

Public Disclosure Authorized

# TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM PROJECT

FUNDED BY  
WORLD BANK - INTERNATIONAL DEVELOPMENT ASSOCIATION  
GLOBAL ENVIRONMENT FACILITY

Public Disclosure Authorized

Public Disclosure Authorized

Public Disclosure Authorized

## FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016



# TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM

## TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM PROJECT

### Contents

1. Statement by the Tuvalu Pacific Regional Oceanscape Program Project	Page 02
2. Tuvalu PROP Statement of Income and Expenditure	Page 03
3. Statement of Accounting Policies	Page 04
4. General Information on PROP Project	Page 05
5. Notes to the Financial Statements	Page 06
6. Budget Information for the Grant Funding	Page 09
7. Independent Audit Report	Page 11

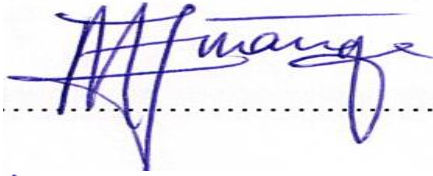
**TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM**

**1. STATEMENT BY THE TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM PROJECT**

**TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM PROJECT  
STATEMENT OF RESPONSIBILITY  
for the Year Ended 31 December 2016**

On behalf of the Tuvalu Pacific Regional Oceanscape Program Project, we state that in our opinion, these financial statements have been properly prepared so as to show a true and fair view of the project activities for the year ended 31 December 2016, and the result of its operation and statement of balances.

The Financial Statements were authorized for issue by the Chairman of the Fisheries Senior Management Committee on the 30 of June 2017.



*for* Mr. Samasoni Finikaso  
**Director of Fisheries**  
**for Ministry of Natural Resources**  
*Department of Fisheries*

Date

03 / 07 / 2017





Mr. Samuelu Telii  
**Project Coordinator**  
**Pacific Regional Oceanscape Program**  
*Department of Fisheries*

Date

31 / 7 / 17

**TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM**

**2. TUVALU PROP PROJECT STATEMENT OF INCOME AND EXPENDITURE**

<b>TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM</b>			
	IDA: D016-TV and GEF: TF018605 Tuvalu Fisheries Department Ministry of Natural Resources Vaiaaku, Funafuti		
<b>Statement of Income and Expenditure</b>			
<b>for the Year Ended 31 December 2016</b>			
	<b>NOTE</b>	<b>2016 CURRENCY IN AUD</b>	<b>2015 CURRENCY IN AUD</b>
<b>PROP Project Income</b>			
PROP IDA Funds Received		157,961.08	818,000.00
PROP GEF Funds Received		1,479.00	150,000.00
Miscellaneous income		29.00	-
Tfrs into Petty Cash		1,000.00	-
<b>Total Income</b>		<b>\$160,469.08</b>	<b>\$968,000.00</b>
<b>PROP Project Expenditure</b>			
<i>Component 1: Sustainable Management of Oceanic Fisheries</i>			
Capacity Building	1	180.00	
Monitoring Control & Surveillance Patrol	2	70,152.77	
Observer Programme	3	62,642.20	
Overseas Meetings and Workshop	4	67,663.36	
<b>Total Component 1: Oceanic Fisheries</b>		<b>\$200,638.33</b>	
<i>Component 2: Sustainable Management of Coastal Fisheries</i>			
Capacity Building	5	40,636.36	
Creel & Landings Survey	6	659.30	
Funafuti Conservation Area	7	500.00	
Information Technology	8	6,273.20	
Management & Legislation	9	4,420.78	
Public Information	10	2,880.00	
Resource Survey & Assessment	11	101,626.00	
Miscellaneous	12	14.80	
<b>Total Component 2: Coastal Fisheries</b>		<b>\$157,010.44</b>	
<i>Component 4: National Program Management, Monitoring &amp; Evaluation</i>			
<b>PMU Personnel Expense</b>	13		
PMU Staffs Salary		65,406.54	
PMU Employers Contribution		6,540.71	
Leave Allowance		1,000.00	
Travel Cost		22,657.58	
<b>Total PMU Personnel</b>		<b>\$95,604.83</b>	
<b>PMU Operation Expense</b>	14		
Bank Charges		158.40	27.00
Office Equipment & Maintenance		6,575.12	
Operating Cost		8,648.62	
<b>Total PMU Operation</b>		<b>\$15,382.14</b>	<b>\$27.00</b>
<b>Total Component 4: National Program Management, Monitoring &amp; Evaluation</b>		<b>\$110,986.97</b>	<b>\$27.00</b>
<b>Total PROP Project Expenditure</b>		<b>\$468,635.74</b>	<b>\$27.00</b>
<b>Net Profit/(Loss)</b>		<b>(\$308,166.66)</b>	<b>\$967,973.00</b>

## TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM

### 3. STATEMENT OF ACCOUNTING POLICIES

#### a. Basis of Preparation

The Statement of Cash Receipts and Payments are prepared under the historical cost convention and in accordance with Tuvalu applicable law and international Public Sector Accounting Standards which includes compliance with the financial reporting under the Cash Basis of Accounting (Cash Basis IPSAS).

The accounting policies have been applied consistently throughout the period.

#### b. Reporting Entity

The Statement of Cash Receipts and Payments is for the Rapid Employment Project as supervised by the Ministry of Finance in the Tuvalu. The program commenced on 20 April 2015 with the signing of the grant agreement with the World Bank. This Statement covers the period from 1 January 2016 to 31 December 2016.

In accordance with the grant agreement, all of the funds are to come from The World Bank.

#### c. Reporting Currency

The financial statements have been prepared on a historical cost basis.

The functional and presentational currency of the Tuvalu Pacific Regional Oceanscape Program (PROP) is Australia dollars, is the currency used for the grants and all project reports.

The foreign currency equivalents are converted at the rate applicable on the date of transaction. The budget figures are converted at the rate of 1 USD = 0.714 AUD which is the average exchange rate for all funds received in the financial year 2016. Undisbursed amounts denominated in foreign currencies are converted in Australian Dollars (AUD) at the rate of 1 USD = 1.38 AUD which is the exchange rate at the financial year end 31<sup>st</sup> December 2016.

#### d. Budget

The Financial Statements show as comparatives the amounts appropriated by the PROP annual detailed budget information set out on page 12.

## TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM

### 4. GENERAL INFORMATION ON PROP PROJECT

The Tuvalu Pacific Regional Oceanscape Program Project was officially established in 20 April 2015, being the date of the signing of the agreement between the International Development Association and Global Environment Facility. The closing date of the project is on September 30, 2020.

Tuvalu together with the Federated States of Micronesia, the Republic of Marshall Islands, Solomon Islands and other FFA Member Countries are eligible meeting World Bank requirements to undertake efficient management of oceanic and coastal fisheries within the Western and Central Pacific Ocean.

#### **Project Objectives**

The objective of the Project is to strengthen the shared management of selected Pacific Island oceanic and coastal fisheries, and the critical habitats upon which they depend.

The Project constitutes the first phase of the Pacific Islands Regional Oceanscape Program, and consists of the following components:

#### ***Component 1: Sustainable Management of Oceanic Fisheries***

Carrying out a program of activities aimed at strengthening the management of the Pacific region's tuna fisheries, such program to include:

- (a) Strengthening the capacity of the Department of Fisheries for sustainable management of shared tuna fisheries.
- (b) (b) Carrying out a program of activities designed to strengthen the institutional capacity of Department of Fisheries, such program to include:
  - provision of goods and technical assistance for institutional strengthening and review;
  - the acquisition of hardware and software for real-time monitoring of fishing activity by observers; and
  - the hardware, software and bandwidth expansion to enhance internet access for the Department of Fisheries.
  - Piloting the community VDS funds program to be developed under the FFA Project to support public/social benefits from the proceeds of the sale of VDS days to fishing operators.
- (c) Piloting the community VDS funds program to be developed under the FFA Project to support public/social benefits from the proceeds of the sale of VDS days to fishing operations.

#### ***Component 2: Sustainable Management of Coastal Fisheries***



Carrying out a program of activities designed to promote sustainable management of targeted coastal fisheries, such program to include undertaking resource and socio-economic assessments in selected Islands, developing and implementing management plans to improve sustainable management of the coastal fisheries.

