



BA TOWN COUNCIL

Annual Report for the Year 2019





BA TOWN COUNCIL

Annual Report for the Year 2019



09 August 2021

Honourable Premila Devi Kumar
Minister for Local Government, Housing and
Community Development
P O Box 2131
Government Buildings
SUVA

Dear Honorable Minister

BA TOWN COUNCIL ANNUAL REPORT 2019

I am pleased to present the Annual Report for Ba Town Council for the financial year ending 31st December, 2019.

Council's Vision:

To enhance business and community development in Ba District through social, economic, sustainable and Green methods.

Mission:

- To deliver the statutory responsibilities of the local government.
- To facilitate access to a healthy and green environment
- To promote health, welfare and convenience of the people of Ba
- Provide a well maintained range of Community leisure and recreation facilities for the enjoyment of the Community.
- To promote more investments and developments for the district and create employment opportunities
- To work hand in hand with business house to further develop business in Ba
- To improve infrastructure and amenities in Ba Town
- To create disaster resilient community

Values:

Ba Town Council's work will be governed in accordance with 2013 Fijian Constitution. Council will take respective actions to ensure that the Council is in line with the central Government.

Furthermore, council will implement and enforce relevant Local Government and Town Planning Legislations and by-laws to enhance business and community development which confines to Social, Economic, Sustainable and Green method growth.

Council's internal affairs will work according to its respective department SOP's and Council's Code of Conduct.

1. THE COUNCIL

The Chief Executive Officer, **Mr. Dip Narayan** continued to manage the affairs of the Council with the assistance of Special Administrators.

The Council provided services to the five wards namely:-

- **VARADOLI WARD**
- **VAROKA WARD**
- **RARAWAI WARD**
- **YALALEVU WARD**
- **NAMOSAU WARD**

Extended Areas:

- **Development Services** - **Whole of Ba District**
- **Sanitation Services:**
 - 1 **Nailaga** **Settlement**
 - 2 **Nailaga Village** **Village**
 - 3 **Miha Mahajan** **Settlement**
 - 4 **Clopcott** **Settlement**
 - 5 **Tauvegavega** **Settlement**
 - 6 **Orisi** **Settlement**
 - 7 **Vatulaulau Stage 1** **Settlement**
 - 8 **Field 28** **Settlement**
 - 9 **Wailailai** **Settlement**
 - 10 **Natanuku** **Village**
 - 11 **Sorokoba** **Village**
 - 12 **Sasa Village** **Village**
 - 13 **Natalecake** **Village**
 - 14 **Vadravadra** **Village**
 - 15 **Etatoko** **Settlement**
 - 16 **Soweri** **Village**
 - 17 **Navatu** **Settlement**
 - 18 **Varadoli** **Settlement**
 - 19 **Elevuka** **Settlement**
 - 20 **Maururu** **Village**
 - 21 **Savusavu** **Village/ Settlement**
 - 22 **Koroqaqa** **Village**
 - 23 **Navau** **Settlement**

2. APPOINTMENT OF STANDING COMMITTEES AND FULL BOARD MEMBERS

a] Building Health Works & Street Lights Committee:

Mr. Dip Narayan	-	Chief Executive Officer/HIBS – Chairman
Ms.Sushil Kumari	-	Secretary/HR
Ms. Manjula Sahay	-	Acting Accountant
Mr. Ramesh Kumar	-	Works Supervisor
Ms. Ronika Mishra	-	Assistant Health Inspector
Mr. Asvin Kissun	-	Assistant Building Inspector
Mr. Rinal Prasad	-	Assistant Building Inspector
Mr. Hirendra Kumaran	-	Landscaper/Gardener

b] Market Parks & Library Committee:

Mr. Dip Narayan	-	Chief Executive Officer/HIBS – Chairman
Ms. Sushil Kumari	-	Secretary/HR
Ms. Manjula Sahay	-	Acting Accountant
Mr. Ramesh Kumar	-	Works Supervisor
Ms. Ronika Mishra	-	Assistant Health Inspector
Mr. Asvin Kissun	-	Assistant Building Inspector
Mr. Rinal Prasad	-	Assistant Building Inspector
Mr. Hirendra Kumaran	-	Landscaper/Gardener

c] Finance Capital Development / Planning & Traffic Committee:

Mr. Dip Narayan	-	Chief Executive Officer/HIBS – Chairman
Ms. Sushil Kumari	-	Secretary/HR
Ms. Manjula Sahay	-	Acting Accountant
Mr. Rakesh Verma	-	Acting Market Master

d] Staff & Tender Committee:

Mr. Dip Narayan	-	Chief Executive Officer/HIBS – Chairman
Ms. Sushil Kumari	-	Secretary/HR
Ms. Manjula Sahay	-	Acting Accountant

e] Full Board Members:

Mr. Dip Narayan	-	Chief Executive Officer/HIBS – Chairman
Ms. Sushil Kumari	-	Secretary/HR
Ms. Manjula Sahay	-	Acting Accountant
Ms. Ronika Mishra	-	Assistant Health Inspector
Mr. Asvin Kissun	-	Assistant Building Inspector
Mr. Rinal Prasad	-	Assistant Building Inspector
Mr. Ramesh Kumar	-	Works Supervisor
Mr. Rakesh Verma	-	Acting Market Master
Mr. Hirendra Kumaran	-	Landscaper/Gardener

Appointment of Special Administrators on 31/10/2019:

Madam Minister introduced 5 Member Team of Special Administrators:

1. Ms. Lala Sowane
2. Ms. Renee Browne
3. Ms. Beatrice Nast
4. Ms. Dipti Sharma
5. Dr. Rohit Kishore

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

Ordinary Council Meetings	-	11	
Annual Meeting	-	Nil	
Market/Parks & Library Committee Meetings	-	11	
Building/ Health / Works & Street Lights Com. Meetings	-	11	-
Finance Capital Development/Planning & Traffic Com. Meetings	-	11	
Staff and Tender Committee Meetings	-	9	
Special Committee Meetings	-	2	
Emergency and Extra Ordinary Council Meetings	-	2	

LIBRARY REPORT

Ba Town Council Library was officially opened by His Excellency, the Ambassador of Japan to Fiji, Mr. Hisato Murayama on 15th March, 2002.

The Library has been providing services to District of Ba.
Currently one staff is managing the library.

