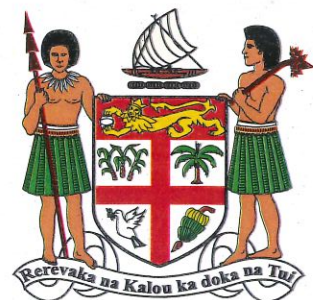


Service is our Priority

NASINU TOWN COUNCIL

Annual Report for the Year 2017



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 05/24 OF 2017



Nasinu Town Council

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All correspondence to be addressed to the special administrator

12th February 2024

The Honourable Minister
Minister for Housing & Local Government
Gladstone Road
SUVA

Dear Sir

RE: NASINU TOWN COUNCIL ANNUAL REPORT 2017

I have much pleasure in submitting the Nasinu Town Council Annual Report for 2017.

The report provides the activities of the Council through the year.

The Annual Report 2017 has been prepared in accordance with the provision of Section 19(1) (a), (b) and (c) of the Local Government Act Cap 125.

Yours faithfully

Mr. Imraan Khan

Actg. CHIEF EXECUTIVE OFFICER

VISION

To be the best Municipality in Fiji that builds pride in our heritage and secures a better future for all stakeholders.

CORPORATE MISSION STATEMENT

Work in Partnership with all stakeholders in providing quality services in a sustainable manner to develop and maintain civic pride to deliver a vibrant Nasinu municipality

VALUES

- Excellence
- Customer Oriented
- Accountability
- Honesty
- Teamwork
- Innovation
- Transparency

CORPORATE OBJECTIVES

- Community Well Being
- Planning and Development
- Environment and Health
- Organizational Performance and Capacity Building
- Prudent Financial Management
- Governance

Nasinu was formally incorporated a Town in 2000, by the then Ministry for National Planning, Local Government, Housing and Environment under Section 5 of the Local Government Act. It is located at latitude 18.08°S and 178.50°E longitude, south of equator and west of dateline. It has the largest municipal area in Fiji with its land area of 78.3 km², which is twice the size of Suva, and is nestled along the Suva – Nausori corridor stretching from the Samabula (4 miles) Bridge, at the junction of Wainivula Road, and Nokonoko (Bailey) Bridge to 9 miles Wainibuku Bridge and along Khalsa Road to the junction of Kanace Road.

Initially the boundary included areas beyond the Wainibuku Bridge right up to Nakasi, however these areas were later placed under the Nausori Town Council. The current population of Nasinu is estimated to be around 120,000 with a population growth rate of about 2% per annum. It is also home to approximately 13,000 squatter residents in 20 different squatter settlements and the number is still growing.

The town boundary is divided in seven wards with total rateable properties of around 11,819 official ratepayers.

In 2017, Mr. Mosese Kama continued as Special Administrator and with the assistance of the Mr. Lute Berends, Chief Executive Officer looked after the overall operation of the Council.

This report is submitted in accordance with Section 19 of the Local Government Act, Cap. 125.

Yours sincerely



Shelvin Narayan
Actg. Chief Executive Officer

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1. THE COUNCIL

Nasinu Town is divided in seven wards with total rateable properties of around 11,819 official ratepayers.

The Council provided services to the Seven wards namely: -

Ward 1	-	Makoi, Tuirara & Tovata
Ward 2	-	Valelevu, Naveiwakau, Kalabu & Newtown
Ward 3	-	Caubati
Ward 4	-	Narere, Navosai & Muanikoso
Ward 5	-	Laucala Beach Estate & Kinoya
Ward 6	-	Nadera
Ward 7	-	Nadawa, Nepani, Caqiri & Nasole

The Council was providing the following services: -

- Garbage Collection
- Building/Subdivision/Rezoning Applications
- Health Services (Inspection etc)
- Upkeep of Roadside drains and Grass
- Repair & Maintenance of Streetlights
- Markets & Licensing

Nasinu is mainly residential heavy township with very little commercial and industrial outlets. In addition, the Town is also home to over 2000 houses in 20 informal settlements who the council also includes in basis hygiene services without a cost.

2. MANAGEMENT & MEETING

Ordinary Council Members

- Mr. Mosese Kama, Special Administrator
- Mr. Lute Berends, Chief Executive Officer
- Ms. Esita Nawani, Manager Finance
- Mrs. Varea Waqa, Temp. HR Manager

- Mr. Shelvin Narayan, Senior Health Inspector
- Mr. Mosese Yavalanavanua, Actg. Manager Engineering
- Ms. Elina Maraiwai, Secretary

The Council started the year with the above-mentioned board with all departments represented. The Council had 5 major departments in namely:

- Administration
- Engineering
- Health
- Legal
- Finance

Subcommittees and their members to assist in the overall operations of the Council are as follows:

BUSINESS SUBCOMMITTEE

1. Mr. Mosese Kama, Special Administrator
2. Mr. Lute Berends, Chief Executive Officer/Chair
3. Mr. Mosese Yavala, Actg. Manager Engineering
4. Mr. Alifereti Roko, Internal Auditor
5. Ms. Esita Nawani, Manager Finance
6. Mr. Shelvin Narayan, Senior Health Inspector
7. Mrs. Varea Waqa, Temp. HR Manager
8. Mrs. Elina Maraiwai, Secretary

PROJECT SUBCOMMITTEE

1. Mr. Lute Berends, Chief Executive Officer
2. Ms. Esita Nawani, Manager Finance
3. Mr. Mosese Yavalanavanua, Actg. Manager Engineering
4. Mrs. Makitalena Kamikamica, Secretary

MAINTENANCE & OPERATION SUBCOMMITTEE

1. Mr. Lute Berends, Chief Executive Officer
2. Ms. Esita Nawani, Manager Finance
3. Mrs. Varea Waqa, Temp. HR Manager
4. Mr. Mosese Yavalanavanua, Actg. Manager Engineering
5. Mr. Shelvin Narayan, Senior Health Inspector
6. Mrs. Makitalena Kamikamica, Executive Secretary/PA

The Council held the following number of Council and Committee Meetings-

- Ordinary Council - 6
- Business Subcommittee - 6
- Project Subcommittee - 4
- Maintenance & Operation Subcommittee - 4

3 ADMINISTRATION

Strategic Plan

The Council completed its 5-year Strategic plan with assistance and input of all stakeholders. The plan was designed to ensure the Council achieved its targets from 2015 till 2019.

