



INDEPENDENT AUDITOR'S REPORT

To the Members of the Makira Ulawa Provincial Assembly

Report on the Audit of the Financial Statements

Disclaimer of Opinion

I was engaged to audit the accompanying financial statements of the Makira Ulawa Provincial Government, which comprise the Statement of Receipts and Payments for the year ended 31 March 2018, and the Statement of Comparison of Budget and Actual Amount with a summary of significant accounting policies and other explanatory notes.

I do not express an opinion on the accompanying financial statements of the Makira Ulawa Provincial Government. 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 these financial statements.

Basis for Disclaimer of Opinion

Closing balance

Cash and cash equivalent balance for the year ended 31 March 2018 was not reliable. Cash and Cash Equivalent balance have a variance of \$ 650,060. Also the balance for cash available for used was not reliable as items totaled \$ 628,238 was incorrectly classified as restricted cash. With no adjustment done by the province on the request of OAG to adjust the financial statement figures, I therefore could not determine the accuracy of the closing balance at the year ended 31 March 2018, and the effect of any misstatement therein on the Statement of Receipts and Payments for the year ended 31 March 2018.

Receipts

I could not verify the completeness, existence and accuracy of receipts totaling \$ 12,535,792.65 which was presented on the Statement of Receipts and Payments for the year ended 31 March 2018. This is due to absence of sufficient appropriate supporting documentation and weak control over revenue.

Payments

I could not verify the completeness, existence and accuracy of payments totaling \$ 11,719,751.64 which was presented on the Statement of Receipts and Payments for the year ended 31 March 2017. This is due to absence of sufficient appropriate supporting documentation and weak control over expenditure.

Non –consolidation of controlled entity (Makira Ulawa Investment Corporation)

The Makira Ulawa Province Government investment arm's financial statements have not been consolidated in the provincial financial statements. This is not complying with International Public Sector Accounting Standard (IPSAS) Cash Basis on 'Consolidated financial statements' para 1.6.5 requires that 'a controlling entity, should issue consolidated financial statements which consolidates all controlled entities'. As a result, I was unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded receipts, payments, assets and the elements making up the statement of cash receipts and payments.

I have conducted my audit in accordance with International Standards on Auditing (ISAs). 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 Provincial Government in accordance with the International Standards of Supreme Audit Institutions (ISSAI Code) together with the ethical requirements that are relevant to my audit of the financial statements in Solomon Islands and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ISSAI Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my Disclaimer of opinion.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IPSAS, and for such internal control as the management determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Provincial Government'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 management either intend to cease operations, or have no realistic alternative but to do so.

Those charge with governance are responsible for overseeing the Makira Ulawa Provincial Government financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policy used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Province's ability to continue as going concern. If I conclude that material uncertainty exist, I am required to draw attention in my auditor's report to the related disclosures in the financial statements

or, if such disclosures, are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statement represent the underline transactions and events in a manner that achieves fair presentation.

I communicate with management and those charge 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 identified during my audit.

I also provide management and those charge with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguard.

Report on Other Legal and Regulatory Requirements

I have obtained all the information and explanation which, to the best of my knowledge and belief, were necessary for the purpose of my audit.

In my opinion:

- i) Books of account and the financial system have not been properly kept and monitored by the Province, insufficient to enable financial statements to be prepared, so far as it appears from my examination of those books and system; and
- ii) To the best of my knowledge and according to the information and explanations given to me the financial statements do not give the information required by Section 39 of the Provincial Government Act, in the manner so required.
- iii) The Province complied with the requirements of the Public Finance and Audit Act [Cap 120] and the Provincial Government Act which require the financial statements to be submitted to the Office of the Auditor General not later than nine (9) months of the following year to which the financial statements relate. The signed statements were presented to me on 28th June 2018.



Peter Lokay
Auditor – General
17th June 2019

Office of the Auditor General
Honiara, Solomon Islands



MAKIRA ULAWA PROVINCIAL GOVERNMENT.

Islands of: BIO, SAN CRISTOBAL, SANTA ANA, SANTA CATALINA, THREE SISTERS, UGI, ULAWA

Our ref:

Phone:

Fax: 50076

KIRAKIRA

SAN CRISTOBAL

SOLOMON ISLANDS

Telephone 677) 50023

OFFICE OF THE AUDITOR GENERAL
P.O BOX G18
HONIARA

Date: 28.06.2018

Attention : Johnson Lobo

Dear Lobo,

FINANCIAL STATEMENT FOR YEAR ENDING 31ST MARCH 2018

Makira Ulawa Provincial Government ,we submit our Financial Statement for the year ending 31st March 2017/2018 to your office.

Kindly review the FS and its accompanying attachment and disclosures we have tendered. Kindly revert to us quickly so we could make adjustment before 31st of December 2018.

You can forward your quires to the Provincial Treasurer on
Email janetwainoocha@gmail.com or phone 7356799

Thank you

Yours Sincerely

A handwritten signature in black ink, appearing to read 'James Taeburi', is written over a horizontal line.