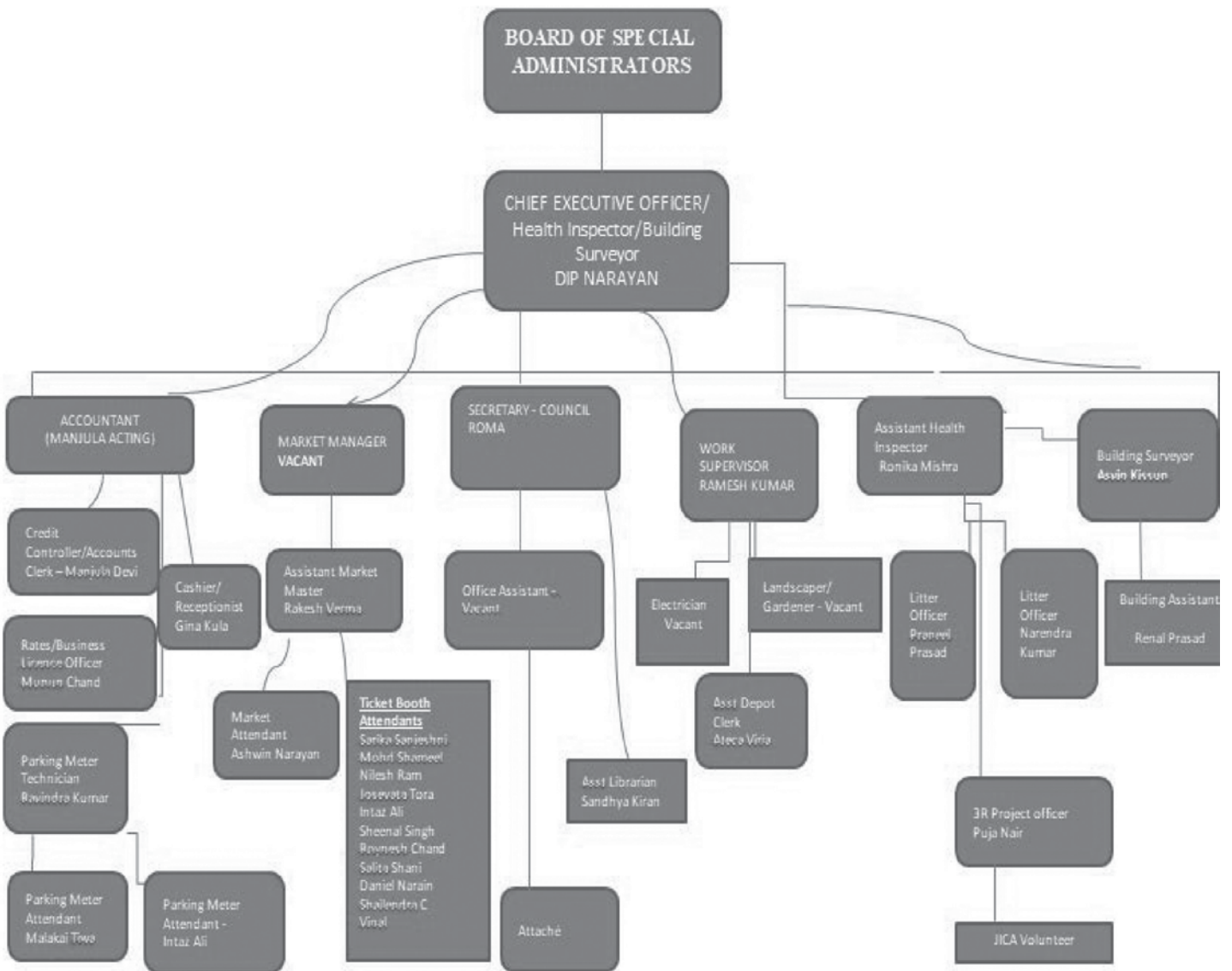
The operating hours are:

- Monday - Thursday - 8.00 am – 4.30 pm
- Friday - 8.00 am – 4.00 pm
- Saturday - 9.00 am – 12.00 pm

The Library Books and other Educational Material were donated by the Council, Embassies and the General Public.

Awareness and activities were organized to mark World Book Day, Library Week, Drug Abuse, Environment Week and Violence Against Women.

**BA TOWN COUNCIL
ORGANIZATION STAFF STRUCTURE – 2019**



OFFICIAL VISITORS TO THE COUNCIL - 2019

22/1/2019	-	Hon. Premila Kumar	-	Minister for Local Government, Housing and Development
20/11/2019	-	Mrs. Padmaja	-	High Commissioner of India

4.0 URBAN SANITARY DISTRICT OF BA

ANNUAL REPORT OF HEALTH INSPECTOR FOR THE YEAR 2019

Council carried out 3 clean-up campaigns in the year 2019 whereby 538 loads of rubbish was collected and disposed of. Volunteer Clean-up campaigns were organized by other departments and NGO's such as Red Cross and FDB whereby council assisted by providing hand gloves and garbage bags.

Condemned 42 Bags of Powa (Rice) from Swit 'n' Snacks due to the leakage in Container and condemned 2.9kg of frozen foods from New World Bulk due to Power fluctuation during Cyclone Sarai.

Number of meetings, trainings and workshops were attended by the Building and Health department officers which was organized by other Government departments and NGO's.

Clean Schools Program was conducted and 24 schools took part and Awards function was held in November. Home Compost Bin promotion and monitoring of bins carried out throughout the year. Market Composting continued from previous years.

Building and Final inspections carried out with Building inspectors in both Town Boundary and Extended Boundaries.

Garbage collection commenced in Extended (Peri-Urban) areas successfully whereby 20 villagers and Settlements were included in the list of service.

Celebration of all events carried out by Council and Health department throughout the year.

1. Summary of Inspections:			
TYPE OF PREMISES	INSPECTION	REINSPECT	TOTAL
Public Health Complaints and Nuisance	1429	1153	2582

2. Written Notices, Etc. Issued:

intimation notice-	131
Overgrowth notice	334

3. Littering	Warnings	Bookings
	379	25

Total of 408 house to house inspections were carried out for investigation of complaints and public health nuisance such as mosquito larval survey, waste water and Garbage Bin monitoring, etc.

There were 486 Complaints received, investigated and notices issued for the year 2019.

Food Premises such as 157 Restaurants & Refreshment Bars, 58 Butcher, 123 Supermarkets and Bake house were inspected and notices were served for improvements. Other premises were inspected such as Public Drains, Market Area, Public convenience Bus Stand, Vacant Lots, Parks and Gardens. School visits were carried out 109 times. Total of 2582 premises were inspected.

SPECIAL WORKS

- Extended boundary garbage collection organized and awareness created in every villages and settlements.
- Monitoring of garbage collection in the extended boundaries carried out with the works supervisor.
- 18 villagers and settlements now have garbage collection service once a week.
- Clean Schools Program Awards Function for 2018 was carried out in March and Awards function for 2019 was carried out in November 2019.
- 5R programs such as CSP, Market Composting, Home Compost Bins, Recycling of recyclables, Composting at Ba Correctional center and Awareness on 5R continued throughout the year.
- 4 Compost Bins were sold in 2019 and was monitored 2 times.
- 2.7 tons of Market Green waste was composted in year 2019 and the compost was used in council gardens.
- Solid Waste Master Plan was drafted from Chapter 1-3 and was forwarded to Ministry and JICA office.

4. Building Applications Received FOR YEAR 2019

Application in respect of Developments:-	No.	Approved	Value
New Buildings	14	14	2,410,000.00
Alterations and Repairs (Extension)	21	21	957,800.00
Miscellaneous Works (Fencing)	18	18	234,000.00
Commercial	6	6	2,681,000.00
Civic	2	2	8,150,000.00
Outline Application	1	1	115,000.00
TOTAL	62	62	\$14,547,800.00

<u>5.Completion Certificates Issued in Respect of:-</u>	No.	Value
New Commercial/ Civic Buildings	4	\$7,785,000.00
New Dwellings	14	\$1,538,860.00
Alterations and Repairs/ Extension	0	0
Miscellaneous Works	0	0
TOTAL	18	\$9,323,860.00

There were total of 62 building applications received for the year 2019 out of which 14 applications were for construction of New Buildings, 21 applications were for Alteration, Repair or Extension to existing buildings, 18 applications were for Miscellaneous works which includes Fencing, Retaining Walls, car port, etc. 6 Commercial Building, 2 Civic building and 1 Outline application with the total building value of **\$14,547,800.00**. All applications were approved.

In year 2019 there were 14 New Dwelling Houses and 4 New Commercial/ Civic Buildings which were inspected and were completed and final inspections were carried out with the total building value of **\$9,323,860.00**.

6. Rezoning & Subdivision

There were 4 Rezoning application received for the year 2019 and 3 applications were approved whereas 1 application was refused by Director Town and Country Planning.

4 Subdivision applications were received for the year 2019 whereby 3 applications were approved and 1 is pending with Town and Country Planning.

