



Independent Auditor's Report to the Members of Isabel Provincial Assembly

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the accompanying financial statements of Isabel Provincial Government ("the Provincial Government") which comprise the Statement of Cash Receipts and Payments and the Statement of Comparison of Budget and Actual and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements, in all material respects give a true and fair view of the Provincial Government's receipts and payments for the year ended 31st March 2019 in accordance with International Public Sector Accounting Standard (IPSAS) Cash Basis.

Basis of Qualified Opinion

Isabel Investment Corporation (IIC)

Isabel Provincial Government for the year ended 31 March 2019, consolidate its Financial Statements with its business arm the Isabel Investment Corporation. I am unable to obtain sufficient audit evidence to place assurance over the receipt amount \$746,600 and payment amount \$613,462, which were consolidated in the Financial Statements. Consequently, I am unable to determine whether any adjustments to the amounts are necessary.

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). 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 International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, and the ethical requirements that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the Executive's statement or equivalent, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially

misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

Management are responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, and for such internal control as the management 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 are 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 liquidate the Provincial Government or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Provincial Government's 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 a guarantee that an audit conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism 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 Provincial Government's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Provincial Government's ability to continue as a going concern. If I conclude that a material uncertainty exists, 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 conclusions are based on the audit evidence obtained up to the date of my auditor's report.

However, future events or conditions may cause the Provincial Government to cease to continue as a going concern.

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 identified during my audit.

Report on Other Legal and regulatory requirements

I have obtained all the information and explanations which, to the best of my knowledge and belief, are necessary for the purposes of my audit.

In my opinion except for the effects of the matter described in the *Basis for Qualified Opinion* section of my report:

- i) proper books of account have been kept by the Provincial Government sufficient to enable financial statements to be prepared, so far as it appears from my examination of those books;
- ii) to the best of my knowledge and according to the information and explanations given to me, the financial statements have been prepared in accordance with the requirements of the Provincial Government's Financial Management Ordinance 2018; and
- iii) The Provincial Government complied with the requirements of the Public Finance and Audit Act (Cap 120) and the Provincial Government Act 1997, which require the financial statements to be submitted to the Office of the Auditor General not later than 9 months of the following year to which the financial statements relate. The signed statements were presented to me on 29th June 2019.



Peter Lokay
Auditor-General

12 May 2020

Office of the Auditor-General
Honiara, Solomon Islands



Isabel Provincial Government

**Consolidated
Financial
Report for the
year ended 31
March 2019**

<u>Table of Content</u>	<u>Page</u>
Statement of Cash Receipts	1
Statement of Cash Payments	2
Statement of Comparison of budget and actual amount	3
Notes to the Financial Statements	4
Encouraged additional optional disclosures	5
Notes 2 to 4	6
Notes 5 to 9	7
Notes 10 to 16	8
Notes 17 to 19	9
Notes 20	10
Notes 21 to 26	11
Notes 27	12
Certificate of the Isabel Provincial Government	13

Santa Isabel Provincial Government
Consolidated Statement of Cash Receipts and Payments
For the year ended 31st March 2019

		31st March 2019	31st March 2019		31st March 2019	31st March 2018
		Receipts/(Payments) Isabel Provincial Government	Receipts/(Payments) Isabel Investment Corporation	Elimination	Consolidated Receipts/(Payments)	Consolidate Receipts/(Payments)
	Note	(\$)	(\$)		(\$)	(\$)
Receipts						
Recurrent Receipts						
Fixed Service Grants		3,814,252			3,814,252	5,115,849
Licences and Fees						
Business Licences/Receipts	3	447,975			447,975	430,428
Cash Receipts			746,600		746,600	724,007
Logging Export License		315,000			315,000	200,000
Logging Contractor licences		2,192,500			2,192,500	1,500,000
Logging Royalties		5,558,426			5,558,426	10,410,504
Kodili Festival		630,566			630,566	
Timber rights grant		870,480			870,480	847,220
Ward profiling		0			0	235,719
Sandry grants		0			0	
Subvention grant		0	40,000	40,000		
Hire/rental of provincial property		225,311			225,311	248,097
Sales		156,528			156,528	106,617
25% Community contribution		557,251			557,251	682,520
Prospecting license		150,000			150,000	
Other receipts	5	189,852			189,852	243,695
Total Recurrent Receipts for the year		15,108,140			15,854,740	20,744,656
Capital Receipts						
Provincial Capital Development Fund (PCDF)	6	3,910,868			3,910,868	2,129,829
Proceeds from Disposal of PPE		35,459			35,459	11,992
SIG Funding		0			0	0
Total Capital receipts for the year		3,946,327	0		3,946,327	2,141,821
Total Receipts for the year		19,054,467	0		19,801,067	22,886,477

