

Audited Project Financial Statements

Project Number: 54238-001

Grant Number: 0698

Period covered: 1 July 2020 to 11 November 2020

Tonga: Tropical Cyclone Harold Emergency Response Project

Prepared by Ministry of Finance, Executing Agency

For the Asian Development Bank

Date received by ADB: 12 October 2021

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Government of Tonga

**Grant Number 0698 – TON:
Tropical Cyclone Harold Emergency Response Project**

FINANCIAL STATEMENT **FOR THE PERIOD 1 JULY – 11 NOVEMBER 2020**

Ministry of Finance
Nuku'alofa

Grant No. 0698-TON: Tropical Cyclone Harold Emergency Response Project

Financial Statement

For the period 1 July – 11 November 2020

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Grant No. 0698-TON: Tropical Cyclone Harold Emergency Response Project

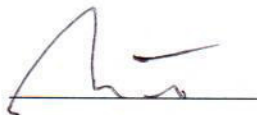
Financial Statement

For the period 1 July – 11 November 2020

We certify that the attached financial statements for Grant Number 0698-TON: Tropical Cyclone Harold Emergency Response Project comprising of the Statement of Receipts and Payments for the period 1 July - 11 November 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 statement.

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



Pisila 'Otunuku

Acting Chief Executive Officer for Finance

Date: 8 October 2021



Grant No. 0698-TON: Tropical Cyclone Harold Emergency Response Project
Financial Statement

For the period 1 July – 11 November 2020

	Notes	TOP	USD
RECEIPTS			
Grant No. 0698-TON	2.4	459,770	200,000
Foreign Exchange Loss		(5,121)	
Total Receipts		454,649	200,000
PAYMENT			
Build Houses	2.5	454,649	200,000
Total Payment		454,649	200,000
Net Receipt over Payment		-	-
Cash at Beginning of Year	4	459,770	200,000
Net Movement in Cash		(454,649)	(200,000)
Cash at End of Year		5,121	-
Loss on Foreign Exchange		(5,121)	-
Balance as at 11 November 2020		-	-

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Grant No. 0698-TON: Tropical Cyclone Harold Emergency Response Project

Financial Statement

For the period 1 July – 11 November 2020

1. GENERAL INFORMATION

Tonga is vulnerable to a number of natural hazards due to its location and topographical nature. The main hazards are earthquake, tsunami, tropical cyclone and drought. The tropical cyclone season in Tonga normally runs from November to April, however, cyclones can occur throughout the year. During this period, there is a greater risk of strong winds and heavy rains with associated flooding, landslides and road closures.

In 2020, Tropical Cyclone Harold reached its peak intensity as a Category 5 cyclone with its devastating impact felt by thousands as it moved through the Pacific and entering the Tongan water around 1am on the night of 9 April 2020. The cyclone passed within 100 kilometers of Tongatapu, Tonga's main island, with significant storm surges coinciding with king tides, causing widespread damage to coastal areas and communities. No loss of life reported but damages to some households in Tongatapu and 'Eua. There were some serious damages to wharf and public infrastructure along the coastal areas in Tongatapu, Ha'apai and 'Eua and minimal damages in Vava'u. The crops in Tongatapu and 'Eua also suffered significant damages.

The storm surge, nearly a meter above the king tide, running inland flooded the areas and brought sand, gravel and debris. Storm Surge and wind affected coastal areas with inundation to infrastructures. The wind and sea sprays affected the plantation. Due to flooding on coastal areas, the roads were blocked by debris. Houses including beach resorts along the south coast line of Tongatapu have been damaged by winds and floods from the storm surge.

On 12 May 2020, The Kingdom of Tonga was able to have access to the Asian Development Bank (ADB) grant under the 'Asia Pacific Disaster Response Fund' to assist with funding of activities after the devastation left by Tropical Cyclone Harold. The Grant Agreement was signed by Government and ADB for an amount of two hundred thousand Dollars (USD200,000).

This project consisted of activities relating to the provision of life preserving services for the communities of Tongatapu and 'Eua group of islands affected by the following natural disaster: Tropical Cyclone Harold. Those activities will include, but are not limited to, (a) provision of medical kits, food, bottled drinking water, water purification and sanitation systems, transitional shelter and personal hygiene kits; (b) site clearing; and (c) safe disposal of useless rubble.

2. SUMMARY OF ACCOUNTING POLICIES

2.1 Basis of Preparation



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Grant No. 0698-TON: Tropical Cyclone Harold Emergency Response Project

Financial Statement

For the period 1 July – 11 November 2020

The financial statement is 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 under the APDRF. All receipts and payments were managed by 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 financial system. However, the financial statement is also presented in USD equivalent. The conversion rate used is the rate applied on the day (0.4399) the grant was transferred from the Designated project Account 'Tropical Cyclone Harold Emergency Response Project USD Account' to the Government 'Development Funds Account'.

