

Audited Project Financial Statements

Project Number: 48293-001
Loan Number: 3152
Grant Number: 0403
Period covered: 1 January 2018 to 31 December 2018

SOL: Transport Sector Flood Recovery Project

Prepared by Ministry of Infrastructure Development

For the Asian Development Bank (ADB)
Date received by ADB 24 June 2019

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Access to Information Policy and as agreed between ADB and the Nauru Utilities Corporation.



Ministry of Infrastructure Development

Transport Sector Flood Recovery Project

ADB Grant No.0403-SOL ADB Loan No.
3152-SOL

2018 Financial Report
31st December 2018

ASIAN DEVELOPMENT BANK
SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT
GRANT NO. 0403-SOL, LOAN NO.3152
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

Report of the Executing Agency

Under the terms of my contract, I have the mandate from the ADB and the Ministry of Infrastructure Development as Executing Agency, to supervise and manage the funds provided for the Solomon Islands Transport Sector Flood Recovery Project (TSFRP) funded by Asian Development 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 TSFRP for the year ended 30 June 2018

Dated at Honiara this 14 day of June 2019


Mr. Stephen Maesiola
Permanent Secretary
Executing Agency Representative
Ministry of Infrastructure Development



ASIAN DEVELOPMENT BANK
SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT
GRANT NO. 0403-SOL, LOAN NO.3152
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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ASIAN DEVELOPMENT BANK
SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT
GRANT NO. 0403-SOL, LOAN NO.3152
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

		As at 30 June 18	As at 31 Dec 17 Audited	
	Notes	Receipts/Payments	Receipts/Payments	Cumulative*
		US\$	US\$	US\$
RECEIPTS				
External Assistance - Multilateral Agencies				
ADB - Third Party Payment - Ela Motors Ltd		-	-	68,527
3 - Third Party Payments - SMEC Consulting Services	3	378,870	698,135	2,363,351
ADB - Third Party Payment - SMEC Mobilisation Advance		-	-	266,669
ADB - CHEC Mobilisation Advance		-	-	1,821,228
ADB - CHEC Construction claim	3	1,750,758	5,259,207	8,832,094
ADB - Geo-Con Products Pty Ltd -Equipment	3	-	31,544	31,544
ADB Finacing charges duing implementation	5	22,376	19,471	42,193
Other Grants and Aid				
Counterpart Funds-Solomon Islands Government	4	4,707	19,937	38,260
TOTAL RECEIPTS		2,156,712	6,028,295	13,463,867
PAYMENTS				
Ela Motor - Vehicles - Ela Motor Ltd		-	-	68,527
Consulting Services - SMEC International Pty Ltd)	3	378,870	698,135	2,363,351
Repayment - SMEC Advance Payment		-	-	266,669
payment of Mobilisation Advance - CHEC Ltd		-	-	1,821,228
Civil Works Direct Payment - CHEC	3	1,750,758	5,259,207	8,832,094
Geo-Con Products Pty Ltd -Equipment	3	-	31,544	31,544
ADB Finacing charges duing implementation	5	22,376	19,471	42,193
Solomon Islands Government Financing	4	4,707	19,937	38,260
TOTAL PAYMENTS		2,156,712	6,028,295	13,463,867
Decrease /Increase in Cash		-	-	-

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 7

*Cumulative figures include year 2015 to 2018

ASIAN DEVELOPMENT BANK
SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT
GRANT NO. 0403-SOL, LOAN NO. 3152
STATEMENT OF SOURCES AND USES OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2018