7. Extended Boundary

Application in respect of Developments:-	No.	Approved	Value
New Buildings	35	35	\$2,835,000.00
Alterations and Repairs (Extension)	13	13	\$541,000.00
Miscellaneous Works (Fencing)	5	5	\$83,500.00
Commercial Development	4	4	\$1,300,000.00
Civic Development	1	1	\$45,000.00
T.C. Winston Rehabilitation Works (Schools)	4	4	N/A
Outline Application	1	1	\$115,000.00
TOTAL	63	63	\$4,919,500.00

Completion Certificates Issued in Respect of:-	No.	Value
New Dwellings	8	\$619,000.00
New Commercial/ Civic Buildings	0	0
T.C Winston Rehabilitation Works for Schools	6	N/A
Alterations and Repairs/ Extension	1	\$28,000.00
Miscellaneous Works	0	0
TOTAL	15	\$647,000.00

There were total of 63 building applications received in the Ba Extended Area for the year 2019 out of which 35 applications were for construction of New Buildings, 13 applications were for Alteration, Repair or Extension to existing buildings, 5 applications were for Miscellaneous works which includes Fencing, Retaining Walls, car port, etc., 4 Commercial Building, 1 Civic, 4 applications were for School rehabilitation works from T.C Winston and 1 Outline application with the total building value of **\$4,919,500.00**. All applications were approved by Town and Country Planning.

In year 2019 there were 8 New Dwelling Houses, 6 Tropical Cyclone Winston Rehabilitation of School Works and 1 Alteration/ repair/ Extension Buildings with the value of **\$647,000.00** which were inspected upon completion and completion certificates were issued.

6. Rezoning & Subdivision

There were 19 Rezoning application received for the year 2019 whereby 17 applications were approved whereas 1 application was refused and 1 is pending with Director Town and Country Planning.

38 Subdivision applications were received for the year 2019 whereby 32 applications were approved, 1 is refused and 5 are pending with Town and Country Planning.

7. Environment Report

Anti-Litter Works: The two Litter officers were recruited and involved in Anti-Litter works. Offenders when sighted were warned and made to comply with litter laws via verbal warning and also being served with litter notices. There were total of 25 bookings and 379 warnings given to the offenders for the year 2019.

8. Works Supervisors Annual Report for Year 2019

General duties carried out on daily basis such as market cleaning, street sweeping, and public convenience cleaning and drain cleaning.

Thorough Market cleaning and washing carried out once every week on Sundays. Maintenance of all council properties were carried out when required.

Regular maintenance works on most Council roads, mostly patching of pot holes were carried out.

Maururu Landfill site was maintained throughout the year and with the hired Excavator and some upgrading works were carried out and the two Irish crossings were repaired during the heavy rainfall and flooding. Also, the landfill site caught fire from the nearby pine farm fire due to which it took 2 months to restructure and make new cells with bunds.

Clean up Campaigns were carried out in all council areas and rubbish was disposed of at Maururu landfill site. The Landfill site was also graded with hired machine to level the areas and to make new cells.

Garbage collection commenced in Extended (Peri-Urban) areas successfully whereby 20 villagers and Settlements were included in the list of service.

Street light were monitored at night and reports / complaints were emailed to FRA for maintenance and repair of damaged lights.

Beautification works were carried out throughout the year, whereby some new plants were planted and some seats and benches installed at the Parks.

Council took part in Ba Riverside Carnival by sponsoring a queen and prepared a float based on the Theme: Climate Change is Real, Change Now to Battle the Unknown and won the prize for first place. p

Central taxi base and car parking areas were repainted and remarked.

Council Civic Building was painted including the Civic Hall.

Special Projects

– Complex and Ba Arcade building roof gutters were repaired and painted to stop corrosion.

UN Market for Change Project - The plaster works for the stoppers completed with painting. Also, upgrading of Market toilets were carried out to the latest standards.

Drainage and Flood mitigation – Relaying of larger culverts at Yalalevu and Central Wards and also at Elevuka Creek was carried out which was funded by Ministry of Waterways. Elevuka Creek mouth was desilted as flood mitigation.

Footpath maintenance and upgrading works were carried out.

Extended Boundary garbage collection started successfully and monitored on regular basis. New garbage truck was handed over to Ba Town Council by Hon. Minister for Local Government Mrs. Premila Kumar.

New Juice stalls were constructed at the Market with 14 stall spaces and footpath upgrading works were carried out around the bus stand area.

Market washroom was upgraded with new tiles and new pan with cisterns and was painted.

Nailaga Mini Market was completed with 12 stall spaces.

Lautoka entry sign board was repaired after it was damaged during strong winds.

Safety and Security in Town – The council securities are present at night at the Market, Bure, Civic Building and Govind Park. Also, Police Department has installed camera's at the Market to monitor any theft or otherwise.

Parks & Garden – Painting of Parks and playing equipment were done.

- Bougainvillea plants have been planted in the central Ward.
- General maintenance works were carried out at all the parks and gardens.
- Maintenance of playing equipment's carried out at all children's park.
- New plants have been planted all around the town council boundary.
- Planting of Native plants with Ministry of Agriculture, Youths and Sports and other NGO's were carried out.

1.6 COUNCIL SOLICITORS

Messrs. Krishna and Company and Dayal Lawyers represented the Council in all legal matters during the year.

AUDITORS OF THE COUNCIL

The Auditor-General of Fiji was the Council's Auditor.

The Rates Levy for 2019 and Rates Income were estimated as follows:-

Rate	Levy Struck in the \$
General	0.0072
Special	0.0029333
Agriculture	10% of General & Special
Garbage Bin	\$24.00 per extra bin per year (1 bin per lot is free)

Arrears of Revenue

As at 31 December, 2019, the Council's arrears of rates was **\$750,034.97**

The details of arrears were as follows:-

Namosau Ward	-	\$ 216,769.46
Varadoli Ward	-	\$ 148,550.48
Varoka Ward	-	\$ 119,875.04
Yalalevu Ward	-	\$ 112,724.34
Extended town boundary	-	\$ 152,115.65

TOTAL	=	\$ 750,034.97
=====		

Loans

The Council met all its loan repayments for the year 2019. The outstanding loan to lending institutions by end of 2019 were as follows:-

a] Ba Market Complex A/c – BSP BANK	-	\$ 1,861,296.00

		\$ 1,861,296.00

Fund Balances

A summary of the results [audited] of each fund operations for 2019 were as follows:-

Fund	Revenue	Expenditure	Surplus/Deficit
General Revenue A/c	\$3,074,072.00	\$2,724,739.00	\$ 349,333.00
Loan Repayment A/c	\$ 141,411.00	\$ 86,791.00	\$ 54,620.00
Parking Meter A/c	\$ 18,757.00	\$ 16,846.00	\$ 1,911.00

Council Insurance

A Comprehensive Insurance Cover was held with New India Assurance on all Council's properties and assets with effect from 4.00pm 14/02/18, which was renewed on 14/02/19.

3. PUBLIC PARKS

The Council maintained all its parks, gardens and recreational reserves to the highest level, giving the people of Ba opportunity to make best use of it.

4. **WORKS**

General works were carried out to keep the town neat and tidy all the times. Grass cutting and drain cleaning was carried out in all the wards. Garbage collection was done three days in week at Yalalevu, Namosau, Varadoli, Varoka and Extended Town Boundary. Dump cleared on regular basis with the Council Excavator and Truck. Also, Council hire loader to maintain the dump site.

Ba Town Council received a grant of \$50,000.00 in 2018 for the works carried out for the rural areas. Garbage collection is done by Council in the rural areas on Tuesday and Thursday. The areas involve is Nailaga Village, Miha Mahajan, Clopcott, Tauvegvega, Maururu, Orisi Settlement, Vatulaulau, Field 28, Wailailai, Natanuku, Sorokoba, Sasa Village, Natalecake, Vadravadra, Etatoko, Soweri, Navatu, Varadoli Settlement, and Elevuka Settlement.