Human Resource

Human resource Section was setup within the Council with the aim of ensuring the Council was in line with the various Labour laws and regulations.

The Number of staff, requirement and Departures are as follows:

Staffing	Numbers
Office Staff	41
Depot Staff	107
New Staff Intake	21
Resignations	32
Deaths	2

Sports and Social

Sports and Social Club was active and was tasked at organized Annual Council Party as well get together to ensure staff maintained a "work life balance" within their life's.

IT Services

The Council IT section was also setup with the Council purchasing its own server system to host its own email and storage of all Council data. With the purchase of a server all staff were allocated with specific email address for easier communication.

LIBRARY REPORT

The Library has been providing services to people of Nasinu. Also users along Suva – Nausori Corridor are daily users of the Library.

The Library also housed basic computers which students could use for typing of projects and other important documents.

One (1) Staff is in-charge of the Library who is appointed by the Council.
The operating hours are:

- Monday - Thursday - 8.00 am – 4.30 pm
- Friday - 8.00 am – 4.00 pm

The Library Books and other Educational Material were donated by the Council and the General Public. The Total number of Members in the Library as at 31st December was 679.

4 SERVICES

4.1 Health

THE Council Health Inspectors worked in accordance with the Public Health Act to provide services to the ratepayers. These included:

- Attendance of Sanitary Complains
- Inspections for Business Licenses
- Organization of Cleanup Campaigns
- Vector Surveillance
- Food Safety Inspections

Attendance of Sanitary Complains

The Council received a total 695 Sanitary related complaints of which all were attended to by the Council Officers.

Number of Complaints Received - 695

Number of Complaints Attended - 630

Number of Complaints resolved - 621

Some complaints were resolved in the following years as matters were before the Courts or need attention of other stakeholders to obtain solutions. The notices were issued by Health Inspectors for the year with majority being complied to.

Inspections for Business Licenses

All business was inspected by the Health Inspectors before licenses is recommended for the year. Around 1,200 applications were recommended for Business License for the year 2017.

Organization of Cleanup Campaigns

The Council carried out major cleanups of the Nasinu Area. The cleanups were targeted at removing bulky wastes to eradicate the Mosquito breeding places.

The Cleanup included the collection of green wastes and Bulky wastes inclusive of white goods. the Council also obtained assistance from a few youth groups in the cleaning of the refuse.

Vector Surveillance

The Council worked in partnership with the Ministry of Health in carrying out quarterly larval surveys. A total of 100 houses were inspected in each quarter from different areas to determine the likelihood of a Mosquito borne outbreak

In addition, the Council also carried out Mass Mosquito Adulting program with the assistance of the Ministry of Health. All areas inclusive of informal settlements were sprayed with during this program.

Food Safety Inspections

Food Premises were inspected for Business Licensing, Liquor Licensing and Basic inspection of Sanitary compliance.

Most food premises had defects noted in their initial inspections thus re – inspections were conducted until satisfactory compliance was noted.

4.2 **Building**

The Council Building section received and processed applications before it was sent to Department of Town & Country Planning for approval. this included applications for buildings, re-zoning, subdivisions and conditional approvals. The Total number of Building applications received are as follows:

Application in respect of Developments: - 2017	<u>No.</u>
New Dwelling	111
Renovation/ extension	157
Other works fencing, etc.	96
No. of Industrial	6
Civic development	11
No. of Commercial	7
Re-zoning	11
TOTAL	399

All applications were processed and sent to DTCP for approval. A total of 399 building applications was received by the Nasinu Town Council with the value of \$22,758,423.74. The Council received a total of \$60,554.43 as building fees from the applications.

The Council building inspectors carry out the systematic inspections on all structures approved by council at different stages during the construction of the building and then finally on completion of the building.

The total number of completed building for the year are as follows:

<u>Completion Certificates Issued</u>	<u>No.</u>
Residential	44
Commercial	4
Industrial	3
Civic	4
TOTAL	55

There were 11 Rezoning application received for the year 2017 and all applications were sent to Department of Town & Country Planning for approval of which 6 were approved.

8 Subdivision applications were received for the year 2017 whereby comments were provided by the Council and submitted to Town Planning for approval.

4.3 Works Report

The works Section of the Council provided the following services to the residents of Nasinu:

- Collection of Kitchen waste
- Cleaning of Roadside drains
- Overgrowth Control in public places
- Upkeep of grounds
- Maintenance of Markets
- Collection of Green Waste

Collection of Kitchen waste

The Collection of Kitchen waste in Nasinu was done by Council. Collection of refuse was done twice a week from all areas within Nasinu.

Cleaning of Roadside drains

Cleaning of all drains in Nasinu was done by Council and some Wards was done by the Council Contractors. Council had formed operations Teams who were to ensure that all drains in each ward was cleared at least once every month. The same group was tasked with the management of overgrowth on Roadsides and public places.

