

OFFICE OF THE AUDITOR GENERAL

Promoting Public Sector Accountability and Sustainability through our Audits



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File: 120

14 October 2021

Shiri Gounder
Acting Permanent Secretary
Ministry of Economy
Ro Lalabalavu House
SUVA

Dear Mr. Gounder

MINISTRY OF ECONOMY
AGENCY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

The financial statements audit of the Ministry of Economy for the year ended 31 July 2019 has been completed.

The audited financial statements together with the management representation letter are forwarded for signing. Please return the signed accounts and the management representation letter at your earliest to facilitate the issue of the independent audit report on them.

Should you require any clarifications, please do not hesitate to contact us.

Yours sincerely

Finau Nagera
for **AUDITOR-GENERAL**

Encl.

MINISTRY OF ECONOMY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

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**MINISTRY OF ECONOMY
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019**

INTRODUCTION

The Permanent Secretary of each agency is responsible for the preparation of annual reports and financial statements of their agency under Section 28 (i) of the Financial Management Act 2004. Further, the Minister is responsible for a Budget Sector Agency tables in Parliament their respective agency annual report of each year as stipulated under Section 49 of the Financial Management Act 2004.

The Agency Financial Statements of Ministry of Economy for the year ended 31 July 2019 comprises the following Heads of Appropriation:

- (i) Head 4 - Ministry of Economy and Fiji Bureau of Statistic;
- (ii) Head 50 - Miscellaneous Services;
- (iii) Head 51 - Pensions, Gratuities and Compassionate Allowances;
- (iv) Head 52 - Charges on Account of Public Debt; and
- (v) Head 13 - Fiji Independent Commission Against Corruption.

**MINISTRY OF ECONOMY
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2019**

We certify that these agency financial statements:

- (a) fairly reflect the financial operations and performance of the Ministry of Economy and the respective Heads of Appropriation administered by the Permanent Secretary for Ministry of Economy for the financial year ended 31 July 2019 and its financial position for the year as at 31 July 2019; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004 and Finance Instructions 2010.



Shiri Krishna Gounder
Acting Permanent Secretary



Nemio Dawei
Acting Head of Treasury

SIGN I

Date: 25/10/2021.

**MINISTRY OF ECONOMY
STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2019**

HEAD 4	Notes	31 July 2019 (\$)	31 July 2018 (Restated) (\$)
RECEIPTS			
State Revenue			
Operating Revenue	4 i)	2,975,711,751	3,009,325,970
Investing Revenue	5	130,858,176	164,950,829
Net Borrowing Revenue	6	746,264,979	692,436,467
Total State Revenue		3,852,834,906	3,866,713,266
Agency Revenue:			
Board Member Fee		118,231	196,699
Miscellaneous Revenue		13,015,361	6,315,106
Sales of Publications		666	735
Total Agency Revenue		13,134,258	6,512,540
TOTAL REVENUE		3,865,969,164	3,873,225,806
EXPENDITURE			
Operating Expenditure			
Established Staff	7	11,949,400	11,169,702
Government Wage Earners	8	578,270	689,684
Travel & Communications	9	1,142,258	939,826
Maintenance and Operations	10	1,265,727	1,328,859
Purchase of Goods & Services		1,745,067	1,772,110
Operating Grants & Transfers		54,358,640	54,246,153
Special Expenditures	11	2,298,768	13,561,068
Total Operating Expenditure		73,338,130	83,707,402
Capital Expenditure			
Capital Grants & Transfers	12	-	8,812,500
Total Capital Expenditure		-	8,812,500
Value Added Tax		416,897	441,869
TOTAL EXPENDITURE		73,755,027	92,961,771

MINISTRY OF ECONOMY
STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2019

HEAD 50

Miscellaneous Services is administered by the Ministry of Economy. The funding provided under Head 50 includes the contingency funding and other common central pools of funds that are available to the whole of Government. It also includes funding for activities that require scrutiny and monitoring by the Ministry of Economy.

	Notes	31 July 2019 (\$)	31 July 2018 (\$)
EXPENDITURE			
Operating Expenditure			
Established Staff	13	-	43,712,492
Travel & Communications	14	2,744,969	3,557,810
Purchase of Goods & Services	15	38,386,303	29,846,654
Operating Grants & Transfers	16	2,319,426	18,064,475
Special Expenditures	17	27,067,620	12,352,746
Total Operating Expenditure		70,518,318	107,534,177
Capital Expenditure			
Capital Construction	18	6,723,139	10,063,855
Capital Purchases	19	25,326,720	28,220,981
Capital Grants and Transfers	20	200,589,546	383,451,355
Total Capital Expenditure		232,639,405	421,736,191
Value Added Tax		7,237,375	6,627,773
TOTAL EXPENDITURE		310,395,098	535,898,141

MINISTRY OF ECONOMY
STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2019

HEAD 51

The Pensions Section manages the computation and payment of various pensions in accordance with existing pension legislation. The Section also processes re-engagement benefits for prison, military officers and forests guards. The section oversees the payment of pensions to Government Pensioners, Ex-Parliamentarians, Ex-Prime Ministers and Presidents, Ex-Chief Justices and Retired Judges, Service Pensioners and the widows and orphans of deceased public officers.

	Notes	31 July 2019 (\$)	31 July 2018 (\$)
EXPENDITURE			
Operating Expenditure			
Pensions		33,895,442	36,337,679
Gratuities		752,000	619,009
Total Operating Expenditure		34,647,442	36,956,688
TOTAL EXPENDITURE		34,647,442	36,956,688

MINISTRY OF ECONOMY
STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2019

HEAD 52

Appropriation Head 52 - Charges on Account of Public Debt was allocated for the repayment for domestic and overseas loans.

