

LEVUKA TOWN COUNCIL



ANNUAL REPORT 2018



PARLIAMENT OF FIJI
PARLIAMENTARY PAPER NO. 173/24

COUNCIL DIRECTORY

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BANK: Westpac Banking Corporation

AUDITOR: Auditor General

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Levuka is located on the island of Ovalau, part of the Lomaiviti Province, one of the three provinces of the Eastern Division of Fiji. Levuka was the administrative center for the Eastern Division, as well as the only commercial center for the Lomaiviti group of islands and a transportation mode for many inter-island services.

The non-indigenous settlement of Levuka began with a small aggregation of beachcombers in the 1830s. Because of Levuka's deep and protected harbor and exposure to the trade winds, by the 1850s it had developed into a principal port of call for European, Australian and American traders in the South Pacific. Levuka developed in the 1860s into a commercial center for Fiji. Trade in copra, beche-de-mer, cotton and other commodities began to attract a stable population interested in long-term settlement in Levuka.

The Levuka Town Council was established as the first municipality in 1877 and also as the first capital of Fiji. It has been noted historically as the first in the many things like the first hotel, the first bank, etc. The town achieved a milestone in 2013 when it was declared a Heritage Town by the UNESCO and also joined in the Organization of World Heritage Towns/Cities. Again in 2017 the Council celebrated its 140 years of existence as a municipality. The challenge for the Council is to maintain its heritage status and at the same time adhere to the needs and demands of modern development and technologies.

Every year we have placed on record that one of the main pressing needs for the Council is funding. With only 152 ratepayers, the rates and other business revenue is limited. The Council depends very much on the assistance from outside donors like Government grants, NGO's and business communities for funding. The Government through a Ministry's Cabinet paper in 2012 had approved that Levuka be given special treatment due to its heritage status. It was first allocated with a \$500,000 grant and has dropped significantly through the years. It is noted that the Ministry can relook into this line of funding hoping that with improved infrastructure and accommodation can attract heritage tourism as another main source of future revenue for the people of Levuka.

In the meantime, we are placing on record our appreciation for government funding that has allowed the Council to carry out such work as installing new drains, new concrete footpaths and seawall installation.

Levuka Town Council looks forward to the many facets of development and note that this can only be met with resilience from a community that has many challenges to overcome.

