

Audited Project Financial Statements

Project Number: 54135-002

Grant Number: 0693

Period covered: 1 July 2020 to 30 September 2020

Tonga: COVID-19 Emergency Response

Prepared by Ministry of Health

For the Asian Development Bank

Date accepted by ADB: 25 June 2021

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 Ministry of Health, Tonga.



Auditor General's Report

To the Chief Executive Officer, Ministry of Health

GRANT NO. 0693 – TON: COVID-19 EMERGENCY RESPONSE PROJECT

We have audited the accompanying financial statements of the Grant No. 0693 – TON: COVID-19 Emergency Response Project, (the Project), for the three months financial period ended 30th September, 2020 which comprise of the statement of receipts and payments and a summary of significant accounting policies and other explanatory notes.

Management's Responsible for the Financial Statements

According to the Public Finance Management Act 2002 and the project's agreement dated 8th April 2020, management is responsible for the preparation and presentation of the financial statements in accordance with the International Public Sector Accounting Standards, (*IPSAS*). This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether due to fraud and error.

In addition to the responsibility for the preparation and presentation of the financial statement described above, management is also responsible for ensuring that activities, financial transactions, and information reflected in the financial statements are in compliance with the authorities which government them.

Auditor General's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted the audit in accordance with the International Standards of Supreme Audit Institutions, (*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.

In addition to the responsibility to express an opinion on the financial statements, our responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the financial statements are, in all material respects, in compliance with the project's agreement. This responsibility includes performing procedures to obtain audit evidence about whether the project's expenditures have been applied to the purposes intended by the project's agreement. Such procedures include the assessment of the risks of material non-compliance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinion

In our opinion, the financial statements of the project, Grant No. 0693 – TON: COVID-19 Emergency Response Project, for the three months financial period ended 30th September, 2020 are prepared, in all material respects, in accordance with the International Public Sector Accounting Standards, IPSAS.

Opinion on Compliance

In our opinion, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with authorities which govern them.



Sefita Tangi FCPA (Aust.)
AUDITOR GENERAL



Dated: 24th November, 2020



**Ministry of Health
Government of Tonga**

Grant Number 0693 -TON: COVID-19 Emergency Response Project

**ADDITIONAL FINANCIAL STATEMENTS
FOR THE PERIOD 01 July 2020 - 30 September 2020**

Grant Number 0693 -TON: COVID-19 Emergency Response Project
Additional FINANCIAL STATEMENTS
FOR THE PERIOD 01 July 2020 - 30 September 2020

CONTENTS

Pages

1. Certification by Management	3
2. Statement of Receipts and Payments (TOP\$/USD\$)	4
3. Notes to the Financial Statements	5 - 6
4. Statement of Expenditures	7
5. Transaction List	8

Grant Number 0693 -TON: COVID-19 Emergency Response Project
CERTIFICATION BY PROJECT'S MANAGEMENT
FOR THE PERIOD 01 July 2020 - 30 September 2020

We certify that the attached financial statements for the Grant Number 0693-TON: COVID-19 Emergency Response Project comprising of the Statement of Receipts and Payments, only on the Foreign Exchange Gains for the period 16 April 2020 - 30 June 2020 and rolling over to the period 01 July 2020 - 30 September 2020

- a) gives a true and fair view of the matters to which they relate; and
- b) have been properly drawn up in accordance with the accounting policy described in Note 2 to the financial statements.

We are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Signature

Dr. Siale 'Akau'ola
CEO- Health
Ministry of Health



Grant Number 0693 -TON: COVID-19 Emergency Response Project
STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE PERIOD 01 July 2020 - 30 September 2020

	Notes	Receipts (TOP)	Receipts (USD)
		\$	\$
RECEIPTS (by Source)			
Grant No.0693 TON	2.4	1,579	686
Foreign Exchange Gains			
Total Receipts		1,579	686
PAYMENTS (by Major Activities)			
(d) Contribution to costs relating to quarantine	4	1,579	686
Total Payments		1,579	686
Cash at Beginning of Year (01 July 2020)	2.4	1,579	686
Net Movement in Cash	4	(1,579)	(686)
Cash at End of Year (30 september 2020)	4	-	-
Gain on Foreign Exchange		-	-
Balance as at 30 September, 2020		-	-