Santa Isabel Provincial Government
Consolidated Statement of Cash Receipts and Payments
For the year ended 31st March 2019

Payments				
Recurrent Expenditure				
Wages & Salaries	7	(2,470,805)		(2,470,805)
Employees benefits (All employees)	8	(269,687)		(269,687)
SINPF expense		(193,038)		(193,038)
Grant Assistance expenditure (Utilities & Community Assistance)	9	(2,023,349)		(2,023,349)
Appointed Members Allowances		(20,000)		(20,000)
Repairs and maintenance	10	(767,465)		(767,465)
5% Royalties payable		(278,914)		(278,914)
Purchase expenses		(230,669)		(230,669)
Consultant/Contract services		(213,516)		(213,516)
Survey cost		(85,638)		(85,638)
Fuel		(396,540)		(396,540)
Office expenses	11	(454,599)		(454,599)
Travel/transport & DSA (Employees)	12	(417,247)		(417,247)
Utilities Expense	13	(698,528)		(698,528)
25% Community Contribution		(558,906)		(558,906)
Timber rights		(870,480)		(870,480)
School grant		(439,600)		(439,600)
Other Assistance	14	(263,453)	40,000	(263,453)
Operating expense	15	(1,917,395)	(613,462)	(2,530,857)
Kodili Festival		(1,342,048)		(1,342,048)
Assembly and Executive Expenditure		(139,483)		(139,483)
Ward development committee		(212,255)		(212,255)
Ward profiling		-		-
Legal Expenses		(226,598)		(226,598)
Provincial Sport tournament		-		-
Total Recurrent Expenditure		(14,480,213)		(15,093,675)
Capital expenditures				
Purchase of property, plant and equipment	16	-		-
Solomon Islands Government (SIG)		-		-
Isabel Provincial Government (IPG)		(672,723)		(672,723)
Provincial Capacity Development Fund (PCDF)		(5,009,227)		(5,009,227)
Investment Servicing Cost (PCDF)		(371,275)		(371,275)
Ward Development Grant		(1,532,874)		(1,532,874)
W.D - Womens Project		(126,000)		(126,000)
Rural Farmers Assistance		(223,242)		(223,242)
Total Capital Expenditure		(7,935,341)		(7,935,341)
Total Payments		(22,415,554)		(23,029,016)
Increase/(decrease) in cash and cash equivalents		(3,361,087)		(3,227,949)
Computation of Cash and Cash Equivalent				
Cash on Hand	2			
Main cheque account		1,333,470	28,880	1,362,350
PCDF account		3,188,205		3,188,205
Special Account		203,780		203,780
IPG Salary Account		1,176,776		1,176,776
IBD-BSP		117,160		117,160
IBD-ANZ		29,430		29,430
Reserve A/c		5,361,796		5,361,796
Standing imprest		30,000		30,000
Cash and cash equivalent		11,440,617		11,469,497
Closing cash and cash equivalents		11,440,617		11,469,497
Less Restricted Cash	2			
National Provident Fund		0		0
Inland Revenue (PAYE)		0		0
Inland Revenue (W/Tax)		0		0
Land Owners Deposit		0		0
ANZ Term Deposit		0		0
Reserve A/C Transfer		0		0
Cash- Security		0		0
Cash Available for use		11,440,617		11,469,497
Reconciliation of Movement of Cash				
Opening Cash Balance	2	14,801,704		14,869,485
Increase/(decrease) in cash and cash equivalents		(3,361,087)		(3,227,949)
Closing Cash and Cash Equivalent		11,440,617		11,641,536

Santa Isabel Provincial Government
Consolidated Statement of Comparison of budget and actual amount
For the year ended 31st March 2019
Budget approved on the Cash basis