Nunia Labati

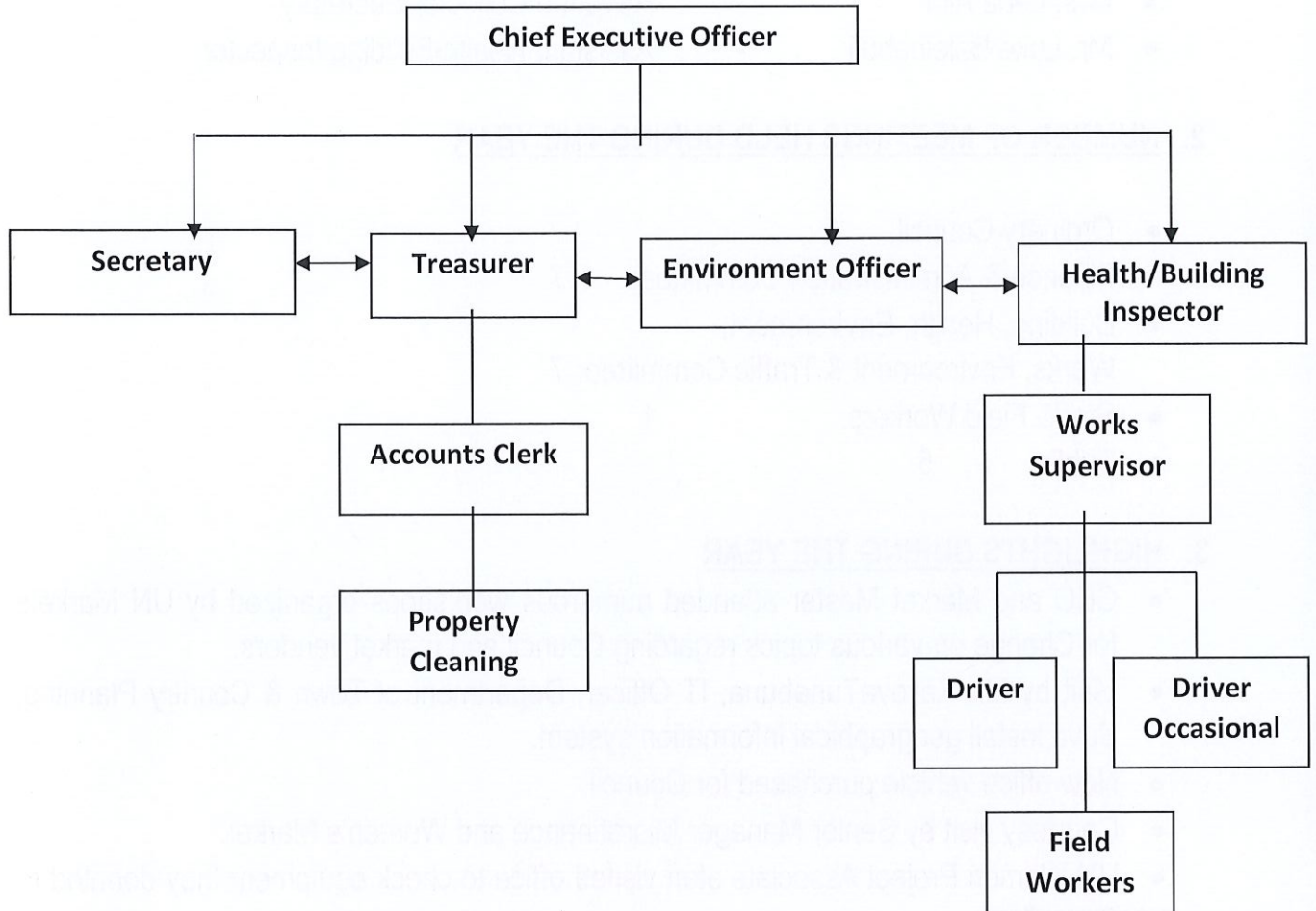
Acting Chief Executive Officer

LEVUKA TOWN COUNCIL

ORGANISATION STRUCTURE



CONTRACT EMPLOYEES



1. COUNCILSTAFF

- Mr. JoseseRakuita - Chief Executive Officer
- Mr. KaliveretiVuakatagane - Accounts Clerk
- Mrs. Ema Taukena - Treasurer
- Mr. WaisaleTavatuilagi - Works Supervisor
- Mrs. SalaseiniSauqaqa - Environment Officer
- Mrs. Leba Aloï - Revenue Collector/Secretary
- Mr. Luke Baleinabuli - Assistant Health/Building Inspector

2. NUMBER OF MEETINGS HELD DURING THE YEAR

- Ordinary Council: 5
- Finance & Administration Committee: 7
- Building, Health, Environment,
Works, Environment & Traffic Committee: 7
- Staff & Field Workers: 1
- Public: 5

3. HIGHLIGHTS DURING THE YEAR

- CEO and Market Master attended numerous workshops organized by UN Markets for Change on various topics regarding Council and market vendors.
- Visit by Mr. KaliovaTunabuna, IT Officer, Department of Town & Country Planning, Suva install geographical information system.
- New office vehicle purchased for Council.
- Courtesy visit by Senior Manager Microfinance and Women's Market.
- UN Women Project Associate staff visited office to check equipment they donated to Council.
- Amalgamation of Local Government and Rural Local Authority.
- Public consultation by Ministry of Labor.
- Fiji Day celebration and opening of the Vodafone Back to Levuka Carnival was held on the same day.
- Visit by Local Government Committee (KalivatiRatucicivi, Azmat Khan, Peni Gavidï)
- Celebration of Rural Women's Day.
- National Climate Change Day celebration.
- Director Local Government Visits Council.
- Department of Housing officials site inspection on the Citywide Project.
- Visit from the CIU team for site inspection at the market.

4. HEALTH DEPARTMENT

1.0 ENVIRONMENTAL HEALTH PLANNING AND MANAGEMENT

1.1 BUILDING APPLICATIONS AND SITE INSPECTED:

Type Of Development	New Application	Extension	Alterations & Repair	Total Fees For The Year	
				No.	Value (\$)
Residential	2				
Commercial	2				
Civic	4				
Others	5				
Total	13			13	\$4,852.66

1.2 BUILDING APPLICATIONS APPROVED/REFUSED/RENEWAL

Type of Development	Approved		Refused		Renewal	
	No.	Value (\$)	No.	Value (\$)	No.	Value (\$)
Residential						
Commercial						
Industrial			NIL			
Hotels/Resorts						
Schools						
Civic						
Miscellaneous						
Total						

1.3 BUILDING WORKS COMPLETED AND COMPLETION CERTIFICATE ISSUED

Type of Development	New Building(s)	Extension	Alterations & repair	Total for the month	
				No.	Value (\$)
Residential					
Commercial					
Industrial		ALL CONSTRUCTION HAS BEEN COMPLETED.			
Hotels/Resorts					
Schools					
Civic					
Miscellaneous					

2.0 SOLID WASTE DISPOSAL OPERATIONS

TYPES OF DUMPING FACILITIES	NUISANCE CONTROL ACTIVITIES			
	No. Odour Control	No. Air Emission control	No. Leachate Control	No. Flies & Insect Control
Public Landfill				
Public Open Dump Sites	2 spraying		-	10 AMS spraying and Disinfection spraying throughout the year.
Community Dumpsites	-			
Individual Pits	-			
Incinerators				Controlled by the Health Department
Others				
TOTAL				

*Routine Monitoring is always required.

3.0 LARVAL AND DISEASES

3.1 Diseases

Locality	Disease type	No. of reported Cases	No. Suspected	No. Confirm	No. Investigated
Baba Area	Dengue	2		2	2
Nasova Area	Dengue	1		1	1
Marist Convent School	Dengue	1		1	1
Levuka Public Primary	Dengue	1		1	1
Delana High School	Dengue	1	1		1
TOTAL		6			6

3.2 Larval

Locality/Community	No. Of Premises Inspected	No. Of Larval Sample Taken
Baba Area- (June)	100	6
Delana/Mission Hill/Church Street/Nadugu settlement/Batiniwai/Levuka School Compound (July)	100	4
Main CBS/Vunibua Lane/Bentleys Lane/ Police Barracks	100	0
Baba Area- (September)	100	2
October, Nov, December	No Inspections	-
TOTAL	400	12

4.0 LEGAL AND ENFORCEMENT PROGRAM

4.1 TYPE OF LEGAL AND COMPLIANCE INSPECTIONS

Types of Inspection	Total for the Year
Site (New Building/Subdivision)	13
Building (Progressive)	13
Subdivision (Compliance of conditions)	3
Public Complaint	23
Food (Premise and Licensing/Permits)	6
Water Surveillance (Source& Supply System)	-
Sanitation (Facilities, drainage & living condition)	12
Total	70

