

MINING SECTOR TECHNICAL ASSISTANCE PROJECT
MINISTRY OF MINES, ENERGY AND RURAL ELECTRIFICATION

STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD FROM 1st JANUARY 2013 TO 31st DECEMBER 2013

TABLE OF CONTENTS

	<u>Page</u>
Report of the Executing Agency	1
Statement of Cash Receipts and Payments	2
Notes to and forming part of the Statement of Cash Receipts and Payments	3-4



**MINING SECTOR TECHNICAL ASSISTANCE PROJECT
MINISTRY OF MINES, ENERGY AND RURAL ELECTRIFICATION**

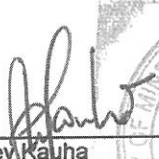
**STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD FROM 1 JANUARY 2013 TO 31 DECEMBER 2013**

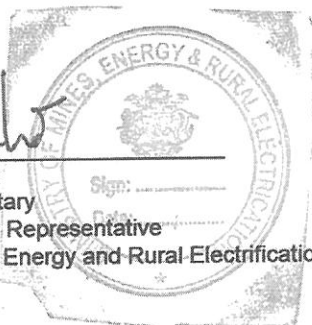
Report of the Executing Agency

Under the terms of my contract, I have the mandate from the World Bank and the Ministry of Mines, Energy and Rural Electrification as Executing Agency, to supervise and manage the funds provided for the Mining Sector Technical Assistance Project funded by the World Bank.

I certify that the attached Statement of Cash Receipts and Payments which has been prepared under my supervision presents a true and fair view of the cash receipts and payments of the Mining Sector Technical Assistance Project for the year ended 31st December 2011.

Dated at Honiara this 5th day of Nov 2014


Mr. Jeffrey Kauha
Permanent Secretary
Executing Agency Representative
Ministry of Mines, Energy and Rural Electrification



MINING SECTOR TA PROJECT
MINISTRY OF MINES, ENERGY AND RURAL ELECTRIFICATION

STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD FROM 1 JANUARY 2013 TO 31 DECEMBER 2013

Statement of Cash Receipts and Payments

	Notes	Receipts/payments	2013		2012	
			Payments by Third Parties		Payments by Third Parties	
		SBD	SBD	SBD		
RECEIPTS						
External Assistance - Multilateral Agencies						
TF097135- Grants Received	3	247,785.00		618,621.26		
Other Receipts		816.00				
World Bank -Third Party Payments			1,063,096.00			2,468,202.08
World Bank Grants : Total	3					
Total Receipts	4	248,601.00	1,063,096.00	618,621.26		2,468,202.08
PAYMENTS						
Eligible Expenditure from International Grants						
Consulting Services			1,063,096.00			2,468,202.08
Incremental Operating Costs	4			174,155.63		
Capital Expenses	4	384,454.00		455,305.00		
Training		-				
TOTAL PAYMENTS		384,454.00	1,063,096.00	629,460.63		2,468,202.08
Increase / (Decrease) in Cash		-		10,839.37		-
Cash at beginning of period	2	174,604.37		185,443.74		n/a
Cash at end of period	2	38,751.37		174,604.37		n/a

This Statement is to be read in conjunction with the Notes to and forming part of the Statement of Cash Receipts and Payments on pages 3 and 4.

MINING SECTOR TA PROJECT
Grant Nos TF097135

STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD FROM 1 JANUARY 2013 TO 31 DECEMBER 2013

1 STATEMENT OF ACCOUNTING POLICIES

a Basis of Preparation

The Statement of Cash Receipts and Payments has been prepared in accordance with the International Public Sector Accounting Standards under The Cash Basis of Accounting (Cash Basis IPSAS).

The accounting policies have been applied consistently throughout the period.

b Reporting entity

The Statement of Cash Receipts and Payments is for the Mining Sector Technical Assistance Project as supervised by the Ministry of Mines Energy and Rural Electrification in the Solomon Islands. The project is managed by the World Bank with funding from the Government of Australia through AusAID, TF097135.

c Reporting Currencies

The accounts are stated in Solomon Island dollars (SBD). Foreign currency equivalents are converted at the rate applicable on the date of transaction.

Cash denominated in foreign currencies have been revalued into SBD at the rate applicable at 31st December 2013.

2 CASH

Cash is comprised of cash balances.