Also a contractor was hired for the garbage collection for the rural areas.

MARKET REPORT- 2019

1. Ba Municipal Market is located towards the South of the Town, close to the Complex area beside the Bus Station.

The Market is divided into two sections:-

Main Market
Open Market.

2. Main Market consist of following Stalls:-

Permanent Stalls
Temporary Stalls
Lock-Up Stalls
Lock-Up Canteens
Fish Stalls
Seafood Stalls.

Open Market has temporary Stalls with Sale of Produce, Live Chicken and Live Stock (Goat).

- 4.(a) Total Number of Stalls in Main Market:

409 Table Stalls
65 Seafood Stalls
6 Lock-Up Stalls
2 Lock-Up Canteens.

- 4.(b) Total Number of Stalls in Open Market:

The Open Market had a total of 348 temporary Stalls.
Mixed Grog Stall 99
Corridor Stall on open perimeter of main market 130
Outside Market also had 10 Sweet Carts and
Handicraft Stall in Bure 5

5.	Market Charges:		
	Sale of vegetable per stall per day	-	\$1-10
	Sale of groceries per stall per day	-	\$1-60
	Sale of crabs and other shell fish per bundle	-	\$1-10
	Sale of mussels and kai per stall per day	-	\$1-10
	Lock Up Stall per month	-	\$213.15
	Lock Up Canteen per month	-	\$600.00/671.80
	Fish	-	\$0-25 per kg
	Sale of Live Chicken	-	\$0-55 per head per day
	Sale of Live Stock (goat) per day	-	\$2-20 per head
	Sale of Tobacco per stall per day	-	\$1-60
	Sale of handicraft per stall per day	-	\$1-10
	Vegetable wholesale per day	-	\$1-10
	Groceries wholesale per 3 ton truck	-	\$2.20 per day
	General wholesale per big trucks	-	\$3.30 per day
	Sweet Cart per week	-	\$8.70
	Fancy Cart per week	-	NIL
	Ladies accommodation at bure per night	-	\$2.00
	Market Vendors Vehicle monthly parking fees	-	\$19.25
	Sale of mixed grog at Grog market per stall	-	\$1.95
	Sale of raw grog per stall per day (inside market)	-	\$2.05

6. Market Revenue:

(1)	Market Stall Fees	-	\$ 347,633.82
(2)	Fish Market Fees	-	\$ 2,445.85
	Taxi Park Fees	-	\$, 29,633.15
	Commercial Vehicles Fees	-	\$ 61,332.73
	Car Park Booth	-	\$ 91,897.54

GRAND TOTAL **\$532,943.09**
 =====

7. Conclusion:

In 2019 there was increase in market revenue and in Car Park Revenue.

8. **Capital Development**

Grant from the Ministry of Local Government amounting to \$660,550.00 was for the construction of Govind Park

Grant from Ministry of Waterways amounting to \$ 349,587.00 for drainage works.

Grant from UN Woman amounting to \$9,628.00 for market projects

Building Surveyors Pay \$18,000.00

PARKING METER REPORT - 2019

1. The Department of Parking Meter consisted of (1) Authorized Enforcement Officer.

2. The Council had 110 metered spaces in Town which were as follows:-

(a)	Ganga Singh Street	-	35
(b)	Bank Street	-	21
(c)	Main Street	-	54

110

3. Regulations: The Parking Meter Department's prime function was to enforce Sections 85(1)(a) and 87 of Land Transport (Traffic) Regulations 2000 and act on related circumstances of Parking Meter Bookings.

Also the delegation of Enforcement Authority to Council Officers enabled us to enforce parts of LTA Acts and Regulations for the purpose of controlling and regulating traffic flow in Ba Town, which included:-

Parking Meter Offence

Regulations 20 and 87 of LTA Act

Illegal Parking and Stopping

Illegal Operation of Taxi, Carrier, Bus and Mini Bus Stands.

Carried out operations against illegal operators i.e. Mini Vans and Private Cars plying for hire.

4. Meter Maintenance: Parking Meters on the streets were repaired and maintained on daily basis by the Parking Meter Technician. These works included:-

Clearing Blocked Meters

Replacing Damaged Parts

Adjusting Improper Readings

Servicing Parking Meter Mechanism and Stripes and

Reassembling Multiple Parts

Winding of all Parking Meters twice a week.

5. Toll Collection:

Parking Meter toll collections were carried out twice a week that is on Tuesdays and Fridays by the Technician and any one Officer from the Department.

6. Anti-Litter Works: The two litter officers were involved in Anti-Litter works. Offenders when sighted were warned and made to comply with litter laws via verbal warning and also being served with litter notices.

ACKNOWLEDGEMENT

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

The Council also wishes to acknowledge the dedicated services rendered by its Special Administrators, Management, Staff and Workers

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

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

for:



DIP NARAYAN

CHIEF EXECUTIVE OFFICER

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



6-8TH Floor, Ratu Sukuna House
2-10 McArthur St
P. O. Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
Fax: (679) 330 3812
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



File: 702/1

13 July 2021

Ms. Debra Sadranu
Acting Chairperson Special Administrators
Ba Town Council
Civic Centre, Tabua Place
BA

Dear Ms. Sadranu

BA TOWN COUNCIL
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

The audited financial statements for Ba Town Council for the year ended 31 December 2019 together with my audit report on them are enclosed.

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

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ajay Nand'.

Ajay Nand
AUDITOR-GENERAL

cc: Ms. Priya Singh, Chief Executive Officer, Ba Town Council.

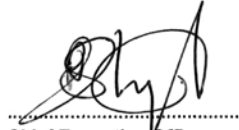
Encl.

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**BA TOWN COUNCIL
STATEMENT BY COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2019**

In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Ba Town Council's operations for the year ended 31 December 2019 and of the state of affairs as at that date.



.....
**Chief Executive Officer
Priya Singh**

Date: ...6/7/2021



.....
**Chair of Special Administrators
Debra Sadranu**

Date: ...6/7/2021

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



6-8TH Floor, Ratu Sukuna House
2-10 McArthur St
P. O. Box 2214, Government Buildings
Suva, Fiji

Telephone: (679) 330 9032
Fax: (679) 330 3812
E-mail: info@auditorgeneral.gov.fj
Website: <http://www.oag.gov.fj>



INDEPENDENT AUDITOR'S REPORT

To the Special Administrators of Ba Town Council

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Ba Town Council (*"the Council"*), which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Disclaimer Opinion

1. The Council was unable to provide the reconciliations and satisfactory explanations to support, the advance to Parking Meter Account of \$156,646, the unreconciled variance of \$26,613 between the other sundry debtors' listings and amount reflected in the financial statements, and the unreconciled variance of \$3,194 between rates debtor listing and the amount reflected in the financial statements. Consequently, I was not able to ascertain the accuracy of the trade and other receivables balance of \$914,910 recorded in the financial statements.
2. Included in the Property, Plant and Equipment (Note 6), is the Clopcott sub-division valued at \$234,868. The Council has not obtained the legal title to the land as at 31 December 2019. Consequently, I was unable to determine if any adjustment that would be required in respect to the amortization of the land and the impact that it will have on the carrying amount of the land in the statement of financial position and the amortization expense in the income statement.
3. The Council has not commenced a full review on impairment exercise regarding the assets with zero/negative written down totaling \$346,625. These assets with zero/negative written value are recorded under furniture, plant and machinery, motor vehicle and parking meter asset classes. In addition, the Council did not depreciate a tractor and trailer, since it was purchased more than 18 years ago with a cost of \$15,000. As a result, I was unable to determine the remaining economic useful life and the correct carrying amount. In addition, I was unable to determine whether these assets are overstated and any adjustments might have been necessary in respect of the Property, Plant and Equipment at the end of the financial year and any corresponding adjustments to the elements making up the Statement of Comprehensive Income and Statement of Financial Position.

