



INDEPENDENT AUDITOR'S REPORT

To the Provincial Assembly of the Isabel Provincial Government

Report on the Audit of the Financial Statements

Unqualified Opinion

I have audited the accompanying consolidated financial statements of the Isabel Provincial Government ("Provincial Government"), which comprise the consolidated statement of cash receipts and payments as at 31 March 2018, the consolidated statement of comparison of budget and actual amounts, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated financial statements presents fairly, in all material respects, the consolidated statement of cash receipts and payments of the Isabel Provincial Government for the year ended 31 March 2018 in accordance with International Public Sector Accounting Standard (IPSAS) Cash Basis.

Basis for Unqualified Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Provincial Government in accordance with the International Standards of Supreme Audit Institutions (ISSAI Code) together with the ethical requirements that are relevant to my audit of the consolidated financial statements in Solomon Islands and I have fulfilled my other ethical responsibilities in accordance with these requirements and the ISSAI Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my unqualified opinion.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

In my opinion:

- i) Proper books of account have been kept by the Provincial Government, sufficient to enable the preparation of statement of cash receipts and payments and

- ii) To the best of my knowledge and according to information and explanations given to me, the statement of cash receipts and payments give the information required by the Isabel Province Financial Management Ordinance 2008 in the manner so required.
- ii) The Province complied with the requirements of the Public Finance and Audit [Cap 120] and the Provincial Government Act which require the financial statements to be submitted to the office of the Audit General not later than nine (9) months of the following year to which the financial statements relate. The signed statements were presented to me on 27th December 2018.



Office of the Auditor General
Honiara, Solomon Islands



Isabel Provincial Government

**Consolidated
Financial
Report for the
year ended 31
March 2018**

Santa Isabel Provincial Government
Consolidated Statement of Cash Receipts and Payments
For the year ended 31st March 2018

		31st March 2018	31st March 2018		31st March 2018	31st March 2017
		Receipts/(Payments)	Receipts/(Payments)	Elimination	Consolidated Receipts/(Payments)	Receipts / (Payments)
		Isabel Provincial Government	Isabel Investment Corporation			
	Note	(\$)				(\$)
Receipts						
Recurrent Receipts						
Fixed Service Grants		5,115,849			5,115,849	4,092,679
Licences and Fees						
Business Licences/Receipts	3	430,428			430,428	282,750
Cash Receipts			724,007		724,007	
Logging Export License		200,000			200,000	480,000
Logging Contractor licences		1,500,000			1,500,000	1,388,333
Logging Royalties		10,410,504			10,410,504	7,402,350
Timber rights grant		847,220			847,220	537,440
Ward profiling		235,719			235,719	
Sandry grants						527,620
Subvention grant			40,000	(40,000)		
Hire/rental of provincial property		248,097			248,097	266,634
Sales		106,617			106,617	114,908
25% Community contribution		682,520			682,520	512,382
Other receipts	5	243,695			243,695	848,924
Total Recurrent Receipts for the year		20,020,649			20,744,656	16,454,020
Capital Receipts						
Provincial Capital Development Fund (PCDF)	6	2,129,829			2,129,829	4,308,850
Proceeds from Disposal of PPE		11,992			11,992	12,100
SIG Funding		0			0	1,500,000
Total Capital receipts for the year		2,141,821			2,141,821	5,820,950
Total Receipts for the year		22,162,470			22,886,477	22,274,970

Santa Isabel Provincial Government
Consolidated Statement of Cash Receipts and Payments
For the year ended 31st March 2018

