 2019 from 10% to 12%. This further increased to 16% and 26% in 2020 and 2021 respectively.

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

Year	Interest Payments Amount \$'000	Tax Revenue Amount \$'000	Percentage of Interest Payments /Tax Revenue
2013	260,450.7	1,879,295.2	14%
2014	264,309.2	2,117,742.4	12%
2015	295,416.3	2,359,863.2	13%
2016*	150,088.6	1,314,520.0	11%
2017	276,746.1	2,579,175.4	11%
2018	291,503.0	2,831,635.8	10%
2019	326,735.4	2,819,778.3	12%
2020	356,986.3	2,194,001.1	16%
2021	370,272.7	1,412,617.3	26%

[*]: 7 months



Overall outlook of the financial vulnerability is shown below:

2020

Indicator	Results	Commentary
Overseas Borrowings/ Total Debt	26%	Percentage of overseas borrowings composition of the total Debt is less than Domestic borrowings
Overseas Borrowings/GDP	18%	Percentage of GDP output to meet overseas debt has slightly increased
Domestic Debt/Nominal GDP	49%	Percentage of GDP output to meet domestic debt has increased
Tax Revenue/GDP	23%	Percentage of GDP output been collected by government through tax has decreased
Total Debt/Tax Revenue	3.1	Shows the number of required years to pay the total debt balance
Gross Deficit/GDP	-6.5%	Percentage of GDP output to meet Gross Deficit has decreased
Interest Payment/GDP	4%	Percentage of GDP ability to meet interest payment remained the same
Interest Payment/Tax Revenue	16%	a measure of the public income tolerance to an increase in unproductive expenditure

2021

Indicator	Results	Commentary
Overseas Borrowings/ Total Debt	32%	Percentage of overseas borrowings composition of the total Debt is less than Domestic borrowings
Overseas Borrowings/GDP	27%	Percentage of GDP output to meet overseas debt has increased
Domestic Debt/Nominal GDP	56%	Percentage of GDP output to meet domestic debt has increased
Tax Revenue/GDP	16%	Percentage of GDP output been collected by government through tax has decreased
Total Debt/Tax Revenue	5.4	Shows the number of required years to pay the total debt balance
Gross Deficit/GDP	-11.7%	Percentage of GDP output to meet Gross Deficit has decreased
Interest Payment/GDP	4%	Percentage of GDP ability to meet interest payment has slightly increased
Interest Payment/Tax Revenue	26%	a measure of the public income tolerance to an increase in unproductive expenditure

APPENDIX C: ASSESSMENT OF FINANCIAL GOVERNANCE

The following table summarises our assessment of controls and the 2020 and 2021 financial statement preparing processes across Ministries and Departments which were audited.

Ministry or Department	Internal controls															Financial Statement Preparation									Responses to OAG					
	CE			RA			CA			IC			MA			T			YE			Q			MC			SFS		
Financial Year	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19
General Administration Sector																														
1. Office of the President	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
2. Office of the Prime Minister	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
3. Office of the Attorney General	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
4. Ministry of Finance	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
5. Ministry of iTaukei Affairs	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
6. Ministry Defence, National Security & Policing	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
7. Ministry of Employment, Productivity and Industrial Relations	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
8. Ministry of Foreign Affairs	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
9. Independent Bodies																														
Judiciary Department	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
Parliament Office	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
Office of the Director of Public Prosecution	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
13. Independent Commissions																														

Ministry or Department	Internal controls															Financial Statement Preparation									Responses to OAG								
	CE			RA			CA			IC			MA			T			YE			Q			MC			SFS					
Financial Year	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19			
Public Service Commission	★			★			★			★			★			★			★			★			★			★			★		
14. Ministry of Disaster Management and Meteorological Services	⊙	★	★	⊙	★	★	⊙	★	★	⊙	★	★	⊙	★	★	⊙	★	★	⊙	★	★	⊙	★	★	⊙	★	★	⊙	⊙	★	⊙	⊙	★
15. Ministry of Justice Fiji Corrections Service	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
16. Department of Information and Communication Information, Technology & Computing Services	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
17. Ministry of Civil Service	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
18. Ministry of Rural and Maritime Development	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
19. Republic of Fiji Military Forces	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
20. Fiji Police Force	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
49. Peacekeeping Missions	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
Social Services Sector																																	
21. Ministry of Education, Heritage and Arts and Higher Education Institutions	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
22. Ministry of Health and Medical Services	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
23. Ministry of Housing	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
24. Ministry of Women, Children and Poverty Alleviation	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★

Ministry or Department	Internal controls															Financial Statement Preparation									Responses to OAG					
	CE			RA			CA			IC			MA			T			YE			Q			MC			SFS		
Financial Year	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19	'21	'20	'19
25. Ministry of Youth and Sports	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Economic Services Sector																														
30. Ministry of Agriculture	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
31. Ministry of Fisheries	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
32. Ministry of Forests	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
33. Ministry of Lands and Mineral Resources	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
34. Ministry of Industry, Trade and Tourism	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
35. Ministry of Sugar	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
37. Ministry of Local Government	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
Infrastructure Sector																														
40. Ministry of Infrastructure and Transport	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑
41. Ministry of Waterways and Environment	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑

Key:

☑ - 2020 accounts sent for signing on 16/03/2023. Signed accounts not yet returned for finalisation.

© - For financial year 2021, Ministry of Disaster Management is reported with Ministry of Rural Maritime and Development while Meteorological Services is reported with Ministry of Infrastructure.

CE=Control Environment	RA=Risk Assessment	CA=Control Activities	IC=Information and Communication Control	MA=Monitoring Activities
T=Timeliness of draft financial statements	YE= Year-end close processes	Q=Quality of draft financial statement	MC=Management Comments Received	
SFS=Signed Audited financial statements returned				

APPENDIX D: MODIFIED AUDIT OPINION - QUALIFICATION

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

Ministries/Departments	Modified Audit Opinion
Judiciary	<p><u>2020</u></p> <p>The financial statements provide the status of the Department's reconciliations for Suitors, Maintenance and Sundries Trust Fund accounts. Notable progress has been noted in the preparation of reconciliations for the Trust Fund accounts compared to previous financial years. As at the date of my audit report, there still exists significant lapse in the years of reconciliations and absence of detailed breakdown listings of beneficiaries and their respective current balances.</p> <p><u>2021</u></p> <p>The financial statements provide the status of the Department's reconciliations for Suitors, Maintenance and Sundries Trust Fund accounts. Notable progress has been noted in the preparation of reconciliations for the Trust Fund accounts compared to previous financial years. As at the date of my audit report, there still exists significant lapse in the years of reconciliations and absence of detailed breakdown listings of beneficiaries and their respective current balances.</p>
Republic of Fiji Military Forces	<p><u>2020</u></p> <ol style="list-style-type: none"> 1. Expenditures totalling \$1,286,401 incurred by the Force was charged to Appropriation Head 49- Peacekeeping Missions and is not reflected in the Statement of Receipts and Expenditure of the Force. The Force would have overspent its budget appropriation by \$1,273,128 had all the expenditures were correctly recorded in the Statement of Receipts and Expenditure. 2. An unreconciled variance of \$42,346 existed between the Plant Pool Value Added Tax (VAT) Account Reconciliation and the VAT receivables general ledger balance. <p><u>2021</u></p> <ol style="list-style-type: none"> 1. Expenditures totalling \$2,723,240 incurred by the Force was charged to Appropriation Head 49- Peacekeeping Missions and is not reflected in the Statement of Receipts and Expenditure of the Force. The Force would have overspent its budget appropriation had all the expenditures were correctly recorded in the Statement of Receipts and Expenditure. 2. An unreconciled variance of \$34,904 existed between the Plant Pool Value Added Tax (VAT) Account Reconciliation and the VAT receivables general ledger balance.

Ministries/Departments	Modified Audit Opinion
Peacekeeping Missions	<p><u>2020</u></p> <p>Expenditures totalling \$1,286,401 incurred by the Republic of Fiji Military Force is recorded in the Financial Statement of Peacekeeping Missions in the financial year ended 31 July 2020.</p> <p><u>2021</u></p> <p>Expenditures totalling \$2,723,240 incurred by the Republic of Fiji Military Force is recorded in the Financial Statement of Peacekeeping Missions in the financial year ended 31 July 2021.</p>
Ministry of Education, Heritage and Arts	<p><u>2020</u></p> <p>Unreconciled variances exist between the FMIS general ledger and the Ministry's payroll reports for Established Staff of \$4,032,922. Consequently, I was unable to establish the accuracy of the Established Staff expenditure recorded in the Statement of Receipts and Expenditure of the year ended 31 July 2020.</p>
Ministry of Women, Children and Poverty Alleviation	<p><u>2020</u></p> <p>The Statements of Receipts and Expenditure includes Operating Grants and Transfers amount of \$125,054,372. Included in this amount are the various Social Welfare Scheme payments totalling \$110,954,990. An unreconciled variance of \$4,203,130 exists between the General Ledger balance of \$110,954,990 and the actual payment amount made through the banks and other modes of payment totalling \$106,751,860 for the year ended 31 July 2020. Consequently, the Auditor General cannot establish the accuracy and completeness of Operating Grant and Transfers of \$125,054,372 reflected in the financial statements. The Ministry has reduced these variances in the 2021 financial year.</p>
Ministry of Lands and Mineral Resources	<p><u>2020</u></p> <p>An unreconciled variance of \$2,362,575 exists between the FMIS general ledger and the report extracted from the Ministry's Crown Land Lease System (CLLS) for land and property rent revenue. Consequently, I was unable to establish the accuracy of the Land and Property Rent balance of \$14,650,325 recorded in the Statement of Receipts and Expenditure.</p> <p><u>2021</u></p> <p>An unreconciled variance of \$2,970,822 exists between the FMIS general ledger and the report extracted from the Ministry's Crown Land Lease System (CLLS) for land and property rent revenue. Consequently, I was unable to establish the accuracy of the Land and Property Rent balance of \$14,140,272 recorded in the Statement of Receipts and Expenditure.</p>

Ministries/Departments	Modified Audit Opinion
Ministry of Infrastructure and Transport	<p><u>2020</u></p> <ol style="list-style-type: none"> 1. An unreconciled variance of \$1,405,243 exists between TMA balance sheet cash at balance of \$1,648,451 and bank reconciliation balance of \$243,209 as at 31/07/2020. Consequently, I could not confirm the accuracy and completeness of the Cash at bank balance of \$2,650,934 stated in the Consolidated TMA balance sheet as at 31 July 2020. 2. The Ministry was unable to explain or provide relevant supporting documents to substantiate part of the accounts receivable balance amounting to \$39,285. As a result, I could not confirm the accuracy and completeness of the Accounts Receivable balance of \$109,495 stated in the Consolidated TMA balance sheet as at 31 July 2020. 3. Energy Trust Account closing balance of \$2,907,001 was not supported with a detailed listing. Consequently, I was unable to perform appropriate verifications to confirm the accuracy of the balance stated in the Energy Trust Account Receipts and Payments. <p><u>2021</u></p> <ol style="list-style-type: none"> 1. An unreconciled variance of \$1,413,023 exists between TMA balance sheet cash at balance of \$1,636,578 and bank reconciliation balance of \$223,556 as at 31/07/2021. Consequently, I could not confirm the accuracy and completeness of the Cash at bank balance of \$2,767,216 stated in the Consolidated TMA balance sheet as at 31 July 2021. 2. The Ministry was unable to explain or provide relevant supporting documents to substantiate part of the accounts receivable balance amounting to \$31,564. As a result, I could not confirm the accuracy and completeness of the Accounts Receivable balance of \$78,567 stated in the Consolidated TMA balance sheet as at 31 July 2021. 3. The Ministry did not maintain a detailed listing of beneficiaries of the Energy Trust Fund Account. Consequently, I was unable to substantiate the completeness of the closing balance of \$3,228,672 reflected in the Statement of Receipts and Payments of the Energy Trust Fund Account.
Ministry of Waterways and Environment	<p><u>2020</u></p> <ol style="list-style-type: none"> 1. An unreconciled variance of \$6,619,431 exists between the bank reconciliations balance and the cash at bank general ledger balance for the Environment Trust Fund Account as at 31 July 2020. In addition, an unreconciled variance of \$640,470 exists between the Trust Fund Account general ledger balance and the cash at bank general ledger balance. Furthermore, the Ministry was unable to provide me with payment vouchers totalling \$247,706 for Environment Trust Fund Account Expenditure. Consequently, I was unable to substantiate the accuracy and completeness of the Trust Fund Account balance of \$2,624,163 reflected in the Environment Trust Fund Account Statement of Receipts and Payments.