	Notes	31 July 2019 (\$)	31 July 2018 (\$)
EXPENDITURE			
Operating Expenditure			
Finance Charges on Public Debt -Mis Payment		3,903,139	1,935,831
Financial Charges on Public Debt- Overseas Loan	21 (i)	109,191,082	91,804,309
Financial Charges on Public Debt- Domestic Loan	21 (ii)	504,269,080	404,926,636
Total Operating Expenditure		617,363,301	498,666,776
TOTAL EXPENDITURE		617,363,301	498,666,776

**FIJI INDEPENDENT COMMISSION AGAINST CORRUPTION
STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2019**

HEAD 13 (iii)

Operating grant paid from Head 13 budget to FICAC for its operations.

	Notes	31 July 2019 (\$)	31 July 2018 (\$)
EXPENDITURE			
Operating Expenditure			
	22	7,815,296	8,480,987
Total Operating Expenditure		7,815,296	8,480,987
TOTAL EXPENDITURE		7,815,296	8,480,987

**MINISTRY OF ECONOMY
APPROPRIATION STATEMENT FOR HEAD 4
FOR THE YEAR ENDED 31 JULY 2019**

Item	Budget Estimate (\$)	Appropriation Changes (\$)	Revised Budget (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
Operating Expenditure					
Established Staff	18,637,119	22,500	18,659,619	11,949,400	6,710,219
Government Wage Earners	617,647	117,462	735,109	578,270	156,839
Travel & Communications	1,760,039	25,000	1,785,039	1,142,258	642,781
Maintenance & Operations	1,949,500	(28,962)	1,920,538	1,265,727	654,811
Purchase of Goods & Services	2,513,506	(138,000)	2,375,506	1,745,067	630,439
Operating Grants & Transfers	80,472,722	-	80,472,722	54,358,640	26,114,082
Special Expenditures	3,611,617	2,000	3,613,617	2,298,768	1,314,849
Total Operating Expenditures	109,562,150	-	109,562,150	73,338,130	36,224,020
Capital Expenditure					
Capital Grants & Transfers	10,000,000	-	10,000,000	-	10,000,000
Total Capital Expenditures	10,000,000	-	10,000,000	-	10,000,000
Value Added Tax	885,100	-	885,100	416,897	468,203
TOTAL EXPENDITURES	120,447,250	-	120,447,250	73,755,027	46,692,223

Note 23 (i) refers to appropriation changes made.

Savings against budget was recorded as a result of the following:

- (i) Vacant position which resulted in the low utilisation of funds for SEG 1 and SEG 2
- (ii) Operating and Capital funds were released to FRCS only based on the funding needs of FRCS; and
- (iii) Savings in Special Expenditures are mainly due to the delay in National Asset Management Framework development and savings in Population Census and Households Income & Expenditure survey.

MINISTRY OF ECONOMY
APPROPRIATION STATEMENT FOR HEAD 50
FOR THE YEAR ENDED 31 JULY 2019

Item	Budget Estimate	Appropriation Changes	Revised Budget	Actual Expenditure	Lapsed Appropriation
	(\$)	(\$)	(\$)	(\$)	(\$)
Operating Expenditure					
Established Staff	10,000,000	-	10,000,000	-	10,000,000
Travel & Communications	5,438,300	-	5,438,300	2,744,969	2,693,331
Purchase of Goods & Services	47,649,038	(3,352,838)	44,296,200	38,386,303	5,909,897
Operating Grants & Transfers	2,845,231	130,000	2,975,231	2,319,426	655,805
Special Expenditures	32,508,480	5,768,026	38,276,506	27,067,620	11,208,886
Total Operating Expenditures	98,441,049	2,545,188	100,986,237	70,518,318	30,467,919
Capital Expenditure					
Capital Construction	22,480,970	(1,167,355)	21,313,615	6,723,139	14,590,476
Capital Purchases	33,500,000	(1,594,365)	31,905,635	25,326,720	6,578,915
Capital Grants and Transfers	400,813,498	(28,108,741)	372,704,757	200,589,546	172,115,211
Total Capital Expenditures	456,794,468	(30,870,461)	425,924,007	232,639,405	193,284,602
Value Added Tax	12,628,500	(617,368)	12,011,132	7,237,375	4,773,757
TOTAL EXPENDITURES	567,864,017	(28,942,641)	538,921,376	310,395,098	228,526,278

Note 23(ii) and Note 24 refers to the appropriation changes made.

Savings against budget was recorded as a result of the following:

- (i) Funds were released to recipient agencies only based on the funding needs of each agency , progress of project implementation and finalisation of procurement
- (ii) Special Expenditures, namely:
 Delay in the implementation of projects such as Public Private Partnership(PPP) for housing and Public Private Partnership(PPP) for health resulted in a savings of \$1.25m;and
 Deferral of Support Measures for EDF11(EU) and Crop Insurance Development resulted in savings of \$1.61m.
- (iii) Savings in VAT is as a result of a decrease in expenses incurred during the year as noted above.

MINISTRY OF ECONOMY
APPROPRIATION STATEMENT FOR HEAD 51
FOR THE YEAR ENDED 31 JULY 2019

Item	Budget Estimate (\$)	Appropriation Changes (\$)	Revised Budget (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
Expenditure					
Pensions	45,315,100	(8,676)	45,306,424	33,895,442	11,410,982
Gratuities	906,000	8,676	914,676	752,000	162,676
Total Expenditure	46,221,100	-	46,221,100	34,647,442	11,573,658

Note 23 (iii) refers to the appropriation changes made.