4.2

Type of Notice Served

TYPE OF NOTICE SERVED		
	<i>No Served</i>	<i>No complied</i>
Anti-litter	2	2
Mosquito Control	1	1
Illegal Development	1	1
intimation		
Statutory		
Abatement of Nuisances	3	3
Prohibition Orders		
Closing Orders		
Summons		

Nature of Complaints:

NATURE OF COMPLAINTS	No. of Complaints Received	No. of Complaints Investigated	No. of s Resolved on Voluntary Compliance	No. of Complaints Filed for Legal Proceedings	No. of Complaints Resolved Thru Court Proceedings	No. of Complaints Pending Investigation
Food & Food Premises	1	1	1			
Illegal Developments/Building	2	2	2			
Water Supply						
Waste Water & Sewerage	1	1	1			
Vector Control						
Occupational Health						
Environment Pollution						
Solid Waste Management & Litter Prevention	3	3	3			
Nuisances	6	6	6			
Commercial Operations						
Industrial Operations						
Other Public Health Complaints	10	10	10			
Complaint Re-inspection						
Total	23	23	23			

6.0 FOOD CONTROL

All food related matters is dealt with through joint inspections from Levuka Town Council and Lomaiviti Health Office of Ministry of Health. Inspections of all food outlets are on-going and monitored frequently.

Food Premises		1	1			
Illegal Developments/Building			2			
TYPE OF FOOD OUTLETS	No. of outlet in Town	No. of inspections	No. of compliances	No. of non-compliance	No. of Complaints	others
Restaurant and Eateries	6	15	5	5		
Retails	16	10	-	-		
Supermarkets	3	10	4	4		
Processing Plant	1	3	1	1		
Hotels	5	3	-	-		
Hawkers	23	5	-	-		
Butcher	1	6	-	-		
Total	55	52	10	10		

5. ENVIRONMENT & WORKS DEPARTMENT

The Department consists of:

- 1 Environment Officer/ Litter Officer
- 1 Work Supervisor/ Litter Officer/Traffic Officer
- 1 Driver & Mechanic
- 1 Assistant Driver
- 1 Cleaner
- 7 Field workers

5.1 SOLID WASTE MANAGEMENT

1. Clean School Program

Levuka Primary School joined the program and declared to be a No Burning School. Started the recycling program for Waste Papers and PET Bottles. Waste papers transported to Pacific Recyclers and PET Bottles to Coca Cola Ltd

2. Home Composting Program

Council received another 100-compost bin which to be sold at a subsidy price of \$30.00.

a. Litter Enforcement

Two officers were appointed. Total of seven offenders were penalized but all managed to pay their fines before due dates.

b. Dump Site

The Ucuinaceva Dumpsite is lease from the MataqaliBatikadi, Natokalau Village, Ovalau. Dump management cost is \$9,000.00

ALLOCATION	AMOUNT
RENT/LEASE \$583.30/month	\$7,000.00
SALARY FOR CARETAKER	\$2,000.00
TOTAL	\$9,000

Dump Pushing is carried out once in a month.

c. Clean up Campaign

It is conducted once in every quarter. NGO's, School, Youths voluntarily take part in this event. Ratepayers do utilize clean up very well since it is a free collection of white goods and green waste.

3. BEAUTIFICATION PROJECT

Continuous of utilizing the New Zealand Grant from 2017. Landscaper from Suva was assisting our Beautification Team in Levuka in techniques in nurture plants and set up nursery. Council use the Masonic Lodge for the nursery set up. Continuous of maintaining, cleaning and construct additional flower beds around town area.

4. WORKS

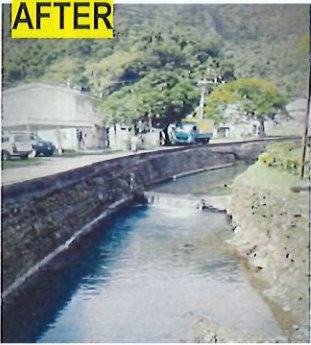
- a. Street sweeping, drain cleaning, grass cutting, clearing road verges are all in house and followed as per the program.
- b. Garbage Collection Schedule:

Collection	Schedule
Kitchen Refuse	Twice in a week (Monday & Thursday)
PAFCO Waste	Twice in a week (Friday & Saturday)
Green waste	Once every month (15 th of every month)

5. PROJECTS

Capital Works	Donor	Images	
1. Seawall Projects	Challenge Fund	BEFORE 	AFTER 
BEFORE 	AFTER 	BEFORE 	AFTER 
BEFORE 	AFTER 	BEFORE 	AFTER 
BEFORE 	AFTER 	BEFORE 	AFTER 
2. Construction of a new taxi stand	Levuka Town Council		

3. Beautification Project	New Zealand Embassy	BEFORE 	AFTER 
BEFORE 	AFTER 	BEFORE 	AFTER 
Construction of flower beds	Nursery at The Lodge	Construction public benches	Painting of bridge in front of town hall
4. Ongoing Construction of new climate change heritage Park	Levuka Town Council	BEFORE 	AFTER 
5. Upgrading of Footpath & New Access strip to Baba Informal Settlements	Dept of Housing	BEFORE 	AFTER 
BEFORE 	BEFORE 	BEFORE 	AFTER 

<p>6. Construction of a new Bus Stop at Nagele, Ovalau</p>	<p>Levuka Town Council</p>	<p>BEFORE</p> 	<p>AFTER</p> 
<p>7. Totogo Creek Upgrade (DE-SILTING)</p>	<p>Ministry of Waterways</p>	<p>BEFORE</p> 	<p>AFTER</p> 

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Website: <http://www.oag.gov.fj>



File: 769

04 July 2024

Mr. Venu Gopal Naidu
The Chairman
Special Administrators
Levuka Town Council
P O Box 70
LEVUKA

Dear Mr. Naidu

**LEVUKA TOWN COUNCIL
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

The audited financial statements for Levuka Town Council for the year ended 31 December 2018 together with my audit report on them are enclosed.