Basis for Disclaimer Opinion (con't)

4. The Council recorded deferred income of \$5,328,002 in the Statement of Financial Position as at 31 December 2019. I was not provided with the comprehensive details of the total amount recognized in revenue of \$1,121,018, total grant utilized of \$1,332,036, and balance of \$388,952 as reported in Note 10 to the Financial Statements. In addition, the Council did not disclose the unfulfilled conditions and other contingencies attached to government grants that have not been recognized in income. Furthermore, the accounting policy on deferred income as disclosed on Note 2(m) to the Financial Statements is not in accordance with paragraph 24 of the IFRS for SMEs. Consequently, I was not able to ascertain the accuracy of the deferred income balance of \$5,328,002 recorded in the financial statements.
5. Reconciliations to substantiate the advance from General Fund to Parking Meter Account of \$155,562, as reported in Note 7 to the financial statements were not provided for audit review. In addition, the Council did not record creditors and accruals totaling \$30,711 into the books of accounts as at 31 December 2019. As a result, I am unable to ascertain whether the creditors and accruals balance of \$292,228 is fairly stated in the financial statements.
6. Unreconciled variance of \$180,731 exists between the VAT reconciliation provided by the Council and the VAT payable balance reflected in the Statement of Financial Position. The Council was unable to provide satisfactory explanation or documentary evidence to substantiate the variance. As a result, I am unable to ascertain if the VAT payable balance of \$203,000 is fairly stated in the financial statements.
7. Paragraph 16 of the IFRS for SMEs defines Investment property as "*property (land or a building, or part of a building, or both) held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both...*" The Council has leased properties valued at \$1,834,100 which were not disclosed separately as investment property in accordance with the requirements of IFRS for SMEs. As a result, I was unable to determine whether any adjustments might have been necessary in respect of the Council's investment properties in the current year or comparative years, and the elements making up the Statement of Comprehensive Income and Statement of Financial Position.
8. The Council was unable to provide details and reconciliations to support the amortization balance of deferred income amounting \$1,121,018 transferred from deferred income and recognised as income for the year ended 31 December 2019. As a result, I am unable to ascertain the accuracy of the utilization of government grant balance of \$1,121,018 transferred to Statement of Comprehensive Income.
9. The Council did not comply with the requirements of *IFRS for SME's Paragraph 10 - Accounting Policies, Estimates and Errors* by not restating opening balances of assets and equity to account for prior years' errors relating to the work in progress of the Clopcott project, drainage works, and waterways project of \$151,774. The amount relating to prior years has been booked as expenses in current financial year. As a result, total expenses balance of \$2,741,585 is overstated by \$151,774.
10. The Council recorded prior year adjustment balance of \$13,479 in the Statement of Changes in Accumulated Funds for the year ended 31 December 2019. This is a departure from the requirements of Section 10 – Accounting Policies, Estimates and Errors, paragraph 10.21 of the IFRS for SMEs, which requires the Council to record prior year adjustment balance by restating the comparative amounts for the prior period presented in which the error occurred or restate opening balances of assets, liabilities, and equity for the earliest prior period presented.
11. The Council did not disclose Interest Bearing Deposit of \$1,899 in the financial statements. This is a departure from the requirements of the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs) on Section 11 – Basic Financial Instruments.

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Council in accordance with the International Ethics Standards Board for Accountant's *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to the following matters:

1. Note 16(b) to the financial statements notes the novel coronavirus (COVID-19) global pandemic subsequent to 31 December 2019 and how this has been considered by the Council in the preparation of the financial statements. As set out in Note 16, no adjustments have been made to the financial statements as at 31 December 2019. However, the Council notes that the impact of COVID-19 global pandemic will have a significant impact on all the major revenue streams of the Council in the financial year 2020 and beyond.
2. The internal controls, system, and process and procedures of recording transactions in the books of accounts are generally found to be weak. Revenue reconciliations and trade and other receivables reconciliations were not prepared, payments and procurement process not properly followed, poor leave management, assets were not tagged, and journal voucher system to record and report all accounting adjustments and transactions of non-cash in nature was not maintained.

My opinion is not modified in respect of these matters.

Other Matters

1. A total of 32 audit findings were noted during the audit of which 20 or 63% were recurring issues from prior years. The oversight responsibility of the Special Administrators, Chief Executive Officer needs to be strengthened to effectively implement the audit recommendations on a timely manner.
2. The Council has yet to finalize the Human Resources Policy, and develop the Assets Capitalization policy, Risk Management policy, and Business plan.

Responsibilities of the Management and those Charged with Governance for the Financial Statements,

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. However, because of the matters described in the Basis for Disclaimer of Opinion section of my report, I was unable to provide a basis for an audit opinion of these financial statements.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Nand
AUDITOR-GENERAL



Nasinu, Fiji
13 July, 2021

**BA TOWN COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

		2019	2018
		\$	\$
Income			
General fund		3,074,072	1,940,117
Loan repayment fund		141,411	141,182
Parking meter fund		18,757	23,221
Total Income		<u>3,234,240</u>	<u>2,104,520</u>
Expenses			
Operating expenses	4	902,702	971,442
Depreciation		271,028	230,812
Personnel expenses	5	1,011,034	919,025
Other expenses	6	556,821	-
Total Expenditure		<u>2,741,585</u>	<u>2,121,279</u>
Net profit/(loss) before finance cost		492,655	(16,759)
Finance costs		86,791	88,567
Operating Profit / (Loss)		<u>405,864</u>	<u>(105,326)</u>
Other comprehensive income for the year		-	-
Total Comprehensive Income / (Loss) for the year		<u>405,864</u>	<u>(105,326)</u>

**BA TOWN COUNCIL
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2019**

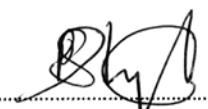
	2019	2018
	\$	\$
General fund		
Balance at the beginning of the year	5,356,378	5,668,392
Net surplus/(deficit) for the year	349,333	(156,889)
Prior period adjustment	13,479	(155,125)
Balance at the end of the year	<u>5,719,190</u>	<u>5,356,378</u>
Loan fund		
Balance at the beginning of the year	564,178	511,563
Net surplus for the year	54,620	52,615
Balance at the end of the year	<u>618,798</u>	<u>564,178</u>
Parking meter fund		
Balance at the beginning of the year	(185,124)	(184,072)
Net surplus/(deficit) for the year	1,911	(1,052)
Balance at the end of the year	<u>(183,213)</u>	<u>(185,124)</u>
Total Accumulated Funds	<u>6,154,775</u>	<u>5,735,432</u>

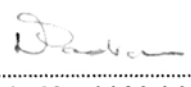
**BA TOWN COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
Current Assets			
Cash and cash equivalent	8	1,531,328	1,152,187
Trade and other receivables	7	914,910	1,109,435
Total current assets		<u>2,446,238</u>	<u>2,261,622</u>
Non Current Assets			
Property, plant and equipment	9	21,238,318	21,172,638
Total non current assets		<u>21,238,318</u>	<u>21,172,638</u>
TOTAL ASSETS		<u>23,684,556</u>	<u>23,434,260</u>
Current Liabilities			
Creditors and accruals	10	292,228	263,532
Interest bearing borrowings	11	234,720	234,720
Provisions	12	31,183	21,949
VAT payable		203,000	178,796
Deferred grant	13	1,228,069	1,971,872
Total current liabilities		<u>1,989,200</u>	<u>2,670,869</u>
Non Current Liabilities			
Deferred grant	13	4,099,933	3,439,383
Interest bearing borrowings	11	1,626,576	1,774,504
Total non-current liabilities		<u>5,726,509</u>	<u>5,213,887</u>
TOTAL LIABILITIES		<u>7,715,709</u>	<u>7,884,756</u>
NET ASSETS		<u>15,968,847</u>	<u>15,549,504</u>
Municipal Funds			
Accumulated fund	(Page 8)	6,154,775	5,735,432
Reserves	14	9,814,072	9,814,072
TOTAL MUNICIPAL FUNDS		<u>15,968,847</u>	<u>15,549,504</u>

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

In our opinion the financial statements have been properly drawn up so as to show a true and fair view of the Ba Town Council's operations for the year ended 31 December 2019 and the state of affairs as at that date.


