



INDEPENDENT AUDITOR'S REPORT

To the Members of the Temotu Provincial Assembly

Report on the Audit of the Financial Statements

Disclaimer of Opinion

I was engaged to audit the accompanying financial statements of the Temotu 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 Temotu 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. The General ledger items does not reconcile with FS line items and have a material variance of \$ 398,852. In addition, comparative balances for 2016/17 and 2017/18 FS have a material variance of \$ 3,363 048. 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 \$ 10,981,489.96 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 \$ 9,679,215.35 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 (Temotu Development Authority)

The Temotu 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.

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.

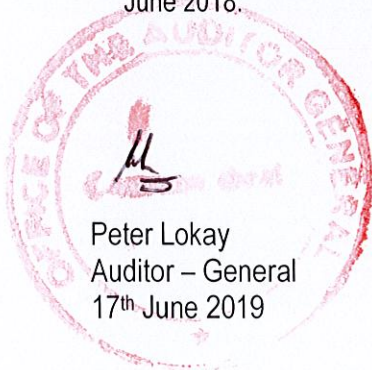
I also provide management and those charge with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable,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

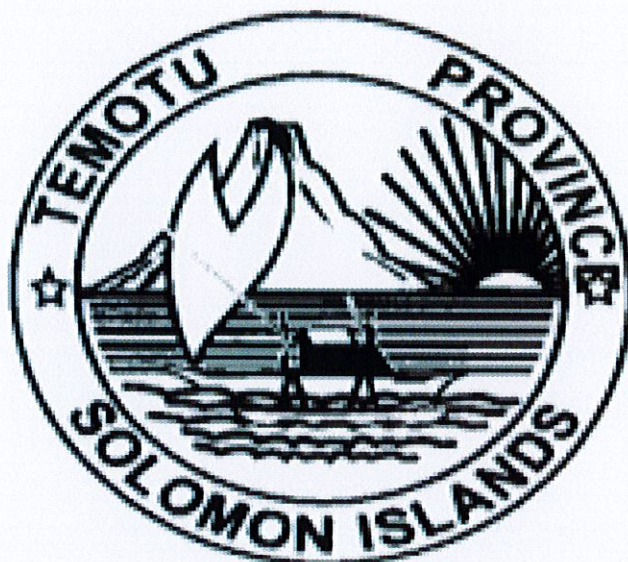
- i) Books of account and the financial system have not been properly kept and monitored by the Province, insufficient to enable financial statements to be prepared, so far as it appears from my examination of those books and system; and
- ii) To the best of my knowledge and according to the information 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 30th June 2018.



Peter Lokay
Auditor – General
17th June 2019

Office of the Auditor General
Honiara, Solomon Islands

TEMOTU PROVINCIAL GOVERNMENT



ADJUSTED Financial Statement Report as at 31st March 2018

**Prepared in accordance with the International Public Sector Accounting
Standards (IPSAS) Cash Basis of Accounting**

Prepared by the Office of Provincial Treasurer

Date: 30th June 2018

Date Due: 31st December 2018

Temotu Provincial Government (where there is no third party payment)**Statement of Cash Receipts and Payments for the Year Ended 31st March 2018**

Receipts	Note	31 March 2018 Cash Controlled by TPG	31 March 2017 Cash Controlled By TPG
Fixed Service Grants		4,369,136.75	3,495,309.00
Second Appointed Day Grant		50,000.00	50,000.00
Ward Profiling (MPGIS)		290,050.00	495,049.00
Business Licenses & Fees	10.1		
Business licence		552,028.00	134,166.00
Transport Licenses		115,845.00	15,400.00
Fuel Licenses		25,300.00	17,100.00
Liquor Licence		196,735.00	200,990.00
Fees		82,885.00	37,787.00
Logging Export Licenses		800,000.00	600,000.00
Trading Activities (see notes) 10.3			
Rental on Commercial Blocks		101,650.00	99,800.00
Commission on Commercial Activities		82,827.02	42,827.00
Basic Rate	10.2	21,487.31	1,455.00
Other Receipts	10.2	97,267.88	1,533,205.37
Total Recurrent Receipts for the Year		6,785,211.96	6,723,088.37
Capital Receipts			
Provincial Capacity Development Fund		3,196,278.00	3,480,299.92
SIG capital		1,000,000.00	1,000,000.00
Total Capital Receipts for the Year		4,196,278.00	4,480,299.92
Total Receipts for the year		10,981,489.96	11,203,388.29
Payments			
and employee			
benefits	10.4	1,890,796.80	1,574,577.56
Disaster Expense	10.5	137,969.50	-
Fuel Expense		157,850.00	84,750.00
Telephone		130,252.77	214,531.07
Electricity		103,264.62	232,251.31
Debt Servicing		783,040.69	765,868.72
Ward Profiling		236,470.00	505,249.00
Land Rental		117,483.00	
Executive Meeting Costs		58,020.00	34,838.00
2nd Appointed Day		57,058.00	62,489.00
Transport Exec		156,218.00	7,576.00
Full Assembly Costs		514,382.00	233,690.50
Appointed Members Allowances		103,753.00	183,736.00

Temotu Provincial Government Financial Statement as at 1st April 2017-31st March 2018

School Grant	10.17	60,000.00	30,000.00
Travel and Transport	10.18	101,304.00	83,167.00
Repairs and Maintenance	10.19	460,816.50	392,517.63
Other Operating Cost	10.20	1,427,841.16	1,881,462.00
Trading activities expenditure		-	
Total Recurrent Expenditure		6,496,520.04	6,286,703.79