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

Yours sincerely

Finau Seru Nagera
AUDITOR-GENERAL

cc. Ms. Nunia Labati – Acting Chief Executive Officer, Levuka Town Council

Encl.

12/07/24.

**LEVUKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

**LEVUKA TOWN COUNCIL
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**LEVUKA TOWN COUNCIL
MANAGEMENT'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

In accordance with a resolution of management, the Council herewith submits the statement of financial position as at 31 December 2018, the statement of profit and loss and other comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year ended on that date and report as follows:

1. TRADING RESULTS

The operating surplus for the year ended 31 December 2018 was \$46,276 (2017: deficit of \$128,743).

2. CURRENT ASSETS

Management took reasonable steps before the financial statements were made out, to ascertain that the current assets of the Council were shown in the accounting records at a value equal to or below the value that would be expected to be realised in the ordinary course of business.

At the date of this report, management are not aware of any circumstances which would render the values attributable to the current assets in the financial statements misleading.

3. BAD AND DOUBTFUL DEBTS

Management took reasonable steps before the financial statements were made out, to ascertain that all known bad debts were written off and adequate provision was made for doubtful debts. At the date of this report, management are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the provision for doubtful debts, inadequate to any substantial extent.

4. BASIS OF ACCOUNTING

The financial statements of the Council have been drawn up in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) and the requirements of law. The financial statements of the Council have been prepared on an going concern basis. The ability of the Council to continue as a going concern is dependent on several factors including its ability to generate new business and positive cash flows. Management are confident of the ability of the Council to continue as a going concern, which contemplates continuity of operations and the realisation of assets and the payments of liabilities in the normal course of operations.

5. EVENTS SUBSEQUENT TO BALANCE DATE

(a) Business Licenses

As announced in the 2020/2021 National budget, effective from 01 August 2020 Fiji's Business License regime have abolished. As a result, the business license fees from the business owners will no longer be collected by Council.

(b) COVID-19 Outbreak

Subsequent to year end, the World Health Organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2018 financial statements is not expected to be material.

However, in financial year 2020 and beyond, it is expected that the effect of the pandemic will be substantial on our major revenue streams such as general rates, market fees and rental income. This will eventually affect the Council's operations and cash flow.

(c) Amendments to the Local Government Act 1972

A recent amendment made to the Local Government Act 1972 through Local Government (Budget Amendment) Act 2020 will require all Municipal Councils to update the audit of annual financial statements up to 31 July 2020 and have them published in an English language newspaper in Fiji by 31 March 2021. As a result of the amendment, all Councils will need to prepare and submit for audit, accounts for the seven-month period from 1 January to 31 July 2020.

LEVUKA TOWN COUNCIL
MANAGEMENT'S REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

5. EVENTS SUBSEQUENT TO BALANCE DATE (continued)

(d) Base Fees and Market Fees

As announced in the 2021/2022 National budget, effective from 01 August 2021 to 31 July 2022, Government will pay the market fees and base fees for taxis, minibuses, carriers, and bus operators.

(e) Other than the above mentioned events;

No charge on the assets of the Council has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of management will or may affect the ability of the council to meet its obligations when they fall due.

6. RELATED PARTY TRANSACTIONS

In the opinion of management all related party transactions have been adequately recorded in the books of the Council.

7. OTHER CIRCUMSTANCES

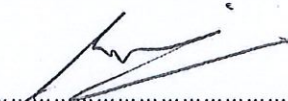
At the date of this report, management is not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amounts stated in the financial statements misleading.

8. UNUSUAL TRANSACTIONS

The results of the council's operations during the financial year have not in the opinion of management been substantially affected by any item, transaction or event of a material and unusual nature other than those disclosed in the financial statements.

For and on behalf of management this.....13th.....day of.....June.....2024.


.....
Nunia Labati
Acting Chief Executive Officer


.....
Venu Gopal Naidu
Chair of Special Administrator


**LEVUKA TOWN COUNCIL
STATEMENT BY CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2018**

In my opinion:

- (a) the accompanying statement of profit or loss and other comprehensive income is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2018;
- (b) the accompanying statement of financial position of the Council is drawn up so as to give a true and fair view of the state of affairs of the Council for the year ended 31 December 2018;
- (c) the accompanying statement of changes in accumulated funds is drawn up so as to give a true and fair view of the movement in accumulated funds of the Council for the year ended 31 December 2018;
- (d) the accompanying statement of cash flows 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 2018; and
- (e) 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.

Signed on this 12th day of June 2024.