 Chief Executive Officer
 Priya Singh
 Date: 6/7/2021


 Chair of Special Administrators
 Debra Sadranu
 Date: 6/7/2021

**BA TOWN COUNCIL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		2,240,959	2,079,753
Payments to suppliers and employees		<u>(1,790,564)</u>	<u>(2,027,844)</u>
Cash generated from operations		450,395	51,909
Interest paid		<u>(86,791)</u>	<u>(88,567)</u>
Net cash provided by operating activities	21 (ii)	<u>363,604</u>	<u>(36,658)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(891,841)	(4,115,494)
Proceeds from sale of property, plant and equipment		17,541	-
Net cash used in investing activities		<u>(874,300)</u>	<u>(4,115,494)</u>
Cash flows from financing activities			
Receipt of Government grant		1,037,765	3,414,161
Loan repayments		<u>(147,928)</u>	<u>(146,153)</u>
Net cash provided by financing activities		<u>889,837</u>	<u>3,268,008</u>
Net increase/(decrease) in cash and cash equivalents		379,141	(884,144)
Cash and cash equivalent at the beginning of the year		<u>1,152,187</u>	<u>2,036,331</u>
Net cash at the end of the reporting period	21 (i)	<u>1,531,328</u>	<u>1,152,187</u>

The statement of cash flow is to be read in conjunction with the accompanying notes.

**BA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 1: GENERAL INFORMATION

Ba Town Council was established under the Local Government Act. The address of its registered office and principal place is Tabua Place, Ba Town. The principal activity of the council are to provide for health, welfare and convenience of the inhabitants of the Ba Town municipality and to preserve the amenities or credit thereof. The principal activities of the council are described in Note 14.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the council are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

The change in accounting policy had an immaterial impact on accumulated funds for the current and comparative period. The council did not carry out valuation on its properties on the first time adoption of IFRS for SMEs.

(a) Basis of Preparation and Accounting Policies

The financial statements have been prepared in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities issued by the International Accounting Standards Board. Amounts are presented in Fiji dollars and all values are rounded to the nearest dollar, except when otherwise indicated.

(b) Revenue

Revenue is recognised in the statement of income and expenditure when charged to the ratepayers by the council. The major sources of revenue are collections in the form of general rates, loan rates and rental income from the council's properties.

(c) Income Tax

Under section 17(4) of the Income Tax Act, the council is exempt from tax on its income.

(d) Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight line method. The following annual rates are used for the depreciation of property, plant and equipment:

Leasehold land	over life of lease
Buildings	1% to 5% per annum
Furniture and fittings	10% to 20% per annum
Plant and machinery	10% to 20% per annum
Motor vehicles	15% to 20% per annum

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

(e) Trade and Other Receivables

Receivables are stated at expected realisable value as certified by the council. A provision is raised for any doubtful debts based on a review by council of all outstanding amounts at year end.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Impairment of Assets

At each reporting date, property, plant and equipment, intangible assets and investments in associates are reviewed to determine whether there is any indication that those assets have suffered impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

Similarly, at each reporting date, inventories are assessed for impairment by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If any item of inventory (or group of similar items) is impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group related assets) is increased to the revised estimate of its recoverable amount (selling price less costs to complete and sell, in the case of inventories), but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Cash and Cash Equivalents

Cash and short term deposits in the statement of financial position comprise cash at banks and on hand and short term deposits with a maturity of three months or less. For the purpose of statement of cash flows, cash and cash equivalents consists of cash and short term deposits as defined above, net of outstanding bank overdrafts.

(h) Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of respective sales tax except:

- Where the value added tax incurred on the purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables that are stated with the amount of value added tax included and payables that are stated with the amount of value added tax included.

The net amount of value added tax and service turnover tax recoverable or payable to the tax authority is included as part of the receivables or payables in the balance sheet.

(i) Provisions

Provisions are recognised when the council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

(j) Fund Accounting

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Fund Accounting (cont'd)

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

Details of special purpose fund maintained by the council are :-

(i) Parking Meter Fund

The council, in compliance with the Land Transport Act, has to maintain a separate account for the operation of parking meter in designated area of road within the municipality.

(ii) Loan Rate Fund

The council in compliance with the Local Government Act, has to maintain a separate account for the operation of the loan rate fund account

(k) Comparatives

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

(l) Employee Entitlement

Provision is made for benefits accruing to employees in respect of salaries/wages and annual leave when it is probable that settlement will be required and they are capable of being measured reliably. Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using remuneration rate expected to apply at the time of settlement.

(m) Deferred Income

Government and other grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match them with the related costs which the grant are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related assets.

(n) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the council.

NOTE 3. FINANCIAL RISK MANAGEMENT

Overview

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

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

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

NOTE 3. FINANCIAL RISK MANAGEMENT (continued)

Risk Management Framework

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

(i) Credit Risk

Credit risk is the risk of financial loss to the council if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the council's receivables from customers and investment securities.

- Trade and other receivables

The council's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the council's customer base, including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk, particularly in the currently deteriorating economic circumstances. However, geographically there is no concentration of credit risk.

- Financial risk management

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

The council's held cash and cash equivalents of \$1,531,328 as at 31 December 2019 (2018: \$1,152,187) which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties.

(ii) Liquidity Risk

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

(iii) Market Risk

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

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

- Other market price risk

Equity price risk arises from available for sale equity securities held for meeting partially the unfunded portion of the council's investments at fair value through profit or loss. Management of the council monitors the mix of debt and equity securities in its investment portfolio based on market indexes. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the council.

**BA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 3. FINANCIAL RISK MANAGEMENT (continued)

(iii) Market Risk (cont'd)

- Interest rate risk

As the council's interest bearing assets are small relative to its operations, its cash flows are substantially independent of changes in market interest rates.