	Consolidated Actual Amount	Revised Budget 2018/2019	Original Budget 2018/19	Increase/(Dec rease) Budget vs Actual
Recurrent Receipts	15,854,740	15,343,692	13,967,840	511,048
Financed by:				
Local Revenues	10,423,408	10,096,013	9,255,161	327,395
Fixed Service Grant	3,814,252	4,647,679	4,092,679	(833,427)
IIC Cash Receipts	746,600			746,600
Timber Right Hearing	870,480	600,000	600,000	270,480
Receipts from MPGIS - Ward profiling				
Receipts from MPGIS - Second appointed Days			20,000	
Recurrent payments	(15,093,675)	(15,343,691)	(13,967,839)	(1,125,836)
Salaries and Wages	(2,470,805)	(3,326,480)	(3,254,909)	855,675
Consultancy cost on Architect/Civil Engineer/Quantity Surveyor	(213,516)	(809,972)	(254,972)	596,456
Travel and DSA expenditure of staff	(417,247)	(216,372)	(209,790)	(200,875)
Assembly and Executive expenditure	(139,483)	(871,000)	(1,284,814)	731,517
Repairs and Maintenance	(767,465)	(792,000)	(796,000)	24,535
Ward Utility Grant	(480,000)	(480,000)	(480,000)	
Community Grant	(1,543,349)	(1,600,000)	(1,600,000)	56,651
Ward Profiling				
Other Operational Costs	(8,448,348)	(7,247,867)	(6,087,354)	(1,200,481)
IIC Operating Cost	(613,462)			(613,462)
Net Cash inflow on Recurrent Budget	761,065	1	1	761,064
Capital Receipts	3,946,327	12,468,680	13,831,285	2,946,327
Current Year Allocation of PCDF	3,910,868	941,226	1,000,000	(2,170,899)
Commitment Carried Forward from previous yr (PCDF)	0	6,081,767	7,961,284	(1,570,909)
IPG Contribution to PCDF		1,570,909	1,570,909	(480,000)
IPG Contribution to RDP Projects		480,000		(3,394,778)
Other Capital Development Funds (SIG & IPG)	35,459	3,394,778	3,299,092	35,459
Capital Payments	(7,935,341)	(12,468,681)	(13,831,286)	4,533,340
PCDF Funded Projects	(5,380,502)	(8,593,903)	(10,532,194)	3,213,401
Administration Sector	(953,941)	(1,461,364)	(2,681,251)	507,423
Works, Transport & Communication Sector	(335,874)	(335,874)	(335,874)	
Education Sector	(2,166,164)	(2,314,709)	(2,314,709)	148,545
Health & Medical Sector	(528,065)	(2,558,814)	(2,666,616)	2,030,749
Commerce & Investment (Local Economic Development projects)	(788,292)	(930,570)	(930,570)	142,278
Local Council	(236,891)	(562,877)	(562,877)	325,986
Water and Sanitation Projects				
General Investment Servicing cost	(371,275)	(429,695)	(1,040,297)	58,421
IPG Funded Projects	(2,554,839)	(3,874,778)	(3,299,092)	1,319,939
Ward Development Grant	(1,532,874)	(1,600,000)	(1,600,000)	67,126
Provincial Assembly	(41,781)	(80,000)	(90,000)	38,219
Finance	0	0	0	
Development Planning	(148,660)	(205,686)	(220,000)	57,026
Works, Transport & Communication	(187,914)	(532,000)	(412,000)	344,087
Education Sector	(279,369)	(430,814)	(430,815)	151,445
Women Dev	(126,000)	(160,000)	(160,000)	34,000
Agriculture	(223,242)	(240,000)	(240,000)	16,758
Local Council	(15,000)	(626,278)	(146,277)	611,278
Surplus/(Deficit) on Capital budget	(3,989,014)	(1)	(1)	(3,989,013)
Surplus/(Deficit) on Total Budget	(3,227,949)			(3,227,949)

Notes to the Financial Statements

1. Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with the International Public Sector Accounting Standard under The Cash Basis of Accounting (Cash Basis IPSAS). The accounting policies have been applied consistently throughout the period.

Reporting entity

The financial statements are for the Isabel 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 2018 and the Provincial financial and stores Instructions 2018.

The principal objective of the Isabel Province is that the people of Isabel shall have equal and maximum access to spiritual, social, economic infrastructure services to enjoy a prosperous life.

Reporting currency

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

Cash

Cash and cash equivalents comprise cash balances, call deposits, un-audited 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 equivalents closing balance.

Controlling entity

For accounting purposes the Isabel Provincial Government is directed by the Solomon Island Government regarding which financial reporting framework to adopt. For the purpose of IPSAS, Isabel Investment Corporation (IIC) is the controlled entity of the Isabel Provincial Government.

External assistance

The Isabel Province receives a benefit from payment made by external third parties (entities external to the Province) for goods and services. These payments do not constitute cash receipts or payments for the Province but do benefit the Province. They are disclosed in the payment by third party column in the financial statements. During the period of reporting there was no third party payments from external assistance.