As at Balance Date, cash is comprised of:

	31st Dec 2013	31st December 2012
	SBD	SBD
Designated Account ANZ Ac#4759269	\$38,751.37	\$174,604.37
	<u>\$38,751.37</u>	<u>\$174,604.37</u>

3 EXTERNAL ASSISTANCE - GRANTS RECEIVED

The grants received from The World Bank in 2013 is as:

	2013	2012
	SBD	
World Bank - <i>grant ref.</i> TF097135	\$247,785.00	\$618,621.26
	<u>\$247,785.00</u>	<u>\$618,621.26</u>

Notes to and forming part of the Statement of Cash Receipts and Payments

MINING SECTOR TA PROJECT
Grant Nos TF097135

STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD FROM 1 JANUARY 2013 TO 31 DECEMBER 2013

	2013	2012
4 RECEIPTS AND PAYMENTS ANZ ACCOUNT		
RECEIPTS	SBD	
External Assistance- Multilateral Agencies		
TF- Grants Received	\$247,785.00	\$618,621.26
Third Party Payments	\$1,063,096.00	\$2,468,202.08
Other Receipts	\$816.00	\$0.00
TOTAL RECEIPTS	\$1,311,697.00	\$3,086,823.34
PAYMENTS		
Consulting Services -		
Policy Advisor	\$428,065.00	\$1,369,489.92
Consulting Services -		
Institutional Advisor	\$407,505.00	\$1,098,712.16
Consulting Services -		
Legal Advisor	\$227,526.00	\$0.00
Total Consulting Services	\$1,063,096.00	\$2,468,202.08
Operational Incremental Costs	\$0.00	\$174,155.63
Training	\$0.00	\$0.00
Capital Expenses		
2 x Laptop& 4x Desktop Computers,;	\$72,684.00	\$39,824.00
2 x GPS & Powerboards	\$114,400.00	\$0.00
1 x Printer	\$29,670.00	\$0.00
1 x Generator Set(incl Labour, Mater	\$167,700.00	\$404,091.00
Total Capital Expenses	\$384,454.00	\$443,915.00
Other Expenses	\$0.00	\$11,390.00
TOTAL PAYMENTS	\$1,447,550.00	\$3,097,662.71
Increase/Decrease in Cash	-\$135,853.00	-\$10,839.37
Cash at Beginning of Period	\$174,604.37	\$185,443.74
Cash at end of Period	\$38,751.37	\$174,604.37

Notes to and forming part of the Statement of Cash Receipts and Payments (cont)



INDEPENDENT AUDITOR'S REPORT

To the Permanent Secretary, Ministry of Mines, Energy and Rural Electrification

Report on the Statement of Cash Receipts and Payments

I have audited the accompanying Statement of Cash Receipts and Payments of the Mining Sector technical Assistance Project, which comprise the Statement of Cash Receipts and Payments for the year ended 31st December 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Statement of Cash Receipts and Payments

The Ministry of Mines, Energy and Rural Electrification, as the Executing Agency, and the management of the Mining Sector technical Assistance Project are responsible for the preparation and fair presentation of the Statement of Cash Receipts and Payments in accordance with International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of Accounting (Cash Basis IPSAS) and the Grant Agreement dated 28th July 2008 between Solomon Islands and the International Development Association, and for such internal control as management determines is necessary to enable the preparation of a statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the Statement of Cash Receipts and Payments based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement of Cash Receipts and Payments is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement of Cash Receipts and Payments. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Statement.

This opinion is being given to satisfy the requirements of the Grant Agreement No. TF 097135 dated 28th July 2008 between Solomon Islands and the International Development Association. In giving this opinion, I do not accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in the hands it may come save where expressly agreed by my prior consent in writing.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

Payments – Missing source documentation

Sufficient and appropriate supporting documentation was unable to be located to verify two payment transactions totalling \$197,370.00 (51% of total payments). Also I was unable to locate sufficient and appropriate supporting documentation for four direct payments totalling \$100,849 USD where no details of transactions were provided. As a result, I was unable to verify the accuracy, completeness and classification of reported payments reported for the financial year ended 31 December 2013.

Qualified Opinion

In my opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the Statement of Cash Receipts and Payments presents fairly in all material respects as at 31 December 2013 in accordance with International Public Sector Accounting Standard (IPSAS).

Report on Other Requirements

As required by my terms of reference, I also report that, in my opinion, in all material respects:

- (a) The cash receipts reported on the Statement of Cash Receipts and Payments were used for the purposes of the Project and not for other purposes;
- (b) The receipts and payments reported on the Statement of Cash Receipts and Payments were in accordance with the Grant Agreement dated 28th July 2008 between Solomon Islands and the International Development Association (World Bank)

Qualified Opinion on Other Reporting Requirements

In my opinion, except for the matter described in the basis for qualified opinion paragraph, all other World Bank requirements have been met.



Robert Cohen
Acting Auditor-General

Office of the Auditor General
Honiara, Solomon Islands

11 November 2014