Payments				
Recurrent Expenditure				
Wages & Salaries	7	(2,317,282)		(2,317,282)
Employees benefits (All employees)	8	(254,531)		(254,531)
SINPF expense		(156,242)		(156,242)
Grant Assistance expenditure (Utilities & Community Assistance)	9	(2,193,622)		(2,193,622)
Appointed Members Allowances		(1,275)		(1,275)
Repairs and maintenance	10	(746,042)		(746,042)
5% Royalties payable		(554,146)		(554,146)
Purchase expenses		(275,127)		(275,127)
Consultant/Contract services		(166,937)		(166,937)
Survey cost		(13,800)		(13,800)
Fuel		(327,815)		(327,815)
Office expenses	11	(377,114)		(377,114)
Travel/transport & DSA (Employees)	12	(238,507)		(238,507)
Utilities Expense	13	(464,948)		(464,948)
25% Community Contribution		(697,295)		(697,295)
Timber rights		(851,720)		(851,720)
School grant		(457,400)		(457,400)
Other Assistance	14	(335,235)	40,000	(295,235)
Operating expense	15	(1,533,938)	(701,322)	(2,235,260)
Kodili Festival		(69,023)		(69,023)
Assembly and Executive Expenditure		(625,496)		(625,496)
Ward development committee		(240,000)		(240,000)
Ward profiling		(227,684)		(227,684)
Legal Expenses		(606,715)		(606,715)
Provincial Sport tournament		(608,775)		(608,775)
Total Recurrent Expenditure		(14,340,669)		(15,001,991)
Capital expenditures				
Purchase of property, plant and equipment	16			
Solomon Islands Government (SIG)		(359,894)		(359,894)
Isabel Provincial Government (IPG)		(301,404)		(301,404)
Provincial Capacity Development Fund (PCDF)		(2,430,326)		(2,430,326)
Investment Servicing Cost (PCDF)		(220,773)		(220,773)
Ward Development Grant		(958,311)		(958,311)
W.D - Womens Project		(150,000)		(150,000)
Rural Farmers Assistance		(236,588)		(236,588)
Total Capital Expenditure		(4,657,295)		(4,657,295)
Total Payments		(18,997,964)		(19,659,286)
Increase/(decrease) in cash and cash equivalents		3,164,506		3,227,191
Computation of Cash and Cash Equivalent				
Cash on Hand	2			
Main cheque account		6,292,084	66,852	6,358,936
PCDF account		3,112,165		3,112,165
Special Account		141,771		141,771
IBD-BSP		116,648		116,648
IBD-ANZ		29,430		29,430
Reserve A/c		5,109,605		5,109,605
Cash and cash equivalent		14,801,704	66,852	14,868,556
Closing cash and cash equivalents		14,801,704		14,868,556
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		14,801,704		14,868,556
Reconciliation of Movement of Cash				
Opening Cash Balance	2	11,642,294		11,642,294
Add opening cash balance of IIC				5,096
Increase/(decrease) in cash and cash equivalents		3,164,506		3,227,191
Closing Cash and Cash Equivalent		14,806,800		14,869,485

Santa Isabel Provincial Government
Consolidated Statement of Comparison of budget and actual amount
For the year ended 31st March 2018
Budget approved on the Cash basis