.....
Nunia Labati
Acting Chief Executive Officer


.....
Venu Gopal Naidu
Chair of Special Administrator

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INDEPENDENT AUDITOR'S REPORT

Levuka Town Council

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Levuka Town Council ("the Council"), which comprise the Statement of Financial Position as at 31 December 2018, the Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Accumulated Funds, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, 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 2017 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 2018 financial statements.
2. The Council recorded Receivable totaling \$169,407 (Note 5) in the financial statements. The Council was unable to provide the Receivables subsidiary listings and reconciliations to substantiate the balance totaling \$169,407. As a result, I was unable to ascertain whether the total Receivables balance of \$169,407 is fairly stated in the financial statements as at 31 December 2018.
3. The Council was unable to provide the subsidiary listings and relevant supporting documents to support the Other Current Assets balance of \$11,065 recorded in the Statement of Financial Position. Consequently, I was unable to ascertain the accuracy of the Other Current Assets balance of \$11,065 recorded in the financial statements as at 31 December 2018.
4. The Council was unable to provide the detailed Fixed Assets schedule to substantiate the written down value of Property, Plant and Equipment of \$4,341,760 disclosed in the Statement of Financial Position as at 31 December 2018. In addition, an unreconciled variance of \$293,113 exists between the total cost of Property Plant and Equipment recorded in Note 6 to the Financial Statements and the total costs recorded in the Assets Register provided by the Council. As a result, I was unable to ascertain whether the Property, Plant and Equipment balance of \$4,341,760 is fairly stated in the financial statements.

Basis for Disclaimer of Opinion (con't)

5. The Council was unable to provide the Creditors subsidiary listings to support the creditors balance of \$9,425 disclosed in the Statement of Financial Position. Consequently, I was unable to ascertain the accuracy of the Creditors balance of \$9,425 recorded in the financial statements as at 31 December 2018.
6. The Council disclosed Loan Balance of \$4,975 in the Statement of Financial Position as at 31 December 2018. The Council was unable to provide the details and reconciliation of the Loan Balance, which was necessary to confirm the existence and completeness of the balance. As a result, I was not able to ascertain the accuracy of the Loan balance of \$4,975 recorded in the financial statements as at 31 December 2018.
7. The Council was unable to provide relevant supporting documents to substantiate the disclosure of Deferred Income balance of \$548,984 as disclosed in Note 4(A) to the Financial Statements. Consequently, I was not able to ascertain the accuracy of the Deferred Income balance of \$548,984 recorded in the financial statements as at 31 December 2018.
8. The Council recorded Revenue of \$850,049 in the Statement of Profit or Loss and Other Comprehensive Income. Internal controls function of revenue management was found to be weak as Revenue was recorded on cash basis accounting. In addition, an unreconciled variance of \$159,345 exists between the Business License Income recorded in the financial statements and the total calculated from the Business License register of the Council. The Council was unable to provide relevant details and satisfactory explanations to substantiate the variance. Furthermore, due to the nature of transactions of the market fees, it is not practicable for my examination to include audit procedures to extend beyond the amounts recorded in the official receipts of the Council. As a result, I am unable to ascertain whether the Total Revenue amount of \$850,049 is fairly stated in the Financial Statements as at 31 December 2018.
9. The Council was unable to provide the Salary reconciliation to substantiate the Salaries and Wages amount of \$135,612 disclosed in the Statement of Profit or Loss and Other Comprehensive Income. In addition, there was an unreconciled variance of \$17,846 between the Salaries and Wages amount reported in the financial statements and the Wages summary provided by the Council. The Council was unable to provide relevant details and satisfactory explanations to substantiate the variance. As a result, I was unable to ascertain whether the Salaries and Wages amount of \$135,612 is fairly stated in the Financial Statements as at 31 December 2018.
10. The Council did not account for Value Added Tax (VAT) separately and did not record VAT Receivable/Payable in the financial statements. The Statement of VAT Account provided by Fiji Revenue and Customs Service had a VAT Payable balance of \$154,223 as at 31 December 2018. As a result, I was unable to verify the completeness and accuracy of the balances and also unable to determine whether any adjustments might have been necessary in respect of the VAT at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Profit and Loss and Other Comprehensive Income and Statement of Financial Position as at 31 December 2018.
11. The Council was unable to provide payment vouchers and or supplier invoices / receipts, or audit trail, to support Government Grant expenses of \$150,767, Challenge Fund Expenses of \$132,704 and Utilities of \$13,254 from the Total Operating Expense of \$607,798 as disclosed in the Statement of Profit or Loss and Other Comprehensive Income. In addition, the Council was unable to provide the Fixed Assets schedule to substantiate the Depreciation expenses of \$60,363 as disclosed in the Statement of Profit or Loss and Other Comprehensive Income.

Basis for Disclaimer of Opinion (con't)

As a result, I was unable to verify the occurrence and accuracy of the transactions and also unable to determine whether any adjustments might have been necessary in respect of the various expenses account at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position as at 31 December 2018.

12. The Council recorded Cash at Bank balance of \$116,065 in the Statement of Financial Position. Internal controls function of cash management was found to be weak as there was an unreconciled variance of \$10,820 between the bank reconciliation and the financial statement. In addition, the Council did not record in its financial statements the Levuka Town Council Extended Local Authority Account with bank balance of \$495 as at 31 December 2018. As a result, I am unable to ascertain whether the Cash at Bank balance of \$116,065 is fairly stated in the financial statements as at 31 December 2018.
13. The Council did not disclose nor provide details of Capital Commitments as at balance date. In addition, the Council did not provide details of the Commitment Liabilities of \$9,425 disclosed in Note 7 to the financial statements. As a result, I was unable to determine whether any disclosures to the financial statements in respect of the Commitments were necessary.
14. Internal control functions of the Council were generally found to be weak. This is in respect of lack of audit trail and books of accounts and financial statements not properly and completely prepared. In addition, there was poor cash management, poor revenue management, lack of segregation of duties/supervisory review, poor payroll management, reconciliations not prepared, payment and procurement processes were not properly followed, and journal voucher system was not maintained. For property, plant and equipment, detail fixed assets schedule was not maintained, board of survey was not conducted, and assets were not tagged.

