

Audited Project Financial Statements

Project Number: 54135-002

Grant Number: 0693

Period covered: 16 April 2020 to 30 June 2020

Tonga: COVID-19 Emergency Response

Prepared by Ministry of Health

For the Asian Development Bank

Date accepted by ADB: 8 July 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 June, 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.

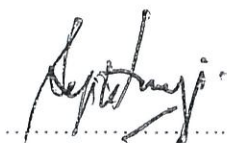
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

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 June, 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 16 April 2020 - 30 June 2020**

Grant Number 0693 -TON: COVID-19 Emergency Response Project
Additional FINANCIAL STATEMENTS
FOR THE PERIOD 16 April 2020 - 30 June 2020

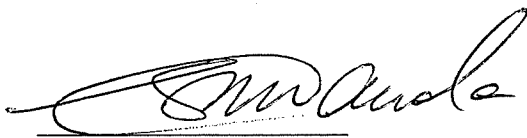
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Grant Number 0693 -TON: COVID-19 Emergency Response Project
CERTIFICATION BY PROJECT'S MANAGEMENT
FOR THE PERIOD 16 April 2020 - 30 June 2020

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 16th April 2020 - 30th June 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 16 April 2020 - 30 June 2020

	Notes	Receipts (TOP)	Receipts (USD)
		\$	\$
RECEIPTS (by Source)			
Grant No.0693 TON	2.4	1,082,450	470,000
Foreign Exchange Gains			
Total Receipts		1,082,450	470,000
PAYMENTS (by Major Activities)			
(a) Provision of essential supplies such as PPE	4	1,028,119	446,409
(e) Provision of any additional Equipment (Autoclave) required for emergency response	4	52,753	22,905
Total Payments		1,080,872	469,314
Cash at Beginning of Year (16 April 2020)	2.4	1,082,450	470,000
Net Movement in Cash	4	(1,080,872)	(469,314)
Cash at End of Year (30 June 2020)	4	1,579	686
Gain on Foreign Exchange		0	0
Balance as at 30 June, 2020		1,579	686

Grant Number 0693 -TON: COVID-19 Emergency Response Project
NOTES TO THE ADDITIONAL FINANCIAL STATEMENTS
FOR THE PERIOD 16 April 2020 - 30 June 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 Health through the Ministry of Finance.

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.

Grant Number 0693 -TON: COVID-19 Emergency Response Project
NOTES TO THE Additional FINANCIAL STATEMENTS
FOR THE PERIOD 16 April 2020 - 30 June 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 16th April 2020 to 30th June, 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 16 April 2020)	1,082,450	470,000
Less: Expenses	1,080,872	469,314
Cash at Bank (End 30 June 2020)	1,579	686

Statement of Expenditures (SOE) for APDRF Grant No. 0693 - TON: COVID-19 Emergency Response Project
for the period 16 April 2020 to 30 June 2020

Item No	DESCRIPTION OF ARTICLE	Note	Supplier	Qty	UNIT PRICE	TOTAL
A	Provision of essential supplies PPE	Note 2.5				
1	LIV 95/P2 Face Mask cupped cone Adult L3 Barrier	Note 2.5	Livingstone International Pty Ltd, 106 -116 Epsom Rd, Roseberry NSW 2018 Australia	50	AUD 715.00	AUD 35,750.00
2	Skinshield Latex Exam Gloves AS/NZ PFREE L Cream			100	AUD 116.62	AUD 11,662.00
3	Livingstone Disposable Apron, 85x150cm, Low Density Recyclable Polyethylene (LDPE), Bib Type, Single Pack, White			1,000	AUD 24.95	AUD 24,950.00
4	Livingstone Shoe Cover Overshoes, Recyclable Polyethylene, 21gsm, Blue			100	AUD 299.00	AUD 29,900.00
5	Tecnol Surgical Face Mask, Adult Size with Teddy Bear Design, 3 Ply, Earloop, PPE 0.1 micron at 97.7pct. Made in USA			2,000	AUD 264.00	AUD 528,000.00
6	LIV Coveralls W/Hood, Med, WTRPF, PP, White			20	AUD 990.00	AUD 19,800.00
7	LIV Coveralls W/Hood, Large, WTRPF, PP, White			20	AUD 990.00	AUD 19,800.00
8	LIV Coveralls W/Hood, XL, WTRPF, PP, White			20	AUD 990.00	AUD 19,800.00
	Total Amount in AUD					AUD 689,662.00
	Total Amount Paid in TOP	Note 4				TOP 1,028,118.66
B	Provision of any additional equipment required for the emergency response	Note 2.5				
9	Autoclave		Medspares Pacific Ltd, P.O.Box 2070, Raumati Beach, Paraparaumu 5032 New Zealand	1	NZD 35,863.80	NZD 35,863.80
	Total amount in NZD					NZD 35,863.80
	Total Amount Paid in TOP	Note 4				TOP 52,752.88
	Net Total Paid in TOP	Note 4				TOP 1,080,871.54

Budget

#NAME?	prgm\Act	ccount	Coörce\	Ck An:	Description	Base Amount
4/16/2020	15201174	1441	1500		FUND REC FROM ADB FOR COVID-19 EMERGENCY RESPONSE	1,082,450.48
6/26/2020	15201174	1441	1500		COVID-19 ER PROJECT-Redistribute Devel. Funds	-54,331.82
6/26/2020	15201174	2024	1500		COVID-19 ER PROJECT-Redistribute Devel. Funds	54,331.82
Totals						1,082,450.48

Actuals

#NAME?	prgm\Act	ccount	Coörce\	Ck An:	Description	Base Amount
4/21/2020	15201174	1441	1500		COVID-19 pmt to Livingstone for additional PPE	1,028,118.66
6/29/2020	15201174	2024	1500		Bank Fee	12.00
6/29/2020	15201174	2024	1500		NZD 35,863.80 @ 0.6800	52,740.88
Totals						1,080,871.54