

Audited Project Financial Statements

Project Number: 44172
Grant Number: 0256
Period covered: 1 July 2014 to 30 June 2015

Kingdom of Tonga: Tonga-Fiji Submarine Cable Project

Prepared by Ministry of Information and Communication, Implementing agency

For the Asian Development Bank
Date received by ADB: 25 February 2016

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22/3



Our Reference: L204/804/15

Your Reference: Click here to enter text.

Date: 23rd December, 2015

Paula Ma'u
CEO for EIDECC
Ministry of EIDECC
NUKU'ALOFA

Dear Paula

Re: Audit of the; (i) Climate Resilience Sector Project and (ii) Fiji – Tonga Connectivity Cable Project, both for financial year 2014 – 15.

Please, I have just completed the audit of the above mentioned two projects and enclose herewith the audited accounts for the financial year ended 30th June, 2015 with my audit opinions duly signed.

I would like to take this opportunity to thank the staff of the two project management units and your good office for the assistance and cooperation during the audit, malo and Merry Christmas.

Yours Sincerely



Sefita Tangi
AUDITOR GENERAL





PACIFIC REGIONAL CONNECTIVITY PROGRAMME
FIJI – TONGA CONNECTIVITY CABLE PROJECT

Funded by:

World Bank (International Development Association – IDA)

Asian Development Bank (ADB)

Pacific Region Infrastructure Facility (PRIF)

Government of the Kingdom of Tonga (GoT)

FINANCIAL STATEMENTS

FOR THE PERIOD

1st JULY 2014 - 30th JUNE 2015

PACIFIC REGIONAL CONNECTIVITY PROGRAMME
FIJI – TONGA CONNECTIVITY CABLE PROJECT

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PACIFIC REGIONAL CONNECTIVITY PROGRAMME

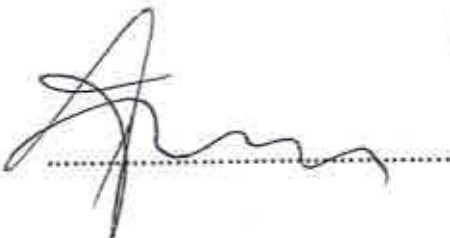
FIJI – TONGA CONNETIVITY CABLE PROJECT

STATEMENT OF MANAGEMENT RESPONSIBILITY

Grant No.H7310 & TF099368

In accordance with the World Bank guidelines the Financial Reports of the Fiji to Tonga Connectivity Project (HT7310 & TF099368) as at 30th June 2015 statements of receipts and payments for the year then ended. Management is responsible for this financial information.

17 December 2015



Mr. Paula Ma'u

Chief Executive Officer

MEIDECC



AUDITOR GENERAL'S REPORT

To the Chief Executive Officer for Meteorology, Energy, Information, Disaster, Climate Change and Communication.

I have audited the accompanying Statements of Expenditure, Funds Received and Expenditure, and Notes to the Financial Statements for the Fiji – Tonga Connectivity Cable Project ("the Project") as set out on pages 5 to 8 for the financial period ended 30th June 2015.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the statements in accordance with the International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of these statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institution (ISSAIs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about; whether the financial statements are free from material misstatement whether due to fraud or error, and whether grant provided were all used for the project in compliance with the financial covenants of the Grant Agreement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 included evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Unqualified Auditor's Opinion

In my opinion, the accompanying Financial Statements as shown on pages 5 to 8, present fairly in all material respects the receipts and payments of Fiji – Tonga Connectivity Cable Project for the year ended 30th June 2015 in accordance with the World Bank and Asian Development Bank (ADB) guidelines. Thus all financial grants for this project were used for the project only in compliance with the covenants of this Grant Agreement