Ministries/Departments	Modified Audit Opinion
	<p>2. Trust Fund revenues totalling \$511,548 for the 2020 financial year that were deposited into the Waterways Retention Trust Fund Bank Account were not posted in the general ledger during the year. As a result, Trust Fund revenue for Waterways Trust Fund Account was understated by \$221,004 in the financial statements. In addition, there was an unreconciled variance of \$303,370 between the bank reconciliations balance and the cash at bank general ledger balance for the Waterways Trust Fund Account. Consequently, I was unable to ascertain the accuracy and completeness of the Trust Fund Account balance of \$90,293 reflected in the Waterways Retention Trust Fund Account Statement of Receipts and Payments.</p> <p><u>2021</u></p> <p>1. An unreconciled variance of \$8,225,767 exists between the bank reconciliations balance and the cash at bank general ledger balance for the Environment Trust Fund Account as at 31 July 2021. In addition, there was an unreconciled variance of \$641,185 between the Trust Fund Account general ledger balance and the cash at bank general ledger balance. Furthermore, the Ministry was unable to provide me with payment and journal vouchers totalling \$2,103,929 for Environment Main Trust expenditure. Consequently, I was unable to substantiate the accuracy and completeness of the Trust Fund Account balance of \$4,771,296 reflected in the Environment Trust Fund Account Statement of Receipts and Payments.</p> <p>2. Trust Fund revenues totalling \$103,608 for the 2021 financial year that were deposited into the Waterways Retention Trust Fund Bank Account, were not posted in the general ledger during the year. As a result, the Waterways Retention Trust Fund Account had an overdrawn (debit) balance of \$61,355 as at 31 July 2021. In addition, Trust Fund revenue for Waterways Trust Fund Account was understated by \$101,261 in the financial statements. Furthermore, there was an unreconciled variance of \$406,910 between the bank reconciliations balance and the cash at bank general ledger balance for the Waterways Trust Fund Account. Consequently, I was unable to ascertain the accuracy and completeness of the Trust Fund Account debit balance of \$61,355 reflected in the Waterways Retention Trust Fund Account Statement of Receipts and Payments.</p>

APPENDIX E: DETAILED LISTINGS NOT MAINTAINED FOR MAIN TRUST ACCOUNTS

Ministries/Departments	Trust Fund Account	Amount FY 2020 (\$)	Amount FY 2021 (\$)	Management Comments
Prior Year Issue				
Ministry of Infrastructure and Transport	Energy Trust Account	2,907,001	3,228,672	The Amendment in the Financial Management Act No. 13 of 2022. The unsubstantiated balance of \$2,293,548.85 is transferred to Consolidated Fund Account on 30 June 2022. As such, this issue is resolved as at June FY2022.
Current Year Issue				
Ministry of Justice	Official Receiver Liquidation Trust Fund Account	1,009,308	2,563,505	Ministry is now maintaining debtors listing in excel spreadsheet. Our internal system analyst is developing the database software which will capture the details for debtors.
	Official Receiver Bankruptcy Trust Fund Account	307,407	402,655	
	Total	4,223,716	6,194,832	

APPENDIX F: DETAILS OF MINISTRIES AND DEPARTMENTS VARIANCE IN REVENUE

Ministry	Description	Agreed Management Action												
Ministry of Lands & Mineral Resources	<p>We noted a variance of \$2,362,575 and \$2,970,822 between the Land and Property Rent Revenue collected as per the Crown Land Lease System (CLLS) and the FMIS general ledger balance for the year ended 31 July 2020 and 31 July 2021 respectively.</p> <p>Details are as follows:</p> <table border="1"> <thead> <tr> <th>Details</th> <th>2020 (\$)</th> <th>2021 (\$)</th> </tr> </thead> <tbody> <tr> <td>FMIS GL</td> <td>14,60,325</td> <td>14,140,272</td> </tr> <tr> <td>CLLS</td> <td>17,012,900</td> <td>17,111,094</td> </tr> <tr> <td>Variance</td> <td>2,362,575</td> <td>2,970,822</td> </tr> </tbody> </table>	Details	2020 (\$)	2021 (\$)	FMIS GL	14,60,325	14,140,272	CLLS	17,012,900	17,111,094	Variance	2,362,575	2,970,822	<p>The recommendation is acknowledged and noted. The Ministry has strengthened its internal processes through daily verification and reconciliation of revenue received together with Cash Analysis against the CLLS revenue records. The variance was due to:</p> <ol style="list-style-type: none"> The expired leases not updated to the CLLS for those agencies that make one-off payments for large listings of lessees such as FSC, Post Fiji and Housing Authority. Payment was received in bulk from FSC but upon updating this payment to the individual account (Oracle System) it shows that their lease has been expired. The inconsistency in the timeframe for processing the renewal of leases. <p>Corrective measures undertaken by the Ministry to address the above issue includes:</p> <ol style="list-style-type: none"> Activate expired leases accounts in CLLS for the purpose of receipting and deactivate them at the end of the process; Review of SOPs to ensure consistent and timely renewal of leases. Verification of Revenue Manual Records /FMIS against the LIS records are now being instigated to ensure that records captured are correct and error free.
Details	2020 (\$)	2021 (\$)												
FMIS GL	14,60,325	14,140,272												
CLLS	17,012,900	17,111,094												
Variance	2,362,575	2,970,822												
Ministry of Health	<p>Unreconciled variances of \$164,302 and \$4,239,489.62 (VEP) was noted between the Revenue amount recorded in the FMIS General Ledger and the Total Revenue as per monthly revenue reports consolidated at the MOHMS HQ for the financial years 2020 and 2021.</p>	<p>Audit findings and recommendations is acknowledged. The Ministry of Health and Medical Services has ensured the matter is taken care off in the financial year 2021 – 2022. Proper submission of Accounts Receivables template from other stations was monitored to allow accumulation process and reconciliation process to take place.</p>												

APPENDIX G: GLOSSARY

Term	Definition
Accountability	Responsibility of public sector entities to achieve their objectives in reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws.
Accounting estimates	An approximation of a monetary amount in the absence of a precise mean of measurement. This term is used for an amount measured at fair value where there is estimation uncertainty, as well as for other amounts that require estimation.
Appropriation	A sum of total budget for the ordinary services of government for the financial year.
Audit evidence	All the information used by the auditor in arriving at the conclusions on which the audit opinion is based. Audit evidence includes the information contained in the accounting records underlying the financial statements and other information.
Audit Memorandum	Management Letter highlighting areas where improvements can be made by an entity following an audit.
Audit strategy	The strategy that sets the scope, timing and direction of the audit, and guides the development of the more detailed audit plan.
Consolidated fund account	The main bank account of the government where public monies are paid into for the operations of government. Trust money is not paid into this account.
Contingent liability	A contingent liability is a potential liability that may or may not become due, depending on whether a possible event occurs, such as a claim for compensation, an indemnity or other legal claims.
Current ratio	This ratio shows the amount of current assets available to meet current liabilities as they fall due.
Deferred income	Deferred income refers to money received by an entity before it provides the related goods or services to the customer.
Deficiencies	Failings, weaknesses or shortcomings.
Express an opinion	A written expression of the auditor's overall conclusion on the financial report based on audit evidence obtained.
Financial sustainability	The ability of Government to maintain existing programs and meet existing creditor requirements without increasing the burden on the economy. It is measured by the ratio of Government debt to the Gross Domestic Product (GDP).
Financial flexibility	A debt indicator that shows the increase in financial resources or revenue to respond to increasing financial commitments either by expanding revenue or increasing the debt burden.
Financial vulnerability	Measures the total exposure of Government to exchange rates and other market risks through its dependence on external borrowings.
Fraud	An intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.
Governance	The control arrangements in place at an entity that are used to govern and monitor its activities to achieve its strategic and operational goals.
International Public Sector Accounting Standards (IPSAS) under cash basis of accounting	Standards adopted by Government of Fiji for financial reporting of Financial Statements of Government.
Management	Those with the executive responsibility for conducting an operation.
Material misstatement	A significant difference between the amounts, classification, presentation, or disclosure of a reported financial statement item and the amount, classification, presentation, or disclosure that is required

Term	Definition
	for the item to be in accordance with the applicable financial reporting framework.
Misstatement	A difference between the amounts, classification, presentation, or disclosure of a reported financial report item and the amount, classification, presentation, or disclosure that is required for the item to be in accordance with the applicable financial reporting framework. Misstatements can arise from error or fraud.
Other significant matter	Include control weaknesses which <i>could cause</i> or <i>is causing</i> severe disruption of the process or severe adverse effect on the ability of an auditee to achieve process objectives and comply with relevant legislation. It is likely that these issues may have an impact on the operations of the entities in future, if necessary action is not taken to address them.
Reasonable assurance	A high but not absolute level of assurance.
Re-deployment	Transfer of budgeted funds from one appropriation head to another which is approved by Cabinet.
Revaluation	An adjustment made to the recorded value of an asset to accurately reflect its current market value.
Risks	The probability or threat of quantifiable damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through pre-emptive action.
Standards on auditing	International Standards on Auditing adopted by Fiji Institute of Accountants and applied by Office of the Auditor-General for audits carried out.
Trading and Manufacturing activities	Are operated on semi-commercial basis to increase the returns which are derived from them and to provide goods, services or works more cost-effectively.
Unmodified audit opinion	The opinion is issued when the financial statements are prepared in accordance with the International Public Sector Accounting Standards (IPSAS) under the cash-basis of accounting and with relevant legislative requirements. This type of opinion indicates that material misstatements, individually or in the aggregate, were not noted in our audit, which would affect the financial statements of an agency.
Value-adding	Financial or non-financial gains arising from improved compliance or mitigation of risks.
Virements	Permanent Secretaries of Ministries and Departments may authorise the transfer of budgeted funds between Standard Expenditure Groups as per section 10(1) of the Finance Instructions 2010.

**Part C: 2020 & 2021 Agency Financial Statements of
the Ministry of Finance**

HEAD 04

MINISTRY OF FINANCE

Roles and Responsibilities

The Ministry of Finance is responsible for managing public finances in accordance with the Fijian Constitution and the Financial Management Act 2004.

The Ministry formulates Government’s national budget and coordinates with other ministries and departments to ensure effective implementation. The Ministry through its various functional units promotes sound management of the Fijian economy via economic analysis, efficient budgeting and pro-active planning, including prudent management of financial assets and debts and the administration of fiscal policy and tax collection through the Fiji Revenue and Customs Service.

Other major roles include: coordination and management of Government’s capital construction projects including its offices and accommodation; formulation of national development plans, including climate change policy and financing, monitoring of programs and projects under the national budget; and ensuring effective operation of the Fiji Bureau of Statistics [FBOS] in collating, storing and publishing statistical information in a timely and coherent manner

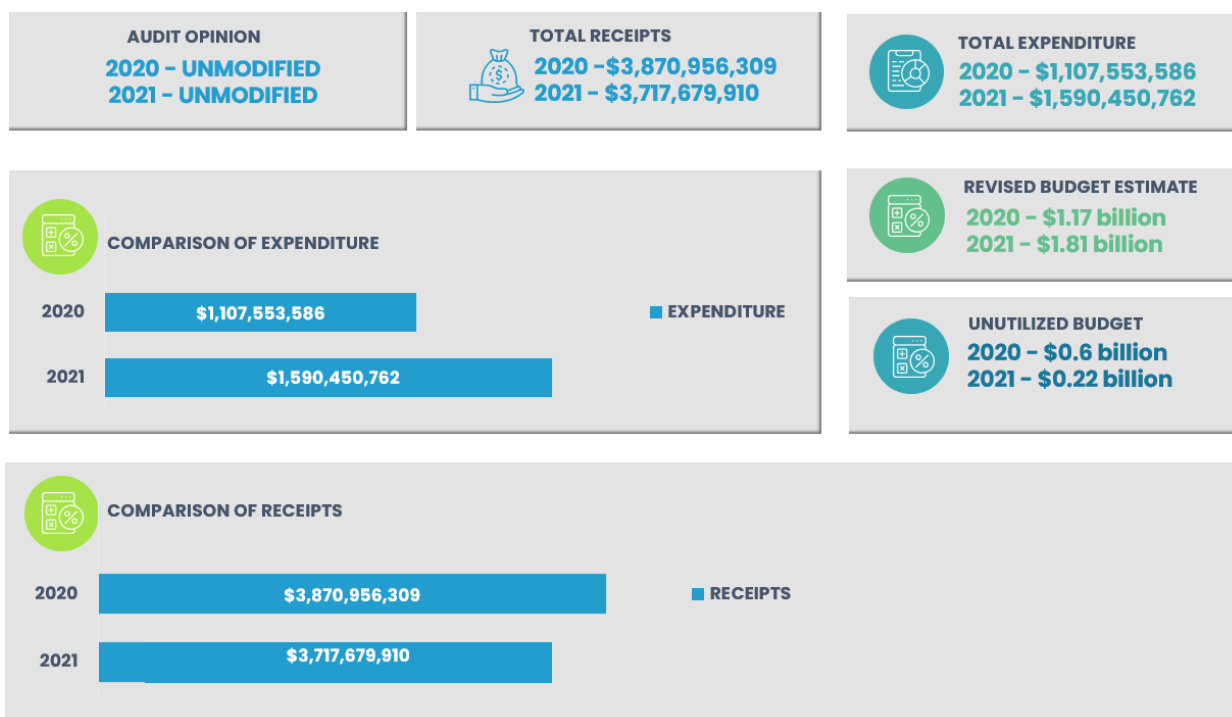
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PART A: FINANCIAL INFORMATION

4.1 Financial Information



The financial information consist of total receipts and expenditures of the following Heads of Appropriation:

- Head 4 – Ministry of Finance
- Head 50 – Miscellaneous Services
- Head 51 – Pensions, Gratuities and Compassionate Allowances
- Head 52 – Charges on Account of Public Debt

4.2 Audit Opinion

2020

The audit of the 2020 accounts of the Ministry of Finance resulted in an unmodified audit opinion.

2021

The audit of the 2021 accounts of the Ministry of Finance resulted in an unmodified audit opinion.

4.3 Appropriation Statement-Head 4-Ministry of Finance

2020

The Ministry collected revenue totalling \$3.9 billion in 2020 and incurred expenditure totalling \$69.5 million against a revised budget of \$71.3 million resulting in unutilised budget of \$1.8 million or 2.5%.