	Consolidated Actual Amount	Revised Budget 2017/2018	Original Budget 2017/18	Increase/(Decrease) Budget 2018/19 vs Actual 2017/18
Recurrent Receipts	20,744,656	13,010,129	12,755,157	7,265,492
Financed by:				
Local Revenues	13,721,861	8,055,192	7,800,220	5,921,641
Fixed Service Grant	5,115,849	4,092,679	4,092,679	1,023,170
IIC Cash Receipts	724,007			
Timber Right Hearing	847,220	400,000	400,000	447,220
Receipts from MPGIS - Ward profiling	235,719	442,258	442,258	(206,539)
Receipts from MPGIS - Second appointed Days	100,000	20,000	20,000	80,000
Recurrent payments	(15,001,991)	(13,010,129)	(12,755,157)	(2,246,834)
Salaries and Wages	(2,317,282)	(3,058,995)	(3,058,995)	741,713
Consultancy cost on Architect/Civil Engineer/Quantity Surveyor	(166,937)	(322,972)	(68,000)	(98,937)
Travel and DSA expenditure of staff	(238,507)	(174,600)	(174,600)	(63,907)
Assembly and Executive expenditure	(625,496)	(985,300)	(985,300)	359,804
Repairs and Maintenance	(746,042)	(589,404)	(589,404)	(156,638)
Ward Utility Grant	(320,000)	(320,000)	(320,000)	-
Community Grant	(1,873,622)	(1,920,000)	(1,920,000)	46,378
Ward Profiling	(227,684)	(442,258)	(442,258)	214,575
Other Operational Costs	(7,785,099)	(5,196,600)	(5,196,600)	(2,588,499)
IIC Operating Cost	(701,322)			
Net Cash inflow on Recurrent Budget	5,742,665	-	-	5,742,665
Capital Receipts	2,141,821	12,700,381	12,669,554	(10,527,733)
Current Year Allocation of PCDF	2,129,829	5,099,431	5,068,604	(2,938,775)
Commitment Carried Forward from previous yr (PCDF)	0	5,331,198	5,331,198	(5,331,198)
Other Capital Development Funds (SIG & IPG)	11,992	2,269,752	2,269,752	(2,257,760)
Capital Payments	(4,657,295)	(12,700,381)	(12,669,554)	8,012,259
PCDF Funded Projects	(2,651,099)	(10,430,629)	(10,399,802)	7,748,703
Administration Sector	(558,643)	(2,067,217)	(2,067,217)	1,508,574
Works, Transport & Communication Sector	(55,860)	(535,874)	(535,874)	480,014
Education Sector	(1,286,616)	(3,521,006)	(3,521,006)	2,234,390
Health & Medical Sector	(177,436)	(1,647,586)	(1,647,586)	1,470,150
Commerce & Investment (Local Economic Development projects)	(64,638)	(800,000)	(800,000)	735,362
Local Council	(261,479)	(1,025,372)	(994,545)	733,066
Water and Sanitation Projects	(25,654)	(53,589)	(53,589)	27,935
General Investment Servicing cost	(220,773)	(779,985)	(779,985)	559,212
IPG Funded Projects	(1,646,302)	(2,134,650)	(2,134,650)	488,348
Ward Development Grant	(958,311)	(960,000)	(960,000)	1,690
Provincial Assembly	0	0	0	0
Finance	0	0	0	0
Development Planning	(60,354)	(223,836)	(223,836)	163,482
Works, Transport & Communication	(215,810)	(350,000)	(350,000)	134,190
Education Sector	-	(130,814)	(130,814)	
Women Dev	(150,000)	(160,000)	(160,000)	10,000
Agriculture	(236,588)	(240,000)	(240,000)	3,412
Local Council	(25,240)	(70,000)	(70,000)	44,760
SIG Funded Projects	(359,894)	(135,102)	(135,102)	(224,792)
Administration Building	(359,894)	(135,102)	(135,102)	(224,792)
Surplus/(Deficit) on Capital budget	(2,515,474)	-	-	(2,515,474)
Surplus/(Deficit) on Total Budget	3,227,191	-	-	3,227,191

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 2008 and the Provincial financial and stores Instructions 2008.

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 2008 (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 2018 Receipts / (Payments) (\$)	31st March 2017 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	6,292,084	2,924,360
PCDF account	3,112,165	3,617,449
Special Account	141,771	442,127
IBD-BSP	116,648	116,473
IBD-ANZ	29,430	29,371
Reserve A/c	5,109,605	4,507,417
Standing imprest		
	14,801,704	11,637,198
Reconciliation of restricted cash balances as at 31st March 2017		
Closing cash and cash equivalents	14,801,704	11,637,198
Less restricted cash balances		
National Provident Fund		
Inland Revenue (PAYE)		
Inland Revenue (W/Tax)		
Land Owners Deposit		
ANZ Term Deposit		
Guesthouse Renovation		
Cash- Security		
Cash available for use	14,801,704	11,637,198
3. Licences and fees		
Business Licences	243,498	149,760
Liquor Licences	146,570	95,440
Petrol Licences	33,860	34,150
Transport licences	2,500	1,900
Saw milling licences	4,000	1,500
	430,428	282,750
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 2018		