Capital Expenditure

Capital expenditure on assets Dev Proje	2,094,315.25	2,725,181.34
Investment Servicing Cost for CapEx	107,027.50	354,104.90
SIG Grant (Assembly Chamber)	981,352.56	1,570,436.98
Total Capital Payments	3,182,695.31	4,649,723.22

Total Payments	9,679,215.35	10,936,427.01
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Increase/(decrease) in cash and cash equivalent	1,302,274.61	266,961.28
Opening Cash Balance	992,516.50	725,555.22
Cash and cash equivalent at the end of the year (1)	2,294,791.11	992,516.50

Computation of Cash and Cash Equivalent

Cash

Cash on Hand	0.00	0.00
PCDF - Project Account	859,111.64	78,850.09
TPG Housing Project(BSP)	95,720.91	29,383.47
Main Cheque Account	696,495.39	69,949.27
ANZ Account	19,690.95	15,566.18
Term Deposit BSP	204,460.46	216,409.21
Un-acquitted imprest	415,761.00	538,926.00
Un-acquitted imprest - Advances	3,550.00	43,432.28
Cash and Cash Equivalent	2,294,790.35	992,516.50

Less : restricted cash balances

Solomon Islands Government - PAYE	315,330.24	23,930.79	-
SI National Provident Fund - NPF	-	53,853.71	

Temotu Provincial Government Financial Statement as at 1st April 2017-31st March 2018		
Total Restricted Cash	315,330.24	77,784.50
Cash Available for use	1,979,460.11	914,732.00
Reconciliation of Movement of Cash		
Opening Cash Balance	992,516.50	725,555.22
Increase/Decerease in Cash	1,302,274.61	266,961.28
Closing Cash and Cash Equivalent	2,294,791.11	992,516.50

Annex 4: Disclosure Requirement for Temotu Provincial Government Financial Statement

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) Cash basis of Accounting.

The accounting policies have been applied consistently throughout the period of reporting

2. Reporting entity

The financial statements are prepared for Temotu Provincial Government which is one of the nine provinces within the Solomon Islands. The financial statements encompass the reporting entity as specified in the relevant legislation (Provincial Government Act 1997) and in accordance with the Provincial Financial Management Ordinance 2008 and the Provincial Financial and Stores instructions 2008.

The principal objective of the Provincial Government is to provide quality government services to rural communities of Temotu Province. TPG engages in commercial activities through its investment arm known as .

Temotu Development Authority (TDA)

TDA has been operating with under its own Ordinance known as the TDA ordinance of 2008. To carry out business activities with a License to Purchase Copra, Cocoa, Timber Milling and Partnership with Graciosa Bay Business Association (GBBA).

It has its own Bank A/C and is controlled and operated by its own General Manager, staff and board of directors

Due to it's operation as a legal entity separate from its controlling entity it has indefinite operating period. In the past TDA was not well managed and therefore not making any profit to be paid in as Dividend to Temotu Province including reporting period.

For this reporting period no financial Report has ever been received by the Provincial Government from TDA. The General Manager is still working on his Financial Statement as been requested by Temotu Provincial Government. To date, no financial report was being able to be disclosed by TDA management.

3. Controlling Entity

For accounting purpose the Provincial Government is directed by the Solomon Islands Government regarding which financial reporting framework to adopt. The recommendation was given to present the 2017 / 2018 financial statement on IPSAS Cash basis report standard.

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, Temotu 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)

Temotu Province Operates Lata BSP Agency under a signed Memorandum of agreement with BSP Bank Honiara. The Temotu Provincial Government made a deposit of \$200,045.21. thousand dollars to open up Lata

Temotu Provincial Government Financial Statement as at 1st April 2017-31st March 2018
 Agency on 11th February 2012. From then onward, the Province receives commissions from BSP and local customers
 The Agency is Managed and Supervised by the Provincial Treasury Division with the commission remitted to Treasury
 Division at end of each working day, which is recorded as restricted cash. Additional information is disclosed in Note 2
 (cash and cash equivalents), Note 8 (other receipts) and Note 14 (other payment)

6. Reporting Currency

The financial statements are presented in the Solomon Islands currency, the Solomon Islands dollar (\$)SBD

7. Foreign Currency Transactions

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

8. Cash

Cash and Cash Equivalent comprise Cash Balances, call deposits, un-acquitted 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	0.00	0.00
PCDF - Project Account	859,111.64	78,850.09
TPG Housing Project(BSP)	95,720.91	29,383.47
Main Cheque Account	696,495.39	69,949.27
ANZ Account	19,690.95	15,566.18
Term Deposit BSP	204,460.46	216,409.21
Un-acquitted imprest	415,761.69	538,926.00
Un-acquitted imprest - Advances	3,550.00	43,432.28
	2,294,791.04	992,516.50
Reconciliation of Restricted Cash Balances as at 31st March 2018		
Closing Cash and Cash Equivalents	2,294,791.04	992,516.50
Less : restricted cash balances		
Solomon Islands Government - PAYE	315,330.24	23,930.79
SI National Provident Fund - NPF	-	53,853.71
	315,330.24	77,784.50
Cash and cash equivalent Available for use	1,979,460.80	914,732.00