Details of expenditures against the revised budget are provided in Table 4.1

Table 4.1: Head 4-Appropriation Statement for 2020

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established staff	13,444,187	(127,399)	13,316,788	12,807,202	509,586
2	Government wage earners	563,378	79,750	643,128	618,251	24,877
3	Travel & communication	963,760	53,699	1,017,459	866,373	151,086
4	Maintenance & operations	1,263,059	27,246	1,290,305	1,104,603	185,702
5	Purchase of goods & services	2,151,993	(15,846)	2,136,147	1,894,622	241,525
6	Operating grants & transfers	45,713,112	---	45,713,112	45,713,112	---
7	Special expenditure	2,770,128	578,956	3,349,084	3,136,163	212,921
	Total Operating Expenditure	66,869,617	596,406	67,466,023	66,140,326	1,325,697
8	Capital Construction	---	---	---	---	---
9	Capital Purchase	---	---	---	---	---
10	Capital grants & transfers	3,059,170	124,900	3,184,070	3,064,036	120,034
	Total Capital Expenditure	3,059,170	124,900	3,184,070	3,064,036	120,034
13	Value added tax	643,460	53,677	697,137	345,563	351,574
	TOTAL	70,572,247	774,983	71,347,230	69,549,925	1,797,305

The unutilised budget were largely due to the following:

1. Unutilised budget of \$0.5 million in SEG 1 – Established Staff was due to the significant number of positions that remained vacant at year end due to the delay in filling them.
2. Unutilised budget of \$0.24 million in SEG 5 – Purchase of Goods and Services were due to the delay in payment of annual maintenance fees.
3. Unutilised budget of \$0.21 million in SEG 7 –Special Expenditures were due to the delay in the implementation of Common Sensing project and savings from the Employment and Unemployment Survey.
4. Unutilised budget of \$0.1 million in SEG 10 - Capital Grants and Transfer were due to partial release of funds to agencies based on the funding needs.

4.4 Appropriation Statement-Head 50 Miscellaneous Service

Miscellaneous Services is administered by the Ministry of Finance. The funding provided under Head 50 normally include contingency funding and other common central pools of funds that are available to the Whole of Government. It also includes funding for activities that require scrutiny and monitoring by the Ministry of Finance.

Expenditures totalling \$395.6 million were incurred under Head 50 in 2020 against a revised budget of \$450.3 million resulting in unutilised budget of \$54.8 million or 12.2%.

Details of expenditures against the revised budget are provided in Table 4.2.

Table 4.2: Head 50-Appropriation Statement for 2020

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,500,000	(556,003)	943,997	288,205	655,792
2	Government Wage Earners	---	---	---	---	---
3	Travel & Communication	2,275,308	(188,000)	2,087,308	1,955,695	131,613
4	Maintenance & Operations	---	---	---	---	---
5	Purchase of Goods & Services	43,540,686	9,945,990	53,486,676	53,284,798	201,878
6	Operating Grants & Transfers	2,534,138	---	2,534,138	2,383,971	150,167
7	Special expenditure	58,811,069	(27,941,977)	30,869,092	17,703,456	13,165,636
	Total Operating Costs	108,661,201	(18,739,990)	89,921,211	75,616,125	14,305,086
8	Capital Construction	4,026,489	789,488	4,815,977	4,281,944	534,033
9	Capital Purchase	29,664,326	(200,000)	29,464,326	29,459,601	4,725
10	Capital Grants & Transfers	354,572,925	(36,972,386)	317,600,539	279,286,066	38,314,473
	Total Capital Expenditure	388,263,740	(36,382,898)	351,880,842	313,027,611	38,853,231
13	Value Added Tax	10,611,836	(2,085,353)	8,526,483	6,915,046	1,611,437
	TOTAL	507,536,777	(57,208,241)	450,328,536	395,558,782	54,769,754

The unutilised budget was mainly due to the following:

1. Unutilised budget of \$38.3 million in SEG 10 – Capital Grants and Transfers were due to partial release of funds to agencies based on the funding needs, progress of project implementation and finalisation of procurements.
2. Unutilised budget of \$13.2 million in SEG 7 – Special Expenditure was due to the delay in the implementation of projects and programs such as Public Private Partnership for housing and health, Sustained Private Sector Led Growth Reform Program, COVID -19 Relief Assistance and Technical Support for Economic Reforms which were funded through donor grants.

4.5 Appropriation Statement-Head 51-Pensions, Gratuities and Compassionate Allowance

The Pensions Section manages the computation and payment of various pensions in accordance with existing pension legislation. The Section also processes re-engagement benefits for prison officers, military officers and forest guards. The section oversees the payment of pensions to Government Pensioners, Ex-Parliamentarians, Ex-Prime Ministers and Presidents, Ex-Chief Justices and Retired Judges, Service Pensioners and the widows and orphans of deceased public officers.

Expenditures totalling \$32.3 million were incurred under Head 51 against a revised budget of \$32.3 million for 2020.

Details of expenditure against the revised budget are provided in Table 4.3.

Table 4.3: Head 51-Appropriation Statement for 2020

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
11	Pensions	28,839,300	2,589,741	31,429,041	31,428,650	391
	Gratuities	780,700	47,842	828,542	828,534	8
	TOTAL	29,620,000	2,637,583	32,257,583	32,257,184	399

4.6 Appropriation Statement-Head 52 Charges on Account of Public Debt

Funds allocated under Head 52 – Charges on Account of Public Debt were for the repayments of domestic and overseas loans.

Expenditures totalling \$610.2 million was incurred under Head 52 in 2020 against a revised budget of \$615.1 million, resulting in unutilised budget of \$4.9 million or 0.8%.

Details of expenditure against the revised budget are provided in Table 4.4.

Table 4.4: Head 52-Appropriation Statement for 2020

SEG	Item	Budget Estimate (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
Finance Charges on Public Debt					
12	Miscellaneous Payment	11,800,000	12,076,304	11,861,371	214,933
14	Overseas Loans	121,320,424	119,699,209	114,616,517	5,082,692
15	Domestic Loans	487,313,160	483,333,875	483,709,807	(375,932)
	TOTAL	620,433,584	615,109,388	610,187,695	4,921,693

2021

4.7 Appropriation Statement-Head 4-Ministry of Finance

The Ministry collected revenue totalling \$3.72 billion in 2021 and incurred expenditure totalling \$46.63 million against a revised budget of \$64.44 million resulting in unutilised budget of \$17.81 million or 27.64%.

Details of expenditures against the revised budget are provided in Table 4.5.

Table 4.5: Head 4-Appropriation Statement for 2021

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established staff	14,032,459	(29,873)	14,002,586	12,223,387	1,779,199
2	Government wage earners	526,477	12,873	539,350	449,357	89,993
3	Travel & communication	524,800	(23,882)	500,918	330,433	170,485
4	Maintenance & operations	1,228,500	34,695	1,263,195	936,439	326,756
5	Purchase of goods & services	1,920,829	19,164	1,939,993	1,694,125	245,868
6	Operating grants & transfers	40,522,152	500	40,522,652	27,522,233	13,000,419
7	Special expenditure	2,731,597	(13,477)	2,718,120	1,550,365	1,167,755
	Total Operating Expenditure	61,486,814	---	61,486,814	44,706,339	16,780,475
8	Capital Construction	---	---	---	---	---
9	Capital Purchase	265,000	---	265,000	---	265,000
10	Capital grants & transfers	2,200,000	---	2,200,000	1,754,816	445,184
	Total Capital Expenditure	2,465,000	---	2,465,000	1,754,816	710,184
13	Value added tax	487,270	---	487,270	167,123	320,147
	TOTAL	64,439,084	---	64,439,084	46,628,278	17,810,806

The unutilised budget were largely due to the following:

1. Unutilised budget of \$1.8 million in SEG 1 – Established Staff was due to the significant number of positions that remained vacant at year end due to the delay in filling them.
2. Unutilised budget of \$13 million in SEG 6 – Operating Grants and Transfers was due to the partial release of funding to the Fiji Revenue Customs and Service. Grants were released on need for funding basis.
3. Unutilised budget of \$1.2 million in SEG 7 –Special Expenditures were due to unutilised funds from the consultation fees and Multiple Indicator Cluster Survey.

4.8 Appropriation Statement-Head 50 Miscellaneous Service

Miscellaneous Services is administered by the Ministry of Finance. The funding provided under Head 50 normally includes contingency funding and other common central pools of funds that are available to the Whole of Government. It also includes funding for activities that require scrutiny and monitoring by the Ministry of Finance.

Expenditures totalling \$459.9 million were incurred under Head 50 in 2021 against a revised budget of \$542.4 million resulting in unutilised budget of \$82.4 million or 15.2%.

Details of expenditures against the revised budget are provided in Table 4.6.

Table 4.6: Head 50-Appropriation Statement for 2021

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,500,000	---	1,500,000	---	1,500,000
2	Government Wage Earners	---	---	---	---	---
3	Travel & Communication	2,430,000	---	2,430,000	1,058,736	1,371,264
4	Maintenance & Operations	---	---	---	---	---
5	Purchase of Goods & Services	50,894,180	(2,298,000)	48,596,180	46,587,653	2,008,527
6	Operating Grants & Transfers	5,241,496	105,375	5,346,871	3,040,539	2,306,332
7	Special expenditure	14,248,430	(479,606)	13,768,824	11,349,966	2,418,858
	Total Operating Costs	74,314,106	(2,672,231)	71,641,875	62,036,894	9,604,981
8	Capital Construction	11,485,000	(6,950,002)	4,534,998	1,004,585	3,530,413
9	Capital Purchase	29,981,436	---	29,981,436	29,124,416	857,020
10	Capital Grants & Transfers	402,342,232	25,800,331	428,142,563	361,701,031	66,441,532
	Total Capital Expenditure	443,808,668	18,850,329	462,658,997	391,830,032	70,828,965
13	Value Added Tax	8,698,756	(645,501)	8,053,255	6,071,142	1,982,113
	TOTAL	526,821,530	15,532,597	542,354,127	459,938,068	82,416,059

The unutilised budget was largely due to the following:

1. Unutilised budget of \$1.5 million in SEG 1 – Established Staff was not utilised as there were no over expenditures for Ministries and Department.
2. Unutilised budget of \$8.1 million in SEG 3 – 7 Operating Expenditures was due to the partial release of funds to agencies based on the funding needs, delay in the implementation of projects such as Public Private Partnership for health and reduction in other expenditures due to the restrictions/impact of COVID-19.
3. Unutilised budget of \$70.8 million in SEG 8 – 10 Capital Expenditures were due to partial release of funds to agencies based on the funding needs, delay in progress of project implementation and finalisation of procurements.

4.9 Appropriation Statement-Head 51-Pensions, Gratuities and Compassionate Allowance

The Pensions Section manages the computation and payment of various pensions in accordance with existing pension legislation. The Section also processes re-engagement benefits for prison officers, military officers and forest guards. The section oversees the payment of pensions to Government Pensioners, Ex-Parliamentarians, Ex-Prime Ministers and Presidents, Ex-Chief Justices and Retired Judges, Service Pensioners and the widows and orphans of deceased public officers.

Expenditures totalling \$30.8 million were incurred under Head 51 against a revised budget of \$27.4 million, resulting in an over utilised budget of \$3.4 million or -12.4% for 2021.

Details of expenditure against the revised budget are provided in Table 4.7.

Table 4.7: Head 51-Appropriation Statement for 2021

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
11	Pensions	26,739,300	170,000	26,909,300	30,459,325	(3,550,025)
	Gratuities	630,700	(170,000)	460,700	301,424	159,276
	TOTAL	27,370,000	---	27,370,000	30,760,749	(3,390,749)

4.10 Appropriation Statement-Head 52 - Charges on Account of Public Debt

Funds allocated under Head 52 – Charges on Account of Public Debt were for the repayments of domestic and overseas loans.

Expenditures totalling \$1.1 billion was incurred under Head 52 in 2021 against a revised budget of \$1.2 billion, resulting in unutilised budget of \$126.6 million or 10.7%.

Details of expenditure against the revised budget are provided in Table 4.8.