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), IPDE saving club, and land owners. It was no restricted cash during the period of reporting.

Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate at the date of the transactions. Non-monetary assets and liabilities denominated in foreign currency are recorded at the exchange rate of the date of transaction. There was no foreign currency transactions during the period of reporting.

Classification

Prior year balances have been reclassified to correspond to current year presentation which considered necessary. At the end of this period there was no reclassification of balances. The account balances are correspond accordingly.

Encouraged additional optional disclosures

Property, plant and equipment.

The asset policy adopted by the Isabel Provincial Government is determined by the Isabel Provinces Financial Management Ordinance 2018 (or relevant policy manual).

The ordinance states that*-----*additional information is disclosed under the note 20 (property, plant and equipment).

Account Receivable (Un-collected Revenues)

Account receivable or uncollected revenues are business licenses, rates, fees including logging licenses for the period but are not received or collected by the PG as at 31st March.

These revenue receivables are disclosed in note 21 of this financial statement.

Staff advances

The staff of advances are payments of wages and salaries to staff in advance. Payments are then withheld from the officers fortnightly salary. These payments are disclosed in note 7 (wages and salaries and employee benefits (All employees)).

Imprest account

Imprest accounts are cash amount provided to elected officials , seconded staff and monies are disbursed, the amount is transferred from cash at bank to the un-acquitted imprest account. The account is disclosed under note 2 (cash and cash equivalent). When the officer acquits the imprest, the amount is 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 to the cash at bank account. The balance of the un-acquitted account represents outstanding monies that are yet to be acquitted by the responsible officers.

Employee provisions

Employee provisions are liabilities which the provincial Government are required to submit to the relevant agencies. These monies are for NPF, PAYE, Land owners and IPDE saving club. The provision submits this money on a monthly basis.

Related Parties

The Province has adopted the IPSAS 20 related party disclose standard to define related Party transactions. Related parties are disclosed in note 27 (Related parties).

Going Concern

The following factors have enable the entity to continue its operation in the next 12 months and in the future.

- a) The quarterly service grant from SIG
- b) The capital development fund from PCDF
- c) The internal royalty receipts from land resources
- d) The power of licenses , fees rates and charges from businesses and company houses operating within the boundary of the province.
- e) No internal and external non-current liability on borrowing by the province

The Isabel Province is a controlled entity of SIG and without the natural or social disaster, the organization is a going concern entity.

	31st March 2019 Receipts / (Payments) (\$)	31st March 2018 Receipts / (Payments) (\$)
2. Cash		
Cash and cash equivalents comprise cash balances, call deposits, un-audited 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 equivalents closing balance.		
Cash on Hand		
Main cheque account		
PCDF account	1,333,470	6,292,084
Special Account	3,188,205	3,112,165
IPG Salary Account	203,780	141,771
IBD-BSP	1,176,776	
IBD-ANZ	117,160	116,648
Reserve A/c	29,430	29,430
Standing imprest	5,361,796	5,109,605
	30,000	
	<u>11,440,617</u>	<u>14,801,704</u>
Reconciliation of restricted cash balances as at 31st March 2018		
Closing cash and cash equivalents		
Less restricted cash balances	11,440,617	14,801,704
National Provident Fund		
Inland Revenue (PAYE)	0	0
Inland Revenue (W/Tax)	0	0
Land Owners Deposit	0	0
ANZ Term Deposit	0	0
Guesthouse Renovation	0	0
Cash- Security	0	0
Cash available for use	0	0
	<u>11,440,617</u>	<u>14,801,704</u>
3. Licences and fees		
Business Licences		
Liquor Licences	237,045	243,498
Petrol Licences	165,880	146,570
Transport licences	30,550	33,860
Saw milling licences	11,500	2,500
	3,000	4,000
	<u>447,975</u>	<u>430,428</u>
4. External Assistance		
Third parties payments to the province are external assistance.		
The Isabel provincial government does not receive any payment made by any third parties for the year ended 31 March 2019		