9. Borrowings

Temotu Provincial Government has record a sum of **\$1,101,000.00 debt comprising funds** borrowed from business houses
 and also from TPG housing Project account to spend on delivery of services and unpaid PAYE and NPF Contributions
 During the period of the financial year 2017-2018 and it was receipted under the cash Other receipts.
 More than 70% of this debt have been cleared remaining with PAYE as the major debt remaining

10. Receipts and Payments

	31st March 2018	31st March 2017
	Receipts /	Receipts /
	(Payments)	(Payments)
	\$	\$
10.1. Receipts-License and Fees		
Business Licence (Various). Refer to Budget Analysis for details	552,028.00	134,166.00
Liquor	196,735.00	200,990.00
Fuel	25,300.00	17,100.00
Transport (covers air trans, pick truck, Shipping, Taxi, Boat Charter, OBM)	115,845.00	15,400.00
Logging Export	800,000.00	600,000.00
Total License	1,137,880.00	833,490.00
Fees		
Research Fees General	1000.0	0.0
Land Admin Fee	0.0	500.0
Road Construction Fee	6000.0	0.0
Cruise Ships Harbour Fee	30000.0	0.0
Market Fees	45,885.00	32,287.00

Temotu Provincial Government Financial Statement as at 1st April 2017-31st March 2018

Total Fees	82,885.00	32,787.00
Total License & Fees	1,220,765.00	866,277.00

Receipts-Other Grants and Aid

SIG Service grant

Service Grant received for the general day to day operations service delivery of the Provincial Government.

PCDF

Temotu Provincial Government received funds from PGSP under MPGIS to cater for capital expenditures and investment projects implementation.

Second Appointed Day Grant

Temotu Provincial Government annually receives funds from MPGIS to finance its Second Appointed Day celebration totalling to \$50,000

	31st March 2018 Receipts	31st March 2017 Receipts
	\$	\$
SIG Service Grant	4,369,136.75	3,495,309.00
Second Appointed Day Grant	50,000.00	50,000.00
Ward Profiling	290,050.00	495,049.00
Total SIG Grant	4,709,186.75	4,040,358.00
PCDF grants -	4,272,815.00	3,480,299.92
Other Sig Grant(Assembly Chamber)	1,265,288.02	1,000,000.00
	5,538,103.02	4,480,299.92

	31st March 2018 Receipts	31st March 2017 Receipts
	\$	\$
10.2. Receipts - Basic Rates & Miscellaneous Receipts		
Basic Rate	20552.31	506.40
Basic Rate Ward 7	30.00	0.00
Basic Rate Ward 11	815.00	0.00
Basic Rate Ward 14	90.00	0.00
	21487.31	506.40

Hire Of Ex Con Room	500.00	0.00
Miscellaneous Receipts	66,227.91	956,546.94
Plant & Vehicle Hire	2,600.00	2,000.00
Rental of Staff Quarters	16,000.00	8,962.56
Plant & Equipment Sales	1,500.00	55,240.00
Land Rental Revenue	500.00	0.00
Hire of Sport Buildings	500.00	1,010.00
Miscellaneous Revenue	-	350.00
Hire of OBM/Canoe Service	400.00	0.00
Fisheries Marine Fines	7000.00	0.00
Sale of Fish	1,500.00	1,500.00
Bank Interest Received	539.97	804.09
	97,267.88	1,026,413.59
	118,755.19	1,026,919.99

	31st March 2018 Receipts	31st March 2017 Receipts
	\$	\$
10. 3. Receipts Trading Activities		
Market Lockup Rental		
Fisheries Centre Rental	26,000.00	10,000.00
Rental Income Block 1	3050.00	0.00
Rental Income Block 2	-	3,200.00
Rental Income Block 3	6,400.00	18,400.00

Temotu Provincial Government Financial Statement as at 1st April 2017-31st March 2018

Rental Income Block 4	11,200.00	9,600.00
Rental Income Block 5	6,000.00	6,800.00
Rental Income Block 6	2,800.00	800.00
Rental Income Block 7	4,400.00	4,800.00
Rental Income Block 8	2,800.00	11,500.00
Rental Income Block 9	6,200.00	5,100.00
Rental Income Block 10	5,600.00	2,400.00
Rental Income Block 11	800.00	400.00
Rental Income Block 12	6,000.00	3,600.00
Rental Income Block 13	3,600.00	4,800.00
Rental Income Block 14	400.00	-
Rental Income Market 1	2,400.00	4,800.00
Rental Income Market 2	2,600.00	6,400.00
Rental Income Market 3	6,200.00	2,800.00
Rental Income Market 4	5,200.00	4,400.00
Total Rental Income	101,650.00	99,800.00
Commission on BSP Agency	82,827.02	42,827.40
Total Receipts- Trading Activites	184,477.02	142,627.40

	31st March 2018 (Payments) \$	31st March 2017 (Payments) \$
Note 10.4. Payments-Salary & Wages (Allowances Employee)		
Office of the Premier	98,777.47	66,742.83
Assembly Division	132,455.52	149,186.16
Administration Division	235,431.20	215,640.41
Finance Division	271,516.51	286,250.98
Development Planning Division	7,100.00	13,548.00
Work & Infrastructure Division	441,663.75	298,131.67
Education Division	82,451.08	59,545.01
Lands Division	26,327.59	23,657.65
Commerce & Investment Division	38,804.57	45,391.03
Sports Division	30,411.44	22,104.23
Youth Division	32,837.33	21,805.09
Women's Division	27,618.24	26,950.22
Tourism Division	32,834.66	29,308.09
Agriculture division	30,701.28	28,503.67
Fisheries & Marine Division	40,581.16	82,187.29
Local Council (H/Affair)	366,139.00	310,733.23
	1,895,650.80	1,679,685.56