Table 4.8: Head 52-Appropriation Statement for 2021

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
Finance Charges on Public Debt						
12	Miscellaneous Payment	27,244,593	---	27,244,593	7,061,280	20,183,313
14	Overseas Loans	585,509,069	---	585,509,069	478,845,093	106,663,976
15	Domestic Loans	566,989,085	---	566,989,085	567,217,294	(228,209)
	TOTAL	1,179,742,747	---	1,179,742,747	1,053,123,667	126,619,080

4.11 Trading & Manufacturing Account (TMA)

Trading & Manufacturing Accounts are government owned entities that are operated on a semi-commercial basis and within the limits of a prescribed ceiling set by the Minister to provide goods, services or works cost effectively, whilst increasing the returns that are realised from them. The Ministry of Finance operated two TMAs which included the following:

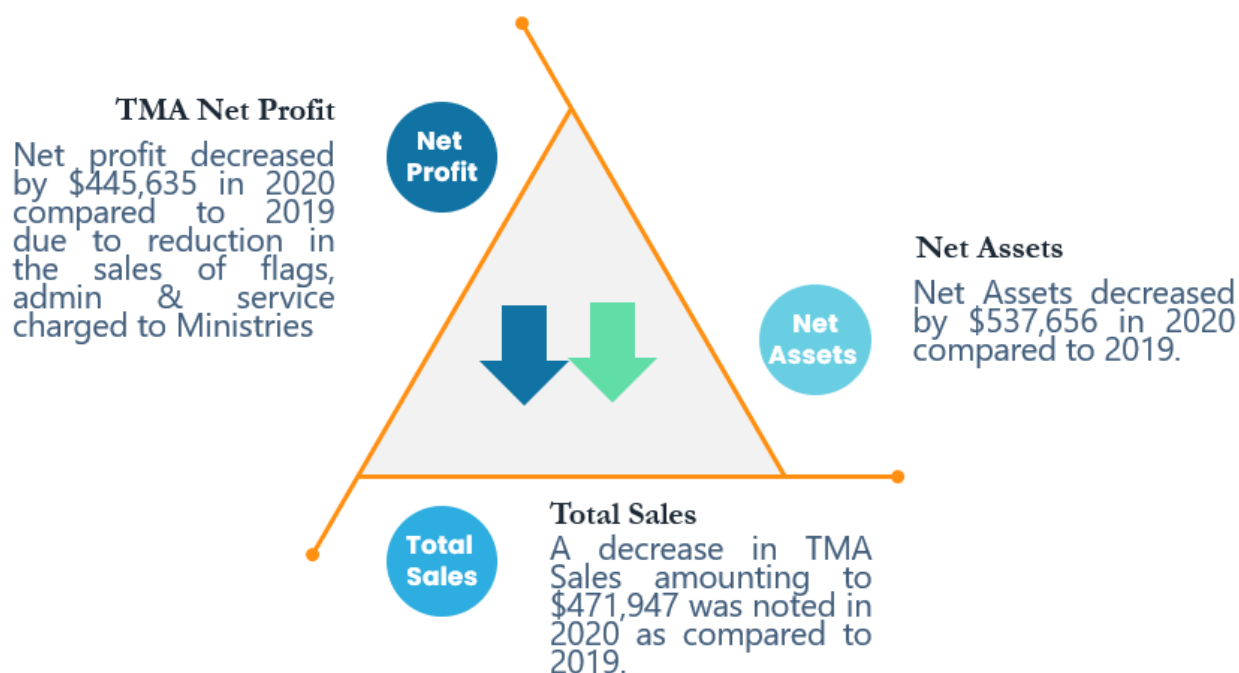
2020

(a) Fiji Procurement Office (FPO)

The FPO TMA is designed to assist with the procurement and logistic service requirements in line with the Ministry of Finance's objectives. FPO sells official Fiji flags, charges for tender documentation fees, levies accounts and administrative charges to Ministries for payment

services and logistic service charges for customs clearance of imported goods and delivery of items from ports to agency site.

The financial analysis of the FPO TMA for the year ended 31 July 2020 is provided below.



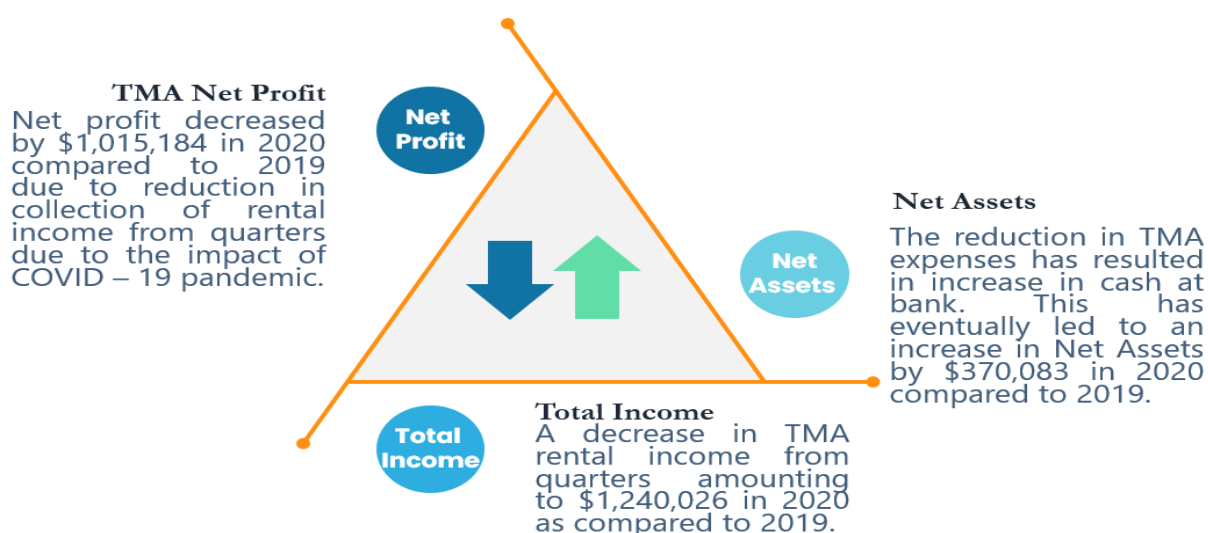
Detailed Statements for the FPO TMA are provided in **Appendix 4.1**.

(b) Office Accommodation

The Office Accommodation TMA provides housing for eligible civil servants. In 2009, the responsibility of the function was extended to commercial rental to interested members of the public resulting in the establishment of the TMA in 2011. The TMA is solely responsible for the semi-commercial nature that caters for commercially renting out of quarters.¹

The financial analysis of the TMA - Office Accommodation for the year ended 31 July 2020 is provided below.

¹ Office Accommodation & Government Housing, Construction Implementation Unit, Ministry of Finance TMA Business Plan 2016



Detailed Statements for the Office Accommodation TMA are provided in **Appendix 4.2**.

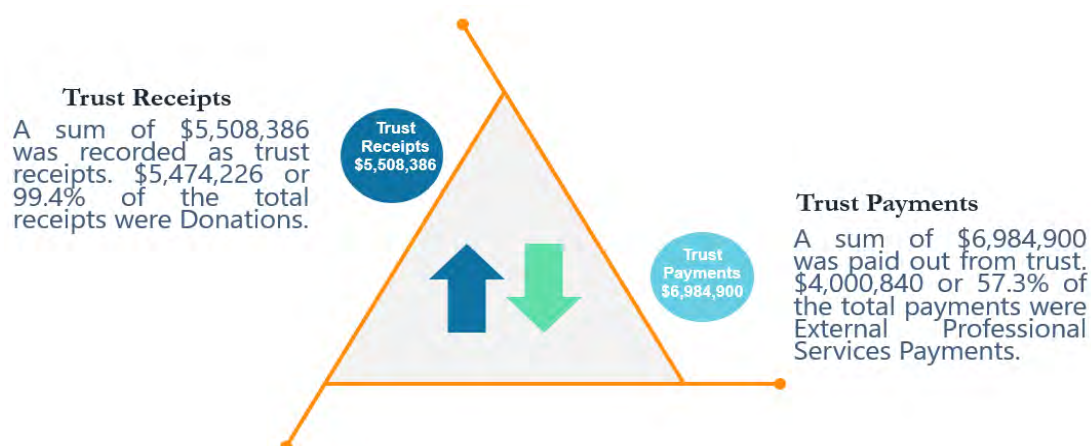
4.12 Trust Fund Account

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account pending withdrawal for use. The Ministry of Finance operated and maintained eleven main trust fund accounts which included the following:

2020

(a) COP 23 Trust Fund

The COP 23 Presidency Trust Fund account was established for the funding of the Republic of Fiji ('government') in their role as President of Conference of Parties 23 and to assist the government to finance programs, projects and activities that relate to the Paris Agreement and for related matters. As at 31 July 2020, the account had a balance of \$3.6 million.



(b) Performance Bond

Performance bonds for tenders awarded by the Fiji Procurement Office as a means of security for the faithful performance of contracts for which payments are made according to the tender contracts. As at 31 July 2020, the account had a balance of \$5.5 million.



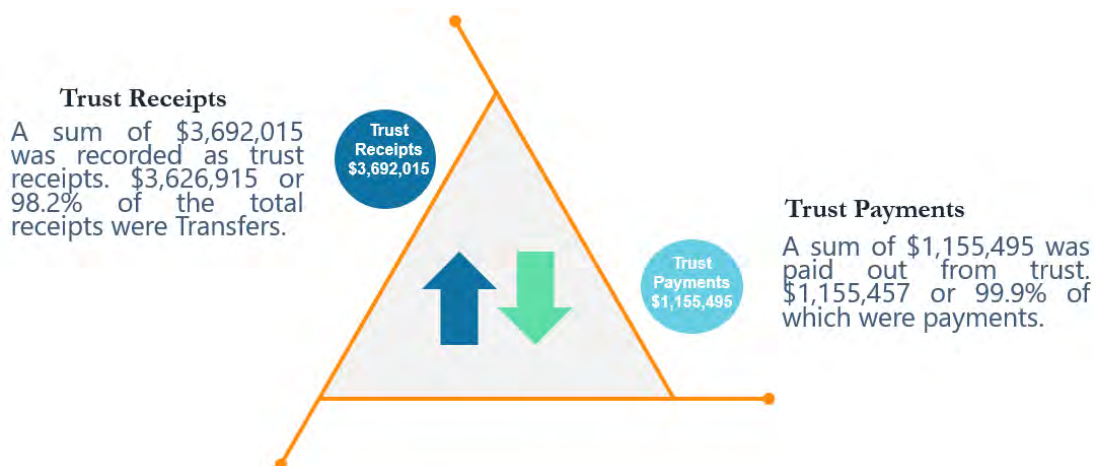
(c) Tropical Cyclone Winston Trust Fund Account

The Tropical Cyclone Winston Trust Fund Account was established for donations received from various donors of the Cyclone Winston Relief Fund appeal. As at 31 July 2020, the account had a nil balance.



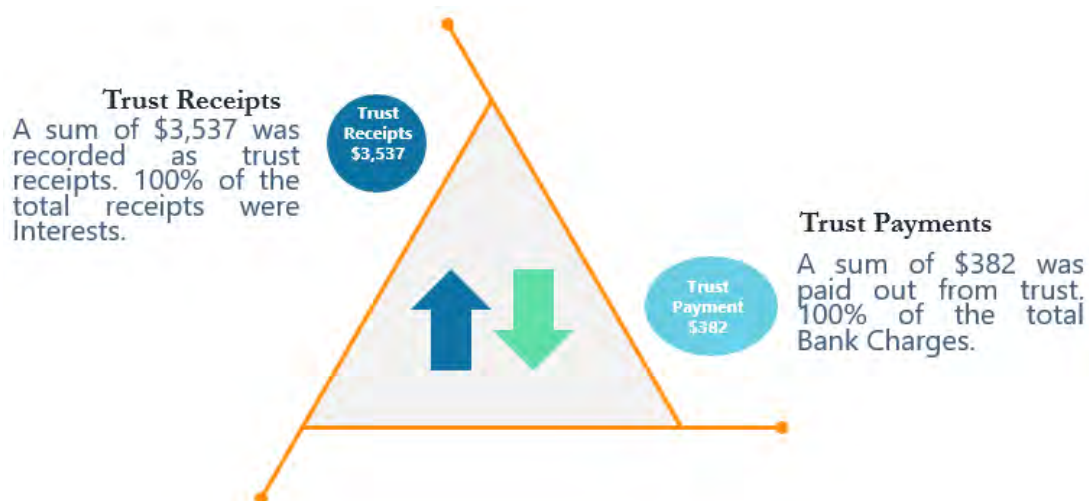
(d) Tropical Cyclone Harold Trust Fund Account

Tropical Cyclone Harold trust fund was established for the donations received for Cyclone Harold from various donors. Donors would directly deposit into the respective bank accounts. As at 31 July 2020, there was a balance of \$2.5 million.



(e) Government Tuna Stabilisation Trust Fund

This trust fund was established to facilitate the Tuna Stabilisation Fund (TSF) Policy. The underlying purpose of the TSF policy is to assist locally owned fishing companies by providing funding assistance to the fishing companies that are locally owned and/or controlled. The fund was created to assist these companies raise their financial capacity to compete with foreign fishing companies. As at 31 July 2020, the account had a balance of \$0.4 million.



(f) ODA Performance and Tenancy Bond

The Tenancy trust fund account was established to record tenancy bonds for occupation of quarters on rent. As at 31 July 2020, the account had a balance of \$0.2 million.



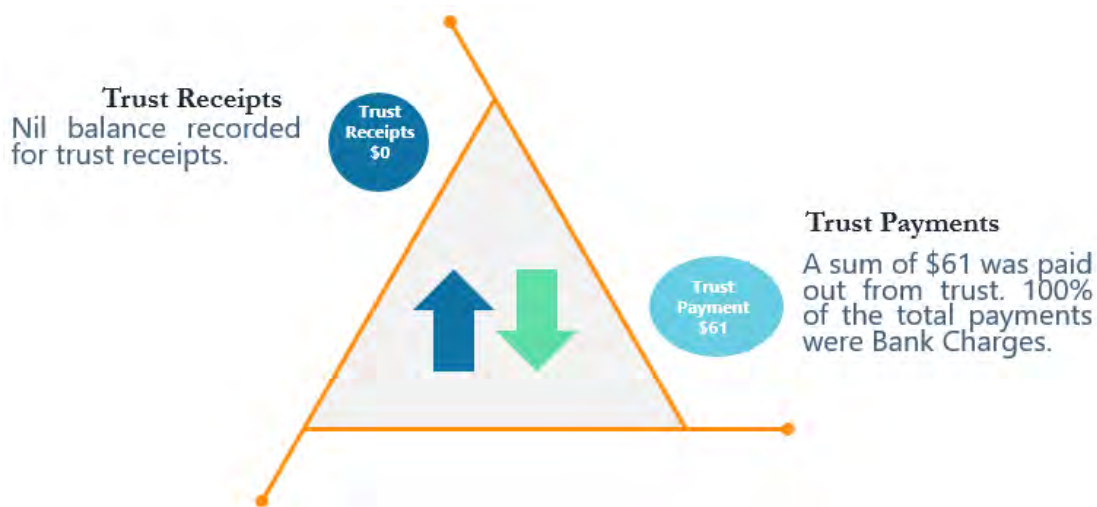
(g) Adopt a School Trust Fund

The trust fund was established specifically to record funds received from donors willing to carry out the rehabilitation of schools. As at 31 July 2020, the account had a balance of \$8.7 million.