Maintenance of Markets

Nasinu has 3 major markets in Valelevu, Narere and Makoi and maintenance of the markets was carried out as and when required. Also the markets were thoroughly washed each quarter with the assistance of the National Fire Authority. In addition, a Contractor was hired to provide Skipbins to all market sites for the collection of refuse.

Green Waste Collection

The Council introduced the collection of Monthly Green waste collection for all areas within Nasinu. The Green waste collection program was increased to 5-week program as the amount of refuse collected was very high.

4.4 Legal

A Legal services department was setup in the Council tasked at handling all legal matters for the Council. The Legal officer was also tasked to look at current by laws and take necessary steps to strengthen it.

All cases against and for Councils was attended to by the legal department. In addition, the Council enforcement team also assisted in the recovery of Town Rate arrears.

5.0 Finance

The Finance department managed the income and expenditure of the Council. The Council received revenue from:

- Town Rates & Garbage Fees
- Business License
- Taxi Base Fees
- Market fees
- Income from property usage like grounds

5.1 Town Rates & Garbage Fees

RATES COLLECTED			
Month	Amount	Month	Amount
January	\$872,929.67	July	\$293,020.40
February	\$343,470.02	August	\$317,523.23
March	\$432,958.86	September	\$193,588.30
April	\$292,141.68	October	\$227,968.53
May	\$181,488.08	November	\$250,553.84
June	\$141,694.36	December	\$236,790.91

The Council collected a total of \$3,784,127.88 in Town rates and Garbage fees for the year. Council had provided a discount on the payment of rates in January & February while an Interest waiver was provided in December. The total Outstanding Rates and Garbage Fees as at 31st December 2016 was \$8,035,422.26.

5.2 Business License

A total of 2440 Licenses were issued to business for operations in year 2017. The Total income from Business license was \$266,790.21.

5.3 Taxi

The Council had 88 approved taxi bases which accommodated for 681 Taxis for the whole of Nasinu area. The total income received Taxi base fees and approvals was \$328,048.92.

5.5 Audited Finance

Financial Statement for the Year Ended 31st December 2017 has not been prepared by the Finance Team, thus is not available for submission.

5.6 Market Report

REVENUE COLLECTED

2017	
JANUARY	\$10,246.65
FEBRUARY	\$8,250.45
MARCH	\$8,987.70
APRIL	\$10,274.95
MAY	\$11,088.05
JUNE	\$9,433.10
JULY	\$10,835.05
AUGUST	\$9,952.85
SEPTEMBER	\$10,584.10
OCTOBER	\$11,960.75
NOVEMBER	\$9,677.20
DECEMBER	\$10,140.75
TOTAL	\$121,431.60

6.0 Major Events & Achievements

1. 31st July 2017 – Foundation laying of Laqere Market

The Council with the assistance of the Ministry Local Government who had provided the fund, purchased a lot from Nasinu Land Purchase Cooperative at the Laqere Subdivision for the Construction of the Market. The current market infrastructure is definitely insufficient to cater for the ever-growing need for market space. Thus, many vendors have turned to the roadsides of our major roads for selling which is both unhygienic and a safety risk. With the construction of the Laqere Market it would reduce the roadside selling around the same vicinity.

2. 3rd June 2017 to 10th June 2017 Vodafone Millennium Sinu Festival

The Millennium Sinu Festival Committee with the support of the Ministry of Local Government, Housing & Environment organized the Millennium Sinu Festival which was held at the Valelevu Ground.

The crowned Miss Millennium Sinu - Ms. Hally Qaqa went on to represent Nasinu to the Fiji Pageant.

3. 20th October 2017 to 28th October 2017 Miss Fiji Pageant

Miss Hally Qaqa crowned Miss Nasinu 2017 went on to represent Nasinu during the Miss Fiji Pageant 2017 which was held in Suva. Miss Nasinu 2017 – Hally Qaqa was crowned Miss Fiji in 2017.

4. 6th December 2017 to 9th December 2017 Miss Pacific Island Pageant

Miss Hally Qaqa crowned Miss Fiji 2017 went on to represent Fiji during the Miss Pacific Island Pageant 2017 which was held in Nadi. Miss American Samoa – Matauaina Toomalatai was crowned Miss Pacific Islands 2017. Miss Fiji 2017, Hally Qaqa was crowned the 2nd runner up.

A team from the Council went with Miss Nasinu 2017 to Nadi to attend and support her during the one-week event.

5. Council received the Solid Waste Management Award by the Ministry of Local Government.

7.0 Acknowledgement

The Council wishes to show its appreciation and gratitude to the Business Houses, Ratepayers and other Stakeholders for paying their Business License Fee, Rates and other dues to meet the running cost of the town's administration.

The Council also wishes to acknowledge the dedicated services rendered by its Management and Staff.

Nasinu Town Council also wishes to record with appreciation the assistance and support given by the Minister for Local Government, the Permanent Secretary, the Director, Local Government and Staff, including the Director, Town and Country Planning for their assistance and guidance which greatly facilitated the effective administration of the Council.

We would also like to thank various Government Departments, Donor Agencies, Non-Government Organizations, Private Institutions and the Public for their support during the year.

8.0 Appendix

Attached.

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OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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



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



File: 850

13 December 2023

Mr. Uma Patel
The Chairperson
Special Administrators
Nasinu Town Council
NASINU

Dear Mr. Patel

NASINU TOWN COUNCIL

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The audited financial statements for Nasinu Town Council for the year ended 31 December 2017 together with my audit report on them are enclosed.

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

Yours sincerely

Sairusi Dukuno
ACTING AUDITOR-GENERAL

cc: Mr. Imraan Khan, Acting Chief Executive Officer, Nasinu Town Council.