	31st March 2018 (Payments) \$	31st March 2017 (Payments) \$
Note 10.5 Payments-Other Allowances and Grant (Appointed Members)		
Appointed members allowances	68,880.00	32,870.00
Members travel allowances	45,690.00	50,866.00
	114,570.00	83,736.00

Note 10.6. Payments-Operating Expenditures		
Office Expenditure	137,969.50	134,857.00
Fuel (POL)	157,850.00	97,580.01
Office Equip/Furn(minor)	28,369.00	35,190.00
Sundry Expenditure	191,217.85	243,516.50
Computer and Photocopy Expenditure	59,242.00	42,153.00
Travel - Accomodation	80,954.00	5,050.00
Travel - Seafare/Airfare	12,500.00	20,307.00
Travel - Subsistence	7,850.00	10,500.00
Freight	450.00	20,927.00
Tools	3,341.00	365.00
Staff Recruitment Costs	5,726.00	9,600.00
Staff Training	15,900.00	26,420.00

Temotu Provincial Government Financial Statement as at 1st April 2017-31st March 2018

Staff Function	36,500.00	-
Staff Medical & Incident Expense	1,650.00	1,000.00
Disaster Expenditure	82596.93	0.00
Retirement/Redundancy/LSB	40,000.00	5,208.00
Committee Meeting Expenses	88,475.00	84,750.00
Staff Uniform	700.00	5,000.00
Hire of Transport	8,600.00	1,500.00
Staff Assistance	1120.00	1401.00
Telephone	130,252.77	214,531.07
Bank Charges	-	2,652.03
Debt Servicing	783,040.69	663,868.72
Electricity	103,264.62	277,265.35
Postage	246.00	-
Public Accounts Committee	42,832.00	60,838.00
Revenue Collectors Costs	40,464.40	25,426.30
Asset Valuation	4,750.00	-
Planning Forum	559.00	0.00
Planning Board Expenditure	5,875.00	10,200.00
Reginal growth Expenditure	236,470.00	495,049.00
Transport Costs	8,400.00	-
Consultancy costs	3,035.00	-
Fuel for Water Generator	6,528.00	38,600.00
Libray Expenditure	1,000.00	12,858.00
Teachers Travel	-	12,130.00
Land Acquisition Costs	30,000.00	50,000.00
Land Rental	117,483.85	66,474.00
Town Council Subvention	-	10,000.00
Liquor Board Expenditure	27,586.00	8,878.00
Commercial Board Expense	290.00	3,600.00
Business Survey Assessment	6,000.00	9,050.00
Regional Youth Costs	2,000.00	3,000.00
Sport Council	12,210.00	7,000.00
Provincial Sport Tournament	20,000.00	6,750.00
Solomon Games	-	40,000.00
Provincial Tourism Board	0.00	1060.00
Internationa Women's Day	12250.00	4700.00
Regional Children's Events	2220.00	4800.00
Rural Farmers Support	3500.00	400.00
Town Council Op Costs	11307.55	0.00
Market Venue Costs	11341.00	0.00
Hire of Contract	9,420.00	5,950.00
Spare Parts	9,050.00	-
Executive Meeting Costs	58,020.00	34,838.00
2nd Appointed Day Celebrat	57,058.00	62,489.00
Premiers Discretionary Fund	11,475.00	9,304.00
Official Enternament	12,660.00	7,016.00
Premiers Conference	19868.00	0.00
Premiers Utilities	17,047.00	2,683.00
Premier (Local Travel)	10,625.00	3,862.50
Premier (Overseas)	-	6,000.00
Transport (Exec)	156218.00	0.00
Dignatories	25,872.00	1,350.00
Prison Service	1,000.00	-
Full Assembly Expenditure	514,382.00	500,882.50
	3,715,752.16	3,576,301.98
Notes 10.7 Travel & Transport	19,662.00	109,576.00
Notes 10.8 School Grants	60,000.00	30,000.00
Notes R & M EXPENSES	360,816.50	125,556.69
	440,478.50	265,132.69

Note 14. Capital Expenditures

31st March 2018 31st March 2017

Temotu Provincial Government Financial Statement as at 1st April 2017-31st March 2018

	Receipts / (Payments) \$	Receipts / (Payments) \$
PCDF Housing Project	900,000.00	885,158.68
PCDF Works Project	233,508.00	486,384.59
PCDF Education Project	785,214.00	769,902.49
PCDF Health Project	125,654.00	35,728.00
Investment Projects	54,967.00	329,370.67
PCDF Womens Development Projects	2,000.00	158,349.71
Government Projects	0.00	60,287.20
Total PCDF (Project)	2,101,343.00	2,725,181.34
Project (Assembly)	981,352.56	1,570,436.98
PCDF General Investment Servicing Cost	107,027.50	354,104.90
	3,189,723.06	4,649,723.22

Authorisation date

The Financial Statement was authorised for publication on..... 2018.....by Hon: David Maena Premier
Witnessed by: Allan .S. Agassi Provincial Secretary

Note 11. 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..... and an amended budget was approved on..... The amendment to the budget was a result of a review by the Province to reduce expenditure to reflect a budgeted shortfall of receipts.