Savings against budget was recorded as a result of the following:

- (i) Passing away of pensioners.
- (ii) Pensions payment were temporarily ceased due to the non-submission of "life certificate". Life certificate is a form of proof completed by the pensioners on a six monthly basis to ascertain that pensioners are alive and are eligible for the pensions as per the Pensions Act accordingly; and
- (iii) Gratuities was paid to contracted officers upon completion of a years of service.

**MINISTRY OF ECONOMY
APPROPRIATION STATEMENT FOR HEAD 52
FOR THE YEAR ENDED 31 JULY 2019**

Item	Budget Estimate (\$)	Appropriation Changes (\$)	Revised Budget (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
Finance Charges on Public Debt					
Miscellaneous Payment	9,200,000	-	9,200,000	3,903,139	5,296,861
Overseas Loans	123,372,400	-	123,372,400	109,191,082	14,181,318
Domestic Loans	503,178,900	-	503,178,900	504,269,080	(1,090,180)
TOTAL OPERATING EXPENDITURE	635,751,300	-	635,751,300	617,363,301	18,387,999

Savings against budget are attributed to the following:

- (i) Provision of \$3m that had been allocated for any 'call on Government' for guaranteed loans. At the close of the financial year, there was no 'call on Government guaranteed loans. Short term borrowings were managed well and resulted in savings on interest on short term financing by \$1.25m, similarly savings of \$0.9m recorded for agency management fees.
- (ii) Lower than anticipated depreciation of the Fijian dollar against currencies in which overseas loans are denominated; namely the Euro, Chinese yuan, Japanese yen and the United States dollar; and
- (iii) The \$1,090,180 variance above is the result of this comparison of budgeted accrual estimates against actual cash transactions. The budget of domestic debt servicing takes into account the accrual nature of bond issuances with the amortization of discount and premium on bonds as well as the recognition of accrued interest received from bondholders. As a result of bond re-openings, accrued interest that is received from bondholders in the first coupon payment. This lowers the domestic budget servicing anticipated for the fiscal year. The actual expenditure reflected for domestic debt servicing for the MOE AFS takes into account cash transaction only which are interest and principal payments.

MINISTRY OF ECONOMY
APPROPRIATION STATEMENT FOR HEAD 13 (iii)
FOR THE YEAR ENDED 31 JULY 2019

Item	Budget Estimate (\$)	Appropriation Changes (\$)	Revised Budget (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
Operating Expenditure					
Operating Grants & Transfers	8,480,987	-	8,480,987	7,815,296	665,691
Total Expenditure	8,480,987	-	8,480,987	7,815,296	665,691

MINISTRY OF ECONOMY
TRADING & MANUFACTURING ACCOUNT
FIJI PROCUREMENT OFFICE
FOR THE YEAR ENDED 31 JULY 2019

TRADING ACCOUNT	31 July 2019 (\$)	31 July 2018 (\$)
Sales	964,406	1,119,372
Less : Cost of Finished Goods Sold	<u>(19,757)</u>	<u>(11,137)</u>
Gross Profit Transferred to Profit and Loss Statement	<u>944,649</u>	<u>1,108,235</u>

MINISTRY OF ECONOMY
TRADING & MANUFACTURING ACCOUNT
FIJI PROCUREMENT OFFICE
FOR THE YEAR ENDED 31 JULY 2019

PROFIT AND LOSS STATEMENT	31 July 2019 (\$)	31 July 2018 (\$)
Income		
Gross Profit transferred from Trading Account	944,649	1,108,235
	944,649	1,108,235
Expenses		
Office Upkeep & Supplies	36,222	59,147
Other Expenses	-	-
Total Expenses	36,222	59,147
Net Profit	908,427	1,049,088

MINISTRY OF ECONOMY
TRADING & MANUFACTURING ACCOUNT
FIJI PROCUREMENT OFFICE
FOR THE YEAR ENDED 31 JULY 2019

BALANCE SHEET	31 July 2019 (\$)	31 July 2018 (\$)
Current Assets		
Cash at Bank	1,500,448	1,412,058
Inventory	156,992	176,749
Total Current Assets	1,657,440	1,588,807
TOTAL ASSETS	1,657,440	1,588,807
Liabilities		
Deposits & Deductions	34,241	39,661
TOTAL LIABILITIES	34,241	39,661
NET ASSETS	1,623,199	1,549,146
Equity		
TMA Surplus Transferred to Consolidated Fund	(7,392,615)	(6,558,242)
TMA Accumulated Surplus	8,107,387	7,058,300
Net Profit	908,427	1,049,088
TOTAL EQUITY	1,623,199	1,549,146

**MINISTRY OF ECONOMY
TRADING & MANUFACTURING ACCOUNT
OFFICE ACCOMODATION
FOR THE YEAR ENDED 31 JULY 2019**

PROFIT AND LOSS STATEMENT	31 July 2019 (\$)	31 July 2018 (\$)
Income		
Rental from Quarters	<u>5,549,382</u>	<u>4,082,550</u>
	5,549,382	4,082,550
Expenses		
Other Expenses	<u>1,712,504</u>	<u>599,023</u>
Total Expenses	1,712,504	599,023
Net Profit	<u>3,836,878</u>	<u>3,483,527</u>

MINISTRY OF ECONOMY
TRADING & MANUFACTURING ACCOUNT
OFFICE ACCOMODATION
FOR THE YEAR ENDED 31 JULY 2019

BALANCE SHEET	31 July 2019 (\$)	31 July 2018 (\$)
Current assets		
Cash at bank	2,947,594	4,164,518
Accounts Receivable	1,408,569	-
Total current assets	4,356,163	4,164,518
TOTAL ASSETS	4,356,163	4,164,518
Liabilities		
Accounts payable	300	210
Retention	184,604	23,341
Deposits & deductions	204,921	133,030
VAT liability	(143,673)	-
TOTAL LIABILITIES	246,152	156,581
NET ASSETS	4,110,011	4,007,937
Equity		
TMA surplus capital transferred to Consolidated	(10,345,064)	(6,680,546)
TMA accumulated surplus	10,618,197	7,204,956
Net profit	3,836,878	3,483,527
TOTAL EQUITY	4,110,011	4,007,937

**MINISTRY OF ECONOMY
STATEMENT OF LOSSES
FOR THE YEAR ENDED 31 JULY 2019**

Loss of Money

Loss of money did not occur for the financial year ended 31 July 2019.