(h) Group Insurance Trust Fund Account

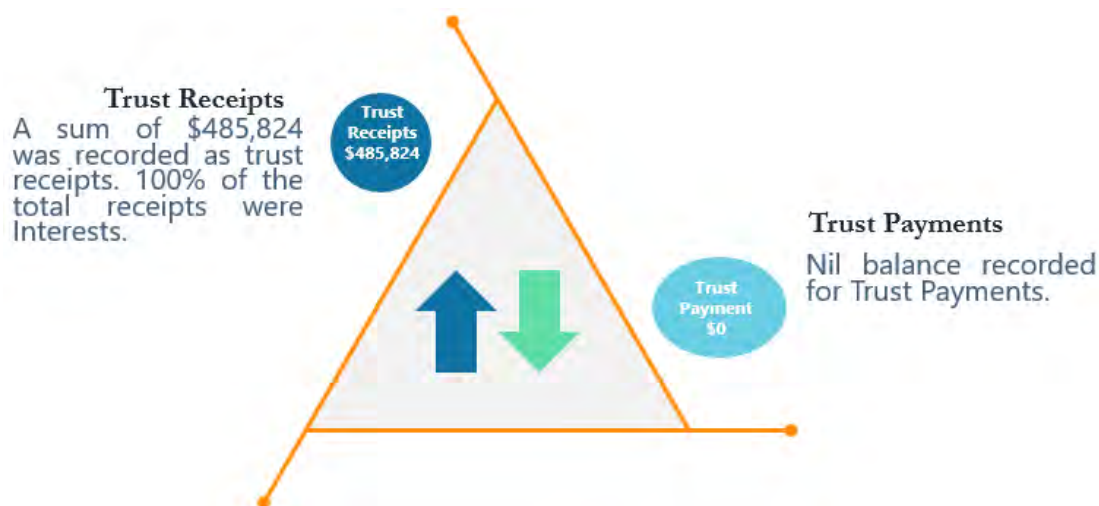
The trust account receives insurance payments and facilitates payments after assessments are made to the nominees of the insurance policy holders upon death. As at 31 July 2020, the account had a balance of \$0.09 million.



(i) Miscellaneous Fund and Others

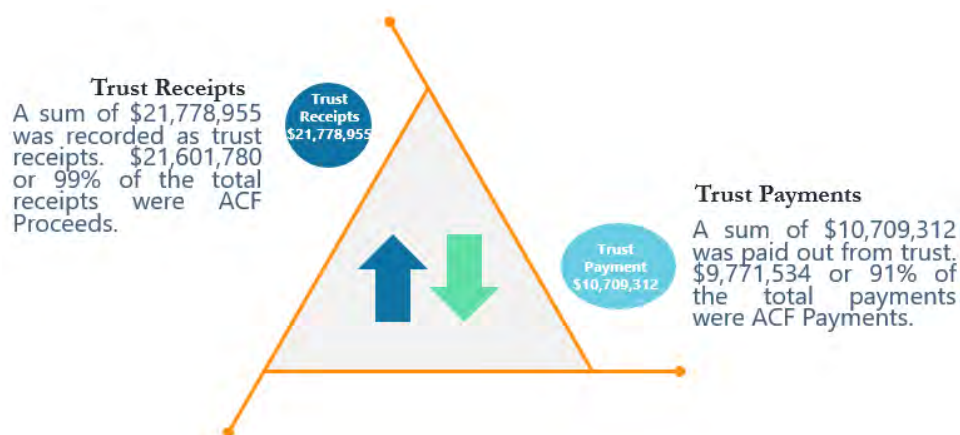
The trust fund account was established following a Cabinet decision on “Effective management of trust monies – FIN 60/16” CP (09)72 of 16/06/09. The Cabinet approved that the surplus funds in various Agency trust bank accounts be transferred into the Consolidated Trust Fund account. As at 31 July 2020, the account had a balance of \$9.3 million.

While there were no expenditures incurred for the financial year, trust receipts of \$0.5 million in 2020 were from interest earned during the year.



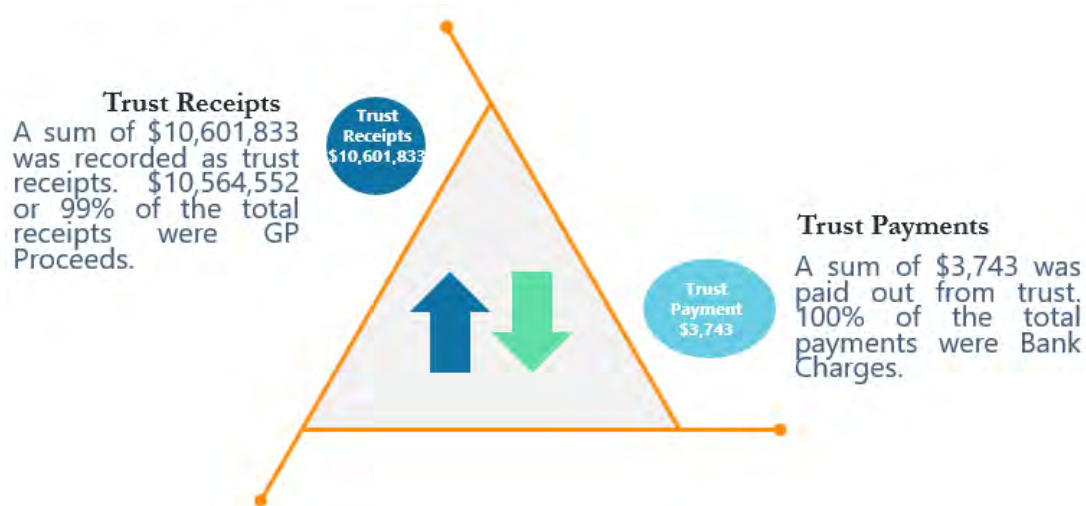
(j) Accident Compensation Fund

This trust fund account was established for the payment of compensation for personal injury and death as a result of an accident in Fiji arising out of and in the course of employment and accidents occurring on any school premises. As at 31 July 2020, the account had a balance of \$25.6 million.



(k) General Practitioners Expansion Trust Fund

This trust fund account was established to provide financial assistance to General Practitioners to expand their services into the disadvantaged communities. As at 31 July 2020, the account had a balance of \$10.6 million.



Detailed statements for trust receipts and payments are provided in **Appendix 4.3**.

4.13 Trading & Manufacturing Account (TMA)

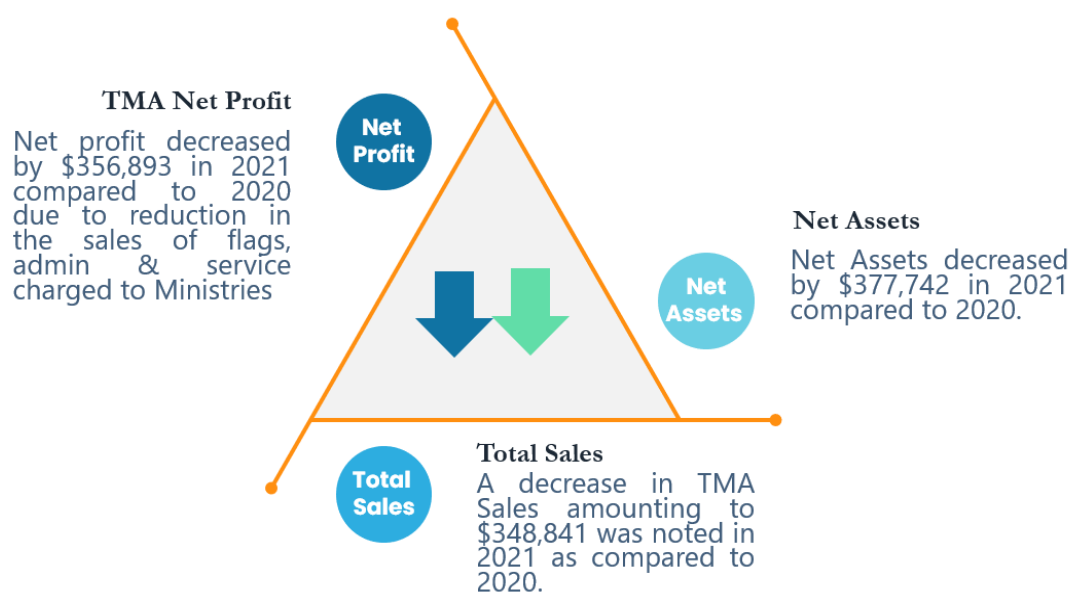
Trading & Manufacturing Accounts are government owned entities that are operated on a semi-commercial basis and within the limits of a prescribed ceiling set by the Minister to provide goods, services or works cost effectively, whilst increasing the returns that are realised from them. The Ministry of Finance operated two TMAs which included the following:

2021

(a) Fiji Procurement Office (FPO)

The FPO TMA is designed to assist with the procurement and logistic service requirements in line with the Ministry of Finance’s objectives. FPO sells official Fiji flags, charges for tender documentation fees, levies accounts and administrative charges to Ministries for payment services and logistic service charges for customs clearance of imported goods and delivery of items from ports to agency site.

The financial analysis of the FPO TMA for the year ended 31 July 2021 is provided below.

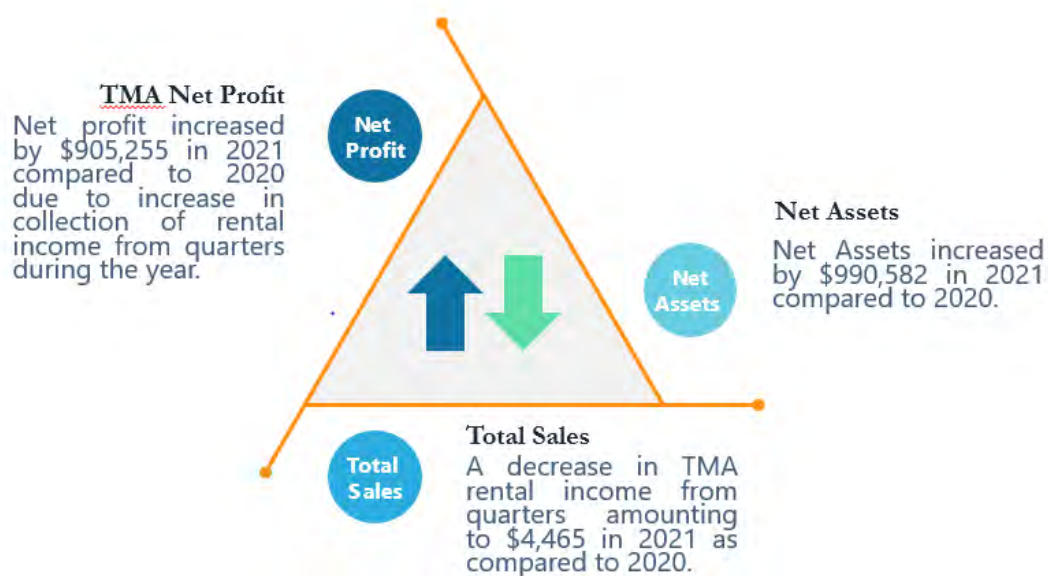


Detailed Statements for the FPO TMA are provided in **Appendix 4.4**.

(b) Office Accommodation

The Office Accommodation TMA provides housing for eligible civil servants. In 2009, the responsibility of the function was extended to commercial rental to interested members of the public resulting in the establishment of the TMA in 2011. The TMA is solely responsible for the semi-commercial nature that caters for commercially renting out of quarters.²

The financial analysis of the TMA - Office Accommodation for the year ended 31 July 2021 is provided below.



Detailed Statements for the Office Accommodation TMA are provided in **Appendix 4.5**.

² Office Accommodation & Government Housing, Construction Implementation Unit, Ministry of Finance TMA Business Plan 2016

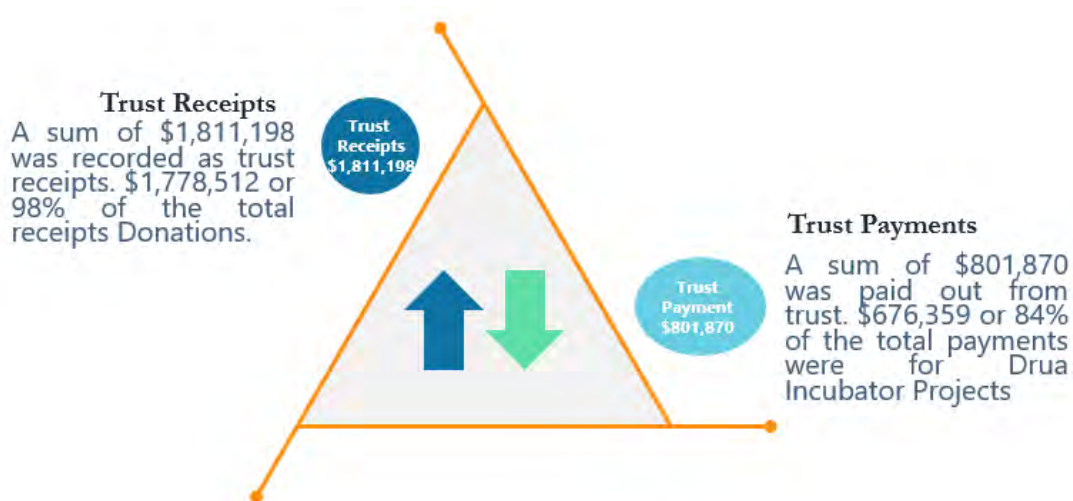
4.14 Trust Fund Account

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account pending withdrawal for use. The Ministry of Finance operated and maintained eleven main trust fund accounts which included the following:

2021

(a) COP 23 Trust Fund

The COP 23 Presidency Trust Fund account was established for the funding of the Republic of Fiji ('government') in their role as President of Conference of Parties 23 and to assist the government to finance programs, projects and activities that relate to the Paris Agreement and for related matters. As at 31 July 2021, the account had a balance of \$4.6 million.