12. Going Concern

There are two main issues in which Temotu Province continues to face; these are its very narrow revenue base causing a real challenge to sustain increasing demand for services and Temotu Development Authority Dividend. Also the TDA dividend which Temotu Provincial Government is expecting to receive on an annual basis but TDA Management over the fiscal year failed to realize this as Provincial Government Business Arm.

13. Related Parties Transaction

The Province also adopted IPSAS 20 which provides for Related party disclosure standard to define related party transactions. Related parties are disclosed in Note 23 (Related parties). for the financial year 2017-2018 are disclosed below:

Allan Medirka is TPG's Senior Admin Officer and has engaged in the business of selling fuel and dry goods to the PG

28/04/2017	17/4	Allan N.Medirka	Fuel for Assembly Mem	1908589	\$ 24,600.00
07/06/2017	5/6	Allan N.Medirka	Various payments	1912429	\$ 58,700.00
07/06/2017	19-Jun	Allan N.Medirka	Special Imprest for SAD	1912443	\$ 10,000.00
22/06/2017	60/6	Allan N.Medirka	OBM Mixed Petrol	1912485	\$ 4,800.00
16/08/2017	19-Aug	Allan N.Medirka	Refund of Money borrow	1912565	\$ 115,200.00
27/10/2017	30-Oct	Allan N.Medirka	Transport Hire for Crop	1759283	\$ 3,600.00
08/12/2017	37/12	Allan N.Medirka	Various payments	1759354	\$ 11,441.00
9/02/2018	5-Feb	Allan N.Medirka	Petrol for Assembly Me	37826	\$ 72,400.00
19/02/2018	53/2	Allan N.Medirka	ks for Admin Kitchen Rd	37875	\$ 500.00

\$ 301,241.00

Ataban Meyomne is TPG's Market Master (Landing) and has engaged in the business of selling fuel to the PG

22/06/2017	52/6	Ataban R.Meyomne	2 x 200Litres drum Dies	1912477	\$ 7,000.00
16/08/2017	31-Aug	Ataban R.Meyomne	2 X 200 Litres Diesel	1912578	\$ 7,000.00
03/11/2017	14-Nov	Ataban R.Meyomne	18 Ft Post for Ext. to Pr	1759297	\$ 2,000.00
08/12/2017	38/12	Ataban R.Meyomne	Drums of Diesel for trac	1759355	\$ 10,700.00
09/02/2018	34/2	Ataban R.Meyomne	ms fuel for Home Affairs	37855	\$ 7,200.00

\$ 33,900.00

Hon Badley Tau is TPG's Minister of Finance and had benefitted financially from the hire of his private laptop

20/12/2017	78/12	Baddley Tau	Personal Lap Top hire	1759395	\$ 2,500.00
					\$ 2,500.00

Barnabas Meneia is TPG's Ledger Officer and had benefitted financially from the hire of his private laptop

23/06/2017	76/6	Barnabas Meneia	Lap Top hire for April/M	1912501	\$ 3,000.00
04/10/2017	15-Oct	Barnabas Meneia	Hire of Lap Top	1759267	\$ 1,500.00
08/12/2017	27-Dec	Barnabas Meneia	Lap Top hire	1759343	\$ 1,500.00
					\$ 6,000.00

Brunox Forau- CPO is a signatory to TPG accounts and we assume he is in a position to influence the approval of his

21/04/20147	11/4	Brunox G.Forau	Allowance for work don	1908583	\$ 6,000.00
28/04/2017	15/4	Brunox G.Forau	Stationaries and calend	1908587	\$ 7,050.00
21/06/2017	51/6	Brunox G.Forau	Acting allowance	1912476	\$ 750.00
09/08/2017	2-Aug	Brunox G.Forau	Overtime claim	1912548	\$ 5,270.00
18/08/2017	41/8	Brunox G.Forau	Overtime allowance	1912588	\$ 4,668.00
04/10/2017	12-Oct	Brunox G.Forau	Overtime claim	1759264	\$ 6,314.00
26/02/2018	65/2	Brunox G.Forau	Overtime	37887	\$ 3,000.00
20/03/2018	48/3	Brunox G.Forau	Overtime allowance	37938	\$ 1,272.48
					\$ 34,324.48

Swallow Enterprise is a business owned by Hon David Maina- Premier of Temotu Province

24/07/2017	15-Jul	David.Maina/ Swallow	Refund of cash paid for	1912531	\$ 11,456.00
31/07/2017	29-Jul	David.Maina/ Swallow	Refund of suppercut 20	1912545	\$ 850.00
18/08/2017	43/8	David.Maina/ Swallow	Refund of Receipts	1912590	\$ 15,786.00
30/08/2017	62/8	David.Maina/ Swallow	Refund of Expenses inc	1759209	\$ 16,769.00
03/11/2017	5-Nov	David.Maina/ Swallow	Refund of Receipts	1759288	\$ 10,050.00
30/11/2017	33/11	David.Maina/ Swallow	Refund of Receipts	1759316	\$ 1,961.00
18/12/2017	75/12	David.Maina/ Swallow	Refund of expenses inu	1759392	\$ 12,900.00
08/01/2018	1/1(A&B)	David.Maina/ Swallow	Refund of Receipts	37801	\$ 1,760.00
19/02/2018	55/2	David.Maina/ Swallow	water pump and refund c	37877	\$ 13,490.00
05/03/2018	4-Mar	David.Maina/ Swallow	Refund of Grass Cutter	37894	\$ 8,200.00
09/03/2018	25-Mar	David.Maina/ Swallow	Clutch plate for Provinc	37915	\$ 14,280.50
09/03/2018	27-Mar	David.Maina/ Swallow	Refund of Delegation to	37917	\$ 10,625.00
					\$ 118,127.50