Loss of Revenue

Loss of revenue did not occur for the financial year ended 31 July 2019.

Loss of Assets

Items worth \$448,425 (historical cost) was disposed following the Board of Survey of the Ministry of Economy, Fiji Procurement Office, Loans Recovery Unit of the Public Service Commission and the Fiji Bureau of Statistics in accordance with section 57 of the Finance Instructions 2010.

Asset	Amount \$
Building Material	42,950
Furniture, Fixtures & Fittings	124,639
Motor Vehicle	149,500
Office Equipment	128,636
Other Equipment's	2,700
Total	448,425

**MINISTRY OF ECONOMY
MAIN TRUST ACCOUNT STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 JULY 2019**

Trust Fund Accounts

Trust money is to be accounted for separately from public money and other money. Trust money is to be kept in a separate bank account pending its withdrawal for use. The Ministry of Economy operates and maintains nine main trust fund bank accounts. These accounts includes the following:

COP 23 Trust Fund Account

The COP 23 Presidency Trust Fund account was established for the funding of the Republic of Fiji ('government') in their role as President of Conference of Parties 23 and to assist the government to finance programmes, projects and activities that relate to the Paris Agreement and for related matters.

COP 23 Trust Fund Account - Statement of Receipts and Payments

	31 July 2019 (\$)	31 July 2018 (\$)
Opening available funding	13,587,943	11,837,450
Receipts		
Donations	1,783,113	18,820,551
Refunds	37,164	151,926
Interest	136,139	252,187
Total Receipts	1,956,416	19,224,664
Payments		
External Professional Services	6,115,615	11,818,318
Conference Cost	2,084,938	2,355,651
Cultural intervention	6,002	89,214
Travel Related Costs	251,888	1,337,620
Staff Related Costs	171,658	409,112
Other Outreach	59,863	188,527
Pavilion	1,728,604	1,275,431
Bank charges	221	298
Audit fees	26,836	-
FSEPP-Solar Projects	18,805	-
Total Payments	10,464,430	17,474,171
Available funding	5,079,929	13,587,943

MINISTRY OF ECONOMY
MAIN TRUST ACCOUNT STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 JULY 2019

Performance Bond Trust Fund Account

The Fiji Government puts in place Performance Bonds on certain contracts above \$50,000 as a means of security for the due and faithful performance of the contract. This is not applicable for one-off purchase. These are performance bonds for tenders awarded by Fiji Procurement Office, payments are made out according to the tender contracts.

Performance Bond Trust Fund Account - Statement of Receipts and Payments

	31 July 2019 (\$)	31 July 2018 (\$)
Opening available funding	5,548,158	5,206,602
Receipts		
Tender Deposit	854,238	598,247
Performance Bond	938,965	1,418,617
Interest	6,219	5,696
Refund	20,900	447,208
Training	-	1,669
Total Receipts	1,820,322	2,471,437
Payments		
Tender & Performance Bond Refunds	886,970	2,129,508
Bank charges	595	373
Total Payments	887,565	2,129,881
Available funding	6,480,915	5,548,158

TC Winston Trust Fund Account

TC Winston trust fund was established for the donations received for the Cyclone Winston from various donors. Donors either directly deposit into the bank accounts, or cheques are received and receipted at the Treasury section in Ministry of Economy.

TC Winston Trust Fund Account- Statement of Receipts and Payments

	31 July 2019 (\$)	31 July 2018 (\$)
Opening available funding	3,619,531	3,610,911
Receipts		
Donations	155	4,438
Interest	4,683	4,864
Total Receipts	4,838	9,302
Payments		
Bank charges	468	682
Total Payments	468	682
Available funding	3,623,901	3,619,531

MINISTRY OF ECONOMY
MAIN TRUST ACCOUNT STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 JULY 2019

Government Tuna Stabilization Trust Fund Account

This trust fund was established to facilitate the Tuna Stabilisation Fund (TSF) Policy. The underlying purpose of the TSF policy is to assist locally owned fishing companies by providing funding assistance to fishing companies that are locally owed and also controlled. The fund was created to assist these companies to raise their financial capacity to compete with foreign fishing companies that receive large subsidies from foreign Governments.

Government Tuna Stabilization Trust Fund Account- Statement of Receipts and Payments

	31 July 2019 (\$)	31 July 2018 (\$)
Opening available funding	352,647	3,615,210
Receipts		
Interest	3,541	3,283,403
Total Receipts	3,541	3,283,403
Payments		
Fishing Assistance	-	-
Bank charges	414	6,545,966
Total Payments	414	6,545,966
Available funding	355,774	352,647

ODA Performance and Tenancy Bond Trust Fund Account

This trust fund account was established to record tenancy bonds that are paid by tenants for occupation of quarters on rent.