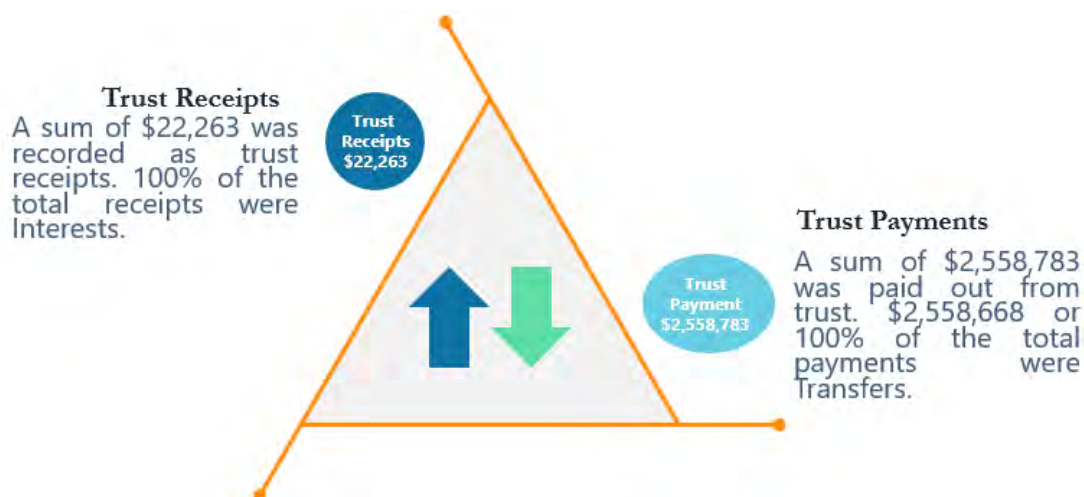
(b) Performance Bond

Performance bonds for tenders awarded by the Fiji Procurement Office as a means of security for the faithful performance of contracts for which payments are made according to the tender contracts. As at 31 July 2021, the account had a balance of \$5.4 million.



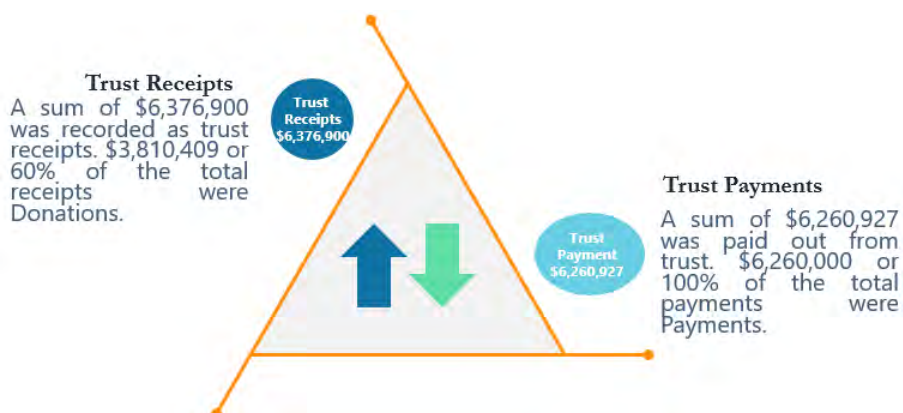
(c) Tropical Cyclone Harold Trust Fund Account

Tropical Cyclone Harold trust fund was established for the donations received for Cyclone Harold from various donors. Donors would directly deposit into the respective bank accounts. As at 31 July 2021, the account had a nil balance.



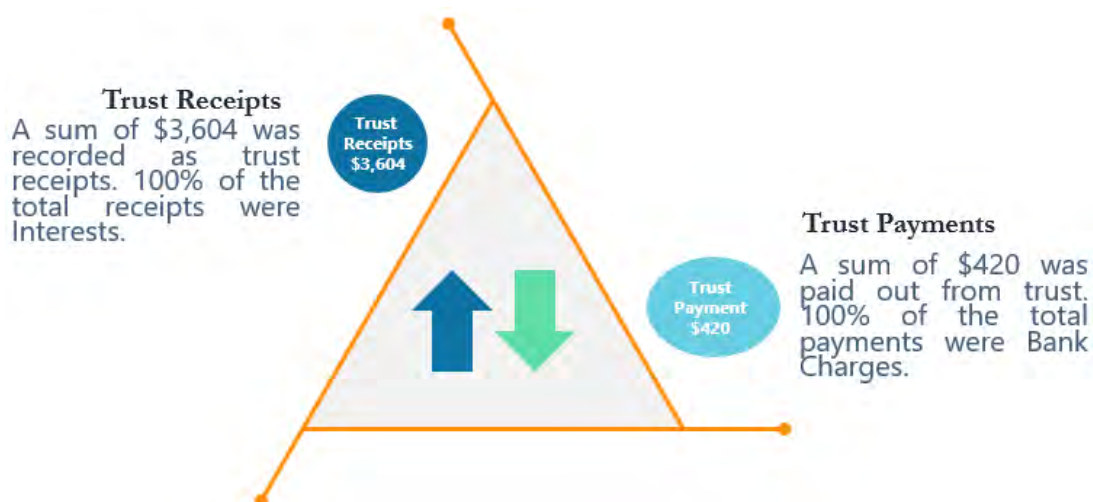
(d) Tropical Cyclone Yasa Trust Fund Account

Tropical Cyclone Yasa trust fund was established for the donations received from various donors for Cyclone Yasa. Donors would directly deposit into the respective bank accounts. As at 31 July 2021, the Trust Fund account had a balance of \$0.1 million.



(e) Government Tuna Stabilisation Trust Fund

This trust fund was established to facilitate the Tuna Stabilisation Fund (TSF) Policy. The underlying purpose of the TSF policy is to assist locally owned fishing companies by providing funding assistance to the fishing companies that are locally owned and/or controlled. The fund was created to assist these companies raise their financial capacity to compete with foreign fishing companies. As at 31 July 2021, the account had a balance of \$0.3 million.



(f) ODA Performance and Tenancy Bond

The Tenancy trust fund account was established to record tenancy bonds for occupation of quarters on rent. As at 31 July 2021, the account had a balance of \$0.1 million.



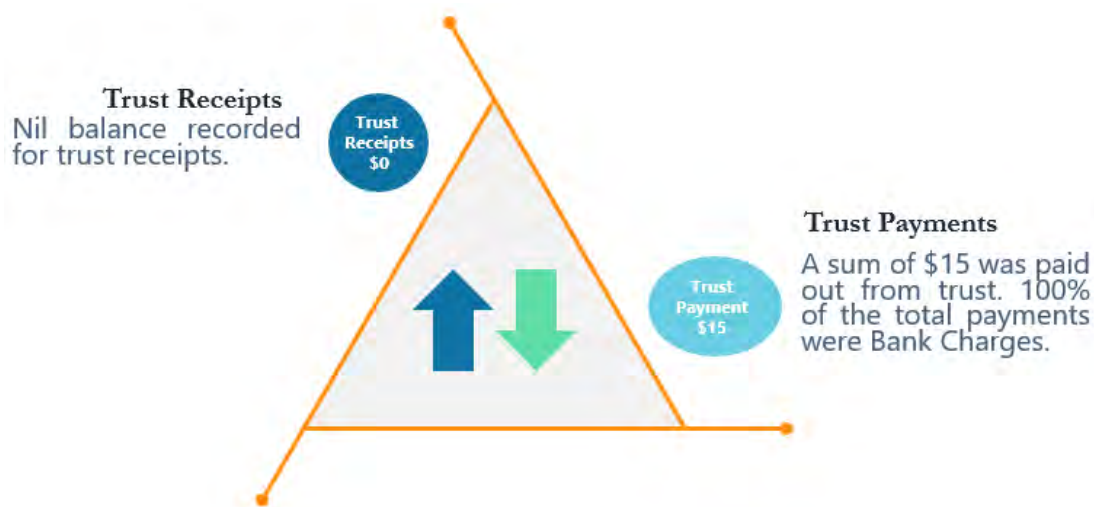
(g) Adopt a School Trust Fund

The trust fund was established specifically to record funds received from donors willing to carry out the rehabilitation of schools. As at 31 July 2021, the account had a balance of \$5.0 million.



(h) Group Insurance Trust Fund Account

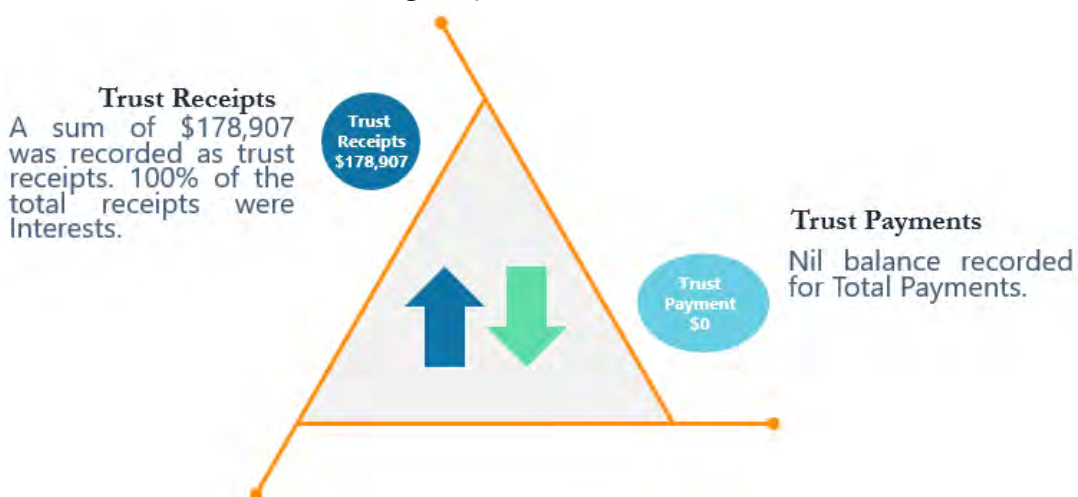
The trust account receives insurance payments and facilitates payments after assessments are made to the nominees of the insurance policy holders upon death. As at 31 July 2021, the account had a balance of \$0.09 million.



(i) Miscellaneous Fund and Others

The trust fund account was established following a Cabinet decision on “Effective management of trust monies – FIN 60/16” CP (09)72 of 16/06/09. The Cabinet approved that the surplus funds in various Agency trust bank accounts be transferred into the Consolidated Trust Fund account. As at 31 July 2021, the account had a balance of \$9.5 million.

While there were no expenditures incurred for the financial year, trust receipts of \$0.2 million in 2021 were from interest earned during the year.



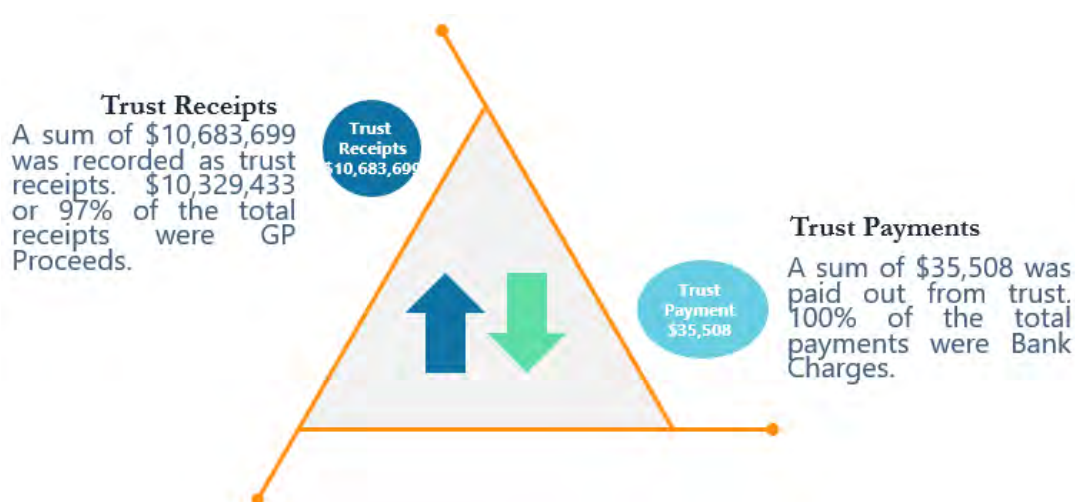
(j) **Accident Compensation Fund**

This trust fund account was established for the payment of compensation for personal injury and death as a result of an accident in Fiji arising out of and in the course of employment and accidents occurring on any school premises. As at 31 July 2021, the account had a balance of \$32.5 million.



(k) **GP Expansion Trust Fund**

This trust fund account was established to provide financial assistance to GPs to expand their services into the disadvantaged communities. As at 31 July 2021, the account had a balance of \$21.2 million.



Detailed statements for trust receipts and payments are provided in **Appendix 4.6**.

PART B: 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 an auditee to achieve process objectives and comply with relevant legislation.

It is likely that these issues may have an impact on the operations of the Ministry 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 Ministry. These have been included in this report as they impacted on the overall system of control of the Ministry as at 31 July 2020 and 2021.