Encl.

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NASINU TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017

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**NASINU TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**NASINU TOWN COUNCIL
COUNCIL'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Council herewith submits the Statement of Financial Position at 31 December 2017, the related Statement of Statement of Financial Performance and Statement of Accumulated in Funds of the Council for the year then ended on that date and report as follows:

1. Management Staff

Mr. Mosese Kama	Special Administrator
Mr. Lute Berends	Chief Executive Officer
Ms. Esita Nawani	Manager Finance
Mr. Mosese Yavalavanua	Manager Engineering
Mr. Shelvin Narayan	Health Inspector
Mr. Alifereti Roko	Internal Auditor
Mrs. Filimaina Waqa	Manager Human Resource

2. Principal activity

The principal activities of the Council under the Local Government Act are to provide for the health, welfare and convenience of the inhabitants of the Nasinu Town Municipality and to preserve the amenities or credit thereof.

3. Results

The net result of the Council for the years ended 31 December 2017 and 2016 amounted to surplus of \$2,343,448 [2016: surplus of \$1,388,660].

4. Bad and Doubtful Debts

Prior to the completion of the Council's financial statements, the Council took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and provision for doubtful debts.

As at the date of this report, the council is not aware of any circumstances, which would render the amount written off for bad debts inadequate to any substantial extent.

5. Non-current assets

Prior to the completion of the financial statements of the Council took reasonable steps to ascertain whether any non-current assets were unlikely to realize in the ordinary course of the business their values as shown in the accounting records of the Council. Where necessary, these assets have been written down or adequate provision has been made to bring the values of such assets to an amount they are expected to realize.

As at the date of this report, the Council are not aware of any circumstances which would render the values attributed to the non-current assets in the Council's financial statements misleading

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**NASINU TOWN COUNCIL
COUNCIL'S REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Basis of Accounting

The Council believes the basis of the preparation of the financial statements is appropriate and the Council will be able to continue in operation for at least twelve months from the date of this statement. Accordingly, the Council believes the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

7. Unusual Transactions

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the Council, the results of the operations of the Council during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, in the opinion of the Council, to affect substantially the results of the operations of the Council in the current financial year, other than those reflected in the financial statements.

8. Subsequent events

No matters or circumstances have arisen since the end of the financial year which would require adjustments to, or disclosure in the financial statements.

9. Other circumstances

As at the date of this report:

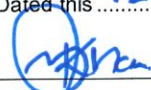
- (i) no charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- (ii) no contingent liabilities or other liabilities of the Council has become or is likely to become enforceable within the year of twelve months after the end of the financial year which in the opinion of the Council will or may substantially affect the ability of the Council to meet its obligation as and when they fall due.

As at the date of this report the Council are not aware of any circumstances that have arisen not otherwise dealt with in this report which could make adherence to the existing method of valuation of assets or liabilities of the Council misleading or inappropriate.

We acknowledge and would like to declare that the current management team only facilitated the completion of 2015 to 2017 accounts, the current SA board, CEO and The Senior Finance Team were not employed in the years of 2015 to 2017. We acknowledge the issues raised in the report compilation and the current management is working towards implementing the recommendations provided.

Signed for and on behalf of the Council in accordance with a resolution of the Councilors.

Dated this 12 day of Dec, 2023.



Chief Executive Officer
Acting



Administrator

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**NASINU TOWN COUNCIL
STATEMENT BY COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2017**

The Council, states that:

- (i) the accompanying statement of financial performance is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2017;
- (ii) the accompanying statement of changes in accumulated activity of the Council for the year ended 31 December 2017 is drawn up so as to give a true and fair view of the movement in accumulated funds;
- (iii) the accompanying statement of financial position is drawn up so as to give a true and fair view of the state of the affairs of the Council as at 31 December 2017;
- (iv) the accompanying statement of cash flow is drawn up so as to give a true and fair view of the cash flows of the Council for the year ended 31 December 2017;
- (v) at the date of this statement there are reasonable grounds to believe that the Council will be able to pay its debts as and when they fall due;
- (vi) all relevant related party transactions have been recorded in the books of the Council and adequately reflected in the attached financial statements; and
- (vii) the financial statements have been made out in accordance with International Financial Reporting Standards and the Local Government Act.

Signed for and on behalf of the Council in accordance with a resolution of the Councilors.

Dated this 12 day of Dec, 2023.



Chief Executive Officer
Acting



Administrator

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



Level 1, Modyl Plaza
Karsanji Street, Vatuwaqa
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Telephone: (679) 8921519
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



INDEPENDENT AUDITOR'S REPORT

Nasinu Town Council

Report on the audit of the financial statements

I have audited the financial statements of the Nasinu Town Council which comprise the Statement of Financial Position as at 31 December 2017, Statement of Financial Performance, Statement of Accumulated Funds, Statement of Cash Flows for the year the ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the financial statements.

Basis for Disclaimer of Opinion

1. A disclaimer of opinion was issued on the 2016 financial statements. I was unable to obtain sufficient and appropriate audit evidence to ascertain the accuracy of the opening balances. Therefore, I am unable to satisfy myself concerning the opening balances disclosed in the Statement of Financial Position of the Council and the impact it may have on the determination of the closing balances of the 2017 financial statements.

Cash and Cash Equivalents

2. The Council recorded Cash on hand and at bank amounting to \$518,087 in the Statement of Financial Position as at 31 December 2017 for which proper accounting records were not maintained. Transactions for receipts and payments were recorded in the Cash general ledger from the bank statements instead of from source documents such as receipt books. Moreover, the Council did not maintain reconciliations of Petty Cash float during the year.