Notes	31-Dec-18					31-Dec-17					Cumulative to Date		
	GRANT 0243-SOL USD	GRANT 0403-SOL USD	TOTAL GRANTS USD	LOANS 3152-SOL USD	SIG USD	TOTAL 30-Jun-18	GRANT 0243-SOL USD	GRANT 0403-SOL USD	TOTAL GRANTS USD	ADB LOANS 3152-SOL USD	SIG USD	TOTAL 31-Dec-16 USD	TOTAL YTD USD
Uses of Funds/Receipts of Funds	Uses of Funds - Multilateral Agencies	Direct Payments	Motor Ltd - Equipment SMEC International Pty Ltd - Consultancy Services SMEC International Pty Ltd - Mobilisation Advance Ma Harbour Engineering Company Ltd - Mobilisation Advance Ma Harbour Engineering Company Ltd - Construction Ma-Con Products Pty Ltd -Equipment	378,870	378,870	378,870	54,629	633,506	698,135			698,135	68,527 2,260,182 300,000 1,821,228 8,332,094 31,544 42,193
	Receipts	Ma Islands Government	22,376	22,376	4,707	4,707	19,937	19,471	19,471	19,937	19,937	38,260	
RECEIPTS	1,434,859	1,434,859	717,146	4,707	2,156,712	64,629	2,805,404	2,870,033	3,138,324	19,937	6,028,294	13,394,029	
Uses of Funds/Expenditures by Category	Motor Ltd (Ela Motor Ltd)	Training Services (SMEC International Pty Ltd)	SMEC Pty Ltd	1,055,988	1,055,988	1,750,758	64,629	633,506	698,135			698,135	68,527 2,260,182 300,000 1,821,228 8,310,955 31,544 42,193 38,260
PAYMENTS	1,434,859	1,434,859	717,146	4,707	2,156,712	64,629	2,805,404	2,870,033	3,138,324	19,937	6,028,294	12,872,889	
Net (Receipts less Expenditures)	-	0	0	-	-	0	-	-	-	-	-	-	521,140

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 7

ASIAN DEVELOPMENT BANK
SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT
GRANT NO. 0403-SOL, LOAN NO. 3152
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

1 STATEMENT OF ACCOUNTING POLICIES

a Basis of Preparation

The Statement of Cash Receipts and Payments has been prepared in accordance with International Public Sector Accounting Standards: Financial Reporting under the Cash Basis of Accounting (Cash Basis IPSAS). Comparative information has been included as this is the fourth year of the Project.

The accounting policies have been applied consistently throughout the period.

b Reporting entity

The Statement of Cash Receipts and Payments is for the Solomon Islands Transport Sector Flood Project (TSFRP) as supervised by the Ministry of Infrastructure Development in the Solomon Islands. The program commenced on 2nd March 2015, with the signing of the contract between the Solomon Islands Government (SIG) and joint SMEC International Pty Ltd. Australia and IMC, UK, and is managed by the Asian Development Bank (ADB) with funding from ADB, under TSFRP on 14 May 2015. This Statement therefore covers the period from 1 January to 30 June 2018.

c Reporting Currencies

The accounts are stated in United States dollars (US\$) as this is the currency used for the grants and all project reports. Foreign currency equivalents are converted at the rate applicable on the date of transaction.

Cash denominated in foreign currencies have been revalued into US\$ using the exchange rates in the effect on the dates of the receipts and payments.

d Budget

The TSFRP has a multi-year financing plan, as opposed to annual budgets that place limits on the spending for the year. As a result, budget information for 2018 has not been provided.

2 EXTERNAL ASSISTANCE - MULTILATERAL AGENCIES - GRANTS RECEIVED

From January 1, 2018 to June 30, 2018, the summary of invoices submitted to ADB under Loan 3152-SOL, and Grant 0403 are as follows;

Category by Cost	Descriptions	2018 US\$	2017 US\$	Cumulative US\$
1. Civil Works				
CHEC - Payments Claims	Claim - Grant 0403 (41% & revised 72%)	1,055,988	2,156,275	3,584,240
	Claim - Loan 3152 (59% & revised 28%)	694,770	3,102,932	4,727,018
	Total Claim	1,750,758	5,259,207	8,311,258

ASIAN DEVELOPMENT BANK
SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT
GRANT NO.0403-SOL, LOAN NO.3152
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

2.Equipment		2018	2017	Cumulative
		US \$	US\$	US\$
GEO - CON Products Ply Ltd	Grant 0403-SOL (50%)	-	15,623	15,623
	Loan 3152-SOL(50%)	-	15,921	15,921
		<u>-</u>	<u>31,544</u>	<u>31,544</u>
3.Consultants				
SMEC	Invoice,Grant 0243 (100%)	-	64,630	787,463
	Invoice,Grant 0403 (100%)	378,870	643,160	1,547,795
		<u>378,870</u>	<u>707,789</u>	<u>2,335,257</u>