James Taeburi
Provincial Secretary
Makira Ulawa Province

CC: Premier /MUPG
Cc. FC / MPGIS
Cc.CTA / MPGIS

Makira Ulawa Provincial Government (where there is no third party payment)

Statement of Cash Receipts and Payments for the Year Ended 31st March 2018

		31 March 2018 Cash Controlled by MUPG	31 March 2017 Cash Controlled By MUPG
f Receipts	Note		
Fixed Service Grants	15	6,523,920.00	5,219,136.00
Second Appointed Day Grant		50,000.00	50,000.00
Ward Profiling (MPGIS)		585,701.00	0.00
Election Grant		0.00	80,845.00
SIG Youth Grant		30,450.00	0.00
Timber Right Grant		152,256.00	259,051.00
Licenses and Fess	12		
Other Business licences		211,546.00	85,577.00
Transport Licenses		27,700.00	80,050.00
Fuel Licenses		33,670.00	18,200.00
Liquor Licence		150,250.00	142,760.00
Fees	13	76,069.48	37,616.00
Export licence			
Logging Export Licenses		295,000.00	213,500.00
Logging Contractors		1,625,000.00	955,006.00
Milling Timber Export Licenses		5,000.00	0.00
Trading Activities (see notes)	14		
Property Rates		68,342.90	0.00
Commission on Commercial Activities		50,081.92	57,896.00
Basic Rate		61,828.25	0.00
Other Receipts		171,583.10	499,724.00
Total Recurrent Receipts for the Year		10,118,398.65	7,699,361.00
Capital Receipts			
Provincial Capacity Development Fund		2,417,394.00	3,522,739.00
SIG capital development fund		-	1,000,000.00
Total Capital Receipts for the Year		2,417,394.00	4,522,739.00
Total Receipts for the year		12,535,792.65	12,222,100.00
Payments			
Wages, Salaries and Employee Benefits	16	3,345,707.87	2,852,906.00
Appointed members Allowances	17	446,200.00	430,857.00
Ward Development Grant		90,529.00	147,720.00

Fuel (POL)		111,165.00	92,300.00
Travel and Transport		89,795.00	241,798.00
Repairs and Maintenance		607,673.25	470,582.00
Other Operating Cost	18	3,148,334.29	2,595,200.00
Trading activities expenditure			
Total Recurrent Expenditure		7,839,404.61	6,831,363.00
Capital Expenditure	19		
Administration Sectors capital Exp		748,389.47	368,115.00
Development Servicing Sector capital Exp		2,575,261.81	2,440,143.00
Investment Servicing Cost for capex		324,128.50	330,243.00
Other Capital Expenditure (SIG Grant)		47,667.00	951,758.00
Capital expenditure - Ward Grant		184,900.25	147,720.00
Total Capital Payments		3,880,347.03	4,237,979.00
Total Payments		11,719,751.64	11,069,342.00
Increase/(decrease) in cash and cash equivalent		816,041.01	1,152,758.00
Opening Cash Balance		2,960,700.00	1,807,942.00
Cash and cash equivalent at the end of the year (1)		3,776,741.01	2,960,700.00
Computation of Cash and Cash Equivalent	9		
Cash			
Cash on Hand		-822.00	0.00
PCDF - Project Account		2,001,271.00	2,803,178.85
Fisheries Account		47,518.00	47,268.00
Main Cheque Account		1,340,018.00	(34,880.37)
Shipping Account		10,583.00	(927.16)
Special Fund Account		33,218.00	(38,054.29)
Huro Township		99,530.00	99,830.23
BSP IBD Account		455,354.00	453,555.32
Suspense Account		17,959.00	(40,250.00)
Un-acquitted imprest		0.00	0.00
Un-acquitted imprest - Advances			
Direct Employees		222,897.00	300,250.29
MPAs		90,958.00	95,418.00
Seconded Staff		73,261.00	66,558.00
Advance - other organisation		35,056.00	27,860.00
Cash and Cash Equivalent		4,426,801.00	3,579,806.87
Less : restricted cash balances	5		

Solomon Islands Government - PAYE	14,564.00	158,174.71
SI National Provident Fund - NPF	26,890.00	94,184.86
Account Payable	267.00	0.00
Contract Rentention	625,859.00	90,977.65
Union of workers	-	(380.00)
Ward Profilling	2,112.00	2,112.00
Total Restricted Cash	669,692.00	345,069.22
Cash Available for use	3,757,109.00	3,234,737.65
Reconciliation of Movement of Cash		
Opening Cash Balance	2,960,700.00	1,807,942.00
Increase/Decerease in Cash	816,041.01	1,152,758.00
Closing Cash and Cash Equivalent	3,776,741.01	2,960,700.00

Annex 4: Disclosure Requirement for Makira Ulawa Provincial Government Financial Statement

1. Accounting policies

Basis of preparation

The Financial statement of Makira Ulawa Province has been prepared in accordance with the International Public Sector Accounting Standards under the cash basis of Accounting (Cash Basis IPSAS). The Makira Ulawa Province has applies the accounting policies which has been applied consistently from April 2017 to 31st March 2018 to ensure Consistency in the Financial Statement reporting.

2. Reporting entity

The Financial statement is for the Makira Ulawa Provincial Government which is one of the nine provinces within the Solomon Islands. The Financial statement encompass the reporting entity as specified in the relevant legislation (Provincial Government Act 1997) Section 39 subsections 1 and 2 and in accordance with Section 94 (1) of Makira Ulawa Province Financial Management Ordinance 2008.

3. Controlling Entity

The controlling entity for the purpose of this report is Makira Ulawa Province and the Controlled entity is the Makira Ulawa Province Investment Corporation (MUPIC). This report is not a consolidated Financial Statement of the Controlling and the Controlled entity.

Makira Ulawa Provincial Government has a Commercial Investment arm which is a separate entity known as Makira Ulawa Province Investment Corporation (MUPIC)

MUPIC has been operating with under its own Ordinance known as the MUPIC Ordinance.

To carry out business activities.

It has its own Bank A/C and is controlled and operated by its own General Manager, staff and board of directors due to its operation as a legal entity separate from its controlling entity and it has indefinite operating period.

In the past MUPIC was not well managed and therefore not making any profit to be paid in a Divident to Makira Ulawa Province
For this reporting period no financial Report has ever been received by the Provincial Government from MUPIC
The General Manager is still working on the Financial Statement as been requested by Makira Ulawa Provincial Government to the date that no financial report was being able to be disclosed by MUPIC management.