2.4 Receipts

All receipts relate to the total grant received from ADB (APDRF) as per Grant Agreement, which was USD200,000 (TOP459,770.11). This report also accounts for foreign exchange loss. The Grant was fully disbursed from ADB through one initial Advance, which was directly deposited into the project USD Account. Funds was later transferred on 8 February 2021 into another account as mentioned under Note 2.3 above.

2.5 Payments

The grant was used to assist with funding of new shelters for those that were affected by the devastation of Tropical Cyclone Harold. Each shelter had consisted of six (6) claims and were made against progress payment certificates issued from the Ministry of Infrastructure. As such, the fund was used to finance thirty-two (32) claims under eight (8) houses.

3. FINANCIAL PERIOD

The financial statement is for the period 1 July to 11 November 2020.

4. CASH AT BANK

There was a separate bank account established specifically for this grant. Grant was receipted in the Project Designated USD account and was transferred to the Development account as mentioned under Note 2.3.

Grant No. 0698-TON: Tropical Cyclone Harold Emergency Response Project

Financial Statement

For the period 1 July – 11 November 2020

	TOP	USD
Cash at Bank (Beginning of the Year)	459,770	200,000
Cash at Bank (End of the Reporting Period)	-	-

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Statement of Expenditures (SOE) for APDRF Grant No. 0698 - TON: Tropical Cyclone Harold Emergency Response Project
for the period 1 July to 11 November 2020

Item No	Provision of Transitional Shelters		Description	TOP Amount	Exchange Rate	TOTAL USD
	Supplier					
1	CTR GROUP LIMITED		Tropical Cyclone Harold Housing Reconstruction Project – Setefano Mahe (Velomika Mahe) at Lapaha	17,325	0.4399	7,621
2	CTR GROUP LIMITED		Tropical Cyclone Harold Housing Reconstruction Project – Setefano Mahe (Velomika Mahe) at Lapaha	14,245	0.4399	6,266
3	KALU CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Filianga Takai (Elemi Fukofuka) at 'Ohomua 'Eua	13,860	0.4399	6,097
4	KALU CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Tevita T. Halaivalu at 'Ohomua 'Eua	13,860	0.4399	6,097
5	KALU CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Tevita T. Halaivalu at 'Ohomua 'Eua	13,860	0.4399	6,097
6	CBN CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Tevita T. Halaivalu at 'Ohomua 'Eua	13,860	0.4399	6,097
7	TOPIESE UIKELOTU AHIA		Tropical Cyclone Harold Housing Reconstruction Project – Sione Afu Leha 'uli at Hoi	13,860	0.4399	6,097
8	CBN CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Sione Afu Leha 'uli at Hoi	13,860	0.4399	6,097
9	TOPIESE UIKELOTU AHIA		Tropical Cyclone Harold Housing Reconstruction Project – Sione Afu Leha 'uli at Hoi	13,860	0.4399	6,097
10	KALU CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Sione Afu Leha 'uli at Hoi	13,860	0.4399	6,097
11	KALU CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Filianga Takai (Elemi Fukofuka) at 'Ohomua 'Eua	13,860	0.4399	6,097
12	CBN CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Tevita T. Halaivalu at 'Ohomua 'Eua	13,860	0.4399	6,097
13	CBN CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Sione Afu Leha 'uli at Hoi	13,860	0.4399	6,097
14	KALU CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Sione Afu Leha 'uli at Hoi	17,325	0.4399	7,621
15	KALU CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Sione Afu Leha 'uli at Hoi	17,325	0.4399	7,621
16	TOPIESE UIKELOTU AHIA		Tropical Cyclone Harold Housing Reconstruction Project – Filianga Takai (Elemi Fukofuka) at 'Ohomua 'Eua	17,325	0.4399	7,621
17	CBN CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Sione Afu Leha 'uli at Hoi	13,860	0.4399	6,097
18	KALU CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Tevita T. Halaivalu at Hoi	14,245	0.4399	6,266
19	KALU CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Sione Afu Leha 'uli at Hoi	14,245	0.4399	6,266
20	TOPIESE UIKELOTU AHIA		Tropical Cyclone Harold Housing Reconstruction Project – Filianga Takai (Elemi Fukofuka) at 'Ohomua 'Eua	14,245	0.4399	6,266
21	TOPIESE UIKELOTU AHIA		Tropical Cyclone Harold Housing Reconstruction Project – Sione Afu Leha 'uli at Hoi	17,325	0.4399	7,621
22	KALU CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Sione Afu Leha 'uli at Hoi	14,245	0.4399	6,266
23	KALU CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Sione Afu Leha 'uli at Hoi	13,860	0.4399	6,097
24	KALU CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Viliami M. Leha at Houma, 'Eua	13,860	0.4399	6,097
25	KALU CONTRACTOR		Tropical Cyclone Harold Housing Reconstruction Project – Viliami M. Leha at Houma, 'Eua	13,860	0.4399	6,097
26	SAMISONI BUILDING CONTRACTORS		Tropical Cyclone Harold Housing Reconstruction Project – Viliami M. Leha at Houma, 'Eua	17,325	0.4399	7,621
27	SAMISONI BUILDING CONTRACTORS		Tropical Cyclone Harold Housing Reconstruction Project – Talite Fo'ou Palu at Havelu	13,860	0.4399	6,097
28	L.T. CONSTRUCTION		Tropical Cyclone Harold Housing Reconstruction Project – Talite Fo'ou Palu at Havelu	13,860	0.4399	6,097
29	L.T. CONSTRUCTION		Tropical Cyclone Harold Housing Reconstruction Project – Tevita P. Tauchangi at Pea	13,860	0.4399	6,097
30	L.T. CONSTRUCTION		Tropical Cyclone Harold Housing Reconstruction Project – Tevita P. Tauchangi at Pea	13,860	0.4399	6,097
31	SAMISONI BUILDING CONTRACTORS		Tropical Cyclone Harold Housing Reconstruction Project – Tevita P. Tauchangi at Pea	13,860	0.4399	6,097
32	TEVITA OTANI TU'IPULOTU		Tropical Cyclone Harold Housing Reconstruction Project – Talite Fo'ou Palu at Havelu	13,860	0.4399	6,097
			Tropical Cyclone Harold Housing Reconstruction Project – Viliami K. Mo'unga'valu at Matalikufisi	2,274	0.4399	1,000
	TOTAL			454,649		200,000