(iv) Capital Management

The council's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. The council seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

NOTE 4. OPERATING EXPENSES	2019	2018
	\$	\$
Audit fees	17,642	-
Doubtful debts	52,139	35,800
Discount on rates	151,293	19,843
Garbage services	94,522	54,451
Health	30,209	60,099
Insurance	53,691	44,924
Legal fees	26,956	11,659
Motor vehicle fuel, repairs, maintenance and other costs	85,568	127,723
Printing, stationery, and advertising	22,748	28,444
Repairs, maintenance, and cleaning	101,829	341,680
Roads, drains, paths and verges	51,511	29,372
Security services	64,109	57,804
Subscription	278	278
Uniform	18,369	10,474
Utilities	107,195	92,551
Other expenses	24,643	56,340
	<u>902,702</u>	<u>971,442</u>

NOTE 5. PERSONNEL EXPENSES

Salaries, wages, and related payments	1,010,347	918,697
Fringe benefit	687	328
	<u>1,011,034</u>	<u>919,025</u>

NOTE 6. OTHER EXPENSES

Development of Clopcott settlement	204,902	-
Maintenance and upgrading of drains	351,919	-
	<u>556,821</u>	<u>-</u>

NOTE 7. TRADE AND OTHER RECEIVABLES

Rate debtors	746,841	896,150
Provision for doubtful debts	(146,585)	(130,815)
	<u>600,256</u>	<u>765,335</u>
Other sundry debtors	177,219	177,605
Provision for doubtful debts	(36,369)	-
Advance to parking meter	156,646	154,826
Deposits	10,300	6,383
Prepayments	6,858	5,486
	<u>914,910</u>	<u>1,109,435</u>

**BA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 8. CASH AND CASH EQUIVALENTS	2019 \$	2018 \$
Petty cash	200	200
Cash on hand	2	2
General fund BSP account	216,810	80,946
Reserve BSP account	151,736	37,797
Capital works Westpac account	(16)	1,721
General fund Westpac account	16,649	169,618
Capital BSP account	776,526	494,094
Complex BSP account	346,780	317,772
Parking meter - cash at bank	4,513	986
Extended Local Authority BSP	18,128	49,051
	<u>1,531,328</u>	<u>1,152,187</u>

- BSP Capital account cash at bank balance of \$776,526 was not available for use except for the purpose of rehabilitation works at Maruru dump, kasitar project, redevelopment of Govind Park, Clopcott informal settlement works, Nailaga mini market, Drainage Works and Market upgrade.
- Extended Local Authority BSP cash at bank balance of \$18,128 was not available for use except for the purpose of Sanitation and development in rural areas.

NOTE 9. PROPERTY, PLANT AND EQUIPMENT

General Fund

Leasehold and Freehold Land

Deemed cost	5,891,050	5,891,050
Accumulated amortisation	(532,584)	(491,616)
Net book value	<u>5,358,466</u>	<u>5,399,434</u>

Building

Deemed cost	12,412,142	12,412,142
Accumulated depreciation	(1,696,408)	(1,557,018)
Net book value	<u>10,715,734</u>	<u>10,855,124</u>

Furniture, Plant and Equipment

Deemed cost	312,789	370,383
Addition	19,357	13,097
Disposal	-	(70,691)
Accumulated depreciation	(219,488)	(199,216)
Net book value	<u>112,658</u>	<u>113,573</u>

Motor Vehicles

Deemed cost	456,893	456,893
Additions	389,450	-
Accumulated depreciation	(335,116)	(351,374)
Disposal	(86,647)	-
Net book value	<u>424,580</u>	<u>105,519</u>

Work in Progress

Opening balance	4,699,040	596,644
Addition	703,217	4,102,396
Transfer	(220,183)	-
Reclassified to expenses	(555,133)	-
Net book value	<u>4,626,941</u>	<u>4,699,040</u>

**BA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 9. PROPERTY, PLANT AND EQUIPMENT (continued)	2019	2018
	\$	\$
Parking Meter		
<u>Office Equipment and Fixtures</u>		
Deemed cost	1,208	1,208
Accumulated depreciation	(1,269)	(1,260)
Net book value	<u>(61)</u>	<u>(52)</u>
<u>Plant, Machinery and Tools</u>		
Deemed cost	28,787	28,787
Accumulated depreciation	(28,787)	(28,787)
Net book value	<u>-</u>	<u>-</u>
Total Property, Plant and Equipment	<u>21,238,318</u>	<u>21,172,638</u>
NOTE 10. CREDITORS AND ACCRUALS		
General fund		
Sundry creditors and accruals	76,929	52,554
Other creditors	27,731	29,008
Sundry deposits	30,622	27,230
	<u>135,282</u>	<u>108,792</u>
Parking meter fund		
Advance from general fund	155,562	153,542
Other creditors	1,384	1,198
	<u>156,946</u>	<u>154,740</u>
Total Creditors and Accruals	<u>292,228</u>	<u>263,532</u>
NOTE 11. INTEREST BEARING BORROWINGS		
Bank of South Pacific	1,861,296	2,009,224
	<u>1,861,296</u>	<u>2,009,224</u>
Loan principal commitment at balance date:		
Payable within one year	234,720	234,720
Payable later than one year, not later than two years	498,720	469,440
Payable later than two years, not later than five years	762,720	704,160
Payable later than five years	365,136	600,904
	<u>1,861,296</u>	<u>2,009,224</u>
Represented in the balance sheet as:		
Current	234,720	234,720
Non-current	1,626,576	1,774,504
	<u>1,861,296</u>	<u>2,009,224</u>

Loans raised by the Council bear interest charges 4.25% per annum. Loans of the Council are secured by the following:

- 1 First Registered Fixed and Floating charges over Ba Town Council's asset and income (current and future) and stamped to cover advances up to \$3,250,000.
- 2 First Registered Mortgage stamped collateral to security over commercial property comprised in Crown Lease number 15776 being Lot 1 on SO Plan number 4981, situated in the Town of Ba.
- 3 First Registered Mortgage stamped collateral to security it over commercial property comprised in Certificate of Title number 12347 situated in the Town of Ba being:
 - Lot 2 on Deposit Plan number 3003,
 - Lot 6 on Deposit Plan 1838 and
 - Lot 1 & 2 on Ba Plan number 2118
- 4 Assignment of rental proceeds over commercial property compromised in Crown Lease number 15776 being Lot 1 on SO Plan number 4981.

**BA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
NOTE 12. PROVISIONS		
Annual leave - general fund	30,553	20,657
Annual leave - parking meter fund	630	1,292
	<u>31,183</u>	<u>21,949</u>

NOTE 13. DEFERRED GRANT

Opening balance	5,411,255	1,997,094
Grant received	1,037,765	3,414,161
Recognised in revenue	(1,121,018)	-
Closing balance	<u>5,328,002</u>	<u>5,411,255</u>

Represented in the balance sheet as:

Current	1,228,069	1,971,872
Non-current	4,099,933	3,439,383
	<u>5,328,002</u>	<u>5,411,255</u>

This amount represents the grants received from Ministry of Local Government, Ministry of Waterways and UN Women in 2019 amounting to \$1,037,765.

	VEP (\$)
Construction of Govind Park	660,550
Ministry of Waterways	349,587
UN Women	9,628
Building Surveyors Pay	18,000
	<u>1,037,765</u>

(Except for the Construction of Govind Park, all the above projects are completed within the financial year.)

<u>Unutilized grant</u>		
Opening balance	683,223	1,274,548
Grant received	1,037,765	3,414,162
Less: amount utilised	(1,332,036)	(4,005,487)
Closing balance	<u>388,952</u>	<u>683,223</u>

NOTE 14. RESERVES

Revaluation increment on assets - current account	9,784,091	9,784,091
Revaluation increment on assets - parking meter account	29,981	29,981
	<u>9,814,072</u>	<u>9,814,072</u>

NOTE 15. RENTAL INCOME

Latinara shopping complex	195,165	192,715
Rent kiosk	91,253	87,536
Rent old fish market	34,928	34,928
Bure revenue	7,958	4,710
Museum revenue	724	1,772
Complex rental	314,860	320,543
Civic building roof top	16,115	15,646
	<u>661,003</u>	<u>657,850</u>

**BA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 16. RELATED PARTY TRANSACTIONS

(a) Compensation of Key Management Personnel

Key management includes the board of management, all members of management and the council Secretary. In addition to their salaries, the Council also provides non cash benefits to key management personnel. Transactions with key management are no more favorable than those available, or which might be reasonably expected to be available, on similar transactions to third parties at arm's length.