4. External Assistance

Under this note the Province can disclose the benefits from payments made by external third parties (entities external) for goods and services. These payments do not constitute cash receipts or payments for the Province, but do benefit the Province which they should be disclosed in the payments by third parties column in the Financial Statements. However, Makira Ulawa Province had no record of any external assistance therefore information not available for reporting.

5. Restricted cash balances

Restricted cash balances are monies collected on behalf of another entity. This money is then forwarded to the entity on an agreed schedule. This money is not available for use by the Provincial government. Normally restricted balances include Pay as You Earn tax (PAYE), National Provident Fund (NPF) for the Direct Employees and withholding taxation from contracts awarded.

6. Agency Security Bond

Makira Ulawa Province Operates Kirakira BSP Agency under a signed Memorandum of agreement with BSP Bank Honiara. The Makira Ulawa Provincial Government made a deposit of \$450,000.00 thousand dollars to open up KiraKira Agency bank. This amount was placed in an IBM account with Bank South Pacific for Security cash holding limit of Agency. The Makira Ulawa Province receives commissions for updating, withdrawal fees and for opening of new accounts. BSP Agency is Managed and Supervised by the Provincial Treasury Division with the commission remitted to Treasury Division. Additional information is disclosed in cash receipts and cash payment in the face of the Financial statement.

7. Reporting Currency

Makira Ulawa Province presented the Financial statement in the Solomon Island Currency, the Solomon Islands dollar (\$SBD

8. Foreign Currency Transactions

Makira Ulawa Provincial Government had not dealt with Foreign currency on it's transaction during this reporting period (2017/2018 FY) currency used is a per reporting currency.

9. Cash

Cash and Cash Equivalent comprise Cash Balances, call deposits, un-aquitted imprest accounts and restricted cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Province's cash management are included as a component of cash and cash equivalent closing balance.

	31st March 2018	31st March 2017
Cash on Hand	-822.00	0.00
PCDF - Project Account	2,001,271.00	2,603,178.85
Fisheries Account	47,518.00	47,288.00
Main Cheque Account	1,340,018.00	(34,880.37)
Shipping Account	10,583.00	(927.16)
Special Fund Account	33,218.00	(38,054.29)
Huro Township	99,530.00	99,830.23
BSP IBD Account	455,354.00	453,555.32
Suspense Account	17,959.00	(40,250.00)
Un-acquitted imprest	0.00	0.00
Un-acquitted imprest - Advances		
Direct Employees	222,897.00	300,250.29
MPAs	90,958.00	95,418.00
Seconded Staff	73,261.00	66,558.00
Advance - other organisation	35,056.00	27,860.00
	4,426,801.00	3,579,806.87

Reconciliation of Restricted Cash Balances as at 31st March 2017

Closing Cash and Cash Equivalents	4,426,801.00	3,579,806.87
Less: restricted cash balances		
Solomon Islands Government - PAYE	14,564.00	158,174.71
SI National Provident Fund - NPF	28,890.00	94,184.86
Account Payable	267.00	0.00
Contract Retention	625,859.00	90,977.65
Union of workers	-	(380.00)
Ward Profilling	2,112.00	2,112.00
	669,692.00	345,069.22

Cash and cash equivalent Available for use

3,757,109.00 **3,234,737.65**

10. Borrowings

Makira Ulawa Provincial Government has no record of money borrowed during the Financial year 2017-2018

11. Other Receipts

31st March 2018	31st March 2017
<u>Receipts</u> /(Payments)	<u>Receipts</u> /(Payments)
\$	\$

12. License and Fees

Licence-Fuel Storage	1,350.00	300.00
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Licence-Fuel Station	32,270.00	17,400.00
Licence-Pickup Truck	8,000.00	8,750.00
Licence-Shipping Service	17,500.00	70,000.00
Licence- Stevedoring	750.00	0.00
Licence- Taxi Service	0.00	400.00
Licence-Concrete Manufacturing	0.00	0.00
Licence-OBM Sea Transport Serv	2,200.00	900.00
Licence-Electrical	900.00	1,050.00
Licence- Fuel Hawker	50.00	500.00
Licence - Engineering Services	0.00	675.00
Licence-2nd Hand Clothing Sale	2,749.00	2,800.00
Licence-Bakery	14,650.00	6,550.00
Licence - Beach Trading	0.00	6,000.00
Licence-Building Construction	9,500.00	12,500.00
Licence-Fast Food Bar	4,600.00	1,800.00
Licence - Fibreglass Manufact.	0.00	90.00
Licence-Hawkers	11,000.00	5,920.00
Licence-Liquor	136,000.00	122,010.00
Licence - Security Services	1,500.00	0.00
Licence - Tailoring	300.00	450.00
Licence-Wholesale	9,000.00	9,000.00
Licence - Tyre Repair Service	0.00	3,000.00
Licence - Butchery	375.00	250.00
Licence-Consultancy Service	1,400.00	700.00
Licence - Hardware Sales	4,500.00	1,500.00
Licence-Full Retail Store	14,000.00	21,143.00
Licence -Auto Spare Parts Sale	2,000.00	0.00
Licence-Gas Sales	933.00	600.00
Licence-Stationery Shop	1,400.00	580.00
Licence - Engineering Service	600.00	300.00
Licence - Basic Store	67,434.00	40,140.00
Licence - Banking Services	2,250.00	2,250.00
Licence - Money Lending	400.00	500.00
Take away (Fish & Chips etc..)	2,900.00	3,425.00
Occasional Beer Licence	14,250.00	20,750.00
Licence-Motel (Resthouse-rural)	5,375.00	875.00
Licence - Resthouse (Urban)	7,050.00	10,050.00
Licence - Tourist Site	300.00	0.00
Licence-Cocoa Export	0.00	5,250.00
Licence-Coconut Local Trading	7,130.00	3,350.00
Licence-Copra Local Trading	4,500.00	5,250.00
Licence - Coconut Oil Manufact	1,000.00	1,500.00