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Transaction	D Account	in Transaction	R Min	Prgm	Su Account	Locn	F Base	Amount	De Description	Project	(Name	Journal Nu
15/07/2020	2021/001	PO -001077	08203711	2000	0520	17,325.00	D	claim no.4	824	Tropical Cyclone	Harold	1466
24/07/2020	2021/001	PO -002819	08203711	2000	0520	14,245.00	D	Claim No.05	824	Tropical Cyclone	Harold	4229
05/08/2020	2021/002	PO -004985	08203711	2000	0520	13,860.00	D	Claim No.01	824	Tropical Cyclone	Harold	8728
05/08/2020	2021/002	PO -004988	08203711	2000	0520	13,860.00	D	Claim No.01	824	Tropical Cyclone	Harold	8730
06/08/2020	2021/002	PO -005150	08203711	2000	0520	13,860.00	D	Claim No.02	824	Tropical Cyclone	Harold	9162
10/08/2020	2021/002	PO -005574	08203711	2000	0520	13,860.00	D	Claim No.01	824	Tropical Cyclone	Harold	10082
12/08/2020	2021/002	PO -006175	08203711	2000	0520	13,860.00	D	Claim No.01	824	Tropical Cyclone	Harold	11335
14/08/2020	2021/002	PO -006659	08203711	2000	0520	13,860.00	D	Claim No.02	824	Tropical Cyclone	Harold	12405
20/08/2020	2021/002	PO -007464	08203711	2000	0520	13,860.00	D	claim no.02	824	Tropical Cyclone	Harold	14815
20/08/2020	2021/002	PO -007640	08203711	2000	0520	13,860.00	D	claim no.03	824	Tropical Cyclone	Harold	15132
20/08/2020	2021/002	PO -007654	08203711	2000	0520	13,860.00	D	claim no.03	824	Tropical Cyclone	Harold	15154
26/08/2020	2021/002	PO -008488	08203711	2000	0520	13,860.00	D	Claim No.3	824	Tropical Cyclone	Harold	17115
26/08/2020	2021/002	PO -008488	08203711	2000	0520	17,325.00	D	Claim No.4	824	Tropical Cyclone	Harold	17115
28/08/2020	2021/002	PO -009011	08203711	2000	0520	17,325.00	D	Claim No.04	824	Tropical Cyclone	Harold	18192
28/08/2020	2021/002	PO -009029	08203711	2000	0520	17,325.00	D	Claim No.04	824	Tropical Cyclone	Harold	18201
02/09/2020	2021/003	PO -009719	08203711	2000	0520	13,860.00	D	claim no.03	824	Tropical Cyclone	Harold	20217
09/09/2020	2021/003	PO -011179	08203711	2000	0520	14,245.00	D	claim no.05	824	Tropical Cyclone	Harold	23454
10/09/2020	2021/003	PO -011415	08203711	2000	0520	14,245.00	D	claim no.05	824	Tropical Cyclone	Harold	24202
10/09/2020	2021/003	PO -011418	08203711	2000	0520	14,245.00	D	claim no.05	824	Tropical Cyclone	Harold	24209
15/09/2020	2021/003	PO -011937	08203711	2000	0520	17,325.00	D	Claim No.04	824	Tropical Cyclone	Harold	25622
16/09/2020	2021/003	PO -012224	08203711	2000	0520	14,245.00	D	Claim No.05	824	Tropical Cyclone	Harold	26278
18/09/2020	2021/003	PO -012602	08203711	2000	0520	13,860.00	D	Claim No.01	824	Tropical Cyclone	Harold	27780
18/09/2020	2021/003	PO -012602	08203711	2000	0520	13,860.00	D	Claim No.02	824	Tropical Cyclone	Harold	27780
25/09/2020	2021/003	PO -013925	08203711	2000	0520	13,860.00	D	Claim No.03	824	Tropical Cyclone	Harold	31014
29/09/2020	2021/003	PO -014547	08203711	2000	0520	17,325.00	D	Claim No.04	824	Tropical Cyclone	Harold	32717
08/10/2020	2021/004	PO -016437	08203711	2000	0520	13,860.00	D	Claim No.01	824	Tropical Cyclone	Harold	36950
08/10/2020	2021/004	PO -016437	08203711	2000	0520	13,860.00	D	Claim No.02	824	Tropical Cyclone	Harold	36950
09/10/2020	2021/004	PO -016790	08203711	2000	0520	13,860.00	D	claim no. 01	824	Tropical Cyclone	Harold	37753
13/10/2020	2021/004	PO -017285	08203711	2000	0520	13,860.00	D	Claim No.02	824	Tropical Cyclone	Harold	39102
13/10/2020	2021/004	PO -017392	08203711	2000	0520	13,860.00	D	claim no.03	824	Tropical Cyclone	Harold	39256
15/10/2020	2021/004	PO -017926	08203711	2000	0520	13,860.00	D	Claim No.03	824	Tropical Cyclone	Harold	40407
15/10/2020	2021/004	PO -018057	08203711	2000	0520	2,273.78	D	Claim No.01	824	Tropical Cyclone	Harold	40664
Totals							454,648.78					