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 Council 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

Emphasis of Matter

I draw attention to Note 14(b) to the financial statements which notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2018 and how this has been considered by the Council in the preparation of the financial statements. As set out in Note 14, no adjustments have been made to the financial statements as at 31 December 2018. However, the Council notes that the impact of COVID-19 global pandemic will have a significant impact on all the major revenue streams of the Council in the financial year 2020 and beyond.

My opinion is not modified in respect of this matter.

Other information

The Special Administrators and Management are responsible for the other information. The other information comprises the Executive Members Report but does not include the financial statements and the auditor's report thereon.

Other information (con't)

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

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based upon the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report the fact. Accordingly, I am unable to conclude whether or not the other information is materially misstated with respect to matters described in the Basis of Disclaimer of Opinion.

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 these financial statements in accordance with IFRS for SMEs, and for such internal control as the management and Special Administrators determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

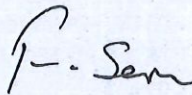
In preparing the financial statements, Management and Special Administrators are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management and Special 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 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. 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.



Finau Seru Nagera
AUDITOR-GENERAL



Suva, Fiji
04 July 2024

**LEVUKA TOWN COUNCIL
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
Revenue	3	850,049	528,659
Wages and salaries	11	(135,612)	(201,861)
Depreciation	12	(60,363)	(106,888)
Other operating expenses		<u>(607,798)</u>	<u>(348,277)</u>
Surplus/(deficit) from operations		46,276	(128,367)
Finance costs		<u>-</u>	<u>(376)</u>
Surplus/(deficit) for the year		46,276	(128,743)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(loss)		<u>46,276</u>	<u>(128,743)</u>

The statement of profit and loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

LEVUKA TOWN COUNCIL
 STATEMENT OF FINANCIAL POSITION
 AS AT YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	2017 \$
Current Assets			
Cash at bank		116,065	122,395
Other current assets		11,065	-
Receivables	5	169,407	106,426
		<u>296,537</u>	<u>228,821</u>
Non-Current Assets			
Property, plant and equipment	6	4,341,760	4,339,837
		<u>4,341,760</u>	<u>4,339,837</u>
TOTAL ASSETS		<u>4,638,297</u>	<u>4,568,658</u>
Current Liabilities			
Deferred income	4	548,984	537,516
Creditors	10	9,425	-
Employee benefits	9	2,470	-
		<u>560,879</u>	<u>537,516</u>
Non-Current Liabilities			
Loan	13	4,975	4,975
		<u>4,975</u>	<u>4,975</u>
TOTAL LIABILITIES		<u>565,854</u>	<u>542,491</u>
NET ASSETS		<u>4,072,443</u>	<u>4,026,167</u>
Accumulated funds		<u>4,072,443</u>	<u>4,026,167</u>


The statement of financial position is to be read in conjunction with the notes to the financial statements.

In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Levuka Town Council's operations for the year ended 31 December 2018 and the state of affairs as at that date.



 Nunia Labati
 Acting Chief Executive Officer

Date: 13/6/24



 Venu Gopal Naidu
 Chair of Special Administrator

Date: 13/6/24

**LEVUKA TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Accumulated Funds	\$
Balance as at 31 December 2016	4,154,910	
Deficit for the year	<u>(128,743)</u>	
Balance as at 31 December 2017	4,026,167	
Surplus for the year	<u>46,276</u>	
Balance as at 31 December 2018	<u>4,072,443</u>	

LEVUKA TOWN COUNCIL
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	\$	\$
Cash flows from operating activities		
Receipts from customers	282,548	469,119
Payments to suppliers and employees	(772,243)	(550,514)
Net cash flows used in operating activities	<u>(489,695)</u>	<u>(81,395)</u>
Cash flows from investing activities		
Payments for plant and equipment	(62,286)	(65,046)
Net cash used in investing activities	<u>(62,286)</u>	<u>(65,046)</u>
Cash flows from financing activities		
Receipts from government grant	545,651	150,300
Net cash provided by financing activities	<u>545,651</u>	<u>150,300</u>
Net (decrease)/increase in cash and cash equivalents	(6,330)	3,859
Cash and cash equivalents at the beginning of the financial year	<u>122,395</u>	<u>118,536</u>
Cash and cash equivalents at the end of the financial year	<u><u>116,065</u></u>	<u><u>122,395</u></u>

**LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. GENERAL INFORMATION

Levuka Town Council is governed under the Local Government Act 1972. Municipal councils are essential territorial in nature and thus are concerned with activities and provision of services within defined areas.

These financial statements were authorised for issue by management on

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of accounting

The financial statements of Levuka Town Council have been prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs). They have been prepared under the historical cost convention, unless otherwise stated.

2.2 Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The council adds to the carrying amount of an item the costs of replacing parts of such an item when the cost is incurred if the replacement part is expected to provide incremental future benefits to the council. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to statement of profit or loss and other comprehensive income during the period in which they are incurred. Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Building	4.0%
Equipment	12.5%
Motor vehicle	25.0%

2.3 Receivables

Receivables comprises of rates for the year.