Licence-Cocoa Local Trad (dry)	3,500.00	1,850.00
Cocoa Local Trading Lic (wet)	16,500.00	24,080.00
Fish Market Licence (Eskies)	150.00	0.00
Marine Product Licence	4,500.00	2,000.00
Ice Making for resale Licence	150.00	0.00
Fish Market Licence	750.00	0.00
Licence-Log Export(Tim export)	295,000.00	190,000.00
Licence-Logging Contractor	1,625,000.00	955,000.00
Licence-Milling Timber Export	5,000.00	0.00
Licence- Portable/CSaw Milling	0.00	6,000.00
Saw Milling Licence	7,500.00	1,000.00
Licence-Felling	0.00	800.00
Licence-Logging Contractor (Arreas)	0.00	235,000.00
Total License	2,348,166.00	1,804,238.00

Note 13. Fees

Dog Fee	5.00	8.00
Tender Bid Application Fees	6,700.00	0.00
Road Contruction Fees	250.00	2,750.00
Library Membership Fees	202.00	140.00
Education Research Fees	1,000.00	1,750.00
Architectural Planning Fees	0.00	100.00
Building Permit Fees	0.00	400.00
Planning Application Fees	100.00	100.00
Premium Fees	28,252.00	1,500.00
Survey Equipment Fee	6,620.00	0.00
Cocoa Drier Registraton Fee	150.00	4900.00
Agriculture Research Fee	2,000.00	0.00
Update Fees	30,790.48	25,976.00
Total Fees	76,069.48	37,624.00

Total License & Fees

2,424,235.48	1,841,862.00
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Basic Rates

Basic Rates (Employed)	59,740.25	0.00
Basic Rates (Unemployed)	2,088.00	0.00
	61,828.25	0.00

14. Other Receipts

Hire of Assembly Hall	6,500.00	7,000.00
Photocopy Charges	-	0.00
Service Charge	32.00	0.00
Photo Copy Charges	820.00	0.00

Administration Charges	17,440.00	0.00
Miscellaneous Receipts	27,844.60	82,352.00
Hire of OBM/Canoe Service	450.00	0.00
Hire of Plant & Vehicle	2,450.00	12,900.00
Rental of Staff Quarters	3,800.50	2,957.50
Water Charges	300.00	300.00
Sale of Plant/Equipment	2,000.00	0.00
Land Rental Revenue	4,520.00	550.00
Cold Storage Charges	2,650.00	7,458.00
Sale of Fish	47,036.00	23,072.00
Sale of Ice Blocks	54,410.00	37,276.00
Hire of Eskies	0.00	0.00
Miscellaneous Revenue	610.00	55.00
Sale of Ice Blocks	920.00	0.00
Bank Interest Revenue	0.00	3,760.00
Commission on Transactions	42,868.89	45,587.00
Cashed Cheques	4,119.66	3,965.00
Miscellaneous Income (Bank)	2,426.50	4,584.00
	220,998.15	231,816.50
Property Rates		
Property Rates-Commercial	34,928	0.00
Property Rates - Industrial	5,070	0.00
Property Rates - Residential	28,345	0.00
	68,342.90	0.00
Total Other Receipts	351,169.30	231,816.50

15. Other Grants and Aid

SIG Service grant

Service Grant received for the general day to day operations service delivery of the Makira Ulawa Provincial Government. During the reporting period Makira Ulawa Province had already received the 1st Quarter grant for Current FY 2018/2019 so its added to the cash receipts payment with an amount of \$1,304,784.00 which had increased the cash receipts payment. there for the amount is formed part of the cash receipts in the face of the Financial statement.

PCDF

Makira Ulawa Provincial Government received funds from PGSP under the Ministry of MPGIS to cater for projects implementation in Makira Ulawa Province. For the FY 2017/2018 the PCDF grant was not fully received only \$2,417,394.00 and the left over amount was carried forward for the current FY 2018/2019.

Second Appointed Day Grant

Makira Ulawa Provincial Government received funds from Ministry of MPGIS for Second Appointed Day celebration with an amount of \$50,000

	31st March 2018	31st March 2017
	Receipts / (Payments)	Receipts / (Payments)
	\$	\$
Fixed Service Grant	6,523,920.00	5,219,136.00
Second Appointed Day Grant	50,000.00	50,000.00
Ward Profiling (MPGIS)	585,701.00	0.00
Election Grant	0.00	80,845.00
SIG Youth Grant	30,450.00	0.00
Timber Right Grant	152,256.00	259,051.00
Total SIG Grant	7,342,327.00	5,609,032.00
PCDF Grant	2,417,394.00	3,522,739.00
Other Sig Grant Funded Projects	0.00	1,000,000.00
	2,417,394.00	4,522,739.00

Other Payments

	31st March 2018	31st March 2017
	Receipts / (Payments)	Receipts / (Payments)
	\$	\$
16. Salary & Wages (Allowances Employee)		
Office of the Premier	273,786.05	265,506.00
Assembly Division	396,992.83	374,525.00
Administration Division	390,214.82	272,358.00
Finance Division	460,440.59	404,008.00
Development Planning Division	62,361.22	91,063.00
Work & Infrastructure Division	444,711.25	376,025.00
Education Division	167,880.54	105,979.00
Education Division (School)	58,028.20	54,637.00
Health & Medical Services	552,120.46	512,730.00
Lands Division	74,239.67	55,879.00
Commerce & Investment Division	40,838.19	36,364.00
Culture & Trade Division(Community Governance)	92,712.65	89,733.20
Sports Division	36,259.89	34,259.80
Tourism Division	13,649.81	0.00
Fisheries & Marine Division	90,525.42	85,930.00
Disaster Management Division	65,876.52	0.00