Furthermore, a bank account with balance amounting to \$1,620 was omitted from the books of account of the Council. In addition, bank statement and bank audit certificate for two bank accounts amounting to \$21,445 and \$(49,314) respectively were not provided for audit verification.

Consequently, I was not able to ascertain the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the Cash on hand and at bank at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance and Statement of Financial Position could not be determined for the year ended 31 December 2017.

Trade and other Receivable

3. The Council recorded Trade and Other Receivables balance of \$8,234,297 (Note 10) in the Statement of Financial Position as at 31 December 2017. The Council recorded corresponding entries relating to Trade Receivables into Retained Earnings account as the

Basis for Disclaimer of Opinion (con't)

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Trade and Other Receivable (con't)

breakdown of Receivable balance was not made available. Furthermore, the Council has not provided evidence of Impairment assessment carried out on Trade Receivable.

The Council was not able to provide subsidiary listings for Other Receivables which included Advances amounting to \$65,027. Hence, I am unable to complete my testing relating to Other Receivables.

Consequently, I was unable to ascertain the existence and accuracy of Trade and Other Receivables balance of \$8,234,297 and whether any adjustments might be necessary in respect of the receivable balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance and Statement of Financial Position could not be determined for the year ended 31 December 2017.

Property Plant and Equipment

4. The Council was unable to provide the appropriate documents to support Property, Plant and Equipment, Construction in Progress, and Investment Property accounts amounting to \$1,743,354, \$2,765,662 and \$30,000 respectively. I was not able to complete my testing relating to the completeness and valuation of Property, Plant and Equipment, Construction in Progress, Investment Property, and Intangible Assets

Due to the length in time that has lapsed from the financial year to the commencement of the audit, I was unable to perform physical verification tests as to the existence of Property, Plant and Equipment, Construction in Progress, Investment Property, and Intangible Assets. The Council did not perform a Board of survey at the end of the financial year.

Consequently, I was not able to ascertain that, the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the addition, disposal and accumulated depreciations at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance and Statement of Financial Position could not be determined for the year ended 31 December 2017.

Trade and other Creditors

5. The Council was unable to provide reconciliations and support for Trade and Other Creditors balances of \$980,611 (Note 14). Consequently, I was not able to ascertain that, the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the Trade and other Creditors Payable balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance and Statement of Financial Position could not be determined for the year ended 31 December 2017.

Employee Benefit Obligations

6. The Council provided a reconciliation for annual leave schedule amounting to \$63,692. However, the Council was unable to provide the correct Employee Benefit Obligations reconciliations and details to support the above Employee Benefit Obligations balances. Consequently, I was not able to ascertain that, the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the Employee Benefit Obligations balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance and Statement of Financial Position could not be determined for the year ended 31 December 2017.

Basis for Disclaimer of Opinion (con't)

Deferred Income

- 7. The Council was unable to provide the appropriate reconciliation and supporting documents to verify balances for Deferred Income amounting to \$398,925 (Note 17) as the Grant agreement, reconciliation were not available and record keeping of ongoing Grants at year end was not maintained. Hence, I was not able to ascertain that, the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the deferred income balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance and Statement of Financial Position could not be determined for the year ended 31 December 2017.

Operating Income

- 8. The Council was unable to provide appropriate supporting documentation and detailed listings to support balances for General Rates \$2,334,536 (Note 5) and Interest Income \$815,458. Consequently, I was not able to ascertain that, the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the Operating Income balances at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance could not be determined for the year ended 31 December 2017.

Operating Expenditure

- 9. The Council was unable to provide relevant supporting documentation and subsidiary listings to support Operating Expenses balances of \$4,231,141. Consequently, I was not able to ascertain that, the completeness and accuracy of the amount and whether any adjustments might be necessary in respect of the Operating Expenses balance at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Financial Performance could not be determined for the year ended 31 December 2017.
- 10. Generally, internal control function of cash, revenue management, payroll processing and procurement of good and services were found to be weak. Poor internal control may lead to fraud and possible misappropriation of funds.

Other information

Management and Special Administrators are responsible for the other information. The other information comprises the information included in the Special Administrators' report, but does not include the financial statements and my auditors' report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work, I conclude that there is a material misstatement of this other information, I am required to report that fact. Accordingly, I am unable to conclude whether or not the other information is materially misstated with respect to matters described in the Basis for Disclaimer of Opinion.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Management and Special Administrators are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) and the Local Government Act 1972, and for such internal control as the Management and Special Administrators determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Special Administrators are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management and Special Administrators either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibility 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. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was unable to provide a basis for an audit opinion of these financial statements.

I communicate with 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.

Report on Other Legal and Regulatory Requirements

My audit procedures identified instances of non-compliance with legislative requirements and a material deficiency in the Council's accounting records or financial statements. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Council's compliance with financial reporting matters as required by section 54 of the Local Government Act 1972.



Sairusi Dukuno
ACTING AUDITOR-GENERAL



Suva, Fiji
13 December, 2023

**NASINU TOWN COUNCIL
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017	2016
<i>Revenue</i>			
Rates	5	2,334,536	2,370,366
Other Income	6	3,424,596	1,740,890
Interest Income		815,458	850,992
		<u>6,574,589</u>	<u>4,962,248</u>
<i>Expenditure</i>			
Advertising and public relation expense		3,401	2,458
Depreciation and amortization expense	11,13	226,857	230,729
Employees' salaries and benefits expenses	7	2,091,708	2,032,563
Garbage collection expense		486,111	636,152
Repairs and maintenance expense		93,417	42,942
Transportation expense		40,612	26,210
Other operating expense	8	1,156,121	494,969
Finance Costs		1,197	51,306
Discount Allowed		131,716	56,257
		<u>4,231,141</u>	<u>3,573,586</u>
Total surplus/(deficit)		<u>2,343,448</u>	<u>1,388,662</u>

The above statement of financial performance is to be read in conjunction with the notes to and forming part of the financial statements.