2.4 Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.5 Deferred Income

Grant received, relating to the Levuka Town Council's programmes is deferred and amortized over the periods to which the income relates or the periods during which the Levuka Town Council receives contracted benefits.

Assets acquired through capital grants are capitalised to property, plant and equipment and the corresponding credit is taken as deferred income. Property, plant and equipment are depreciated over their estimated useful lives. The benefit arising from the capital grants being the recoupment through depreciation is credited to income over the period of the useful lives of those assets.

LEVUKA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Revenue Recognition

The Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met.

2.7 Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

2.8 Rounding

The financial statements are presented in Fiji dollar which is the functional currency of the Council, rounded off to the nearest dollar.

2.9 CASH AND CASH EQUIVALENTS

This comprises of cash at bank balances held with operating and cheque accounts.

3. REVENUE	2018	2017
	\$	\$
The breakdown of revenue is as follows:		
Fees and licenses	53,003	77,559
Rates	148,596	225,895
Other income	102,799	79,602
Grant income	545,651	145,603
	<u>850,049</u>	<u>528,659</u>
4. DEFERRED INCOME		
A Opening balance	417,561	367,641
Government grants received during the year	545,651	150,300
Less: Expenses made	<u>(431,481)</u>	<u>(100,380)</u>
	531,731	417,561
Deferred income related to donated assets	62,476	165,178
Less: Amortisation	<u>(45,223)</u>	<u>(45,223)</u>
	17,253	119,955
Total deferred income	<u>548,984</u>	<u>537,516</u>
B Grant Account:		
Opening Balances		
Government grant	60,166	
Challenge fund	8	
City wide Network	2,171	
New Zealand	586	
Japanese account	<u>7,207</u>	
Total	<u>70,138</u>	
Income received Government Grant 2018:		
Government grant	138,187	
Challenge fund account	299,970	
City Wide Network	<u>10,749</u>	
Total	<u>448,906</u>	

LEVUKA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2018

4.	DEFERRED INCOME (continued)	2018	
		\$	
	Government grant expenditure		
	Government grant:		
	Salaries and wages	101,333	
	Purchases	45,314	
	FNPF	4,109	
	Bank fees	11	
	Total	<u>150,767</u>	
	Challenge Fund:		
	Travel and allowances	8,259	
	Wages	82,334	
	Tools and materials	60,479	
	Fuel and oil	6,573	
	PPE	160	
	Repair and maintenance	35,926	
	Consultancy fee	2,000	
	Technical support	6,000	
	FNPF	2,562	
	Total	<u>204,293</u>	
	City Wide Network:		
	Machine hire	25,835	
	Wages	35,715	
	Equipment and tools	4,189	
	Fuel and oil	3,600	
	EFL services	8,866	
	Travel and allowances	3,274	
	Materials	24,951	
	Repair and maintenance	522	
	Consultancy fee	300	
	FNPF	4,259	
	Bank fees	4	
	Total	<u>111,515</u>	
	New Zealand Grant:		
	Beautification	204	
	Bank fees	63	
	Total	<u>267</u>	
	Japanese Grant:		
	Materials	1,440	
	Wages	2,975	
	FNPF	400	
	Total	<u>4,815</u>	
5.	RECEIVABLES		
	Rates receivable	91,093	106,426
	Garbage receivable	32,067	-
	Taxi receivable	32,780	-
	Salary advance	1,520	-
	Business license	23,012	-
	Unidentified receivable	(11,065)	-
		<u>169,407</u>	<u>106,426</u>

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Motor Vehicle	Equipment	Work in Progress	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2017						
Opening net book amount	3,505,000	660,229	71,296	145,154	-	4,381,679
Additions	-	65,046	-	-	-	65,046
Depreciation charge	-	(32,458)	(44,406)	(30,024)	-	(106,888)
Closing net book amount	<u>3,505,000</u>	<u>692,817</u>	<u>26,890</u>	<u>115,130</u>	<u>-</u>	<u>4,339,837</u>
As at 31 December 2017						
Cost	3,505,000	858,973	179,624	240,196	-	4,783,793
Accumulated depreciation	-	(166,156)	(152,734)	(125,066)	-	(443,956)
	<u>3,505,000</u>	<u>692,817</u>	<u>26,890</u>	<u>115,130</u>	<u>-</u>	<u>4,339,837</u>
Year ended 31 December 2018						
Opening net book amount	3,505,000	692,817	26,890	115,130	-	4,339,837
Additions	-	-	30,000	32,286	-	62,286
Depreciation charge	-	(27,713)	(14,223)	(18,427)	-	(60,363)
Closing net book amount	<u>3,505,000</u>	<u>665,104</u>	<u>42,667</u>	<u>128,989</u>	<u>-</u>	<u>4,341,760</u>
As at 31 December 2018						
Cost	3,505,000	858,973	209,624	272,482	-	4,846,079
Accumulated depreciation	-	(193,869)	(166,957)	(143,493)	-	(504,319)
	<u>3,505,000</u>	<u>665,104</u>	<u>42,667</u>	<u>128,989</u>	<u>-</u>	<u>4,341,760</u>

7. COMMITMENTS AND CONTINGENT LIABILITIES

- (a) There were no contingent liabilities as at 31 December 2018 (2017:\$Nil).
(b) Commitment liabilities as at 31/12/2018 - \$9,425.