125,069.76	93,909.00
3,345,707.87	2,852,906.00

Note 17. Other Allowances and Grant (Appointed Members)

Appointed members allowances	255,965.00	261,850.00
Members travel allowances	190,235.00	124,274.00
Ward development grants	90,529.20	147,720.00
	536,729.20	533,844.00

Note 18. Operating Payments

Office Expenditure	86,153.00	109,709.00
Fuel (POL)	111,165.00	93,660.00
Office Equip/Furn(minor)	14,532.00	57,621.00
Sundry Expenditure	229,747.00	393,129.00
Computer and Photocopy Expenditure	144,955.00	174,768.00
Travel - Accommodation	30,583.00	23,290.00
Travel - Seafare/Airfare	32,632.00	22,660.00
Travel - Subsistence	26,580.00	21,010.00
Freight	22,034.00	14,483.00
Tools	13,570.00	4,100.00
General Expenditure	2,387.00	3,038.00
PA-Speaker's Entertainment	6,000.00	6,000.00
ADMIN-Staff Recruit Costs	1,050.00	0.00
ADMIN-Staff Training	68,554.00	224,964.00
ADMIN- Advertising/Service Msg	1,035.00	410.00
ADMIN-Staff Functions	7,961.00	0.00
ADMIN-Admin Board Expenses	1,710.00	1,293.00
ADMIN-Retirement/Redundan/LSB	14,638.88	51,264.00
ADMIN-Committee Meeting Exp	6,035.00	9,450.00
ADMIN- Staff Assistance	7,618.00	0.00
FIN-Telephone	157,185.48	112,102.00
FIN-Bank Charges	11,664.19	10,954.00
FIN-Electricity	110,653.98	115,288.00
FIN-Postage	1,100.00	-
FIN-Public Accounts Committee	147,674.70	103,931.00
FIN-Penalties & Fines	39,363.41	-
FIN-Revenue Collectors Costs	57,324.68	11,620.00
FIN-Debt Servicing	324,223.24	205,047.00
DP-Monitoring & Evaluation	11,730.00	18,600.00
D.P- Planning Board Expenses	23,066.00	-
DP-Planning Forum	86,093.00	11,100.00
Ward Profiling Expenses	418,177.00	0.00

WTC-Protective Clothing	14,610.00	0.00
WTC-Transport Hire	3,400.00	13,150.00
WTC-Station water Supply	0.00	2,133.00
WTC-Contractors Tender Board	4,300.00	-
EDU-Teachers Travel	45,540.00	155,388.00
EDU-Teachers Housing Allowance	19,580.00	3,714.00
EDU-Teachers Training	39,200.00	-
EDU-Library Expenditure	0.00	832.00
EDU - ECE Supplies	4,994.00	4,200.00
EDU-Vocational Sch Assistance	32,050.00	0.00
HMS-Water Supply Survey	6,657.00	0.00
LND-Land Aquisition Costs	5,632.00	0.00
LND-Land Rental	32,189.70	28,280.00
LND-Land Survey Costs	5,150.00	7,819.00
LND-Land Valuation	11,216.00	0.00
LND-Town & Country Plan Board	380.00	2,700.00
LND-Other Land Board Expenses	0.00	3,800.00
CI-Busines Training	0.00	5,000.00
CI-Liquor Board Expenditure	6,852.00	400.00
CI-Commercial Board Expenses	902.00	2,960.00
CI-Business Survey & Assesment	0.00	10,920.00
CI-Business Licence Review Com	0.00	2,905.00
CI-Special Imprest	8,307.00	-
YTH-Provincial Youth Council	6,850.00	-
YTH-Youth Disabilities Program	7,000.00	10,085.00
SPT-Secondary Sport Tournment	10,000.00	10,000.00
SPT-Provincial Sports Council	0.00	4,900.00
SPT-Solomon Cup Tournment	10,000.00	67,977.00
SPT-Netball Tournment	6,000.00	7,500.00
SPT-MUFA	0.00	3,600.00
CUL-Council of Chiefs	8,520.00	0.00
CUL-Contribution to Religion	24,500.00	16,150.00
CUL - Conservation Arts/Cultur	28,427.00	0.00
WD-Women Workshops	20,000.00	0.00
WD-Provincial Council of Women	0.00	13,000.00
TRSM-Provincial Tourism Board	843.00	0.00
TRSM-Tourist Operator Assist	36,500.00	0.00
AL-Coconut Rehabilitation	1,625.00	0.00
AL-Agriculture Trade Show	8,910.00	0.00
AL-Demonstration Expenditure	4,310.00	0.00
AL-Livestock Farmers' Assist	0.00	1,880.00
AL-Rural Farmers Assistance	34,278.00	7,000.00