The invoices are presented in USD, AUD and SBD and are apportioned according to the agreed contribution percentages. Fund received are shown by the ADB in USD at the exchange rate in effect on the date of transaction as required by IPSAS Cash Basis. The detail of the invoices as per their currencies presented under Grant 0403-SOL and Loan 3152-SOL is as follows

b Grant 0403-SOL		Invoices	AUD \$	FX	US \$
SMEC Consultancy		SMEC Jan'18 Invoice	1,894.17	1.326	1,428.58
		Total in AUD/USD	<u>1,894.17</u>		<u>1,428.58</u>
			SBD \$	FX	US \$
		SMEC Nov'17 invoice (part)	75,241.64	7.849	9,585.78
		SMEC Dec'17 Invoice	95,198.42	7.905	12,042.60
		SMEC Jan'18 invoice	95,198.42	7.905	12,042.60
		SMEC Feb'18 Invoice	95,198.42	7.849	12,128.28
		SMEC Mar'18 Invoice	98,744.72	7.893	12,510.96
		SMEC Apr'18 Invoice	69,737.30	7.893	8,835.72
		SMEC May'18 Invoice	69,737.30	7.813	8,926.37
		SMEC June'18 Invoice	69,737.30	7.813	8,926.37
		Total in SBD/USD	<u>668,793.52</u>		<u>84,998.68</u>

Grant 0403 - SOL, SMEC January 2017 AUD Invoice,WA No.00030A, amount of AUD\$372.73/USD\$284.68 was paid in May 2018 included in January 2018 Invoice,WA No.00032A. ADB paid the outstanding amount for November 2017 Invoice SBD\$75,241.64/USD\$9,585.78 in June 2018,WA No.0049C and December 2018 Invoices were paid in 2018. The outstanding Invoices for 2018 as the statement of cash Receipt and Payment end of 30 June 2018 were May and June Invoices. May Invoices submitted to ADB, USD Invoice, WA No.0059B, US\$23,134.90 and SBD Invoice, WA No.0054C,SBD\$69,737.30/US\$8,835.72 and June Invoices, USD Invoice, WA No.0060B,US\$28,850.68 and SBD Invoice, WA No.0055C, SBD\$69,737.30/USD\$8,926.37

ASIAN DEVELOPMENT BANK
SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT
GRANT NO.0403-SOL, LOAN NO.3152
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

<i>b</i> Grant 0403-SOL	Invoices	USD \$	FX	US \$
SMEC Consultancy	SMEC Dec'17 invoice	51,234.54	1.000	51,234.54
	SMEC Jan'18 invoice	51,245.73	1.000	51,245.73
	SMEC Feb'18 invoice	42,161.02	1.000	42,161.02
	SMEC Mar'18 Invoice	67,264.25	1.000	67,264.25
	SMEC Apr'18 Invoice	28,551.79	1.000	28,551.79
	SMEC May'18 Invoice	23,134.90	1.000	23,134.90
	SMEC June'18 Invoice	28,850.68	1.000	28,850.68
	Total in USD	292,442.91		292,442.91
	Total Invoices for SMEC for Grant 0403			378,870.17
CHEC - Civil Works	Invoices	USD \$	FX	US \$
Payment Claim	CHEC/IPC 14	270,668.34	1.000	270,668.34
	CHEC/IPC 15	410,099.40	1.000	410,099.40
	CHEC/IPC 17	375,220.67	1.000	375,220.67
	Total CHEC for Grant 0403 in USD			1,055,988.41
<i>c</i> Loan 3152-SOL	Invoices	USD \$	FX	US \$
Payment Claim	CHEC/IPC 14	389,319.32	1.000	389,319.32
	CHEC/IPC 15	159,531.48	1.000	159,531.48
	CHEC/IPC 17	145,919.16	1.000	145,919.16
	Total CHEC for Loan 3152 in USD			694,769.96
	Total Civil Works - CHEC			1,750,758.37

3 THIRD PARTY PAYMENTS

From January 1, 2018 to 30 September 2018, the summary of payments made by ADB under Loan 3152-SOL and Grant 0403 are as follows:

Category by Cost	Descriptions	2018 US\$	2017 US\$	Cumulative US\$
1.Civil Works				
CHEC - Payment Claim	Grant 0403 (41% & revised 72%)	1,055,988.41	2,156,275	3,509,409
	Loan 3152 (59% & revised 28%)	694,769.96	3,102,932	4,619,333
	Total Payment Claim	1,750,758.37	5,259,207	8,128,741
2.Consultants				
Grant 0243-SOL	SMEC – Design & Supervision (100%)	-	64,629	754,131
Grant 0403-SOL	SMEC – Design & Supervision (100%)	378,870.17	633,506	1,506,051
		378,870.17	698,135	2,260,182
3.Equipment				
GEO - CON Products Pty Ltd	Grant 0403-SOL (50%)	-	15,623	15,623
	Loan 3152-SOL(50%)	-	15,921	15,921
		-	31,544	31,544

ASIAN DEVELOPMENT BANK
SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT
GRANT NO.0403-SOL, LOAN NO.3152
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

The Third Party payments transaction as at 30 September 2018 are as follows

The payments are presented in USD, AUD and SBD and are apportioned according to the agreed contribution percentages. Payments are shown by the ADB in USD at the exchange rate in effect on the date of payment as required by IPSAS Cash Basis. The detail of paid invoices under Grant 0403 and Loan 3152 is summarized as follows;

Grant 0403-SOL	Invoices	AUD \$	FX	USD \$
1.SMEC - Third Party Payments	SMEC Jan'18 Invoice	1,894.17	1.326	1,428.58
	Total in AUD/USD	1,894.17		1,428.58
		SBD \$	FX	US \$
	SMEC Nov'17 invoice (part)	75,241.64	7.849	9,585.78
	SMEC Dec'17 invoice	95,198.42	7.905	12,042.60
	SMEC Jan'18 invoice	95,198.42	7.905	12,042.60
	SMEC Feb'18 Invoice	95,198.42	7.849	12,128.28
	SMEC Mar'18 Invoice	98,744.72	7.893	12,510.96
	SMEC Apr'18 Invoice	69,737.30	7.893	8,835.72
	SMEC May'18 Invoice	69,737.30	7.813	8,926.37
	SMEC June'18 Invoice	69,737.30	7.813	8,926.37
	Total in SBD/USD	428,616.16		84,998.68
		USD \$	FX	US \$
	SMEC Dec'17 invoice	51,234.54	1.000	51,234.54
	SMEC Jan'18 invoice	51,245.73	1.000	51,245.73
	SMEC Feb'18 invoice	42,161.02	1.000	42,161.02
	SMEC Mar'18 Invoice	67,264.25	1.000	67,264.25
	SMEC Apr'18 Invoice	28,551.79	1.000	28,551.79
	SMEC May'18 Invoice	23,134.90	1.000	23,134.90
	SMEC June'18 Invoice	28,850.68	1.000	28,850.68
	Total in USD	292,442.91		292,442.91
	Total for SMEC in USD			378,870.17
2.CHEC -Third Payment				
Payment Claim	CHEC/IPC 14(41% & revised 72%)	270,668.34	1.000	270,668.34
Payment Claim	CHEC/IPC 15 (41% & revised 72%)	410,099.40	1.000	410,099.40
	CHEC/IPC 17 (41% & revised 72%)	375,220.68	1.000	375,220.68
	Total for CHEC in USD	1,055,988.42		1,055,988.42

ASIAN DEVELOPMENT BANK
SOLOMON ISLANDS TRANSPORT SECTOR FLOOD RECOVERY PROJECT
GRANT NO.0403-SOL, LOAN NO.3152
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

The Third Party payments transaction as at 30 June 2018 are as follows

c Loan 3152-SOL

	Invoices	USD \$	FX	US \$
CHEC				
Payment Claim	CHEC/IPC 14 (59% & revised 28%)	389,319.32	1.000	389,319.32
Payment Claim	CHEC/IPC 15 (59% & revised 28%)	159,531.48	1.000	159,531.48
Payment Claim	CHEC/IPC 17 (59% & revised 28%)	145,919.16	1.000	145,919.16
	Total for Loan 3152 in USD	694,769.96		694,769.96