ODA Performance and Tenancy Bond Trust Fund Account- Statement of Receipts and Payments

	31 July 2019 (\$)	31 July 2018 (\$)
Opening available funding	164,907	169,095
Receipts		
Donations	-	3,220
Interest	-	2,408
Total Receipts	-	5,628
Payments		
Tender Refunds		9,500
Bank charges	-	316
Total Payments	-	9,816
Available funding	164,907	164,907

**MINISTRY OF ECONOMY
MAIN TRUST ACCOUNT STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 JULY 2019**

Adopt a School Trust Fund Account

This trust fund account was established specifically to record funds received from donors who are willing to carry out the rehabilitation of schools.

Adopt a School Trust Fund Account- Statement of Receipts and Payments

	31 July 2019 (\$)	31 July 2018 (\$)
Opening available funding	9,785,419	5,293,958
Receipts		
Donation	-	4,997,637
Retention	47,500	100,224
Refunds	-	818,596
Interest	-	64,108
Total Receipts	47,500	5,980,565
Payments		
Contractor Payments	464,980	1,243,361
Transfer	4,693,879	245,712
Bank charges	-	31
Total Payments	5,158,859	1,489,104
Available funding	4,674,060	9,785,419

Group Insurance Trust Fund Account

This trust fund account receives insurance payment and after assessment payout is made to the nominees of the insurance policy holders upon their death.

Group Insurance Trust Fund Account- Statement of Receipts and Payments

	31 July 2019 (\$)	31 July 2018 (\$)
Opening available funding	89,273	101,404
Receipts		
Insurance Proceeds	64,672	255,000
Total Receipts	64,672	255,000
Payments		
Insurance Payments	64,671	267,000
Bank charges	63	131
Total Payments	64,734	267,131
Available funding	89,211	89,273

MINISTRY OF ECONOMY
MAIN TRUST ACCOUNT STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 JULY 2019

Miscellaneous Fund v Others Trust Fund Account

This trust fund account was set up following cabinet decision "Effective management of trust monies-FIN 60/16 CP (09)72 of 16/06/2009. The Cabinet approved that the surplus funds sitting in Agency trust bank accounts be transferred into the consolidated trust fund account. The consolidated trust fund account will be used for investments and to fund Government's expenditures during tight cash flow situation."

Miscellaneous Fund v Others Trust Fund Account- Statement of Receipts and Payments

	31 July 2019 (\$)	31 July 2018 (\$)
Opening available funding	8,625,194	8,472,954
Receipts		
Interest	174,094	152,240
Total Receipts	174,094	152,240
Available funding	8,799,288	8,625,194

Accident Compensation Fund

This trust fund account was established for the payment of compensation for personal injury and death as a result of an accident in Fiji arising out of and in the course of employment and accidents occurring on any school premises.

Accident Compensation Trust Fund Account- Statement of Receipts and Payments

	31 July 2019 (\$)	31 July 2018 (\$)
Opening available funding	7,165,722	-
Receipts		
ACF Proceeds	11,469,995	7,823,540
Interest	105,397	16,594
Total Receipts	11,575,392	7,840,134
Payments		
ACF Payments	3,315,000	300,000
VAT payments	934,679	367,415
Bank Charges	10,630	6,997
Total Payments	4,260,309	674,412
Available funding	14,480,805	7,165,722

Note 1: Reporting Entity

The Ministry of Economy ("Ministry") is responsible for managing public finances in accordance with the Fijian Constitution and the Financial Management Act 2004.

The Ministry carries out economic and financial forecasting and analysis; manages Government's national budget, debt and financial and physical assets, oversees fiscal policy and tax collection; conducts financial management reforms; and ensures that Government can procure the goods and services required to maximize services delivered to the Fijian people.

The Ministry's Budget and Planning Division formulates the Government's national budget and coordinates with ministries and departments to ensure effective implementation. The Ministry through its functional units promotes sound economic management of the Fijian economy through analysis, efficient budgeting and proactive planning.

The Ministry's Treasury Division spearheads financial management reform within the public sector to improve overall efficiency and public service delivery. With the overall responsibility of leading a whole - of - government approach to procurement that efficiently meets the needs of agencies and manages risks, the Procurement Division will ensure that services are responsive to customers' needs and provide value-for-money outcomes for government.

Climate adaptation has been engrained into every level of Fiji's national development. Through the Climate Change and International Cooperation Division, the Fijian Government coordinates climate-informed development planning, including the coordination of climate finance, development aid and the monitoring and evaluation of Sustainable Development Goals.

The Construction Implementation Unit ensures effective management of capital construction projects and maintenance of government housing and quarters. The unit has been instrumental in the implementation and rehabilitation of schools and public buildings after severe weather events.

The Fiji Bureau of Statistics is responsible for statistics production, analysis and publication in a timely and coherent manner. The agency is entrusted to provide official statistics on a wide range of economic, social, population and environmental matters of importance to Fiji to better inform policy and decision making.

The Permanent Secretary for the Ministry was also responsible for the expenditures of Head 13 (iii) - Independent Commissions, Head 50 - Miscellaneous Services, Head 51 - Pensions, Gratuities and Compassionate Allowances and Head 52 - Charges on account of public debt.

As stipulated under Section 8A of the Finance (Amendment) Instructions 2017, the respective Permanent Secretaries are responsible for the utilization and accountability of the funds released via Head 50.

**MINISTRY OF ECONOMY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont....)
FOR THE YEAR ENDED 31 JULY 2019**

Note 2: Statement of Accounting Policies

(a) Basis of Accounting/Presentation

In accordance with Government accounting policies, the agency financial statements of the Ministry of Economy is prepared on cash basis of accounting. All payments related to purchases of fixed assets have been expensed.

The agency financial statements are presented in accordance with the Financial Management Act 2004 and the requirements of Section 71 of the Finance Instructions 2010. The preparation and presentation of a statement of Assets and Liabilities is not required under the current Government accounting policies.