FTRY-Timber Right Hearing	171,332.00	212,747.00
FTRY-Rations	2,995.00	0.00
FMR-Refrigeration Spares/Suppl	2,166.00	0.00
FMR-Purchase of Fish	45,387.50	29,151.00
FMR-Generator Repairs	300.00	0.00
OP-Executive Meeting Costs	24,218.50	31,063.00
OP-2nd App'ted Day Celebration	141,748.11	208,522.00
OP-Premiers Discretionary Fund	13,115.00	\$0.00
OP-Premiers Conference	15,450.00	\$0.00
OP-Official Entertainment	19,918.00	28,521.00
OP-Premier Utilities	7,255.00	6,689.00
OP-Legal Expenditure	0.00	1,800.00
OP-Advisory Committee Expenses	2,000.00	0.00
PA-Full Assembly Expenditure	194,758.92	193,459.00
PA-Peace and Reconciliation	0.00	13,040.00
P.A-Consultancy Costs	42,130.00	0.00
P.A-Chambers Utensils/Material	602.00	0.00
P.A-Provincial Election Exp	0.00	63,255.00
R & M EXPENSES	607,673.25	470,582.00
	3,956,967.54	3,444,613.00

Note 19. Other payments

	31st March 2018	31st March 2017
	Receipts / (Payments)	Receipts /
	\$	(Payments)
	\$	\$
PCDF Administration Project	748,389.47	368,115.00
PCDF Education Project	1,868,145.16	907,966.00
PCDF Health Project	437,116.65	396,014.00
PCDF Commerce & Investment Projects	0.00	39,326.00
PCDF Community Governance Projects	70,000.00	223,420.00
PCDF Fisheries Projects	0.00	69,379.00
PCDF Agriculture Projects	200,000.00	0.00
Total PCDF (Project)	3,323,651.28	2,004,220.00
SIG Developmet Project	47,667.00	951,758.00
Capital Expenditure Ward Grant	184,900.25	0.00
PCDF General Investment Servicing Cost	324,128.50	330,243.00
	3,880,347.03	3,286,221.00

Note 20. Authorisation date

The Financial Statement was authorised for publication on 28th June 2018...by Hon: Stanley Siapu Premier

Note 21. Original and the Revised Approved Budget and Comparison of Actual and Budget amounts

The approved budget is developed on a similar but slightly different basis (cash basis), yet same classification basis, and for the same period (from 1 April 2017 to 31 March 2018) as for the financial statements.

The original budget was approved by legislative action on 25th March 2017 and an amended budget was approved on the same date. The amendment to the budget was a result of a revised budget to cater for the changes as some transfers and supplementary during the financial year 2017/2018.

The surplus of actual receipts to final budget of \$210,000.00 contributed to the PCDF capital expenditure which is 75% for Ward grants.

There are conditions attached to PCDF payments and therefore the balance of cash shall be kept and be carried forward as commitment. With a total of \$2,179,547.00

Note 22. Going Concern

There are two main issues in which Makira Ulawa Province continues to face; these are its accumulating debts and Makira Ulawa Province Investment Cooperation. There are high debts that been carried forward from the past years and still continue to accumulate. Also the MUPIC dividend which Makira Ulawa Provincial Government is expecting to receive on an annual basis but MUPIC Management failed to realize any dividend as the Provincial Government Business Arm.

Note 23. Related Parties Transaction

The Province has adopted in IPSAS 20 Related party disclosure standard to define related party transaction.

Related parties are disclosed in Note 22 (Related parties) for the financial year 2017-2018

The purpose of this disclosure requirement to ensure the standard requirements of optional disclosure is met for the purpose of Accountability and Transparency.

Date	Names	Payment Details	Amount
ENC is a business owned by Asset Officer 's husband Mrs Esther Campell			
9/05/2017	ENC Transport	Land Transport	\$2,700.00
8/06/2017	ENC Transport	Land Transport	\$4,200.00
11/07/2017	ENC Transport	Land Transport	\$2,700.00
3/10/2017	ENC Transport	Land Transport	\$500.00
3/10/2017	ENC Transport	Land Transport	\$300.00
21/04/2017	ENC Transport	Land Transport	\$3,000.00
15/05/2017	ENC Transport	Land Transport	\$2,100.00
15/05/2017	ENC Transport	Land Transport	\$2,100.00

14/07/2017	ENC Transport	Land Transport	\$1,200.00
			\$18,800.00
Hon Martin Karani is the owner of this business and He is a Ordinary Provincial member			
12/05/2017	Tribal Lodge Accommodation	Accommodation	\$18,200.00
13/10/2017	Tribal Lodge Accommodation, Ward	Accommodation	\$1,600.00
1/12/2017	Tribal Lodge Accommodation	Accommodation	\$6,650.00
1/05/2017	Tribal Lodge Accommodation	Accommodation	\$10,850.00
24/10/2017	Tribal Lodge Accommodation	Accommodation	\$4,500.00
29/03/2018	Tribal Lodge Accommodation	Accommodation	\$6,300.00
			\$48,100.00
Hon Thomas Namoliki is the owner of this business and He is a Ordinary Provincial member			
12/05/2017	Sea View Lodge	Accommodation	\$6,670.00
15/02/2018	Sea View Lodge	Accommodation	\$2,750.00
15/02/2018	Sea View Lodge	Accommodation	\$2,750.00
29/03/2018	Sea View Lodge	Accommodation	\$3,150.00
6/12/2017	Sea View Lodge	Accommodation	\$1,800.00
24/10/2017	Sea View Lodge	Accommodation	\$10,750.00
			\$27,870.00
RK Business is owned by the Hon Premier Stantley Siapu 's Brother			
22/08/2017	RK Fmaily Plumbing Service	Plumbing Service	\$500.00
15/05/2017	RK Fmaily Plumbing Service	Plumbing Service	\$23,000.00
14/07/2017	RK Fmaily Plumbing Service	Plumbing Service	\$1,200.00
14/12/2017	RK Fmaily Plumbing Service	Plumbing Service	\$8,500.00
19/12/2017	RK Fmaily Plumbing Service	Plumbing Service	\$8,500.00
18/01/2018	RK Fmaily Plumbing Service	Plumbing Service	\$8,500.00
6/02/2018	RK Fmaily Plumbing Service	Plumbing Service	\$8,500.00
			\$58,700.00
ES Business is owned by Mrs Ireen Mekope 's Brother and she is the Registry Officer			
29/08/2017	ES Gas Services	ES Gas Services	\$160.00
29/08/2017	ES Gas Services	ES Gas Services	\$540.00
22/12/2017	ES Gas Services	ES Gas Services	\$270.00
1/12/2017	ES Gas Services	ES Gas Services	\$540.00
			\$1,510.00
Hon Silars Wagatora Finance Minister and Hon Andrew Higa the Works & Infrasture minister are share holders of this Shipping Company			