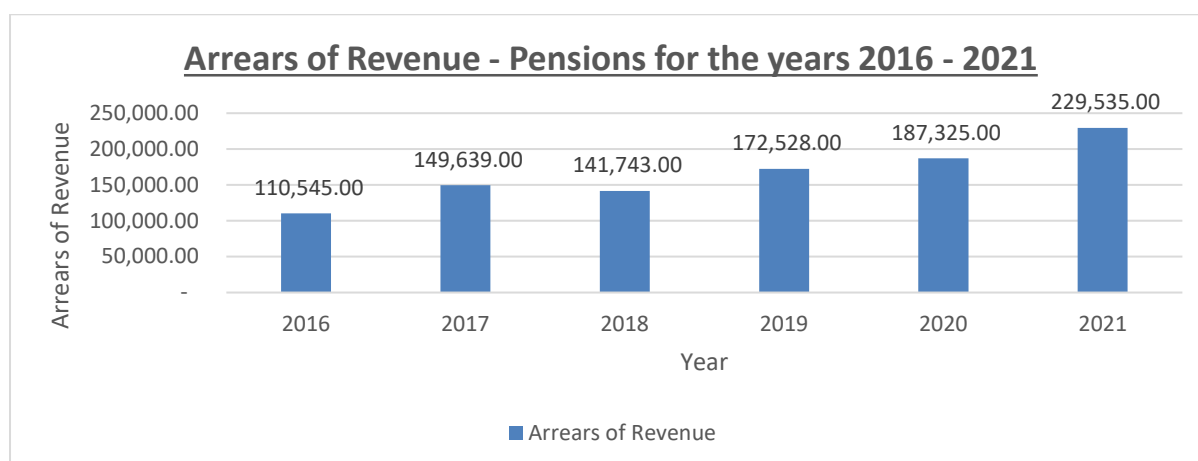
4.15 Increase in Arrears of Revenue for Pensions-Recurring Issue

It is important to have in place stringent credit policy and debt recovery procedures to counter the risk of losses from irrecoverable debts.³

Our review of the arrears of revenue report noted the significant increase in the arrears as at 31 July 2020 and 2021.

Refer to Figure 4.1 below for details from 2016 – 2021.

Figure 4.1: Arrears of Revenue for Pensions



The significant increase in arrears of revenue is due to the untimely submission of death certificates as a notification from families of pensioners to the Ministry. The non-recovery of arrears has provided reasons to the Ministry to write them off and thus resulting in loss of revenue for the Government.

³ Ministry of Finance- Finance Manual 2018, Part 9, Paragraph 1

Recommendation

The Ministry should consider alternative processes of being notified when pensioners are deceased.

Agreed Management Action

The arrears of revenue reported as at 31 July 2021 (\$229,535) has increased for the financial years 2019 – 2020, 2020 – 2021; \$14,797 and \$42,210 respectively. Fourth quarter of 2020 – 2021 has seen a significant increase in the arrears of revenue \$42,799. This being at the height of COVID-19 when there were travel and peoples movement restrictions. Fijians were restricted to certain movements only, to the extent that civil servants were restricted to work from home and some with interrupted internet and communication facilities. Communication was difficult during this challenging time and funds available with people was used despite knowing that pension funds for deceased pensioners was to be returned to the Government.

However, with limited communications, Pension teams was able to recover funds either through bank reversals and deductions from the dependent pensioners. There were instances where the relatives who notified pensions department about the deceased were notified late from their own relatives living in the maritime zone.

The Pensions department continues to follow up the arrears of revenue with the dependent of the deceased, next of kin of the late pensioners and as of today are able to recover a sum of \$12,961. A further recovery of \$1,044 is expected within this month.

Our analysis shows the arrears of revenue as of 31/07/2021 after recovery now amounts as nominated below:

i.	Civil Pensioners	\$108,312.55
ii.	Dependent Pensions	\$100,930.12
iii.	Pensions to Widows & Orphans	<u>\$ 7,331.76</u>
		<u>\$216,574.43</u>

Pensions department will continue to correspond with pensioners who have dependent pensions in waiting for the activation of recovery from the due pension and consult nominated next of kin for the recovery of the overpayment.

The Pensions department continues to emphasise the importance of the notification of death either through emails, text messages or phone calls whereby the Pensions department has a template which records the information to update payroll and is filed in respective pensioners file.

The Pensions department effective 2022- 2023 financial year will make process changes whereby the “Life Certificates” will be submitted on a three-monthly basis rather than a six monthly basis. This process change will ensure more frequent and regular contacts with pensioners and will reduce the risk of overpayments.

PART C: ASSESSMENT OF FINANCIAL GOVERNANCE

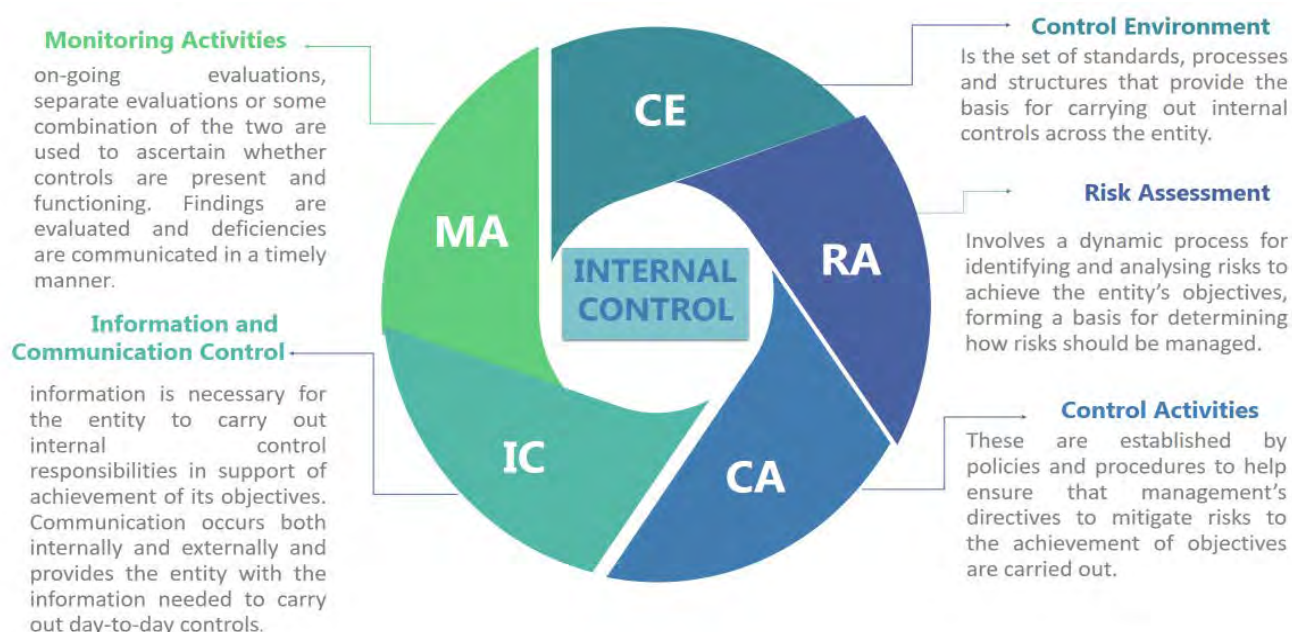
4.16 Internal Controls

During our audits, we assess the design and implementation of controls to ensure that they are suitably designed to prevent, detect and correct material misstatements. Where audit strategy requires, we also test the operating effectiveness to ensure the internal controls are functioning as designed.

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.

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



A summary of assessment of key controls based on our audit was as follows:

Year	Control Environment	Risk Assessment	Control Activities	Information & Communication Control	Monitoring Activities
2020	●	●	●	●	●
2021	●	●	●	●	●











In view of the above, we have assessed the internal controls of the Ministry as:

Year	Rating	Internal control assessment
2020	● Effective	Internal controls are in place
2021	● Effective	Internal controls are in place

4.17 Submission of FY 2020 & 2021 Draft Agency Financial Statements

2020

On 01 May 2020, Permanent Secretary for Finance issued Circular No. 03/2019-2020 to Permanent Secretaries, Heads of Departments, High Commissioners and Ambassadors in Fiji Foreign Missions in which procedures for closing of 2020 accounts and times were detailed.

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 20 July 2020		Processing of virement by 14 August 2020	
Retirement of imprests by 17 July 2020		Completion of reconciliations by 28 August 2020	
Processing of payments by 29 July 2020		Submission of arrears of revenue return by 30 August 2020	
Clearance of stale cheques by 06 August 2020		Clearance of Inter-departmental clearance accounts by 7 August 2020	
Closing date for journal adjustments by 06 August 2020		Annual Board of Survey on Drawings Account cheques by 28 August 2020	

2021

On 30 April 2021, Permanent Secretary for Finance issued Circular No. 08/2020-2021 to Permanent Secretaries, Heads of Departments, High Commissioners and Ambassadors in Fiji Foreign Missions in which procedures for closing of 2020 accounts and times were detailed.

KEY FOCUS AREAS	ACHIEVEMENT	KEY FOCUS AREAS	ACHIEVEMENT
Cancellation of unprocessed purchase orders by 19 July 2021	✓	Processing of virement by 30 July 2021	✓
Retirement of imprests by 16 July 2021	✗	Completion of reconciliations by 27 August 2021	✓
Processing of payments by 29 July 2021	✓	Submission of arrears of revenue return by 30 August 2021	✓
Clearance of stale cheques by 06 August 2021	✓	Clearance of Inter-departmental clearance accounts by 6 August 2021	✓
Closing date for journal adjustments by 06 August 2021	✗	Annual Board of Survey on Drawings Account cheques by 27 August 2021	✗

When Ministries and Departments achieve the key focus areas highlighted by the Permanent Secretary for Finance by the given dates, they are more likely to prepare accurate and timely draft financial statements for audit.

Based on information received, we have assessed the year-end close process as:

Year	Rating	Year – end close process assessment
2020	☀ Generally Effective	7 of 10 key processes were completed within two weeks of due date.
2021	☀ Generally Effective	7 of 10 key processes completed within two weeks of due date

4.18 Quality of Draft Financial Statements by entities

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 impact these adjustments had on the operating results or net assets of the entity subject to our audit. Our assessment for the Ministry was:

Year	Rating	Quality of draft financial statements assessment
2020	🌿 Effective	No adjustments were required for the 2020 accounts.
2021	🌿 Effective	No adjustments were required for the 2021 accounts.

4.19 Timeliness of draft financial statements

To assess the timeliness of acceptable draft financial statements, we have compared the date the draft financial statements were due and the date it was received. Accordingly, we have assessed timeliness as:

Year	Rating	Timeliness of draft financial statements assessment
2020	● Ineffective	Acceptable draft financial statement received after 31 October 2020.
2021	● Generally Effective	Acceptable draft financial statements received before or on 31 October 2021.

4.20 Timeliness of Provision of Management Comments and Signing of Financial Statements

To assess the timeliness of provision of management comments and signing of financial statements, we have compared the date the draft management letter and audited financial statements were issued to entity and the date management comments and signed accounts were received.

Accordingly, we have assessed timeliness as:

Year	Rating	Timeliness of Management Comments Received
2020	● Effective	Within 14 days from the issue of the Draft Management Letter.
2021	● Effective	Within 14 days from the issue of the Draft Management Letter.

Year	Rating	Timeliness of Signed Financial Statements Received
2020	● Generally Effective	Within 15 days from issue of Financial Statements for signing
2021	● Generally Effective	Within 15 days from issue of Financial Statements for signing

Appendix 4.1 Trading and Manufacturing Accounts-FPO July 2020**Trading Account**

Description	31 July 2020 (\$)	31 July 2019 (\$)
Sales	492,459	964,406
Less: Cost of Goods Sold	(24,221)	(19,757)
Gross Profit/ (Loss)	468,238	944,649

Profit and Loss Account

Description	31 July 2020 (\$)	31 July 2019 (\$)
Income		
Gross Profit Transferred from Trading Account	468,238	944,649
Expenses		
Office upkeep and supplies	5,446	36,222
Total Expenses	5,446	36,222
Net Profit	462,792	908,427

Balance Sheet

Description	31 July 2020 (\$)	31 July 2019 (\$)
Equity		
TMA Surplus Transferred to Consolidated Fund	(8,393,063)	(7,392,615)
TMA Accumulated Surplus	9,015,814	8,107,387
Net Profit	462,792	908,427
Total Equity	1,085,543	1,623,199
Assets		
Cash at Bank	983,642	1,500,448
Inventory	132,771	156,992
Total Assets	1,116,413	1,657,440
Liabilities		
Deposits & deductions	30,870	34,241
Total Liabilities	30,870	34,241
Net Assets	1,085,543	1,623,199

Appendix 4.2 Trading and Manufacturing Accounts-Office Accommodation July 2020

Profit and Loss Account

Description	31 July 2020 (\$)	31 July 2019 (\$)
Income		
Rental from quarters	4,309,356	5,549,382
Expenses		
Other expenses	1,487,662	1,712,504
Total Expenses	1,487,662	1,712,504
Net Profit	2,821,694	3,836,878

Balance Sheet

Description	31 July 2020 (\$)	31 July 2019 (\$)
Equity		
TMA Surplus Capital Transferred to Consolidated Fund	(12,810,064)	(10,345,064)
TMA Accumulated Surplus	14,468,464	10,618,197
Net Profit	2,821,694	3,836,878
Total Equity	4,480,094	4,110,011
Assets		
Cash at Bank	3,244,799	2,947,594
Accounts Receivable	1,456,860	1,408,569
Total Assets	4,701,659	4,356,163
Liabilities		
Accounts payable	2,601	300
Retention	206,042	184,604
Deposits & deductions	199,188	204,921
VAT liability	(186,266)	(143,673)
Total Liabilities	221,565	246,152
Net Assets	4,480,094	4,110,011

Appendix 4.3 Trust Account Statement of Receipts and Payments-FY 2020**(a) COP 23 Trust Fund Account**