	31-Mar-19	31-Mar-18
	Receipts/ (Payments) \$	Receipts/ (Payments) \$
Note 5. Other receipts		
SIG 2nd Appointed Day Grant	0	100,000
Photocopy charge	1,234	3,298
Administration charges/fees	16,800	6,980
Basic rate	54,567	67,373
Bank Interests	3,937	2,733
Property Rates	434	0
Miscellaneous receipt	112,880	63,311
	<u>189,852</u>	<u>243,695</u>
Note 6. Capital Receipts		
PCDF Funding - (Current)	941,266	2,129,829
PCDF Funding - (Previous)	2,969,602	0
Plant & Equipment Sales	35,459	11,992
	<u>3,946,327</u>	<u>\$2,141,821</u>
Note 7. Wage & Salaries		
Office of the Premier	(92,230)	(92,786)
Provincial Assembly	(276,379)	(264,464)
Administration	(188,485)	(190,615)
Finance & Treasury	(279,489)	(223,394)
Development Planning	(95,031)	(90,038)
Works	(284,499)	(247,121)
Education and Training	(44,819)	(36,391)
Health and Medical Services	(452,130)	(445,497)
Lands and Housing	(36,781)	(28,260)
Youth,	(43,708)	(43,715)
Sport	(48,286)	(47,087)
Culture	(37,009)	(37,255)
Women Development	(30,830)	(45,706)
Tourism	(46,970)	(45,981)
Agriculture	(155,137)	(146,167)
Fisheries and Marine	(111,533)	(127,442)
Forestry	(24,246)	(19,709)
Environment Conservation	(48,588)	(47,750)
Local Council	(174,653)	(137,904)
	<u>(2,470,805)</u>	<u>(2,317,282)</u>
Note 8. Employee benefits (All employees)		
Overtime	(19,254)	(19,517)
Housing Allowances	(91,511)	(90,528)
Other Allowances	(54,147)	(55,351)
Leave Expenses	(104,775)	(89,135)
Allowance for Executive	-	-
Full Assembly Allowance	-	-
	<u>(269,687)</u>	<u>(254,531)</u>
Note 9. Grant Assistances		
Utility grant	(480,000)	(320,000)
Community Assistance	(1,543,349)	(1,873,622)
	<u>(2,023,349)</u>	<u>(2,193,622)</u>

	31-Mar-19			31-Mar-18		
	Receipts/ (Payments)			Receipts/ (Payments)		
Note 10. Repair and Maintenance						
Buildings						
Office equipments		(324,569)			(315,620)	
Motor vehicle		(16,706)			(1,320)	
Infrastructure		(44,283)			(123,305)	
Other plant and equipments		(247,264)			(169,434)	
		(134,643)			(136,362)	
		<u>(767,465)</u>			<u>(746,042)</u>	
Note 11. Office Expense						
Office Expense						
Computer Expense		(137,830)			(149,459)	
Advertisement expense		(41,960)			(48,830)	
Administration Cost		(2,787)			(46,081)	
Office Furniture & Equipment (Minor)		(192,967)			(71,637)	
Hiring Expense		(79,055)			(53,337)	
		<u>(454,599)</u>			<u>(77,770)</u>	
Note 12. Travel & Transport						
Travel Accommodation						
Travel Sea/Airfare		(80,075)			(47,550)	
Travel Subsistence		(118,570)			(111,858)	
		(218,602)			(79,099)	
		<u>(417,247)</u>			<u>(238,507)</u>	
Note 13. Utility Expense						
Solomon Power		(588,325)			(336,915)	
Solomon Telekom		(110,203)			(128,033)	
		<u>(698,528)</u>			<u>(464,948)</u>	
Note 14. Other Assistance						
ECE Assistance						
Youth- Children Affairs		(62,105)			(96,718)	
Sports club Assistance		(4,243)			(22,700)	
Tourism-Operators Assistance		(12,005)			-	
Council of chief		(8,087)			(23,155)	
House of Chief		(39,812)			(50,000)	
Isabel Investment Corporation (Subvention)		(70,705)			(90,570)	
Contribution to charity		(40,000)			(40,000)	
Contribution to culture		(510)			(12,092)	
		(15,986)				
		<u>(253,453)</u>			<u>(335,235)</u>	
Note 15. Operating expense						
Training & Workshops						
Office programs/Operation activities		(76,099)			(53,836)	
2nd Appointed day		(1,164,241)			(788,642)	
Boards/Committee Meetings		(83,200)			(175,412)	
Freight		(94,877)			(191,905)	
Bank Cash transfer		(18,978)			(24,144)	
		(480,000)			(300,000)	
		<u>(1,917,395)</u>			<u>(1,533,938)</u>	
Note 16. Purchase of property, plant and equipment						
	SIG	IPG	PCDF	SIG	IPG	PCDF
Buildings	-					
Office equipments	-	(279,369)	(4,673,353)	(359,894)	-	(2,348,812)
Motor vehicle	-	(41,781)				
Infrastructure	-					
Other plant and equipments	-	(15,000)	(335,874)		(215,810)	
	-	(336,574)			(25,240)	(81,514)
	-	(672,723)	(5,009,227)	(359,894)	(301,404)	(2,430,326)

Note 17. Trading Activity

Isabel provincial government does not engage in any trading activities thus no payment made for the period ended 31 March 2019

Note 18. Original and final approved budget and comparison of actual and budget amounts

The approved budget is developed on a similar but slightly different basis (Cash Basis), same classification basis, and for the same period (from 1 April 2018 to 31 March 2019) as for the financial statement.