East Coast Enterprise- Owned by Principal Admin Officer- Alfred Toaki

22/06/2017	62/6	East Coast Enterprise	OBM/Canoe hire	1912487	\$ 3,000.00
24/01/2018	11-Jan	East Coast Enterprise	OBM hire for P.Tagua f	37812	\$ 2,000.00
09/02/2018	32/2	East Coast Enterprise	OBM/Canoe Hire	37853	\$ 3,000.00
					\$ 8,000.00

EM Catering is owned by Emma Moiya- Clerk to Temotu Provincial Assembly

14/03/2018	39/3	E.M Catering	charges for Assembly M	37929	\$ 25,000.00
					\$ 25,000.00

Far East Enterprise- is owned by the Chief Education officer- Mr Steven Kumi

07/06/2017	20-Jun	Far East Enterprise	Sundry bills	1912444	\$ 6,120.00
					\$ 6,120.00

George Construction was jointly owned by former DPS Samuel Kafukese

5/04/2017	P1/4	George Construction	Completion o Stage 3 V	2011442	\$ 6,000.00
28/04/2017	P42/4	George Construction	Labour Contract Nembo	2011485	\$ 15,000.00
2/06/2017	P1/6	George Construction	Full wiring of Nembo Ge	2011486	\$ 8,500.00
8/12/2017	P29/12	George Construction	Labou Contract and Re	2011520	\$ 63,649.40
8/12/2017	P30/12	George Construction	Variation payment of Ne	2011521	\$ 30,000.00
					\$ 123,149.40

Hon Stanley Tehiahua- MPA is a member of TP Assembly and has benefited financially from a sale of Fuel to TPG

Temotu Provincial Government Financial Statement as at 1st April 2017-31st March 2018

23/06/2017	77/6	Hon. Stanley Tehiahua	Petrol for Assembly Me	1912502	\$ 12,000.00
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\$ 12,000.00

Ishamael Tanen- engaged in the business of selling fuel to TPG- Ishmael works as TPG Procurement Officer

08/12/2017	52/12	Ishmael Tanen	70 gal of petrol to transp	1759369	\$ 7,000.00
09/02/2018	40/2	Ishmael Tanen	hire and Petrol for office	37861	\$ 6,800.00

\$ 13,800.00

Janet K Wainooha- formerly was the Provincial Treasurer and was in a position to influence approval of her Over Time

10/04/2017	3/4	Janet K.Waino'oha	Overtime claim	1908574	\$ 6,252.10
28/04/2017	18/4	Janet K.Waino'oha	Responsibility allowance	1908590	\$ 1,050.00
12/05/2017	18/5	Janet K.Waino'oha	Refund of cash power t	1912410	\$ 1,400.00
22/06/2017	56/6	Janet K.Waino'oha	Electricity Bills and Cha	1912481	\$ 1,600.00
09/08/2017	3-Aug	Janet K.Waino'oha	Overtime claim	1912549	\$ 4,163.80
18/08/2017	42/8	Janet K .Waino'oha	Overtime allowance	1912589	\$ 5,259.00
04/10/2017	13-Oct	Janet K .Waino'oha	Overtime claim	1759265	\$ 6,563.40
03/11/2017	9-Nov	Janet K.Waino'oha	Overtime claim	1759292	\$ 4,791.20
09/11/2017	18-Nov	Janet K.Waino'oha	Overtime claim	1759301	\$ 2,730.00
05/12/2017	1-Dec	Janet K.Waino'oha	Refund of Tonner & Ov	1759317	\$ 8,858.00
08/12/2017	45/12	Janet K.Waino'oha	Overtime claim	1759362	\$ 5,573.60
29/12/2017	82/12	Janet K.Waino'oha	Overtime claim	1759399	\$ 4,100.00
15/01/2018	5-Jan	Janet K.Waino'oha	Overtime claim	37806	\$ 4,673.60
08/03/2018	22-Mar	Janet K.Waino'oha/Jerd	Overtime Claim	37912	\$ 8,366.00
08/03/2018	23-Mar	Janet K.Waino'oha	Overtime & Supervising	37913	\$ 7,839.00
23/03/2018	57/3	Janet K.Waino'oha/Jerd	Overtime claim	37947	\$ 4,225.84

\$ 77,445.54

JET Secretarial Service is owned by John Melelao- Provincial Expenditure Officer

28/04/2017	16/4	JET Secretarial Service	Photocopying Charges	1908588	\$ 19,818.00
07/06/2017	29-Jun	JET Secretarial Service	Photocopying Charges	1912453	\$ 8,688.00
22/06/2017	55/6	JET Secretarial Service	Photocopying Charges	1912480	\$ 6,974.00
09/08/2017	4-Aug	JET Secretarial Service	Photocopying Charges	1912550	\$ 5,683.00
09/08/2017	5-Aug	JET Transport	Truck hire	1912551	\$ 500.00
16/08/2017	25-Aug	JET Secretarial Service	Photocopying Charges	1912571	\$ 10,934.00
04/10/10/2017	14-Oct	JET Secretarial Service	Transport Hire for Treas	1759266	\$ 300.00
08/12/2017	33/12	JET Secretarial Service	Photocopying Charges	1759350	\$ 6,886.00
07/03/2018	15-Mar	JET Secretarial Service	Photocopying Charges	37905	\$ 3,984.00
21/02/2018	P1/2	JET Secretarial Service	Photocopy Charges	2011530	\$ 1,858.00