Grant Number 0693 -TON: COVID-19 Emergency Response Project
NOTES TO THE ADDITIONAL FINANCIAL STATEMENTS
FOR THE PERIOD 01 July 2020 - 30 September 2020

1. GENERAL INFORMATION

Corona viruses are a family of viruses that cause illnesses ranging from the common cold to more severe diseases such as Severe Acute Respiratory Syndrome (SARS) and Middle East respiratory syndrome (MERS). The Corona Virus disease 2019 (COVID-19) is a disease which has caused an outbreak of respiratory illness first detected in Wuhan, China.

On 30th January, 2020, COVID-19 was declared by the Director General of the World Health Organization (WHO) as a Public Health Emergency of International Concern (PHEIC) under the International Health Regulations 2005. Due to the alarming levels of spread and severity of COVID-19 globally, WHO has declared COVID-19 as a global pandemic on the 11th March, 2020.

Tonga is highly vulnerable to the importation of COVID-19 which can significantly cause serious adverse impacts to the health of people. It is critical that preventative measures are implemented to plan, prepare and respond effectively due to the risk of importation of COVID-19, protecting the health and welfare of Tongan residents.

This project consists of activities relating to the provision of life preserving services for the communities affected by the COVID-19 pandemic, including: (a) provision of essential supplies such as the personal protective equipment, medical and laboratory equipment and infection control supplies, (b) provision of overtime salary and recruitment of healthcare workers, (c) transportation and supply-chain logistics, (d) contribution to costs relating to the quarantine, and (e) provision of any additional goods, equipment or supplies required for the emergency response.

2. SUMMARY OF ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements are prepared under the Public Finance Management Act 2002 and in accordance with the International Public Sector Accounting Standards (IPSAS), under Cash -Basis.

2.2 Reporting Entity

The financial statements are to report on the receipts and payments of the grant received from ADB (APDRF). All receipts and payments were managed by the Ministry of Finance & National Planning.

2.3 Reporting Currency

The reporting currency is in Tongan Pa'anga (TOP) and the financial records were maintained also in TOP in our system. However these financial statements are also presented in USD equivalents. The conversion rate used is the rate applied on the day (0.4342) the grant was transferred from National Reserve Bank to Bank South Pacific.

2.4 Receipts

All receipts relate to the total grant received from ADB (APDRF) as per Grant Agreement, which was USD \$470,000 (TOP1,082,450.48).

This report only accounted for the Foreign Exchange Gain receipted. Full Grant was disbursed from ADB through one initial Advance, which was directly deposited into the Government of Tonga USD No.1 Account.

The remaining funds of TOP 1578.94 from the financial year 2019/2020 has been carried forward to the current financial year 2020/2021

Grant Number 0693 -TON: COVID-19 Emergency Response Project
NOTES TO THE Additional FINANCIAL STATEMENTS
FOR THE PERIOD 01 July 2020 - 30 September 2020

2.5 Payments

Payments including (a) provision of essential supplies such as the personal protective equipment, medical and laboratory equipment and infection control supplies, (b) provision of overtime salary and recruitment of healthcare workers, (c) transportation and supply-chain logistics, (d) contribution to costs relating to the quarantine, and (e) provision of any additional goods, equipment or supplies required for the emergency response.

3. FINANCIAL PERIOD

The financial statements is for the period 1st July 2020 to 30th September, 2020

4. CASH AT BANK

There was no separate Bank Account established specifically for this grant. Grant was receipted at the Government USD NO. 1 Account (NRBT) and was transferred to the pool designated bank account for all Covid-19 Emergency Response work at the BSP. All related expenditures were paid out from this bank account.

