



OFFICE of the AUDITOR GENERAL
Republic of Fiji

REPORT OF THE AUDITOR-GENERAL OF THE REPUBLIC OF FIJI

2019-2020 Audit Report on Municipal Councils



PARLIAMENT OF FIJI

PARLIAMENTARY PAPER NO. 105 OF 2021

EXECUTIVE SUMMARY

This report includes the audit results of six financial statements for five Municipal Councils audited as at 31 October 2021.



Quality and Timeliness of Financial Statements

The overall quality and timeliness of financial reporting has been assessed as unsatisfactory, which requires substantial improvements.

Internal Control Assessment

The results show the strength of controls in key elements for the councils. Our assessment indicated that risk assessment, control activities and monitoring activities were areas where majority of the significant deficiencies were identified. The Municipal Councils need to strengthen controls over cash and receipts management, journal voucher documentation & reconciliation, purchases & payments and payroll. *The full report can be found on www.oag.gov.fj.*

Common Audit Findings

Other areas that require immediate attention by the Special Administrators/Chief Executive Officers for the Municipal Councils for priority and prompt action for resolution include: significant delays in submission of draft financial statements for audit, non-compliance with the accounting standards, limitation of scope due to insufficient supporting documents, poor records management, poor asset management, lack of documentation for key account areas such as general rates, loans and advances, policies & procedures not updated or non-existent, poor collection and recording of Municipal rates, absence of proper reconciliations for cash, debtors, VAT, rates, and payroll expenses.

Audit Conclusion

Modified audit opinions were issued on six financial statements audited, which reflected negatively on the governance and internal control framework of the councils. Urgent and close attention should be given to address matters highlighted in the Auditors' Reports including the significant matters raised in [Section 4](#). The full report can be found on www.oag.gov.fj.



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