4 OTHER RECEIPTS - SOLOMON ISLANDS GOVERNMENT

As stipulated in PAM, Section III Project Managements, Part A – Project Implementation Organizations, MID through CPIU will be responsible for proving in-kind contribution to the project by providing counterpart staff, office accommodation, transport and administrative support. The cost sharing of water bill with SMEC Office (20%) includes MID/SIRIP Office (10%), Mechanical Workshop (40%) and Pool/Office (30%) This actual amount is based on the actual totals of electricity and water bills as at 30 June 2018.

The cost for SIG assistance from January 1, 2018 to June 30, 2018 is as follows;

In-Kind Contribution	Descriptions	2018 31-Dec USD \$	2017 31-Dec USD \$
Electricity	Payment of Electricity	3,577	16,921
Water	Payment of Water Charge	1,130	3,016
		4,707	19,937

5 ADB Financing Charges - LOAN 3152

	2018 USD \$	2017 USD \$	Cumulative US\$
ADB Finacing charges duing implementation	22,376	19,471	42,193

ADB Financing charges during implementation under Loan 3152 was recorded in ADB LFIS website. In 2018, the Financing Charges paid is US\$22,376

**Solomon Islands Office
of the Auditor-General**



**Office of the Auditor-General
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Solomon Islands**

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Stephen Maesiola
Permanent Secretary
Ministry of Infrastructure Development
P. O. Box G8
Honiara, Solomon Islands

Your Ref.:

Our Ref.: OAG 02-12-08

Date: 12th June 2019

Dear Maesiola

Completion of 2018 Grant Financial Statements Audit for Transport Sector Flood Recovery Project (TSFRP) – Loan 3152/Grant 0403-SOL

The audit for TSFRP – Loan 3152/Grant 0403-SOL for the year ended 31st December 2018 which was requested by Asian Development Bank to audit has been completed. The project's financial statements have been audited and I have expressed unqualified opinion on these financial statements. I have attached my Independent Auditor's Report on the financial statements and the financial statements report for the period 1st January 2018 to 31st December 2018.

The co-operation and assistance provided by staff during the course of the audit is much appreciated.

Yours sincerely

Peter Lokay
Auditor General

cc: Permanent Secretary, MOFT	-	Mr. Mckinnle P. Dentana
cc: Regional Director, ABD	-	Ms. Emma Fan
cc: Under Secretary, MID	-	Mr. Jimmy Nuake
cc: Acting Director, Central Planning Unit, MID	-	Mr. Mike Qaqara



INDEPENDENT AUDITOR'S REPORT

To the Permanent Secretary Ministry of Infrastructure Development

Report on the Audit of the Financial Statements

Unqualified Opinion

I have audited the accompanying financial statements of the Transport Sector Flood Recovery Project (TSFRP) – Loan 3152/Grant 0403-SOL, which comprise the statement of cash receipts and payments as at 31st December 2018 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. The report has been prepared in accordance with the Grant Agreement dated 28th February 2017 between the Solomon Islands Government (SIG) and Asian Development Bank (ADB), Grant No. 0403-SOL and Loan 3152, (the "Program") for the funding period 1st January 2018 to 31st December 2018.

In my opinion, the accompanying financial statements presents fairly, in all material respects, the statement of cash receipts and payments of the TSFRP for the year ended 31st December 2018 in accordance with the conditions of the grant agreement between SIG and ADB and in accordance with the International Public Sector Accounting Standards (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 Government Ministry 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 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 Financial Statements in accordance with IPSAS, and for such internal control as the management determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Government Ministry'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 Government Ministry and Project financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not 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 Project'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 Project Office, 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 TSFRP Project Administration Manual 2014 in the manner so required.
- iii) The Project complied with the requirements of the TSFRP Project Administration Manual 2014 which require the financial statements to be submitted in the English language to ADB within six months of the end of the fiscal. The statements were presented to me on 7th May 2019.



Peter Lokay
Auditor – General
12th June 2019

Office of the Auditor General
Honiara, Solomon Islands