The original budget was approved by legislative action before 31 March 2018 and there was a amended budget was approved thereafter.

Note 19. Authorisation date

The financial statement were authorised for publication on June 2019 by Hon. James Habu, Premier and Mr. John Mark Lokumana, Provincial Secretary.

Encourage additional optional disclosures

Note 20. Property, plant and equipments

Reconciliation of the opening and closing balances of property, plant and equipments

Cost	Buildings Materials	Office equipment	Motor Vehicles	Infrastructure	Other plant and equipment	Total
	\$	\$	\$	\$	\$	\$
At 1 April 2018	23,524,242	327,630	1,012,693	5,485,857	1,029,975	31,380,397
Acquisitions	4,673,353	41,781		335,874	336,574	5,387,582
External assistance	0	0	0	0	0	0
Disposal	0	0	0	0	35,459	35,459
Changes due to Revaluations	0	0	0	0	0	0
At 31 March 2019	28,197,595	369,411	1,012,693	5,821,731	1,331,090	36,803,438

Encourage additional optional disclosures

Note 21. Un-collected Revenue

	2019	2018
Business Licences	\$	\$
Liquor Licences	69,290	62,460
Logging Licences	19,800	30,750
Licensees		
Contractors	-	255,000
	180,000	160,000
	<u>269,090</u>	<u>508,210</u>

Note 22. Staff advances

	2019	2018
Elected officials	\$	\$
Seconded Staff	0	0
Direct employee	0	0
	2,000	0
	<u>2000</u>	<u>0</u>

Note 23. Un-acquitted imprest accounts

	2019	2018
Elected officials	\$	\$
Seconded staff		180,000
Direct employee		21,000
		14,584
	-	<u>215,584</u>

Note 24. Aging of staff advances and Un-acquitted imprest accounts for the 2019 balance

	Total	Less than 6 months	6 months to 1 year	1 year to 2 years	Greater than 2 year
	\$	\$	\$	\$	\$
Staff Advances					
Elected officials					
Seconded staff					
Direct employee					
	2,000	2,000			
	<u>2,000</u>	<u>2,000</u>			
Un-acquitted imprest accounts					
Elected officials					
Seconded staff					
Direct employee			0	0	0
			0	0	0
	-	-			

Note 25. Employee provisions

	2019	2018
National Provident Fund	\$	\$
Paid As You Earn tax	0	0
	0	0
	<u>0</u>	<u>0</u>

Note 26. Borrowing and loans

Prior to past financial period the Isabel provincial government does not have any loan from any government organization or private entities for the year ended 31 March 2019

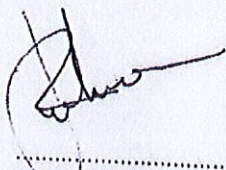
Note 27. Related Parties Transactions

1. During the reporting period \$222,599 was paid to KEMEI Depo. The owner of the company is the brother of an MPA.
2. During the reporting period \$84,240 was paid to FN petrol Depo. The owner of the company is an MPA.
3. During the reporting period \$100,000 of ward development grant, \$3,000 of Commerce Business grant and \$17,300 for POL Education Authority meeting was paid to Mogarege petrol Depo. The owner of the business is the brother of the MPA.

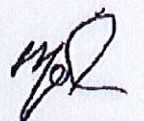
CERTIFICATE OF THE ISABEL PROVINCIAL GOVERNMENT

In our opinion, the attached financial statements for the year ended 31 March 2019 are based on properly maintained financial records and present fairly, in all material respects, the information required by section 39(1) of the Provincial Government Act 1997 and in accordance with the Provincial Financial Management Ordinance 2018 and the Provincial Financial and Stores Instructions 2018

For and on behalf of the Isabel Provincial Government



.....
Provincial Premier
(Hon. James Habu)
(Date: 25/06/ 2019)



.....
Provincial Secretary
(Mr. John Mark Lokumana)
(Date: 25/06/ 2019)