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AUDITOR GENERAL'S REPORT

To the Chief Executive Officer for Ministry of Finance

Tropical Cyclone Harold Emergency Response Project

We have audited the accompanying special purpose financial statements of the Tropical Cyclone Harold Emergency Response Project for the financial period ended 11th November, 2020 which comprise of the statement of cash receipts and payments, and notes to the financial statements and other explanatory information.

Management Responsible for the Financial Statements

The Ministry of Finance is responsible for the preparation and presentation of the special purpose financial statements of Tropical Cyclone Harold Emergency Response Project in accordance with the generally accepted government accounting principles as provided in the ADB Grant Agreement No.0698-TON as signed on the 12th May 2020. 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 special purpose financial statements described above, the Ministry of Finance is also responsible for ensuring that activities, financial transactions, and information reflected in the financial statements are in compliance with Grant agreement 0698-TON.

Auditor General's Responsibility

Our responsibility is to express an opinion on the special purpose financial statements based on our audit. We conducted the audit in accordance with International Standards of Supreme Audit Institutions, ISSAI 4200, "Compliance Audit Related to the Audit of financial Statements". ISSAIs 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.

Furthermore, our responsibility includes expressing an opinion on whether the activities, financial transactions and information reflected in the special purpose financial statements are, in all material respects, in compliance with Grant agreement. This responsibility includes performing procedures to obtain audit evidence about whether the project expenditures have been applied to the purposes intended by the grant 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 opinion.


Unqualified Opinion


In our opinion, the accompanying special purpose financial statements on pages 5 to 10.

- i. present fairly, in all material respects, the receipts and payments of the Tropical Cyclone Harold Emergency Responses Project for the period ended 11th November 2021 in accordance with the Public Finance Management Act 2002 and in accordance with International Public Sector Accounting Standards (*IPSASs*), Financial Reporting under the Cash Basis of Accounting.
- ii. is in accordance with the requirements under the ADB, Grant No.0698-TON dated 12th, May 2020.

Opinion on Compliance

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


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Sefita Tangi FCPA (Aust.)
AUDITOR GENERAL



Date: 11th October, 2021