	31-Mar-18	31-Mar-17
	Receipts/ (Payments) \$	Receipts/ (Payments) \$
Note 5. Other receipts		
SIG 2nd Appointed Day Grant	100,000	50,000
Photocopy charge	3,298	6,360
Administration charges/fees	6,980	112,283
Basic rate	67,373	50,637
Bank Interests	2,733	2,714
Property Rates	0	7,977
Kodilli Festival	0	599,446
Miscellaneous receipt	63,311	19,507
	243,695	848,924
Note 6. Capital Receipts		
PCDF Funding - (Current)	2,129,829	4,308,850
PCDF Funding - (Previous)	0	0
Plant & Equipment Sales	11,992	12,100
	2,141,821	\$4,320,950.00
Note 7. Wage & Salaries		
Office of the Premier	(92,786)	(81,860)
Provincial Assembly	(264,464)	(252,138)
Administration	(190,615)	(148,658)
Finance & Treasury	(223,394)	(218,175)
Development Planning	(90,038)	(95,842)
Works	(247,121)	(249,357)
Education and Training	(36,391)	(33,807)
Health and Medical Services	(445,497)	(444,951)
Lands and Housing	(28,260)	(4,890)
Youth,	(43,715)	(41,389)
Sport	(47,087)	(46,009)
Culture	(37,255)	(35,203)
Women Development	(45,706)	(44,642)
Tourism	(45,981)	(43,998)
Agriculture	(146,167)	(212,708)
Fisheries and Marine	(127,442)	(123,307)
Forestry	(19,709)	-
Environment Conservation	(47,750)	(46,399)
Local Council	(137,904)	(123,470)
	(2,317,282)	(2,246,804)
Note 8. Employee benefits (All employees)		
Overtime	(19,517)	(30,849)
Housing Allowances	(90,528)	(79,929)
Other Allowances	(55,351)	(56,066)
Leave Expenses	(89,135)	(148,334)
Allowance for Executive	-	(60,600)
Full Assembly Allowance	-	(74,790)
	(254,531)	(450,568)
Note 9. Grant Assistances		
Utility grant	(320,000)	(320,000)
Community Assistance	(1,873,622)	(1,543,456)
	(2,193,622)	(1,863,456)

	31-Mar-18			31-Mar-17		
	Receipts/ (Payments)			Receipts/ (Payments)		
Note 10. Repair and Maintenance						
Buildings	(315,620)			(137,842)		
Office equipments	(1,320)			(7,200)		
Motor vehicle	(123,305)			(44,011)		
Infrastructure	(169,434)			(259,729)		
Other plant and equipments	(136,362)			(102,475)		
	<u>(746,042)</u>			<u>(551,257)</u>		
Note 11. Office Expense						
Office Expense	(149,459)			(128,812)		
Computer Expense	(48,830)			(21,550)		
Advertisement expense	(46,081)			(125,925)		
Administration Cost	(71,637)			(12,456)		
Office Furniture & Equipment (Minor)	(53,337)			(32,835)		
Hiring Expense	(7,770)			(12,850)		
	<u>(377,114)</u>			<u>(334,428)</u>		
Note 12. Travel & Transport						
Travel Accommodation	(47,550)			(137,330)		
Travel Sea/Airfare	(111,858)			(103,567)		
Travel Subsistence	(79,099)			(250,022)		
	<u>(238,507)</u>			<u>(490,919)</u>		
Note 13. Utility Expense						
Solomon Power	(336,915)			(410,569)		
Solomon Telekon	(128,033)			(109,000)		
	<u>(464,948)</u>			<u>(519,568)</u>		
Note 14. Other Assistance						
ECE Assistance	(96,718)			(88,510)		
Youth- Children Affairs	(22,700)			(5,292)		
Sports club Assistance	-			(5,870)		
Tourism-Operators Assistance	(23,155)			(11,445)		
Executive Assistance	-			(2,500)		
Council of chief	(50,000)			(50,000)		
House of Chief	(90,570)			(61,110)		
Isabel Investment Corporation (Subvention)	(40,000)			(40,000)		
Contribution to charity	(12,092)					
	<u>(335,235)</u>			<u>(264,727)</u>		
Note 15. Operating expense						
Training & Workshops	(53,836)			(248,270)		
Office programs/Operation activities	(788,642)			(631,041)		
2nd Appointed day	(175,412)			(121,228)		
Boards/Committee Meetings	(191,905)			(537,571)		
Freight	(24,144)			(16,762)		
Bank cash cover transfer	(300,000)					
	<u>(1,533,938)</u>			<u>(1,554,872)</u>		
Note 16. Purchase of property, plant and equipment						
	SIG	IPG	PCDF	SIG	IPG	PCDF
Buildings	(359,894)	-	(2,348,812)	(1,326,135)	(20,186)	(3,225,186)
Office equipments		-			(59,627)	
Motor vehicle		(215,810)	-		(252,600)	
Infrastructure		(25,240)	(81,514)		(180,415)	(392,036)
Other plant and equipments		(60,354)	-		(53,650)	
	<u>(359,894)</u>	<u>(301,404)</u>	<u>(2,430,326)</u>	<u>(1,326,135)</u>	<u>(566,478)</u>	<u>(3,617,221)</u>