(b) Consolidation of Accounts

The financial statements consolidate the appropriations of the Ministry of Economy, Fiji Bureau of Statistics, and the Fiji Procurement Office as stated in the year 2018 - 2019 Annual Appropriation Act.

In addition, the Trading and Manufacturing Activities ('TMA') for the Fiji Procurement Office and the Office Accommodation form part of this financial statements.

(c) Revenue Recognition

Revenue is recognized when it is received by the Ministry. The major sources of income are Income Tax, Customs Import Duties, Value Added Tax, Land Transport Authority Fees, Departure Tax, Fiscal Duty, Dividend and the current remittance of water rates charges to the Ministry of Economy by the Water Authority of Fiji.

(d) Accounting for Value Added Tax (VAT)

All income for Budget Sector Agencies is net of Value Added Tax ('VAT'). The ministry remits VAT component of the income to FRCS.

The VAT on the financial statements are recorded at exclusive of VAT (receipts and expenditure). VAT on revenue is collected and remitted to FRCS while VAT for TMA is filed separately with FRCS in accordance with the VAT Act.

MINISTRY OF ECONOMY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont....)

FOR THE YEAR ENDED 31 JULY 2019

(e) Rounding

The financial balances are rounded to the nearest dollar and therefore may not sum (cast) due to the rounding.

Note 3: Comparison of Results

Where necessary, amounts relating to prior years have been reclassified/restated to facilitate comparison and achieve consistency in disclosure with current year amounts.

	31 July 2019 (\$)	31 July 2018 (\$)
Note 4: Revenue		
Note 4 (i): Operating Revenue		
Direct Taxes	754,429,587	825,724,215
Indirect Taxes	2,063,986,933	2,005,210,380
Fees, Charges, Fines and Penalties	101,403,506	108,700,973
Commission	5,631,921	4,971,703
Reimbursement and recoveries	8,283,204	15,257,525
Grant In Aid	41,976,600	49,461,174
Total	2,975,711,751	3,009,325,970

Note 5: Investing Revenue

Repayments - Term Loan Receivables	11,248,102	6,033,328
Dividends from Investments	106,649,184	149,766,928
Interest Income	1,443,054	1,790,833
Return of Investment Surplus	6,354,140	5,961,851
Gain/Loss - Investment Disposal	5,163,696	1,397,889
Total	130,858,176	164,950,829

MINISTRY OF ECONOMY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont....)

FOR THE YEAR ENDED 31 JULY 2019

	31 July 2019 (\$)	31 July 2018 (Restated) (\$)
Note 6: Borrowing Proceeds		
Receipts		
Domestic Bonds	633,934,570	535,613,591
Overseas Borrowing	3,216,274	68,223,377
Ways and Means	128,400,000	26,800,000
Treasury Bills	628,129,135	266,499,499
Total Receipts	1,393,679,979	897,136,467
Payments		
Ways and Means	128,400,000	26,800,000
Treasury Bills	519,015,000	177,900,000
Total payments	647,415,000	204,700,000
Net Borrowings	746,264,979	692,436,467

Net Borrowings figure for FY2018 have been restated to include receipts and payments for Treasury Bills and Ways and Means.

Overseas borrowing revenue totaled \$13,461,860 as at 31 July 2019 (2018:\$74,178,384). Out of the total drawdowns, \$10,245,586 (2018: \$5,114,591) are from direct payments and \$3,216,274 (2018: \$68,223,377) reimbursements receipted into the Government Central Account and replenishments of respective Designated Account.

The Ways and Means is a short term advance facility provided by the RBF for Government where advances are given to Government to meet temporarily shortfall. The ways and means facility is required to be nil at the end of the financial year.

	31 July 2019 (\$)	31 July 2018 (\$)
Note 7: Head 4 - Established Staff		
Personal Emoluments	10,376,669	9,894,078
Fiji National Provident Fund	1,102,485	1,032,938
Allowance	23,770	29,319
Overtime	446,476	213,367
Total	11,949,400	11,169,702

Note 8: Head 4 - Government Wage Earners

Wages	336,358	374,000
FNPF	46,820	50,579
Allowances	70,412	81,758
Overtime	112,241	179,831
Relieving Staff	12,439	3,516
Total	578,270	689,684

MINISTRY OF ECONOMY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont....)

FOR THE YEAR ENDED 31 JULY 2019

	31 July 2019 (\$)	31 July 2018 (\$)
Note 9: Head 4 - Travel and Communications		
Travel Domestic	514,353	299,313
Subsistence	425,988	387,458
Telecommunications	199,877	251,047
OPR Travel & Communication	2,040	-
Miscellaneous Travel and Communications	-	2,008
Total	1,142,258	939,826
Note 10: Head 4 - Maintenance and Operations		
Fuel & Oil	162,065	139,968
Office Upkeep & Supplies	478,093	555,547
Repair & Maintenance of Fixed Assets	248,363	224,968
Power Supplies	37,258	34,777
Water & Sewerage	339,948	373,599
Total	1,265,727	1,328,859
Note 11: Head 4 - Special Expenditures		
Project Staff	16,836	15,351
Capital Projects Database	396,518	-
Population Demography Household Survey	224,589	207,936
Population Census	58,412	13,306,160
Stocktake of Education Facilities	51,406	-
NFAR Project	-	1,751
Green Growth	1,184	253
Household Income and Expenditure Survey	1,505,966	-
Economic Intelligence Unit	-	11,230
Climate Change Policy	43,214	15,860
National Asset Management Framework	643	-
Climate Finance Training	-	2,527
Total	2,298,768	13,561,068
Note 12: Head 4 - Capital Grants & Transfers		
Fiji Revenue & Customs Services	-	8,812,500
Total	-	8,812,500

MINISTRY OF ECONOMY

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont....)