**NASINU TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Accumulated Funds	Total Accumulated Funds
Balance as at 1 January 2016	7,476,242	7,476,242
Surplus for the year	1,388,660	1,388,660
Opening balance adjustment	(967,468)	(967,468)
Balance as at 31 December 2016	7,897,434	7,897,434
Surplus for the year	2,343,448	2,343,448
Movements in accumulated Funds	882,630	882,630
Balance as at 31 December 2017	11,123,513	11,123,513

The above statement of accumulated funds is to be read in conjunction with the notes to and forming part of the financial statements.

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**NASINU TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Notes	2017	2016
ASSETS			
CURRENT ASSETS			
Cash on hand and at bank	9(b)	518,087	731,793
Trade and other receivables	10	8,234,297	7,455,558
Total Current Assets		8,752,384	8,187,351
NON - CURRENT ASSETS			
Property plant & equipment	11	1,743,354	1,731,481
Construction in progress	12	2,765,662	479,248
Investment Properties	13	30,000	35,000
Total Non-Current Assets		4,539,016	2,245,729
TOTAL ASSETS		13,291,400	10,433,080
LIABILITIES			
CURRENT LIABILITIES			
Trade and other creditors	14	980,611	937,311
Employee benefit obligations	15	63,692	63,692
Interest bearing borrowings	16	159,078	196,929
Deferred income	17	80,523	80,523
Total Current Liabilities		1,283,904	1,278,455
NON CURRENT LIABILITIES			
Interest bearing borrowings	16	172,637	297,356
Deposits		392,945	392,946
Deferred income	17	318,402	566,889
		883,984	1,257,191
TOTAL LIABILITIES		2,167,888	2,535,646
NET ASSETS		11,123,512	7,897,434
ACCUMULATED FUNDS			
General Accumulated Funds		11,123,512	7,897,434
TOTAL ACCUMULATED FUNDS		11,123,512	7,897,434

Signed for and on behalf of the Council in accordance with a resolution of the Councilors.

Dated this 12 day of December, 2023.


Chief Executive Officer


Administrator

The above statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements

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**NASINU TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017	2016
Cash flows from operating activities			
Receipts from customers		6,429,993	2,705,532
Payments to suppliers & employees		(3,961,422)	(3,133,905)
Net VAT movement		1,635	(12,680)
Net cash from operations		2,469,009	(441,052)
Finance costs		(1,197)	(51,306)
Net cash provided / (used) by operating activities	9(a)	2,469,008	(492,359)
Cash flows from investing activities			
Acquisition of property, plant & equipment		(233,731)	(161,005)
Movement in construction in progress		(2,286,413)	(270,147)
Net cash used in investing activities		(2,520,144)	(431,152)
Cash flows from financing activities			
Net borrowings movement		(162,571)	215,074
Net cash (used) / provided by financing activities		(162,571)	215,074
Net (decrease)/ increase in cash held		(213,707)	(708,437)
Cash and cash equivalents at the beginning of the year		731,793	1,440,231
Cash and cash equivalents at the end of the year	9(b)	518,086	731,794

The above statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements

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**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. General Information

The financial statements of Nasinu Town Council ("the Council") for the year ended 31 December 2016 were authorized for by the Chief Executive Officer on12/12/23..... The Council was incorporated in Fiji under the Local Government Act, 1972.

2. Basis of preparation

The financial statements have been prepared on accrual basis under the historical cost convention using the accounting policies described below and except where stated, do not take into account current valuation of non - current assets. The financial statements are presented in Fijian dollars.

Statement of Compliance

The financial statements of Nasinu Town Council have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and the Local Government Act. These policies have been consistently applied, unless otherwise stated.

Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of these financial statements.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds have been eliminated.

Trust Funds

The Nasinu Town Council has received parking monies in compliance with the Traffic Act and contributions from developers under the Town Planning Act. As the Council performs a custodial role, these funds are excluded from Council Funds.

3. Summary of significant accounting policies

The preparation of the Council's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Cash and cash equivalents

Cash comprise cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Statement of Cash flows

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of any outstanding bank overdrafts which forms an integral part of the Council's cash management. Bank overdrafts are shown in current liabilities on the Statement of Financial Position.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Summary of significant accounting policies (continued)

Operating activities are the principal revenue-producing activities of the Council. Cash flows from operating activities generally result from the transactions and other events and conditions that enter into the determination of profit or loss.

Investing activities are those activities relating to the acquisition, holding and disposal of long-term assets and other investments not included in cash equivalents.

Financing activities are activities that result in changes in the size and composition of the contributed equity and borrowings of the Council.

(b) Inventories

Inventories, comprising of maintenance materials, concrete products, steel, iron, mechanical spares, uniforms, stationery and miscellaneous items are valued at the lower of cost and net realizable value. Cost is assigned on a first-in-first-out basis.

(c) Trade and other receivable

Rates receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Rates receivables are initially recognized as receivables from the commencement of each rating period (inclusive of VAT where applicable). After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains or losses are recognized in the statement of comprehensive income when the receivables are derecognized or impaired, as well as through the amortization process. Bad debts are written-off as incurred. Rates received in advance of the rating period are recognized as a liability.

(d) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of comprehensive income as incurred.