\$ 65,625.00

Johnson Levela- Speaker of Temotu Provincial Assembly benefited financially from use of his private laptop

11/09/2017	7-Sep	Johnson Levela	Hire of Lap Top	1759219	\$5,000.00
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\$5,000.00

John Michael MPA runs a Brick Making Business - and is a Member of Temotu Provincial Assembly

25/04/2017	P23/4	John Michael	390 Bricks for Duplex h	2011464	\$ 7,800.00
6/12/2017	P4/12	John Michael	Black Gravel and Sand	2011495	\$ 37,060.00

\$ 44,860.00

KAIROS Time Construction is owned by Tropa Tika- Senior Library Officer

8/12/2017	P33/12	KAIROS Time Construc	Retention payment under Access Road Contract	2011525	\$ 5,940.00
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\$ 5,940.00

Kenia Construction is a plumbing service business owned by former provincial plumber Harry Kenya (deceased)

6/12/2017	P7/12	Kenia Construction	Completion of plumbing	2011498	\$ 6,000.00
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\$ 6,000.00

Kingdom Transformation Ministry loaned funds to TPG of which Barnabas Meneia and Chris Pokiatia are members

07/06/2017	8/6	KTM	Refund of Money borrow	1912432	\$ 30,000.00
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\$ 30,000.00

Patrick Melema lent money to TPG and is related to Barnabas Meneia, Chris Pokiatia and Pricillar Lirms

Temotu Provincial Government Financial Statement as at 1st April 2017-31st March 2018

07/06/2017	6/6	Patrick Melema	Refund of Money borrow	1912430	\$ 48,000.00
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\$ 48,000.00

Pricillar Lirms is the Provincial Asset Officer and has benefitted financially from hire of her private laptop

10/04/2017	4/4	Priscilla Lirms	Lap Top Hire	1908575	\$ 2,600.00
28/06/2017	85/6	Priscilla Lirms	Lap Top Hire	1912510	\$ 4,100.00

\$ 6,700.00

Rosemary Taula is the Provincial Typist and has benefitted financially from hire of her private laptop

07/06/2017	16/6	Rose Mary Neve	Hire of Lap Top	1912440	\$ 700.00
22/06/2017	63/6	Rose Mary Neve	Lap Top Hire	1912488	\$ 1,100.00
10/08/2017	14-Aug	Rose Taula	Feb/17, Mar/17 and Apr	1912560	\$ 3,250.00
08/12/2017	35/12	RoseMary Taula	Hire of Lap Top	1759352	\$ 3,050.00

\$ 8,100.00

Samuel Kafukese, former DPS, here we assume he had the power to influence approval of his payments listed below

24/05/2017	22/5	Samuel Kafukese	Five (5) Days Leave Co	1912414	\$ 1,650.00
30/05/2017	27/5	Samuel Kafukese	Leave Conversion	1912420	\$ 1,650.00
22/06/2017	66/6	Samuel Kafukese	Overtime claim for EXC	1912491	\$ 5,386.28
23/06/2017	73/6	Samuel Kafukese	Overtime Claim	1912498	\$ 2,640.00
01/09/2017	1-Sep	Samuel Kafukese	Refund of Receipts for t	1759213	\$ 3,500.00
07/11/2017	17-Nov	Samuel Kafukese	Charge allowance for A	1759300	\$ 3,750.00
17/11/2017	24-Nov	Samuel Kafukese	4 x Tikopian Basket for	1759307	\$ 3,200.00
06/12/2017	4-Dec	Samuel Kafukese	Overtime allowance	1759320	\$ 4,024.71

\$ 25,800.99

S&Sons is owned by Selwyn Piako, a cousin of Steve Kumi, Chief Education Officer

25/04/2017	P21/4	S & Sons Construction	Stage 2 payment of Edu. Office building Project	2011462	\$ 32,940.00
8/12/2017	P26/12	S & Sons Construction	30% work completion & Stage 3 Edu. Office Proj	2011517	\$ 131,760.00
8/12/2017	P31/12	S& SON Construction	Variation payment of Edu. Office Upgrading proj	2011522	\$ 55,000.00

\$ 219,700.00

Steward Balo was a former Works Officer who has engaged in the business of selling fuel to the PG

01/05/2017	2/5	Steward Balo	2 x 200 Litres petrol	1908594	\$ 9,600.00
07/06/2017	23-Jun	Steward Balo	Fuel for Assembly Mem	1912447	\$ 12,900.00
22/06/2017	53/6	Steward Balo	Fuel and Rations	1912478	\$ 15,858.00
22/06/2017	57/6	Steward Balo	1 x 200 Litres Petrol	1912482	\$ 3,600.00
16/08/2017	27-Aug	Steward Balo	Transport Hire	1912573	\$ 2,680.00
03/11/2017	10-Nov	Steward Balo	1 X 200 Litres Diesel for	1759293	\$ 3,800.00
08/12/2017	47/12	Steward Balo	Transport hire	1759364	\$ 8,400.00
9/02/2018	7-Feb	Steward Balo	4 x 200 Litres Drum Pet	37828	\$ 19,200.00

\$ 76,038.00

YAO Construction is jointly owned by Lionel Yao and Vincent Dawea. Vincent was the former Principal Works Officer

25/04/2017	P35/4	YAO Construction	Stage 3 of Road Access	2011478	\$ 41,639.00
6/12/2017	P27/12	YAO Construction	Timbers for Admin Staff	2011518	\$ 11,970.00
8/12/2017	P34/12	YAO Construction	Retention payment und	2011526	\$ 13,879.74

\$ 67,488.74

The above are the Related third parties disclosed at a total aggregate sum of

1,370,860.65

14. 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.....