FOR THE YEAR ENDED 31 JULY 2019

	31 July 2019 (\$)	31 July 2018 (\$)
Note 13: Head 50 - Established Staff		
Salary Adjustment	-	43,712,492
Total	-	43,712,492
Note 14: Head 50 - Travel & Communications		
Passage & Leave Allowance	173,510	380,988
Travel Overseas	672,056	1,050,237
Overseas Recruitment & Passage	73,358	52,778
Housing Allowance	1,826,045	2,073,807
Total	2,744,969	3,557,810
Note 15: Head 50 - Purchase of Goods & Services		
Bankers Commission & Exchange	249,143	292,346
Public Service Broadcast	7,518,267	-
Rent for UN Agency	875,055	-
Expenses of Experts & Consultants	353,670	1,829,724
Litigation Fees	453,774	126,668
Rent for Office Space	28,936,394	27,597,916
Total	38,386,303	29,846,654
Note 16: Head 50 - Operating Grants & Transfers		
Public Service Broadcast (Radio)	-	6,677,400
South Pacific Stock Exchange	413,414	427,314
Public Service Broadcast (TV)	-	4,600,000
Tertiary Scholarship & Loans Board	-	2,317,266
Rural Postal Services	249,011	602,287
Banking Services in Rural Areas	525,184	433,341
World Bank Subscriptions	27,410	1,958,649
PFTAC Subscription	50,000	-
AIIB First Installment of Paid in Capital	1,054,407	1,048,218
Total	2,319,426	18,064,475

MINISTRY OF ECONOMY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont....)
FOR THE YEAR ENDED 31 JULY 2019

	31 July 2019 (\$)	31 July 2018 (\$)
Note 17: Head 50 - Special Expenditures		
National Gallery for Contemporary Art	307,258	352,941
Government Service Awareness	23,092	55,119
General Election Expenses	-	3,397,060
Fiji Police Force	-	58,890
52nd ADB Meeting	9,973,963	144,093
Civil Service Reform Management Unit	1,203,131	1,906,604
Credit Rating for Fiji - Standard & Poor	-	221,864
2020 World Exchange Congress	248,400	-
Insurance to Social Welfare	8,380,273	-
Municipalities Master Plan	795,721	-
Duty on Government Purchases	194,843	458,718
General Reserves (Operating & Capital)	5,295,599	4,746,907
Credit Rating for Fiji - Moody's Investor Services	347,924	85,720
Miscellaneous Refunds	297,416	924,830
Total	27,067,620	12,352,746

Note 18: Head 50 - Capital Construction

Construction of Prime Minister's Office	244,425	1,100,323
Construction of Official Executive Residences	3,567,893	5,802,030
Construction of Funeral Rites Facilities	-	843,291
Western Disab Centre	110,014	-
National Kidney Research	15,750	-
Office Refurbishment	2,785,057	2,318,211
Total	6,723,139	10,063,855

MINISTRY OF ECONOMY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont....)
FOR THE YEAR ENDED 31 JULY 2019

	31 July 2019 (\$)	31 July 2018 (\$)
Note 19: Head 50 - Capital Purchase		
Purchase of Office Equipment	82,640	298,566
Office Fittings	219,280	431,385
Purchase of Vehicles	538,168	3,862,532
Vehicle Lease	24,486,632	23,628,498
Total	25,326,720	28,220,981
Note 20: Head 50 - Capital Grants & Transfers		
Contingency Funds for Disaster Risk	27,129	107,664,378
Ongoing Rehab and Construction of Schools	52,792,475	105,655,922
Tertiary Education Loan Scheme	91,316,742	72,361,437
Tertiary Education Loan Scheme - Accommodation Support	9,682,727	36,777,093
National Toppers Scholarship Scheme	9,233,983	22,252,447
Marketing Support to Fiji Airways	-	7,784,091
iTaukei Land Development	816,611	4,517,201
Existing Scholarship Scheme	77,820	3,751,880
VAT Aid in Kind	3,279,628	2,689,375
Miscellaneous Grant in Aid	6,993,188	10,337,200
EFL Subsidy	4,000,000	1,674,191
FDB Subsidy Grant to Fijians	2,523,665	2,627,386
Rural Maritime Livelihood Training	1,658,776	1,563,471
Grant to Hilton Special School	850,300	850,300
Parenthood Scheme	14,100,685	-
Others	3,235,817	2,944,983
Total	200,589,546	383,451,355

MINISTRY OF ECONOMY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont....)
FOR THE YEAR ENDED 31 JULY 2019

	31 July 2019 (\$)	31 July 2018 (\$)
Note 21: Finance Charges on Public Debt		
21 (i) Overseas Loans		
Principal Repayments	54,774,911	44,811,307
Interest Payments	54,416,171	46,993,002
Total Financial Charges	109,191,082	91,804,309

Capitalized Interest and amortization of Global Bond for FY2019 was \$1,434,451 and \$888,134 respectively. Capitalized Interest, amortization of Global Bond and Front-end fees for FY2018 was \$943,109, \$850,649 and \$77,592 respectively.

21 (ii) Domestic Loans

Interest Payments	268,992,080	244,197,636
Principal Repayments	235,277,000	160,729,000
Total Financial Charges	504,269,080	404,926,636
Total	613,460,162	496,730,945

Amortisation of premium and discount for FY2019 and FY2018 was \$4,996 and \$5,162 respectively. Accrued interest amortised was \$2,897,349

Note 22: Fiji Independent Commission Against Corruption (FICAC)

Fiji Independent Commission Against Corruption (FICAC), statutory body is paid operating grant as per the National Budget. Statement of acquittals of the fund is submitted for the release of quarterly grants.