Note 17. Trading Activity

Isabel provincial government does not engage in any trading activities thus no payment made for the period ended 31 March 2018

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 2017 to 31 March 2018) as for the financial statement.

The original budget was approved by legislative action before 31 March 2017 and there was a amended budget was approved thereafter.

Note 19. Authorisation date

The financial statement were authorised for publication on June 2018 by Hon. James Habu, Premier and Mr. Selwyn Vasuni, 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 2017	20,815,536	327,630	796,883	5,379,103	981,613	28,300,765
Acquisitions	2,708,706		215,810	106,754	60,354	3,091,624
External assistance	0	0	0	0	0	0
Disposal	0	0	0	0	11,992	11,992
Changes due to Revaluations	0	0	0	0	0	0
At 31 March 2018	23,524,242	327,630	1,012,693	5,485,857	1,029,975	31,404,381

Encourage additional optional disclosures

Note 21. Un-collected Revenue

	2018	2017
	\$	\$
Business Licences	62,460	118,950
Liquor Licences	30,750	48,400
Logging Licences		
Licensees	255,000	620,000
Contractors	160,000	366,667
	<u>508,210</u>	<u>1,154,017</u>

Note 22. Staff advances

	2018	2017
	\$	\$
Elected officials	0	0
Seconded Staff	0	0
Direct employee	0	0
	<u>0</u>	<u>0</u>

Note 23. Un-acquitted imprest accounts

	2018	2017
	\$	\$
Elected officials	180,000	0
Seconded staff	21,000	7,600
Direct employee	14,584	20,990
	<u>35,584</u>	<u>28,590</u>

Note 24. Aging of staff advances and Un-acquitted imprests accounts for the 2018 balance

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

Note 25. Employee provisions

	2018	2017
	\$	\$
National Provident Fund	0	0
Paid As You Earn tax	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 2018

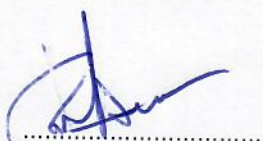
Note 27. Related Parties Transactions

1. During the reporting period \$15,000 was paid to JRV Electrical. The owner of the company is the relative of the senior officer of the province.
2. During the reporting period \$25,856 was paid to FN petrol Depo. The owner of the company is the MPA.
3. During the reporting period \$86,400 of ward development grant was paid to Mogarege petrol Depo. The owner of the business is the cousin brother of the MPA.

CERTIFICATE OF THE ISABEL PROVINCIAL GOVERNMENT

In our opinion, the attached financial statements for the year ended 31 March 2018 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 2008 and the Provincial Financial and Stores Instructions 2008

For and on behalf of the Isabel Provincial Government



Provincial Premier

(Hon. James Habu)

(Date: 27.12.2018)



Provincial Secretary

(Mr. John Mark Lokumana)

(Date: 27.12.2018)