8. RELATED PARTY TRANSACTIONS

(a) Special Administrators

The Special Administrators who held office during the financial year and up to the date of this report are as follows:

Mr. Bhan Pratap Singh	Chairman (appointed on 28/08/19 till 2021)
Mr. Venu Gopal Naidu	Special Administrator (appointed 28/08/19 till 2021 Chairman (appointed on 17/02/2022 till 22/12/2023) Chairman (reappointed on 27/12/2023)
Ms. Joanne Rymell	Special Administrator (appointed on 16/02/2022)
Ms. Chrystelle Joy Navoka	Special Administrator (appointed on 27/12/2023)
Mr. Nemani Bulivou	Special Administrator (appointed on 27/12/2023)

The Special Administrator's remunerations are paid for by the Ministry of Local Government.

(b) Key management personnel

Key management includes the Chief Executive Officer. The compensation paid or payable to key management for employee services is shown below:

	2018	2017
	\$	\$
Salaries	<u>40,000</u>	<u>30,000</u>

LEVUKA TOWN COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2018

8. RELATED PARTY TRANSACTIONS (continued)

(c) Transactions with Related Parties

During the period, the Council entered into various transactions with related parties. The aggregate value of major transactions with related parties during the year is as follows:

	2018	2017
	\$	\$
<u>Government of Fiji</u>		
Government grant	<u>545,651</u>	<u>150,300</u>

9. EMPLOYEE BENEFITS

Total employees annual leave due as at 31 December 2018 - \$2,470.

10. CREDITORS

Total for trade payables as at 31 December 2018 - \$9,425.

11. WAGES AND SALARIES

Administration	38,641
Health & engineering	94,501
Accrued employee	<u>2,470</u>
Total	<u>135,612</u>

12. DEPRECIATION

The method used for accounting for depreciation is Straight Line method. Fixed assets are recorded at original cost (historical measurement base). Refer Note 6 for detailed breakdown of motor vehicles and equipment.

13. LOAN

Conservation Fund is a separate fund managed independently by the Conservation Fund Committee. From previous years, this item has been appearing in the Balance Sheet of the Council as a loan account. Council cannot clear this account due to unavailability of documents from the Committee to confirm the loan details. Council in its efforts to regularise this loan has advised the Conservation Fund Committee to have their accounts audited. Expression of interest for the audit has been advertised by the Conservation Fund Committee for audit and preparation of their financial accounts for the last 30 years. Council therefore awaits completion of this audit in order to identify and regularise this loan account.

14. EVENTS SUBSEQUENT TO BALANCE DATE

(a) Business Licenses

As announced in the 2020/2021 National budget, effective from 01 August 2020 Fiji's Business License regime have abolished. As a result, the business license fees from the business owners will no longer be collected by Council.

(b) COVID-19 Outbreak

Subsequent to year end, the World Health Organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2018 financial statements is not expected to be material.

However, in financial year 2020 and beyond, it is expected that the effect of the pandemic will be substantial on our major revenue streams such as general rates, market fees and rental income. This will eventually affect the Council's operations and cash flow.

LEVUKA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2018

14. EVENTS SUBSEQUENT TO BALANCE DATE (continued)

(c) Amendments to the Local Government Act 1972

A recent amendment made to the Local Government Act 1972 through Local Government (Budget Amendment) Act 2020 will require all Municipal Councils to update the audit of annual financial statements up to 31 July 2020 and have them published in an English language newspaper in Fiji by 31 March 2021. As a result of the amendment, all Councils will need to prepare and submit for audit, accounts for the seven-month period from 1 January to 31 July 2020.

(d) Base Fees and Market Fees

As announced in the 2021/2022 National budget, effective from 01 August 2021 to 31 July 2022, Government will pay the market fees and base fees for taxis, minibuses, carriers, and bus operators.

(e) Other than the above mentioned events

No charge on the assets of the council has arisen since the end of the financial year to the date of this report to secure the liabilities of any other person.

No contingent liability has arisen since the end of the financial year to the date of this report.

No contingent or other liability has become enforceable or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the management, will or may affect the ability of the council to meet its obligations as and when they fall due.

LEVUKA TOWN COUNCIL
 DETAILED STATEMENT OF INCOME AND EXPENDITURE
 FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
Revenue			
Business and trading license		31,064	27,330
Fees		21,939	50,229
Hire charges		11,120	13,019
Rates		148,596	225,895
Release of deferred income		545,651	145,603
Rent		21,153	4,375
Other income		70,526	62,208
Total revenue		850,049	528,659
Expenditure			
Administration		3,557	-
Advertisement		1,985	1,122
Audit and legal fees		-	2,807
Challenge fund expenses		204,294	-
Depreciation		60,363	106,888
Donation		-	1,595
Finance costs		-	376
FNPF contributions		18,924	17,416
FNU levy		1,258	2,329
Garbage		-	11,719
Insurance		1,270	1,055
Printing and stationary		4,643	4,685
Property maintenance		3,365	104,066
Roads and drains		2,011	4,813
Staff related expenses		13,290	13,643
Tropical cyclone Winston		-	-
Utilities		13,254	12,832
Valuation		-	4,802
Salaries and wages		135,612	201,861
Website development		-	1,091
City wide expenses		111,515	-
New Zealand expenses		267	-
Japanese expenses		4,815	-
Government grant expenses		150,767	-
Other expenses		72,583	164,302
Total expenditure		803,773	657,402
Surplus/(deficit) for the year		46,276	(128,743)

The detailed statement of income and expenditure is to be read in conjunction with the accompanying notes.