	2019	2018
The compensation of key management personnel during the year was as follows:	\$	\$
Allowances and other benefits	<u>8,017</u>	<u>6,111</u>

(b) Special Administrators

The Special Administrators who held office during the year from November 2019 were:

Ms. Debra Sadranu (Chair)
Ms. Renee Browne
Ms. Dipti Sharma
Ms. Beatrice Nast

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

(c) Transactions with Related Parties

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

<u>Government of Fiji</u>		
Government grant contribution	<u>1,037,765</u>	<u>3,414,161</u>

NOTE 17. PRINCIPAL ACTIVITY

The Ba Town Council was established under the Local Government Act to provide for the health, welfare and convenience of the inhabitants of the Ba Town Municipality and to preserve the amenities or credit thereof.

NOTE 18. SUBSEQUENT EVENTS

(a) Amendments to the Local Government Act 1972

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

(b) COVID-19 Outbreak

Subsequent to year end, the World Health Organization (WHO) declared the Coronavirus (COVID 19) a "Public Health Emergency of International Concern". Whilst measures and policies have been taken by the National Government and nearby trading countries to prevent the spread of the virus, the impact of the virus on amounts and estimates reported or used in the preparation of 2019 financial statements is not expected to be material.

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

(c) Business Licenses

As announced in the 2020/2121 budget, 1 August 2020 will mark the end of Fiji's Business License regime. Accordingly, business Licenses will be abolished and fees will no longer be available to be receive by the Council from 1 August 2020.

**BA TOWN COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019**

NOTE 18. SUBSEQUENT EVENTS (continued)

(d) Govind Park Project

The Council received a total amount of \$4,468,928 as at 31/12/19 from the Ministry of Local Government for the purpose of the Govind Park Project (Phase 1). The practical completion certificate was issued on 17/07/20 and contractors rectify the defects subsequent to 31/12/20.

Other than the above mentioned events, the council is not aware of any other matter or circumstance not otherwise dealt with in the report or financial statements that has significantly or may significantly affect the operations of the council, the results of those operations or state of affairs of the council in subsequent years.

NOTE 19. CONTINGENT LIABILITY

The Council is involved in various legal claims with legal fees that can be estimated at \$14,960 plus disbursements and arrears, compensation for loss of wages, and compensation for unfair dismissal. Legal fees cannot be estimated for 5 legal claims out of the 10 legal claims, as the existence of which is dependent upon the outcome of the legal proceedings.

During the year, an amount of \$69,818 is held at BSP as a guarantee or undertakings (GTEE 370/80018785) in respect of Fiji Electricity Authority.

NOTE 20. CAPITAL COMMITMENTS

Capital Commitments as at 31 December 2019 amounted to \$685,154 relating to the pending municipal council projects.

NOTE 21. NOTES TO THE STATEMENT OF CASH FLOWS

	2019	2018
	\$	\$
(i) Reconciliation of Cash		
Cash at the end of the reporting period was as follows:		
Petty cash	200	200
Cash on hand	2	2
General fund BSP account	216,810	80,946
Reserve BSP account	151,736	37,797
Capital works Westpac account	(16)	1,721
General fund Westpac account	16,649	169,618
Capital BSP account	776,526	494,094
Complex BSP account	346,780	317,772
Parking meter - cash at bank	4,513	986
Extended Local Authority BSP account	18,128	49,051
	<u>1,531,328</u>	<u>1,152,187</u>
(ii) Reconciliation of net cash (utilised) / provided by operating activities:		
Net surplus	405,864	(105,326)
<u>Add non cash item</u>		
Depreciation	271,028	230,812
Doubtful debts	52,139	35,800
Gain/(loss) on disposal of fixed assets	(17,541)	17,178
Transfer from work in progress	555,133	-
Deferred Income	(1,121,018)	-
Prior year adjustments	13,479	(155,125)
Net cash provided by operating activities before changes in assets and liabilities	<u>159,084</u>	<u>23,339</u>
<u>Changes in assets and liabilities:</u>		
Decrease/(increase) in trade and other receivables	142,386	(24,767)
Increase/decrease in provisions	9,234	(24,339)
Increase/(decrease) in creditors	28,696	(34,391)
Increase in vat payable	24,204	23,500
Net cash inflows from operating activities	<u>363,604</u>	<u>(36,658)</u>

NOTE 22. APPROVAL OF FINANCIAL STATEMENT

The financial statements was approved by the Municipal and authorized for issue on _____ .

**BA TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
Income			
Building and subdivision		31,446	8,859
Bus station		30,210	29,810
Business, trading and other licenses		167,116	158,630
Garbage dump		16,249	13,496
General rate		331,018	331,432
Government grant		1,121,018	60,958
UN women grant		-	30,679
Hire auditorium fees		19,114	14,768
Interest - overdue rates		72,745	87,073
LICI commission		683	559
Market		350,080	269,858
Municipal car park		182,863	182,594
Rent from council properties	15	661,003	657,850
Sports grounds		280	3,211
Sundries		55,882	61,504
Insurance recovery		-	11,988
Extra bin		16,824	16,848
Gain on disposal of fixed assets		17,541	-
Total income		<u>3,074,072</u>	<u>1,940,117</u>
Expenditure			
Salaries, wages, and related payments		996,060	896,072
Uniform		18,236	10,101
Water		54,275	44,846
Electricity		37,802	35,930
Telephone, fax, internet, courier		15,118	11,775
Motor vehicle fuel, repairs, maintenance and other costs		85,568	127,723
Legal fees		26,956	11,659
Garbage services		94,522	54,451
Printing, stationery and advertising		22,428	27,722
Insurance		53,691	44,924
Maintenance/ repair, equipment/ furniture		22,574	26,764
Public convenience		16,885	15,764
Health		30,209	60,099
Road, drain, path and verges		51,511	29,372
Security services		64,109	57,804
Discount on rates		151,293	19,843
Subscription		278	278
Taxi, carrier, viti mini upgrading		1,458	110,012
Market		5,119	30,255
Car park		3,022	1,377
Bus station		293	1,304
Repair and maintenance property parks		50,598	156,173
Miscellaneous		3,070	11,406
Bank charges		9,870	10,707
Council expenses		11,487	16,537
Depreciation		271,018	230,802
Disposal of fixed assets		-	17,178
		<u>2,097,450</u>	<u>2,060,878</u>

**BA TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - GENERAL FUND (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
Expenditure (Continued)	2,097,450	2,060,878
Fringe benefit	687	328
Doubtful debts	52,139	35,800
Audit fee	17,642	-
Development of Clopcott settlement	204,902	-
Maintenance and upgrading of drains	351,919	-
Total expenditure	<u>2,724,739</u>	<u>2,097,006</u>
Net surplus/(deficit) for the year	<u>349,333</u>	<u>(156,889)</u>

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

**BA TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - LOAN RATE FUND
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
Income		
Loan rate	141,411	141,182
Total income	<u>141,411</u>	<u>141,182</u>
Expenditure		
Interest	86,791	88,567
Total expenditure	<u>86,791</u>	<u>88,567</u>
Net surplus for the year	<u>54,620</u>	<u>52,615</u>

**BA TOWN COUNCIL
STATEMENT OF INCOME AND EXPENDITURE - PARKING METER FUND
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	\$	\$
Income		
Traffic offence	1,830	5,920
Infringement fines	920	2,800
Meter tolls	14,586	12,146
Parking permits	1,101	2,355
Miscellaneous income	320	-
Total income	<u>18,757</u>	<u>23,221</u>
Expenditure		
Bank fees	216	232
Depreciation	10	10
Meter maintenance	1,880	31
Printing and stationery	320	722
Salaries, wages and related payments	14,287	22,625
Uniforms and boots	133	373
Verification and license	-	280
Total expenditure	<u>16,846</u>	<u>24,273</u>
Net surplus/(deficit) for the year	<u>1,911</u>	<u>(1,052)</u>