Note 23: Appropriation Changes - Virements

The virements were approved by the Permanent Secretary for Ministry of Economy in accordance with section 10 of the Finance Instructions 2010.

Note 23 (i) Head 4 - Ministry of Economy

Virement No.	Transfer From SEG	Transfer To SEG	Amount (\$)
V04001	SEG 4	SEG 4	15,704
V04002	SEG 1	SEG 1	150,000
		SEG 2	5,000
V04003	SEG 3	SEG 1	40,000
V04004	SEG 1	SEG 1	75,000
		SEG 2	4,500
V04005	SEG 1	SEG 1	15,000
		SEG 2	8,000
	SEG 2	SEG 2	5,000

MINISTRY OF ECONOMY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont....)
FOR THE YEAR ENDED 31 JULY 2019

Note 23: Appropriation Changes - Virements

Note 23 (i) Head 4 - Ministry of Economy

Virement No.	Transfer From SEG	Transfer To SEG	Amount (\$)
V04006	SEG 4	SEG 2	99,962
V04007	SEG 1	SEG 1	5,000
DV0401	SEG 5	SEG 5	12,875
DV0402	SEG 7	SEG 4	15,000
DV0403	SEG 7	SEG 3	10,000
DV0404	SEG 4	SEG 4	10,757
DV0405	SEG 5	SEG 7	52,000
DV0406	SEG 4	SEG 4	25,000
DV0407	SEG 5	SEG 4	20,000
DV0408	SEG 5	SEG 5	880
DV0409	SEG 5	SEG 3	30,000
DV0410	SEG 7	SEG 3	25,000
DV0411	SEG 5	SEG 4	36,000

Note 23 (ii) Head 50 - Miscellaneous Services

Virement No.	Transfer From SEG	Transfer To SEG	Amount (\$)
V50001	SEG 7	SEG 7	150,000
V50002	SEG 5	SEG 10	900,000
V50003	SEG 5	SEG 10	1,000,000
	SEG 9		1,000,000
V50004	SEG 5	SEG 7	2,455,000
V50005	SEG 10	SEG 13	495,413
		SEG 7	5,504,587
V50006	SEG 10	SEG 10	320,718
V50007	SEG 8	SEG 8	77,333
V50008	SEG 10	SEG 13	19,833
		SEG 8	220,372
V50009	SEG 8	SEG 10	528,000
		SEG 6	130,000
		SEG 7	1,000,000
		SEG 8	260,000
V50010	SEG 10	SEG 10	150,000
V50011	SEG 10	SEG 10	500
V50012	SEG 7	SEG 10	422,208
V50013	SEG 7	SEG 10	460,000
V50014	SEG 7	SEG 5	71,000
V50015	SEG 13	SEG 5	931,162

MINISTRY OF ECONOMY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont....)
FOR THE YEAR ENDED 31 JULY 2019

Note 23: Appropriation Changes - Virements

Note 23 (ii) Head 50 - Miscellaneous Services

Virement No.	Transfer From SEG	Transfer To SEG	Amount (\$)
V50016	SEG 5	SEG 5	50,000
V50017	SEG 9	SEG 8	270,273
V50018	SEG 9	SEG 10	324,092
V50019	SEG 10	SEG 10	9,073,000
V50020	SEG 10	SEG 10	49,000

Note 23 (iii): Head 51 - Pensions, Gratuities and Compassionate Allowances

Virement No.	Transfer From SEG	Transfer To SEG	Amount (\$)
V51001	SEG 11	SEG 11	1,000,000
V51002	SEG 11	SEG 11	8,676

Note 24: Appropriation Changes - Redeployment: Head 50

The following redeployments were made in accordance with section 22 of the Financial Management Act 2004.

Redeployment No.	Transfer From	Transfer To	Amount (\$)
REDY01	Head 50	Head 24	5,400,000
REDY01	Head 50	Head 35	6,003,460
REDY02	Head 50	Head 17	7,700,000
REDY02	Head 50	Head 9	2,439,805
REDY03	Head 51	Head 24	7,399,376

Reasons for savings

The Fiji Government had budgeted asset sales amounting to \$390 million dollars in financial year 2018-2019 which did not eventuate. Consequently, expenditure control was applied across Government to ensure all committed and mandatory expenditures were met.

Note 25: Scholarship Loan Recovery

For the fiscal period (August 2018 - July 2019), receipts from students repaying their scholarship loan with TELS and PSC amounted to \$4,852,763.

MINISTRY OF ECONOMY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Cont...)
FOR THE YEAR ENDED 31 JULY 2019

Note 28: Trading and Manufacturing Activity (TMA)

There were two TMA in the ambit of the Ministry in 2018-2019.

(i) Fiji Procurement Office - The Fiji Procurement Office (FPO) TMA was inherited from the former Government Supplies Department, which was initially set up as a retail arm for the Government. The TMA includes the sale of Fiji flags as the only semi-commercial making activity for the Ministry of Economy. The flags are sold at minimal profit.

(ii) Office Accommodation - The Office Accommodation TMA was inherited from the former Public Service Commission. The core responsibility was the provision of housing for eligible civil servants by virtue of its statutory function. In 2009 the division's function was extended to commercial rental to interested members of the public and as a result an arm of the unit was established in July 2011 known as the TMA. The TMA was solely responsible for semi-commercial nature that caters for commercially renting out of quarters.

The Accounts Receivable was recorded in the general ledger with effect from FY2018-2019, as such, no comparative balance noted in the face of the financial statement for FY2017-2018. However, the Accounts Receivable balance for FY2017-2018 was \$1,182,983.