23/01/2018	Amwata Shipping & Boat Buildin	Amwata Shipping & Boat Buildin	\$300.00
23/01/2018	Amwata Shipping & Boat Buildin	Amwata Shipping & Boat Buildin	\$1,050.00
23/01/2018	Amwata Shipping & Boat Buildin	Amwata Shipping & Boat Buildin	\$350.00
15/09/2017	Amwata Shipping & Boat Buildin	Amwata Shipping & Boat Buildin	\$18,621.80
5/12/2017	Amwata Shipping & Boat Buildin	Amwata Shipping & Boat Buildin	\$5,000.00
			\$25,321.80
Hon Silars Wagatora is the Owner of this business and he is the Finance Minister			
8/02/2018	Wantok Milling	Timber milling	2,000.00
			2,000.00
Mr Commis Ikioa is the business owner and He is the Provincial Capacity Development Advisor			
21/02/2018	Taranias Gas Centre	Gas Service	\$540.00
			\$540.00
Mr Daniel Wagatora is the Business owner and He is the Provincial Government Advisor			
30/05/2017	San Cristbal Rural Development	Good and services	\$400.00
30/05/2017	San Cristbal Rural Development	Accommodation	\$1,500.00
8/06/2017	San Cristbal Rural Development	Good and services	\$230.00
27/06/2017	San Cristbal Rural Development	Accommodation	\$1,080.00
1/08/2017	San Cristbal Rural Development	Accommodation	\$700.00
8/08/2017	San Cristbal Rural Development	Accommodation	\$1,400.00
14/08/2017	San Cristbal Rural Development	Good and services	\$710.00
26/09/2017	San Cristbal Rural Development	Accommodation	\$760.00
13/10/2017	San Cristbal Rural Development	Accommodation	\$700.00
28/12/2017	San Cristbal Rural Development	Accommodation	\$760.00
6/02/2018	San Cristbal Rural Development	Good and services	\$318.00
8/02/2018	San Cristbal Rural Development	Accommodation	\$1,520.00
15/02/2018	San Cristbal Rural Development	Accommodation	\$730.00
19/02/2018	San Cristbal Rural Development	Accommodation	\$400.00
21/02/2018	San Cristbal Rural Development	Good and services	\$361.50
27/02/2018	San Cristbal Rural Development	Good and services	\$378.00
8/03/2018	San Cristbal Rural Development	Office Stationaries	\$675.00
14/03/2018	San Cristbal Rural Development	Office Equipments	\$800.00
20/03/2018	San Cristbal Rural Development	Good and services	\$658.00
23/03/2018	San Cristbal Rural Development	Good and services	\$521.00
25/07/2017	San Cristbal Rural Development	Accommodation	\$1,400.00
1/09/2017	San Cristbal Rural Development	Good and services	\$486.00
5/09/2017	San Cristbal Rural Development	Accommodation	\$6,000.00
5/09/2017	San Cristbal Rural Development	Accommodation	\$6,000.00
1/04/2017	San Cristbal Rural Development	Accommodation	\$1,400.00

5/12/2017	San Cristbal Rural Development	Office Toner for printer	\$700.00
5/12/2017	San Cristbal Rural Development	Office Toner for printer	\$700.00
5/12/2017	San Cristbal Rural Development	Good and services	\$180.00
5/12/2017	San Cristbal Rural Development	Office Stationaries	\$1,200.00
5/12/2017	San Cristbal Rural Development	Accommodation	\$1,700.00
5/12/2017	San Cristbal Rural Development	Accommodation	\$1,400.00
5/12/2017	San Cristbal Rural Development	Good and services	\$277.00
5/12/2017	San Cristbal Rural Development	Good and services	\$232.00
28/01/2018	San Cristbal Rural Development	Good and services	\$1,160.00
30/01/2018	San Cristbal Rural Development	Good and services	\$700.00
1/03/2018	San Cristbal Rural Development	Good and services	\$847.00
1/03/2018	San Cristbal Rural Development	Good and services	
			\$38,783.50
			\$221,625.30

The above are the Related third parties that have been disclosed with the sum of \$221,625.30

24. Encouraged Additional Optional Disclosures

Property, plant and equipment

The asset policy adopted by the Provincial Government is determined by the Province's Financial Management Ordinance 2008. The Ordinance states that.....

Additional information is disclosed under Note 17 (Property, plant and equipment).

There is no additional or even value of property, plant and equipment during the Financial year 2017/2018

Staff advances

Staff advances are payments of wages and salaries to staff in advance. Payments are then withheld from the Officers' fortnightly salaries. These payments are disclosed in Note 8 (Wages and Salaries and employee benefits.

