

REPORT OF THE AUDITOR GENERAL ON THE ACCOUNT OF



**Kiribati Port Authority
Financial Statement
For the Year Ended 31st December 2021**

**Kiribati Audit Office
December 2022**

KIRIBATI AUDIT OFFICE



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Audit for an impact for the public

INDEPENDENT AUDITOR'S REPORT

To The Readers Of Kiribati Ports Authority Financial Statements For the year ended 31st December 2021

I have audited the Financial Statements of Kiribati Ports Authority (KPA) for the year ended 31st December 2021 as required under sec 114 (2) of the Constitution, Part VII, Sec 42(4) of the Public Finances (Control and Audit) 1981, Part IV Sec 23 of the SOE Act, 2013 and Sec 22(1) of the Kiribati Audit Act, 2017. The Financial Statements comprise of the following:

- Statement of Financial Performance
- Statement of Financial Position
- Statement of Cash Flow
- Statement of Changes in Equity
- Notes to the Accounts

Unqualified Opinion

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of Opinion

I have conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). My responsibilities under those standards are described in the Auditor's Responsibilities paragraph of my report. I am independent of the Authority in accordance with the Ethical requirements that are relevant to my audit of the financial statements of the Authority and I have fulfilled my other responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of the Matter

We would like to draw the attention to the matters stated below:

- **Court Case with Tarawa Motors still pursuit with lawyer**
KPA ordered a Double Cab Hilux Vehicle of \$65,900 from Tarawa Motors in 2018, final payments made in 2019, however until the time of the audit, the vehicle remained not received from Tarawa Motors. The issue has been taken to court but pending as it awaits arrival of new Court Judge. The outcome and decision of this case will deliver around this year (2022) given the new elected Court Judge has taken new role this year(2022)

Board of Directors and Management's responsibilities for the Financial Statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion as required under the Public Finance (Control and Audit) Ordinance 1976 and Kiribati Audit Act, 2017. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA/ISSAI will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs & ISSAI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

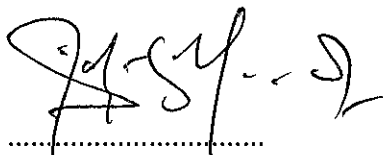
Report on other Legal and Regulatory Requirements

KPA lodged its Financial Statement on 09th March 2021 therefore indicating KPA's compliance with sec.20 of SOE Act, 2013.

Independence

Section 114 (4) of the Kiribati Constitution stipulates that the Auditor General shall not be subject to the direction or control of any other person or authority.

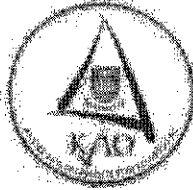
Other than the audit, we have no relationship with or interest in KPA.



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Mr. Eriati Tauma Manaima
Auditor General.

Date:.....

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File Ref: SOE 12

28/11/2022

CEO
KPA
Betio, Tarawa

Attention: Finance Manager

Dear Sir,

Confirmation of Final Exit Meeting on KPA Annual Account 2021 audit issues

This is to confirmed that following the last exit meeting held at the KPA Board room 11/11/2022, 10.00am regarding KPA Annual Account 2021 between the Audit office and KPA management. It has been agreed that the audit issues raised in the audit has been solved except for the outstanding prior audit issues (2020) as note below thus formed the basis of the audit opinion as stated in the Audit report attached.

- Court Case with Tarawa Motors still pursuit with lawyer

KPA ordered a Double Cab Hilux Vehicle of \$65,900 from Tarawa Motors in 2018, final payments made in 2019, however until the time of the audit, the vehicle remained not received from Tarawa Motors. The issue has been taken to court but pending as it awaits arrival of new Court Judge. The outcome and decision of this case will deliver around this year (2022) given the new elected Court Judge has taken new role this year(2022).

Thank you for cooperation and looking forward in our next auditing.

Date signed documents:

Yours sincerely,



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Brian Tauma Manaima
Auditor General



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Ruata Titaake
Chief Executive Officer