Sefita Tangi FCPA
AUDITOR GENERAL



Nuku'alofa
23rd December, 2015

PACIFIC REGIONAL CONNECTIVITY PROGRAMME

FUJI-TONGA CONNECTIVITY CABLE PROJECT

Statement of Expenditure By Component (in USD) For the Period 1st July 2014 – 30th June 2015

| | Expenditure-by Component | Cumulative Balance as at 30 th June 2014 (USD) | QTR 1 | QTR 2 | QTR 3 | QTR 4 | Total Expenditure | Balance as at 30 th June 2015 (USD) |
|-----|--|--|-----------|-----------|-----------|-------|-------------------|--|
| 1 | <u>Submarine Cable System</u> | | | | | | | |
| 1.1 | World Bank | 12,569,043.37 | - | - | - | - | - | 12,569,043.37 |
| 1.2 | ADB | 7,381,819.10 | - | 15,259.91 | - | - | 15,259.91 | 7,397,079.01 |
| | Sub-total Component 1 | 19,950,862.47 | - | 15,259.91 | | | 15,259.91 | 19,966,122.38 |
| 2 | <u>Enabling Environment</u> | | | | | | | |
| 2.1 | PRIF | 70,131.75 | 32,860.33 | 60,772.75 | - | - | 93,633.08 | 163,764.83 |
| 2.2 | IDA | 384,793.23 | | | 70,867.50 | - | 70,867.50 | 455,660.73 |
| | Sub-total Component 2 | 454,924.98 | 32,860.33 | 60,772.75 | 70,867.50 | | 164,500.58 | 619,425.56 |
| 3 | <u>Project Management&Administration</u> | | | | | | | |
| 3.1 | WB- Funds | 321,881.25 | - | - | 150.00 | - | 150.00 | 322,031.25 |
| | Sub-total Component 3 | 321,881.25 | - | - | - | - | 150.00 | 322,031.25 |
| | Total | 20,727,668.70 | 32,860.33 | 76,032.66 | 71,017.50 | - | 179,910.49 | 20,907,579.19 |

Statement of Funds Received and Expenditure - By Donor and Component (in USD)

For the Period 1st July 2014 – 30th June 2015

PACIFIC REGIONAL CONNECTIVITY PROGRAMME

FIJI-TONGA CONNECTIVITY CABLE PROJECT

Notes to the Financial Statement

1. The Balance at the beginning as at 30th June 2014 was USD20,727,668.70. This was the overall Expenditure of the 3 Components as follows:
 - World Bank – USD 12,569,043.37
 - ADB – USD 7,381,819.10
 - PRIF – USD 70,131.75
 - IDA – USD 384,793.23
 - WB-Funds – USD 321,881.25
2. However, Balance at the end of this Financial Report as at 30th June 2015 is USD20,907,579.19 .This balance is the total up of all expenditures during this financial period plus the Balance at the beginning as at 30th June 2013 .Details of this balance as follows:
 - World Bank – USD 12,569,043.37
 - ADB – USD 7,397,079.01
 - PRIF – USD 163,764.83
 - IDA – USD 455,660.73
 - WB-Funds – USD 322,031.25
3. This Financial Statements is prepared from the period 1st July 2014 – 30th June 2015, and the information was get it from the Bank Statements of the two accounts IDA and PRIF accounts. The report was recorded Quarterly, and figures for each quarterly expenses was taken from the Quarterly Interim Financial Report (IFR) which was send quarterly to the World Bank . The information for Withdrawals on the Project Funds was also taking from the World Bank Client Connection website.

Withdrawals on Project Funds were as follows

| <u>Component 1 – Submarine Cable System</u> | Asian Development Bank | World Bank - IDA |
|---|------------------------|-------------------------|
| Withdrawal Application 10 | 15,259.91 | |
| Total Withdrawals under Component 1 | 15,259.91 | |
| <u>Components 2&3 – Enabling Environment and Project Management</u> | PRIF | World Bank - IDA |
| TFCP 8 | 32,860.33 | |
| TFCP 9 | 60,772.75 | 132,390.96 |
| TFCP 6 | | 48,385.30 |
| TFCP PRIF 10 & TFCP 11 | 44,225.97 | |
| Total Withdrawals under Component 2&3 | 137,859.05 | 180,776.26 |