#### ***Component 4: National Program Management, Monitoring and Evaluation***

Carrying out a program of activities designed to strengthen the capacity of the Department of Fisheries for Project management and implementation, including for financial and procurement; monitoring and evaluation and safeguards.

TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM

5. NOTES TO THE FINANCIAL STATEMENTS

TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM				
	IDA: D016-TV and TF018605 Tuvalu Fisheries Department Ministry of Natural Resources Vaiaku, Funafuti			
	NOTES			
		2016 Budget in		
	Total in AUD	AUD	AUD Difference	% Difference
<b>Component 1: Sustainable Management of Oceanic Fisheries</b>				
<b>Note 1: Capacity Building</b>				
Overseas Training	\$0.00	\$20,000.00	(\$20,000.00)	-100.00%
Training and workshops	\$180.00	\$5,000.00	(\$4,820.00)	-96.40%
<b>Total Capacity Building</b>	<b>\$180.00</b>	<b>\$25,000.00</b>	<b>(\$24,820.00)</b>	<b>-99.30%</b>
<b>Note 2: MCS Patrol</b>				
Tala Moana Charter	\$70,152.77	\$180,000.00	(\$109,847.23)	-61.00%
<b>Total MCS/ Patrol</b>	<b>\$70,152.77</b>	<b>\$376,000.00</b>	<b>(\$305,847.23)</b>	<b>-81.30%</b>
<b>Note 3: Observer Programme</b>				
Training	\$62,642.20	\$60,000.00	\$2,642.20	4.40%
<b>Total Observer Programme</b>	<b>\$62,642.20</b>	<b>\$384,999.00</b>	<b>(\$322,356.80)</b>	<b>-83.70%</b>
<b>Note 4: Overseas Meetings and Workshop</b>				
Travel Cost - PNA Meetings	\$8,609.00	\$87,500.00	(\$78,891.00)	-90.20%
Traveling Cost - FFA Meetings	\$12,832.40	\$0.00	\$12,832.40	NA
Travel Cost - WCPFC Meetings	\$34,647.30	\$0.00	\$34,647.30	NA
Travel Cost - Other Meetings	\$11,574.66	\$0.00	\$11,574.66	NA
<b>Total Overseas Meetings and Workshop</b>	<b>\$67,663.36</b>	<b>\$87,500.00</b>	<b>(\$19,836.64)</b>	<b>-22.70%</b>
<b>Component 2: Sustainable Management of Coastal Fisheries</b>				
<b>Note 5: Capacity Building</b>				
Training (Dive & GIS)	\$12,264.36	\$15,000.00	(\$2,735.64)	-18.20%
Workshops & Seminars	\$28,372.00	\$26,600.00	\$1,772.00	6.70%
<b>Total Capacity Building</b>	<b>\$40,636.36</b>	<b>\$41,600.00</b>	<b>(\$963.64)</b>	<b>-2.30%</b>
<b>Note 6: Creel &amp; Landings Survey</b>				
Field Equipment	\$0.00	\$1,050.00	(\$1,050.00)	-100.00%
Materials	\$0.00	\$2,500.00	(\$2,500.00)	-100.00%
Non-Consulting Services	\$0.00	\$10,000.00	(\$10,000.00)	-100.00%
Operating Costs	\$659.30	\$2,500.00	(\$1,840.70)	-73.60%
<b>Total Creel &amp; Landings Survey</b>	<b>\$659.30</b>	<b>\$16,050.00</b>	<b>(\$15,390.70)</b>	<b>-95.90%</b>
<b>Note 7: Funafuti Conservation Area</b>				
Consumables	\$0.00	\$2,750.00	(\$2,750.00)	-100.00%
FCA Equipment	\$0.00	\$45,600.00	(\$45,600.00)	-100.00%
Small Boat Operating Costs	\$500.00	\$500.00	\$0.00	0.00%
<b>Total Funafuti Conservation Area</b>	<b>\$500.00</b>	<b>\$48,850.00</b>	<b>(\$48,350.00)</b>	<b>-99.00%</b>
<b>Note 8: Information Technology</b>				
IT Equipment	\$6,273.20	\$33,000.00	(\$26,726.80)	-81.00%
<b>Total Information Technology</b>	<b>\$6,273.20</b>	<b>\$41,000.00</b>	<b>(\$34,726.80)</b>	<b>-84.70%</b>



**TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM**

<b>Component 2: Sustainable Management of Coastal Fisheries</b>				
<b>Note 9: Management &amp; Legislation</b>				
Meetings	\$713.39	\$5,050.00	(\$4,336.61)	-85.90%
Overseas Training	\$3,707.39	\$8,500.00	(\$4,792.61)	-56.40%
<b>Total Management &amp; Legislation</b>	<b>\$4,420.78</b>	<b>\$119,150.00</b>	<b>(\$114,729.22)</b>	<b>-96.30%</b>
<b>Note 10: Public Information</b>				
Workshops	\$2,880.00	\$1,000.00	\$1,880.00	188.00%
<b>Total Public Information</b>	<b>\$2,880.00</b>	<b>\$26,800.00</b>	<b>(\$23,920.00)</b>	<b>-89.30%</b>
<b>Note 11: Resource Survey &amp; Assessment</b>				
Operating Costs	\$240.00	\$4,500.00	(\$4,260.00)	-94.70%
Small Boat Operating Costs	\$863.00	\$33,150.00	(\$32,287.00)	-97.40%
Tala Moana Charter	\$100,523.00	\$100,000.00	\$523.00	0.50%
<b>Total Resource Survey/ Assessment</b>	<b>\$101,626.00</b>	<b>\$520,050.00</b>	<b>(\$418,424.00)</b>	<b>-80.50%</b>
<b>Note 12: Miscellaneous</b>				
Bank charges	\$14.80	\$1,000.00	(\$985.20)	-98.50%
<b>Total Miscellaneous</b>	<b>\$14.80</b>	<b>\$1,000.00</b>	<b>(\$985.20)</b>	<b>-98.50%</b>
<b>Component 4: National Program Management, Monitoring and Evaluation</b>				
<b>Note 13: PMU Personnel</b>				
<b>Coordinator</b>				
Coordinator Salary	\$32,957.62	\$37,500.00	(\$15,569.33)	-41.50%
Coordinator Employer Contribution	\$3,295.79	\$0.00	\$3,295.79	NA
<b>Total Coordinator</b>	<b>\$36,253.41</b>	<b>\$37,500.00</b>	<b>(\$1,246.59)</b>	<b>-3.30%</b>
<b>Accountant</b>				
Accountant Salary	\$29,621.85	\$35,000.00	(\$14,778.74)	-42.20%
Accountant Employer Contribution	\$2,962.23	\$0.00	\$2,962.23	NA
Accountant Leave Allowance	\$1,000.00	\$0.00	\$1,000.00	NA
<b>Total Accountant</b>	<b>\$33,584.08</b>	<b>\$35,000.00</b>	<b>(\$1,415.92)</b>	<b>-4.00%</b>
<b>Project Officer</b>				
Officer Salary	\$2,827.07	\$7,500.00	(\$5,463.64)	-72.80%
Officer Employer Contribution	\$282.69	\$0.00	\$282.69	NA
<b>Total Project Officer</b>	<b>\$3,109.76</b>	<b>\$7,500.00</b>	<b>(\$4,390.24)</b>	<b>-58.50%</b>
<b>Travel Cost</b>				
International Travel	\$4,345.30	\$17,500.00	(\$13,154.70)	-75.20%
DSA	\$18,012.28	\$0.00	\$18,012.28	NA
Special Imprest	\$300.00	\$0.00	\$300.00	NA
<b>Total Travel Cost</b>	<b>\$22,657.58</b>	<b>\$25,000.00</b>	<b>(\$2,342.42)</b>	<b>-9.40%</b>
<b>Total PMU Personnel</b>	<b>\$95,604.83</b>	<b>\$105,000.00</b>	<b>(\$9,395.17)</b>	<b>-8.90%</b>
<b>Note 14: PMU Operation</b>				
Correspondent Bank Charges	\$10.00	\$2,000.00	(\$1,990.00)	-99.50%
NBT bank charges	\$148.40	\$0.00	\$148.40	NA
Office Equipment & Maintenance	\$6,575.12	\$38,600.00	(\$32,024.88)	-83.00%
Telecommunication	\$5,636.00	\$6,300.00	(\$664.00)	-10.50%
Electricity	\$963.25	\$3,000.00	(\$2,036.75)	-67.90%
Vehicle Running Cost	\$111.85	\$2,250.00	(\$2,138.15)	-95.00%
Miscellaneous	\$635.40	\$1,000.00	(\$364.60)	-36.50%
PMU Office Rent	\$302.12	\$3,000.00	(\$2,697.88)	-89.90%
Tfrs to Petty Cash a/c	\$1,000.00	\$0.00	\$1,000.00	NA
<b>Total PMU Operation</b>	<b>\$15,382.14</b>	<b>\$113,650.00</b>	<b>(\$98,267.86)</b>	<b>-86.50%</b>



**TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM**

**PROP PROJECT CASH BASIS DETAILS FOR ASSETS AND LIABILITIES  
AS OF 31 DECEMBER 2016**

<b>TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM</b>				
	IDA: D016-TV and GEF: TF018605 Tuvalu Fisheries Department Ministry of Natural Resources Vaiaku, Funafuti			
<b>NOTES</b>				
				<b>AUD</b>
<b>PROP Creditors as of 31 December 2016</b>				
George Vann Jnr.				300.00
Viliamu Petaia				2,160.00
Semese Alefaio				240.00
Tupulaga Polasi				720.00
<i>The following travel advances were made in late 2016. They will be shown in the 2017 statement of income and expenditure when acquitted in January 2017.</i>				
<b>PROP Bank Balance as of 31 December 2016</b>				
PROP IDA: 01-983331-01				\$525,018.73
PROP GEF: 01-983315-01				\$134,358.96
Petty Cash Ending Balance				\$428.65
<b>Project Commitments as of 31 December 2016</b>	<b>Contract Total</b>	<b>Total Expended</b>		<b>Total Commitments</b>
Cordinator - Samuelu Telii	93,390.00	36,253.41		\$57,136.59
Accountant - George Vann Temuaniti	70,434.00	32,457.88		\$37,976.12
Project Officer - Tematiu Iapasa	57,266.00	3,109.76		\$54,156.24

## TUVALU PACIFIC REGIONAL OCEANSCAPE PROGRAM

### 6. BUDGET INFORMATION FOR THE GRANT FUNDING BY SOURCE

Row Labels	Values					
	Sum of A\$2016	Sum of A\$2017	Sum of A\$2018	Sum of A\$2019	Sum of A\$2020	Sum of A\$Total
1 Sustainable Management of Oceanic Fisheries	983,499	1,676,949	1,182,300	944,750	599,500	5,386,999
1	983,499	1,676,949	1,182,300	944,750	599,500	5,386,999
1.1. DLI	978,499	1,119,849	1,060,200	869,750	524,500	4,552,799
Capacity Building	25,000	40,200	37,500	37,500	35,000	175,200
MCS/ Patrols	376,000	376,000	371,000	381,000	251,000	1,755,000
Observer Programme	384,999	167,870	210,700	200,250	7,000	970,819
Overseas meetings and workshops	87,500	151,000	95,000	95,000	87,500	516,000
Radar satellite trial	-	85,000	85,000	50,000	50,000	270,000
Sanitary Competent Authority	-	105,000	70,000	20,000	20,000	215,000
VMS	105,000	194,780	191,000	86,000	74,000	650,780
1.2. IDA	5,000	557,100	122,100	75,000	75,000	834,200
Community VDS	-	150,000	-	-	-	150,000
Economic/ biological/ operational analysis	-	70,000	70,000	35,000	35,000	210,000
Information Technology	-	285,000	-	-	-	285,000
Legal	5,000	52,100	52,100	40,000	40,000	189,200
2 Sustainable Management of Coastal Fisheries	891,420	1,110,909	589,650	437,810	338,350	3,368,139
2	891,420	1,110,909	589,650	437,810	338,350	3,368,139
2.1. IDA	544,650	745,000	385,200	305,200	205,200	2,185,250
Capacity Building	26,600	264,900	5,000	5,000	5,000	306,500
Fish Aggregation Devices	-	76,800	92,500	12,500	12,500	194,300
Land-base VHF stations	-	72,000	-	-	-	72,000
Resource Survey & Assessment	518,050	331,300	287,700	287,700	187,700	1,612,450
2.3. GEF	346,770	365,909	204,450	132,610	133,150	1,182,889
Capacity Building	15,000	600	15,000	-	15,000	45,600
Ciguatera	35,300	20,690	25,300	16,800	1,800	99,890
Creel & Landings survey	16,050	54,590	15,000	15,000	15,000	115,640
Funafuti Conservation Area	48,850	15,200	16,350	21,950	6,350	108,700
Information Technology	41,000	93,750	36,800	-	15,000	186,550
Management & Legislation	119,150	104,149	78,550	30,550	52,550	384,949
Public Information	26,800	11,440	9,600	20,600	19,600	88,040
Resource Survey & Assessment	2,000	55,240	2,000	2,000	2,000	63,240
Water Quality Monitoring	41,620	9,250	4,850	24,710	4,850	85,280
X. Miscellaneous	1,000	1,000	1,000	1,000	1,000	5,000
4 Project management, coordination, monitoring and evaluation	218,650	296,250	273,500	223,900	196,500	1,208,800
4	218,650	296,250	273,500	223,900	196,500	1,208,800
4.2. IDA	218,650	296,250	273,500	223,900	196,500	1,208,800
PMU Operations	113,650	89,000	62,500	67,900	70,500	403,550
PMU personnel	105,000	207,250	211,000	156,000	126,000	805,250
<b>Grand Total</b>	<b>2,093,569</b>	<b>3,084,108</b>	<b>2,045,450</b>	<b>1,606,460</b>	<b>1,134,350</b>	<b>9,963,938</b>