Rates are as follows:

	Over the term of the lease
Leasehold land	
Buildings	2.0%
Furniture & Fittings	10.0%
Plant & Equipment	10.0%
Office Equipment	10.0%
Motor Vehicles	10.0%
Roads, footpath and drains	1.0%

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognized. The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Summary of significant accounting policies (continued)

(e) Investment property

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the investment property when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the investment property as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of comprehensive income as incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Building	2.00%
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Premiums on leasehold land are capitalized and amortized over the term of the lease. An item of investment property is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognized. The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of comprehensive income in the year in which the expenditure is incurred. The useful lives of intangible assets for the Council are assessed to be finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is renewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption in future economic benefits embodied in the asset is accounted by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Gain or losses arising from the de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is de-recognized.

(g) Financial assets

Financial assets are classified into the following categories: at fair value through profit and loss, held-to-maturity, available-for-sale, and loans and receivables. The classification is dependent on the purpose for which the financial assets are acquired.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Summary of significant accounting policies (continued)

Management determines the classification of investments at the time of the purchase and re-evaluates such designation on a regular basis. Purchases and sales of investments are recognized on the trade date, which is the date the Council commits to purchase or sell the asset. Cost of purchase includes transaction costs. The Council recognized the following financial assets:

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current.

(b) Available-for-sale financial assets

Available-for-sale (AFS) financial assets are non-derivatives that are either designated in this category or not classified as loans and receivables, held-to-maturity investments, financial assets at fair value through profit or loss. AFS assets are measured at fair value. Fair value changes on AFS assets are recognized directly in equity, other comprehensive income, except for interest on AFS assets and impairment losses. The cumulative gain or loss that was recognized in equity is recognized in profit or loss when an available-for-sale financial asset is derecognized.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Council has positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortized cost.

(h) Impairment

At each reporting date, the Council reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Council estimates the recoverable amount of the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount. Reversal of impairment loss is recognized immediately in profit or loss.

Recoverable amount is the higher of the 'fair value less cost to sell' and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss. For assets carried at fair value, the impairment loss is treated as a revaluation decrease.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Summary of significant accounting policies (continued)

(i) Fund Accounting

The Nasinu Town Council has adopted a fund accounting system, as a considerable part of annual revenues comprises of rates for different purposes and special purpose funds as required by the Local Government Act. Accordingly, it is necessary to establish a separate fund to record the amount received, expenditure incurred and the net balance of funds available to be carried forward into the next financial year.

The identification of funds is maintained throughout the accounting system, thus providing the control necessary to ensure that each fund is used only for the purpose for which it is received.

Details of Special Purpose Funds maintained by the Council are:

(a) Parking Meter Fund

The Council, in compliance with the Traffic Act, has to maintain a separate account for the operation of Parking meters in designated areas of roads within the town.

(b) Car Park Fund

This fund has been created for contributions received from developers under the Town Planning Act. The fund is used to construct and develop car parks.

(j) Trade and other payables

Liabilities for other payables are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

(k) Financial liabilities

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs, and have not been designated 'as at fair value through profit or loss'.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

(l) Provisions

Provisions are recognized when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Where the Council expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when reimbursement is virtually certain.

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Summary of significant accounting policies (continued)

(a) Employee Entitlements

Employee entitlements relating to wages, salaries, annual leave, sick leave, long service leave and retirement benefit represents the amount which the Council has a present obligation to pay resulting from the employees' services provided up to balance date.

(b) Wages and salaries, sick leave and annual leave

Liabilities for wages and salaries and annual leave are recognized, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

(c) Provision for long service leave

A liability for long service leave is recognized, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(m) Leased Assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Council as a lessee

Finance leases, which transfer to the Council substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are reflected in the statement of comprehensive income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Board will obtain ownership by the end of the lease term.

Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight line basis over the lease term.

(n) Revenue

Revenue is recognized in the financial statements using the accrual concept of accounting.

(o) Income tax

The Council is exempt from income tax in accordance with the provisions of Section 17(4) of the Income Tax Act.

(p) Comparatives

Comparative figures have been restated where necessary for changes in presentation in current year.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

4. Financial risk management

Overview

The Council has exposure to the following risks from its use of financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk
- (iv) Capital management

This note presents information about the Council's exposure to each of the above risks, the Council's objectives, policies and processes for measuring and managing risk, and the Council's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The management and the special administrators have overall responsibility for the establishment and oversight of the Council's risk management framework. The Council's risk management policies are established to identify and analyse the risks faced by the Council, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Council's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Council's receivables from customers and investment securities. The Council has no specific concentrations of credit risk. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(ii) Financial risk management

The Council establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for Companies of similar assets in respect of losses that have been incurred but not yet unidentified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

4. Financial risk management (continue)

Risk management framework

(iii) Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another cash financial asset. The Council's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

(iv) Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Council's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Fair value interest rate risk arises from the potential for a change in interest rates to cause a fluctuation in their fair value of financial instruments. The objective is to manage the interest rate risk to achieve stable and sustainable net interest earnings in the long term. In managing this risk, the Council seeks to achieve a balance between reducing risk to earnings and market value from adverse interest rate movements, and enhancing net interest income through correct anticipation of the direction and extent of interest rate changes.

(v) Interest rate risk

As the Council's interest-bearing assets are small relative to its operations, its cash flows are substantially independent of changes in market interest rates. The interest rate per annum ranges from 7 percent to 11 percent.