	TOP	USD
Cash At Bank (Beginning 01 July 2020)	1,579	686
Less: Expenses	1,579	686
Cash at Bank (End 30 September 2020)	-	-

Statement of Expenditures (SOE) for APDRF Grant No. 0693 - TON: COVID-19 Emergency Response Project
for the period 01 July 2020 to 30 September 2020

Item No	DESCRIPTION OF ARTICLE	Note	Supplier	Qty	UNIT PRICE	TOTAL
A	Contribution to costs relating to quarantine	Note 2.5				
1	Chart Small-Red		Friendly Island Bookshop, Nuku'alofa Tonga			TOP 86.40
2	Tape Double Sided 2 inch					TOP 240.00
3	whiteboard					TOP 26.00
4	Whiteboard Magnetic					TOP 78.00
5	Nurse Stethoscope		Universal clinic & Pharmacy, Fanga 'o Pilolevu, Tonga			TOP 120.00
6	Prestige medical stethoscope					TOP 180.00
7	Folding table		Prema & Sons Ltd, Nukualofa Tonga			TOP 336.00
8	Plastic chairs					TOP 432.00
9	Brooms		Fakalata Shopping Centre, Nukualofa Tonga			TOP 7.64
10	Mop					TOP 25.50
11	Mop Bucket					TOP 47.40
	Total Amount Paid in TOP	Note 4				TOP 1,578.94

BUDGET

Accounting Period	Transaction Date	Min\Prgm\Sub prgm\Act Analysis Code	Account Code	Locn\Fnd Srce\Ck Analysis Code	Base Amount	Debit/ Credit	Transaction Reference	Description	Journal Number	Project Code Analysis Code	Name
2021/001	8/25/2020	15201174	1406	1500	1,278.94	D	RVTE#64/20-21	F/REVOTE COVID-19 EMERGENCY RESPONSE	463	822	COVID-19 Emergency Response Project
2021/001	8/25/2020	15201174	1441	1500	300.00	D	RVTE#64/20-21	F/REVOTE COVID-19 EMERGENCY RESPONSE	463	822	COVID-19 Emergency Response Project
Totals					1,578.94						

ACTUAL

Accounting Period	Transaction Date	Min\Prgm\Sub prgm\Act Analysis Code	Account Code	Locn\Fnd Srce\Ck Analysis Code	Base Amount	Debit/ Credit	Transaction Reference	Description	Journal Number	Project Code Analysis Code	Name
2021/002	8/28/2020	15201174	1406	1500	86.40	D	PO -000503	Chart Small-Red	18188	822	COVID-19 Emergency Response Project
2021/002	8/28/2020	15201174	1406	1500	240.00	D	PO -000503	Tape Double Sided 2 inch	18188	822	COVID-19 Emergency Response Project
2021/002	8/28/2020	15201174	1406	1500	26.00	D	PO -000503	Whiteboard	18188	822	COVID-19 Emergency Response Project
2021/002	8/28/2020	15201174	1406	1500	78.00	D	PO -000503	Whiteboard Magnetic Size 60X120CM [2'X4]	18188	822	COVID-19 Emergency Response Project
2021/003	9/1/2020	15201174	1441	1500	120.00	D	PO -008525	Nurse Stethoscope	19682	822	COVID-19 Emergency Response Project
2021/003	9/1/2020	15201174	1441	1500	180.00	D	PO -008525	Prestige Medical Stethoscope	19682	822	COVID-19 Emergency Response Project
2021/003	9/3/2020	15201174	1406	1500	336.00	D	PO -004597	Folding table	20583	822	COVID-19 Emergency Response Project
2021/003	9/3/2020	15201174	1406	1500	432.00	D	PO -004597	Plastic chairs	20583	822	COVID-19 Emergency Response Project
2021/003	9/3/2020	15201174	1406	1500	7.64	D	PO -005017	Brooms	20599	822	COVID-19 Emergency Response Project
2021/003	9/3/2020	15201174	1406	1500	25.50	D	PO -005017	Mop	20599	822	COVID-19 Emergency Response Project
2021/003	9/3/2020	15201174	1406	1500	47.40	D	PO -005017	Mop bucket	20599	822	COVID-19 Emergency Response Project
Totals					1,578.94						