# GOVERNMENT OF TUVALU

## Office of the Auditor-General

Private Mail Bag, Vaiaku, Funafuti, TUVALU

Email: [auditorgeneral@gov.tv](mailto:auditorgeneral@gov.tv), Phone No: +(688) 20131, Phone No: +(688) 20132, Fax No: +(688) 20133

---

1 December 2017

The Project Coordinator  
Pacific Regional Oceanscape Program Project  
Alapi side  
Funafuti.

### **Pacific Regional Oceanscape Program Independent Audit Report for the years ended 31 December 2015 and 31 December 2016**

I have audited the accompanying Financial Statements of the Pacific Regional Oceanscape Program Project which comprise the Statement of Income and Expenditure, the Statement of accounting policies, accompanying notes and other explanatory information.

#### **Management's responsibility for the Financial Statements**

Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors and management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility for the audit of the Financial Statements**

I have conducted an independent audit in order to express an opinion on the Financial Statements. I have audited the Financial Statements of the Government of Tuvalu for the years ended 31 December 2015 and 31 December 2016 in accordance with Section 4.09(b) of the Project's General Conditions and the Legal Agreement.

My responsibility is to express an opinion on these Financial Statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). This responsibility arises under the Audit Act. The ISSAI standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

My audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. I assessed the results of those procedures in forming my opinion. The procedures selected depend on my judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

In making those risk assessments, I considered internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

My audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

I planned and performed the audit to obtain all information and explanations I considered necessary in order to obtain reasonable assurance that the Financial Statements are free from material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the Financial Statements.

I did not examine every transaction, nor do I guarantee complete accuracy of the Financial Statements. I evaluated the overall adequacy of the presentation of information in the Financial Statements.

### **Opinion**

In our opinion, the financial statements present fairly the cash receipts and payments of the project during the years ended 31 December 2015 and 31 December 2016 in accordance with Tuvalu applicable laws and the cash basis IPSAS.

### **Report on Other Legal and Regulatory Requirements**

I have obtained all the information and explanations which, to the best of my knowledge and belief were necessary for the purposes of the audit;

In my opinion,

- (a) proper books of account have been kept by the Bank, so far as appears from my examination of those books;
- (b) the financial statements are in agreement with the books of account; and
- (c) to the best of my information and according to the explanations given to me the Financial statements give the information required by the Project's General Conditions and Financing Agreement in the manner so required.



Eli Lopati  
**Auditor General for Tuvalu**  
Funafuti, Tuvalu  
1 December 2017