(All employees)

Special advances are payments made to officers upon request. It was administratively managed and disbursed to Direct employees at a maximum not exceeding \$1,500.00. It was recovered through fortnightly deductions from their Salaries. See Annex

Imprest Accounts

Imprest accounts are cash amounts provided to elected officials, seconded staff and direct employees in order to conduct official Government Business. When imprest monies are disbursed, the amounts are transferred from cash at bank to the un-acquitted imprest account. The account is disclosed under note 2 (Cash and cash equivalents)

When the officers acquitted their imprests; the amounts were transferred from the un-acquitted account to the relevant payment balance. Any unspent cash that the officer returns is transferred from the un-acquitted account represents outstanding monies that are yet to be acquitted by the responsible officers to bank account. But there are some acquitted and some are still yet to be acquitted during the Financial Year

Employee provisions

Employee provisions are liabilities which the Provincial Government was required to submit to relevant agencies. These monies are for NPF and PAYE. The Province submits this money on a Monthly basis. The amount Indicated in the report is for one month after the Financial year 2017/2018 ends.

Note 25. Property, plant and equipment

Reconciliation of the opening and closing balance of property, plant and equipment.
There haven't any depreciation calculated. Also there is an Asset Register is keep but not Maintained up to date but all the Assets are recorded in a standardised spreadsheet formulated by MPGIS

	Total \$	Office equipment \$	Infrastructure \$	Other plant and equipment \$
Cost				
at 1st April 2017				
Acquisitions				
External Assistance				
Disposals				
Changes due to revaluations				
at 31st March 2018	0.00			0.00
Depreciation				
at 1st April 2017				
Charge for the period				
Disposals/transfers				
at 31st March 2018				

Note 26. Staff Advances

	2017/2018 \$	2016/2017 \$
Elected Officials	90,958.00	95418.00
Seconded Staff	73,261.00	66558.00
Direct Employees	222,897.00	300,250.00
Other Organisation	35,056.00	27,860.00
	422,172.00	490,086.00

Note 27. Un- acquitted imprest accounts

	2017/2018 \$	2016/2017 \$
Elected Officials		
Seconded Staff		
Direct Employees		

Note 28. Aging of staff advances and Un - acquitted imprest accounts for the 2017/2018 balance

Staff advances	Total \$	Less than 6 months \$	6 months to 1 year \$	1 year to 2 \$	Greater than 2 years \$
Elected officials	90,958.00		50,000.00	40,958.00	
Seconded staff	73,261.00	55,000.00	18,261.00		
Direct employees	222,897.00	30,000.00	60,000.00	132,897.00	
Other Organisation	35,056.00	35,056.00			
	422,172.00	120,056.00	128,261.00	173,855.00	\$0.00
Un-Acquited Imprest					
Elected Officials					
Seconded Staff					
Direct Employees					
	0.00	0.00	0.00	0.00	0.00

Note 29. Employee provisions

	2017/2018 \$	2016/2017 \$
Solomon Islands Government - PAYE	14,564.00	84184.86
SI National Provident Fund - NPF	26,890.00	158,174.71
Account Payable	267.00	0.00
Contract Retention	625,859.00	90,977.65
Union of workers	-	-380.00
Ward Profilling	2,112.00	2,112.00
	669,692.00	335,069.22

our opinion, the attached financial statement for the year ended 31st March 2018 are based on
properly maintained financial records, fairly presented, in all respect, the information
required by section 39(1) of the Provincial Government Act 1997 and in accordance with the
Provincial Financial Management Ordinance 2008 and the Provincial Financial and Stores Instructions

and on behalf of the Makira Ulawa Provincial Government

emier

n Stanley Siapu

h June 2018

Provincial Secretary

James Taeburi

25th June 2018

A blue ink signature, appearing to be 'S. Siapu', written over a horizontal line.A blue ink signature, appearing to be 'J. Taeburi', written over a horizontal line.

Annex 3: Makira Ulawa Province: Comparison of Budget and Actual Amounts
for the year ended 31st March 2017/8

Cash Inflows	Actual Amount	Revised Budget	Original Budget	Difference
Receipts				
Sig Fixed Service Grant	6,523,920.00	5,219,136.00	5,219,136.00	1,304,784.00
2nd Appointed Grant	50,000.00	50,000.00	50,000.00	0.00
Ward Profiling	585,701.00	585,701.00	585,701.00	0.00
Sig Youth Grant	30,450.00	0.00	0.00	30,450.00
Timber Right Grant	152,256.00	122,000.00	122,000.00	30,256.00
Licenses	2,348,166.00	2,306,640.00	1,856,640.00	41,526.00
Fees	76,069.48	46,953.00	46,953.00	29,116.48
Basic Rate	61,828.26	9,800.00	9,800.00	52,028.26
Property Rates	68,342.90	100,000.00	100,000.00	-31,657.10
Other Receipts	221,665.01	250,553.00	250,553.00	-28,887.99
Capital receipts				
PCDF	2,417,394.00	7,740,707.00	8,001,112.00	-5,323,313.00
Other SIG Grant		99,530.00	99,855.00	-99,530.00
Total Receipts	12,535,792.65	16,531,020.00	16,341,750.00	-3,995,227.35
Cash Outflows				
Payments				
Wages, Salaries and Employees benefits	3,345,707.87	3,350,161.00	3,338,207.00	-4,453.13
Other Employee operating Expense	4,403,167.54	3,412,308.00	3,103,233.00	990,859.54
Ward Development Grant	90,529.20	90,000.00	0.00	529.20
MPA Other operating expense		1,628,314.00	1,499,343.00	-1,628,314.00
Capital Expenditure				
PCDF Expenditure	3,647,779.78	7,740,707.00	8,001,112.00	-4,092,927.22
Other Capital Expenditure	232,567.25	309,530.00	399,855.00	-76,962.75
Total Payments	11,719,751.64	16,531,020.00	16,341,750.00	-4,811,268.36
Net cash in flow	816,041.01	0.00	0.00	816,041.01