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.

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.

Note 15. Staff Advances

	2017/2018	2016/2017
	\$	\$
Elected Officials	0.00	0.00
Seconded Staff	0.00	0.00
Direct Employees	3,550.00	74,111.10
	<u>3,550.00</u>	<u>74,111.10</u>

Note 16. Un- acquitted imprest accounts

	2017/2018	2016/2017
	\$	\$
Elected Officials	0.00	0.00
Seconded Staff	0.00	0.00
Direct Employees	0.00	0.00
	<u>0.00</u>	<u>0.00</u>

Note 17. 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 years	Greater than 2 years
	\$	\$	\$	\$	\$
Elected officials					
Seconded staff					
Direct employees	43,432.28	3550.00	-		
	<u>43,432.28</u>	<u>3,550.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Un-Acquited Imprest					
Elected Officials	55,799.00				55,799.00
Seconded Staff	50,592.00				50,592.00
Direct Employees	432,535.00		157,941.00		432,535.00
	<u>538,926.00</u>	<u>-</u>	<u>157,941.00</u>	<u>-</u>	<u>538,926.00</u>

Note 18. Employee provisions

	2017/2018	2016/2017
	\$	\$
National Provident Fund	-	23,930.79
Pay As you Earn Tax (Being for unpaid PAYE from Sept 2013- Dec 2017)	315,330.24	53,853.71
PAYE for Jan 18-Mar 18 were paid	<u>315,330.24</u>	<u>77,784.50</u>

Employer NPF-7.5%

0.00	56,887.61
0.00	56,887.61

In 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

For and on behalf of the Temotu Provincial Government

Premier

Hon David Maena

31/12/2018



Provincial Secretary

Allan S. Agassi

31/12/2018



**Annex 3: Temotu Province: Comparison of Budget and Actual Amounts
for the year ended 31st March 2018**

Cash Inflows	Actual Amount	Revised Budget	Original Budget	Difference
Receipts				
Sig Fixed Service Grant	\$ 4,369,136.75	\$ 3,495,359.00	\$ 3,495,359.00	\$ 873,777.75
2nd Appointed Grant	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ -
Ward Profiling	\$ 290,050.00	\$ 552,972.00	\$ 552,972.00	\$ -262,922.00
Licenses	\$ 1,689,908.00	\$ 1,196,500.00	\$ 1,078,300.00	\$ 493,408.00
Fees	\$ 82,885.00	\$ 230,850.00	\$ 286,862.00	\$ -147,965.00
Other Receipts	\$ 303,232.21	\$ 181,500.00	\$ 328,100.00	\$ 121,732.21
Capital receipts				\$ -
PCDF	\$ 4,272,814.60	\$ 5,657,607.00	\$ 6,542,514.00	\$ -1,384,792.40
Other SIG Grant (Assembly Chamber)	\$ 1,265,288.02	\$ 1,765,288.02	\$ 1,265,288.02	\$ -500,000.00
Total Receipts	\$ 12,323,314.58	\$ 13,130,076.02	\$ 13,599,395.02	\$ -306,761.44
Cash Outflows				
Payments				
Wages, Salaries and Employees benefits	\$ 1,890,796.80	\$ 1,603,494.00	\$ 1,648,494.00	\$ 287,302.80
Travel and DSA Expenditure (Staff)	\$ 101,304.00	\$ 109,936.00	\$ 113,560.00	\$ -8,632.00
Assembly and Executive Expenditure	\$ 832,373.00	\$ 481,700.00	\$ 565,645.00	\$ 350,673.00
Repairs and Maintenance	\$ 360,816.50	\$ 701,024.00	\$ 560,000.00	\$ -340,207.50
Ward Development Grants	\$ -	\$ -	\$ -	\$ -
Ward Profiling	\$ 236,470.00	\$ 552,972.00	\$ 552,972.00	\$ -316,502.00
Other Operating Costs	\$ 2,671,724.00	\$ 2,008,055.00	\$ 2,350,922.00	\$ 663,669.00
Consultancy Services	\$ 3,035.00	\$ 250,000.00	\$ -	\$ -246,965.00
Capital Expenditure				\$ -
PCDF Expenditure	\$ 2,320,515.00	\$ 5,657,607.00	\$ 6,542,514.00	\$ -3,337,092.00
Other Capital Expenditure(Assembly Chamber)	\$ 1,265,288.02	\$ 1,765,288.02	\$ 1,265,288.02	\$ -500,000.00
Total Payments	\$ 9,682,322.32	\$ 13,130,076.02	\$ 13,599,395.02	\$ -3,447,753.70
Net cash in flow	\$ 2,640,992.26	\$ -	\$ -	\$ 3,140,992.26