Description	31 July 2020 (\$)	31 July 2019 (\$)
Opening Balance as at 1 August	5,079,929	13,587,943
Receipts		
Donations	5,474,226	1,783,113
Refunds	13,469	37,164
Interest	20,691	136,139
Total Receipts	5,508,386	1,956,416
Payments		
External Professional services	4,000,840	6,115,615
Cultural Intervention	---	6,002
Conference cost	572,470	2,084,938
Travel Related Costs	98,981	251,888
Staff Related Costs	7,700	171,658
Other Outreach	102,902	59,863
Pavilion	66,181	1,728,604
Bank Charges	121	221
Audit Fees	779	26,836
FSEPP – Solar Projects	2,134,926	18,805
Total Payments	6,984,900	10,464,430
Closing Balance as at 31 July	3,603,415	5,079,929

(b) Performance Bond Trust Fund Account

Description	31 July 2020 (\$)	31 July 2019 (\$)
Opening Balance as at 1 August	6,480,915	5,548,158
Receipts		
Tender deposit	330,059	854,238
Performance bond	149,196	938,965
Interest	5,982	6,219
Refund	77,700	20,900
Training	---	---
Total Receipts	562,937	1,820,322
Payments		
Tender and Performance Bond Refunds	1,553,859	886,970
Bank charges	552	595
Total Payments	1,554,411	887,565
Closing Balance as at 31 July	5,489,441	6,480,915

(c) Tropical Cyclone Winston Trust Fund Account

Description	31 July 2020 (\$)	31 July 2019 (\$)
Opening Balance as at 1 August	3,623,901	3,619,531
Receipts		
Donations	50,055	155
Interest	3,584	4,683
Total Receipts	53,639	4,838
Payments		
Bank charges	285	468
Transfer	3,677,255	---
Total Payments	3,677,540	468
Closing Balance as at 31 July	---	3,623,901

(d) Tropical Cyclone Harold Trust Fund Account

Description	31 July 2020 (\$)	31 July 2019 (\$)
Opening Balance as at 1 August	---	---
Receipts		
Transfers	3,626,915	---
Donations	50,000	---
Interest	15,100	---
Total Receipts	3,692,015	---
Payments		
Bank charges	38	---
Payments	1,155,457	---
Total Payments	1,155,495	---
Closing Balance as at 31 July	2,536,520	---

(e) Government Tuna Stabilisation Trust Fund Account

Description	31 July 2020 (\$)	31 July 2019 (\$)
Opening Balance as at 1 August	355,774	352,647
Receipts		
Interest	3,537	3,541
Total Receipts	3,537	3,541

Description	31 July 2020 (\$)	31 July 2019 (\$)
Payments		
Fishing Assistance	---	---
Bank Charges	382	414
Total Payments	382	414
Closing Balance as at 31 July	358,929	355,774

(f) ODA Performance and Tenancy Trust Fund Account

Description	31 July 2020 (\$)	31 July 2019 (\$)
Opening Balance as at 1 August	164,907	164,907
Receipts		
Donations	---	---
Interest	2,749	---
Total Receipts	2,749	---
Payments		
Tender refunds	1,970	---
Bank Charges	946	---
Total Payments	2,916	---
Closing Balance as at 31 July	164,740	164,907

(g) Adopt a School Trust Fund Account

Description	31 July 2020 (\$)	31 July 2019 (\$)
Opening Balance as at 1 August	4,674,060	9,785,419
Receipts		
Donation	4,071,942	---
Retention	7,085	47,500
Refund	---	---
Interest	103,848	---
Total Receipts	4,182,875	47,500
Payments		
Contractor payments	3,832	464,980
Transfers	119,418	4,693,879
Bank charges	112	---
Total Payments	123,362	5,158,859
Closing Balance as at 31 July	8,733,573	4,674,060

(h) Group Insurance Trust Fund Account

Description	31 July 2020 (\$)	31 July 2019 (\$)
Opening Balance as at 1 August	89,211	89,273
Receipts		
Insurance proceeds	---	64,672
Total Receipts	---	64,672
Payments		
Insurance payments	---	64,671
Bank charges	61	63
Total Payments	61	64,734
Closing Balance as at 31 July	89,150	89,211

(i) Miscellaneous v Others Trust Fund Account

Description	31 July 2020 (\$)	31 July 2019 (\$)
Opening Balance as at 1 August	8,799,288	8,625,194
Receipts		
Interest	485,824	174,094
Total Receipts	485,824	174,094
Closing Balance as at 31 July	9,285,112	8,799,288

(j) Accident Compensation Trust Fund Account

Description	31 July 2020 (\$)	31 July 2019 (\$)
Opening Balance as at 1 August	14,480,805	7,165,722
Receipts		
ACF proceeds	21,601,780	11,469,995
Interest	177,175	105,397
Total Receipts	21,778,955	11,575,392
Payments		
ACF payments	9,771,534	3,315,000
VAT payments	935,259	934,679
Bank charges	2,519	10,630
Total Payments	10,709,312	4,260,309
Closing Balance as at 31 July	25,550,448	14,480,805

(k) GP Expansion Program Trust Fund Account

Description	31 July 2020 (\$)	31 July 2019 (\$)
Opening Balance as at 1 August	---	---
Receipts		
GP Proceeds	10,564,552	---
Interest	37,281	---
Total Receipts	10,601,833	---
Payments		
Bank charges	3,743	---
Total Payments	3,743	---
Closing Balance as at 31 July	10,598,090	---

Appendix 4.4 Trading and Manufacturing Accounts-FPO July 2021

Trading Account

Description	31 July 2021 (\$)	31 July 2020 (\$)
Sales	143,618	492,459
Less: Cost of Goods Sold	(28,681)	(24,221)
Gross Profit/ (Loss)	114,937	468,238

Profit and Loss Account

Description	31 July 2021 (\$)	31 July 2020 (\$)
Income		
Gross Profit Transferred from Trading Account	114,937	468,238
Expenses		
Office upkeep and supplies	9,038	5,446
Total Expenses	9,038	5,446
Net Profit	105,899	462,792

Balance Sheet

Description	31 July 2021 (\$)	31 July 2020 (\$)
Equity		
TMA Surplus Transferred to Consolidated Fund	(8,876,705)	(8,393,063)
TMA Accumulated Surplus	9,478,607	9,015,814
Net Profit	105,899	462,792
Total Equity	707,801	1,085,543
Assets		
Cash at Bank	647,506	983,642
Inventory	104,091	132,771
Total Assets	751,597	1,116,413
Liabilities		
Deposits & deductions	43,796	30,870
Total Liabilities	43,796	30,870
Net Assets	707,801	1,085,543

Appendix 4.5 Trading and Manufacturing Accounts-Office Accommodation July 2021

Profit and Loss Account

Description	31 July 2021 (\$)	31 July 2020 (\$)
Income		
Rental from quarters	4,304,891	4,309,356
Expenses		
Other expenses	577,942	1,487,662
Total Expenses	577,942	1,487,662
Net Profit	3,726,949	2,821,694

Balance Sheet

Description	31 July 2021 (\$)	31 July 2020 (\$)
Equity		
TMA Surplus Capital Transferred to Consolidated Fund	(15,546,431)	(12,810,064)
TMA Accumulated Surplus	17,290,158	14,468,464
Net Profit	3,726,949	2,821,694
Total Equity	5,470,676	4,480,094
Assets		
Cash at Bank	3,919,306	3,244,799
Accounts Receivable	1,664,256	1,456,860
Total Assets	5,583,562	4,701,659
Liabilities		
Accounts payable	---	2,601
Retention	49,445	206,042
Deposits & deductions	195,988	199,188
VAT liability	(132,547)	(186,266)
Total Liabilities	112,886	221,565
Net Assets	5,470,676	4,480,094

Appendix 4.6 Trust Account Statement of Receipts and Payments-FY 2021**(a) COP 23 Trust Fund Account**

Description	31 July 2021 (\$)	31 July 2020 (\$)
Opening Balance as at 1 August	3,603,416	5,079,930
Receipts		
Donations	1,778,512	5,474,226
Refunds	---	13,469
Interest	32,686	20,691
Total Receipts	1,811,198	5,508,386
Payments		
External Professional services	20,675	4,000,840
Conference cost	3,576	572,470
Travel Related Costs	---	98,981
Staff Related Costs	---	7,700
Other Outreach	5,455	102,902
Pavilion	---	66,181
Bank Charges	126	121
Audit Fees	17,557	779
FSEPP – Solar Projects	78,122	2,134,926
Drua Incubator Projects	676,359	---
Total Payments	801,870	6,984,900
Closing Balance as at 31 July	4,612,744	3,603,416

(b) Performance Bond Trust Fund Account

Description	31 July 2021 (\$)	31 July 2020 (\$)
Opening Balance as at 1 August	5,489,441	6,480,915
Receipts		
Tender deposit	188,800	330,059
Performance bond	208,993	149,196
Interest	5,411	5,982
Refund	---	77,700
Training	---	---
Total Receipts	403,204	562,937
Payments		
Tender and Performance Bond Refunds	488,856	1,553,859
Bank charges	306	552
Total Payments	489,162	1,554,411
Closing Balance as at 31 July	5,403,483	5,489,441

(c) Tropical Cyclone Winston Trust Fund Account

Description	31 July 2021 (\$)	31 July 2020 (\$)
Opening Balance as at 1 August	---	3,623,901
Receipts		
Donations	---	50,055
Interest	---	3,584
Total Receipts	---	53,639
Payments		
Bank charges	---	285
Transfer	---	3,677,255
Total Payments	---	3,677,540
Closing Balance as at 31 July	---	---

(d) Tropical Cyclone Harold Trust Fund Account

Description	31 July 2021 (\$)	31 July 2020 (\$)
Opening Balance as at 1 August	2,536,520	---
Receipts		
Transfers	---	3,626,915
Donations	---	50,000
Interest	22,263	15,100
Total Receipts	22,263	3,692,015
Payments		
Bank charges	115	38
Payments	2,558,668	1,155,457
Total Payments	2,558,783	1,155,495
Closing Balance as at 31 July	---	2,536,520

(e) Tropical Cyclone Yasa Trust Fund Account

Description	31 July 2021 (\$)	31 July 2020 (\$)
Opening Balance as at 1 August	---	---
Receipts		
Transfers	2,558,668	---
Donations	3,810,409	---
Interest	7,823	---

Description	31 July 2021 (\$)	31 July 2020 (\$)
Total Receipts	6,376,900	---
Payments		
Bank charges	927	---
Payments	6,260,000	---
Total Payments	6,260,927	---
Closing Balance as at 31 July	115,973	---

(f) Government Tuna Stabilisation Trust Fund Account

Description	31 July 2021 (\$)	31 July 2020 (\$)
Opening Balance as at 1 August	358,929	355,774
Receipts		
Interest	3,604	3,537
Total Receipts	3,604	3,537
Payments		
Fishing Assistance	---	---
Bank Charges	420	382
Total Payments	420	382
Closing Balance as at 31 July	362,113	358,929

(g) ODA Performance and Tenancy Trust Fund Account

Description	31 July 2021 (\$)	31 July 2020 (\$)
Opening Balance as at 1 August	164,740	164,907
Receipts		
Tender Deposit	154,266	---
Interest	---	2,749
Total Receipts	154,266	2,749
Payments		
Tender refunds	182,853	1,970
Bank Charges	---	946
Total Payments	182,853	2,916
Closing Balance as at 31 July	136,153	164,740

(h) Adopt a School Trust Fund Account

Description	31 July 2021 (\$)	31 July 2020 (\$)
Opening Balance as at 1 August	8,733,573	4,674,060
Receipts		
Donation	---	4,071,942
Retention	---	7,085
Refund	---	---
Interest	64,072	103,848
Total Receipts	64,072	4,182,875
Payments		
Contractor payments	3,750,384	3,832
Transfers	---	119,418
Bank charges	---	112
Total Payments	3,750,384	123,362
Closing Balance as at 31 July	5,047,261	8,733,573

(i) Group Insurance Trust Fund Account

Description	31 July 2021 (\$)	31 July 2020 (\$)
Opening Balance as at 1 August	89,150	89,211
Receipts		
Insurance proceeds	---	---
Total Receipts	---	---
Payments		
Insurance payments	---	---
Bank charges	15	61
Total Payments	15	61
Closing Balance as at 31 July	89,135	89,150

(j) **Miscellaneous Trust Fund Account v Other Trust Fund Account**

Description	31 July 2021 (\$)	31 July 2020 (\$)
Opening Balance as at 1 August	9,285,112	8,799,288
Receipts		
Interest	178,907	485,824
Total Receipts	178,907	485,824
Closing Balance as at 31 July	9,464,019	9,285,112

(k) **Accident Compensation Trust Fund Account**

Description	31 July 2021 (\$)	31 July 2020 (\$)
Opening Balance as at 1 August	25,550,448	14,480,805
Receipts		
ACF proceeds	14,475,590	21,601,780
Interest	137,890	177,175
Total Receipts	14,613,480	21,778,955
Payments		
ACF payments	7,191,000	9,771,534
VAT payments	495,706	935,259
Bank charges	13,966	2,519
Total Payments	7,700,672	10,709,312
Closing Balance as at 31 July	32,463,256	25,550,448

(l) **GP Expansion Program Trust Fund Account**

Description	31 July 2021 (\$)	31 July 2020 (\$)
Opening Balance as at 1 August	10,598,090	---
Receipts		
GP Proceeds	10,329,433	10,564,552
Interest	354,266	37,281
Total Receipts	10,683,699	10,601,883
Payments		
Bank charges	35,508	3,743
Total Payments	35,508	3,743
Closing Balance as at 31 July	21,246,281	10,598,090



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