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NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
9. Notes to the statement of cash flows		
(a) Reconciliation of net surplus/ (deficit) to cash provided by operating activities:		
Net (deficit)/surplus	2,343,448	1,388,660
<i>Add/(Less) Non-cash items / Items classified as investing:</i>		
Depreciation & amortization	226,857	230,729
Movements in Accumulated Funds	882,630	(967,468)
<i>Change in operating assets and liabilities:</i>		
(increase)/Decrease in trade and other receivable	(778,739)	(563,762)
increase/(Decrease) in accounts payable & other payables	41,666	157,648
increase/(Decrease) in deferred income	(248,487)	(725,485)
increase/(Decrease) in vat payable	1,635	(12,680)
Cash flow provided / (used) by operating activities	2,469,010	(492,358)
(b) Cash and cash equivalents consist of:-		
Cash on hand and at bank		
Cash at Bank-ANZ Operating	23,831	34,127
Cash at Bank-BSP Operating	16,195	22,758
Cash at Bank-BSP Grant Fund	398,925	647,412
Cash at Bank-WBC	43,243	-
Cash on Hand	35,893	27,497
Total cash and cash equivalents	518,057	731,793
10. Trade and other receivables		
(a) Rates and garbage fees arrears	8,154,937	7,974,088
Business license arrears	511,109	359,809
Less : provision for doubtful accounts	(496,777)	(949,068)
	8,169,269	7,384,829
(b) Other receivables		
Advances	65,027	65,027
Deposits	-	5,702
	65,027	70,729
Total Receivable	8,234,297	7,455,558

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**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. Property, plant and equipment

	Land & Buildings	Street lights	Motor Vehicles	Office Equipment, Furniture's & Plant	Total
Gross carrying amounts					
As at 31 December 2016	812,059	702,363	1,710,246	350,892	3,575,560
Additions	230,732	-	-	2,999	233,731
Disposals					
As at 31 December 2017	1,042,791	702,363	1,710,246	353,891	3,809,291
Accumulated depreciation & amortization					
As at 31 December 2016	131,092	259,315	1,129,758	323,914	1,844,079
Depreciation	20,856	-	171,025	29,977	221,858
Disposals					
As at 31 December 2017	151,948	259,315	1,300,783	353,891	2,065,937
Net carrying amounts					
As at 31 December 2016	680,967	443,048	580,488	26,978	1,731,481
As at 31 December 2017	890,843	443,048	409,463		1,743,354



NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
12. Construction in progress (CIP)		
Opening balance	479,248	209,102
Additions to CIP	2,286,413	270,146
Transfers		
Closing balance as at 31 December	<u>2,765,661</u>	<u>479,248</u>
13. Investment Properties		
Land and building - at cost	35,000	50,000
Less: accumulated depreciation	<u>(5,000)</u>	<u>(15,000)</u>
	<u>30,000</u>	<u>35,000</u>

Investment property generates flow of rental income from Kiosk building by renting out spaces for small and medium size business and individuals. There was no valuation carried out on the investment property. The cost is based on historical cost.

14. Trade and other creditors

Trade payables	573,377	528,442
Other payables		
Vat Payable	407,234	408,869
Total trade and other creditors	<u>980 611</u>	<u>937,311</u>

15 Employee benefit obligations

Employee leave	63,692	63,692
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16. Interest bearing loans & borrowings

Current

Bank overdraft general fund	49,314	87,165
Finance loan - Credit Corporation 321538 (refer to note (a) below)	40,148	40,148
Finance loan - Credit Corporation 316656 (refer to note (b) below)	58,903	58,903
Finance loan - Credit Corporation 318386 (refer to note (c) below)	10,712	10,712
Total current	<u>159,078</u>	<u>196,929</u>

Non-current

Finance loan - Credit Corporation 321538 (refer to note (a) below)	117,186	160,612
Finance loan - Credit Corporation 316656 (refer to note (b) below)	39,380	108,163
Finance loan - Credit Corporation 318386 (refer to note (c) below)	16,071	28,581
Total non-current	<u>172,637</u>	<u>297,356</u>

(a) The finance lease from Credit Corporation is secured by bill of sale on Motor Vehicle registration #IR521 and IF853. The interest is fixed at 6.5% per annum for 5 years.

(b) The finance lease from Credit Corporation is secured by bill of sale on Motor Vehicle registration # HL192 and HL193. The interest is fixed at 7% per annum for 5 years.

(c) The finance lease from Credit Corporation is secured by bill of sale on Motor Vehicle registration # HX526. The interest is fixed at 6.5% per annum for 5 years

**NASINU TOWN COUNCIL
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

17. Deferred income

The deferred income is shown on the statement of financial position as follows:

Current	80,523	80,523
Non - current	<u>318,402</u>	<u>566,889</u>
	<u>398,925</u>	<u>647,412</u>

(a) Deferred income related to grant received from the Government for the upgrading of roads, drains and street lights for some of the identified squatter/informal settlements in Nasinu Town Council area.

In 2014, Government grant was received in kind for a 3 ton truck compactor for the upgrade of Valelevu ground.

(b) The Japanese Government donated a Caterpillar SS660 to the Council in 2010.

(c) The grant from United Nations Development Program was for the building of retainer wall at Bulie Place at Laucala Beach Estate to avoid soil erosion as a result of global warming.

18. Related parties

(a) Identity of related party

Key management personnel's

(b) Transactions with related parties are as follows:

Transactions with related parties with approximate transaction value are

Key management personnel's	<u>155,465</u>	<u>155,465</u>
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Transactions with related parties were made on normal commercial terms and conditions.

19 Events subsequent to balance date

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the council, the results of those operations, or the state of affairs of the Council in future years.

20. Approval of financial statements

The financial statements were approved by the Councilors and authorized for issue to members on the12..... day ofDecember....., 2023 in accordance with a resolution of the Councilors.