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KIRIBATI AUDIT OFFICE



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Audit for an impact for the public

File Ref: F3/4

Date: 23/8/2022

Independent Auditor's Report

**To the readers of
Kiribati Adaptation Project (PHASE 3) Financial statements for the year ended 31
December 2018**

I have audited the financial statements of the Kiribati Adaptation Project (Phase 3) funded by Global Environment Facility (GEF), Global Facility for Disaster Reduction and Recovery (GFDRR), Japan Policy and Human Resources Development (PHRD), Pacific Region Infrastructure Facility (PRIF), Australia-Pacific Islands Partnership (APIP) and Government of Republic Kiribati which comprise the Statement of Cash Receipts and Payments as of December 31, 2018, and for the year then ended, and a summary of significant accounting policies and other explanatory information.

The auditing was carried out in accordance with the Project Financing Agreement.

Management's Responsibilities

Management (Executing Agency) is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Basis of accounting and for such internal control as management determines is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

My 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. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs 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, we exercise professional judgment and maintain professional skepticism throughout the audit.

- I also, identify and assess the risks of material misstatement of the **Kiribati Adaptation Project (Phase 3) financial statements 31 December 2018**, 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 Project's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management of the Project.

Qualified Audit Opinion

In my opinion, except for the effects of the matters referred to in the qualification paragraph below, the financial statement of the **Kiribati Adaptation Project (Phase 3)** present fairly, in all material respect the financial affairs of **KAP (Phase 3)** as at 31st December 2018, its results and cash flow for the year then ended in accordance with a Generally Accepted Accounting Principles.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further describe in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Based on my audit performed I found that the following deficiencies were not satisfactorily explained or had been agreed by Kiribati Adaptation Project Management therefore formed the basis of my Qualified Opinion as follows:

- The unavailability of Contract appointments for KAP Staff 2018
- The following missing Pv's has been noted such as PV 18130 \$6,479.64, PV 1835 \$540, PV 18273 \$21,988.98.

The audit was completed on **23 August 2022** and was the date at which my opinion was expressed.

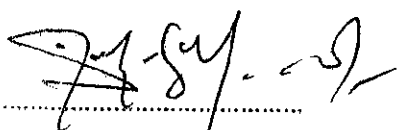
Independence

When carrying out the audit I followed the independence requirements stipulated under Section 114 (4) of the Kiribati Constitution and the requirements of the International Standards of Auditing.

Communication with those charged with governance

I communicate with the Secretary for Office of Te Beretitenti and Project Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings that I identify during my audit.

22th August 2022



Mr. Eriati Tauma Manaima
Auditor General.



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KIRIBATI ADAPTATION PROJECT (PHASE III)

Funded by:

Global Environment Facility (GEF)

Global Facility for Disaster Reduction and Recovery (GFDRR)

Japan Policy and Human Resources Development (PHRD)

Pacific Region Infrastructure Facility (PRIF)

Australia – Pacific Islands Partnership (APIP)

Government of the Republic of Kiribati (GoK)

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

KIRIBATI ADAPTATION PROJECT (PHASE III)

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Statement of Accounting Policies and Notes	7

KIRIBATI ADAPTATION PROJECT (PHASE III)

The Financial Reports for the project for its seventh and final year of implementation ending 31 December 2018 are being presented for auditing.

In compliance with the project agreements the audit report is required to be submitted to the World Bank by 30 June 2022, and we would request your kind offices if the auditing could be completed by the due date.

All financial records for the project are held within the Kiribati Fiduciary Services Unit at the Ministry of Finance Development.



for Project Manager, KAPIII



Secretary of MFED

Date: 29 June 2022

FINANCIAL STATEMENTS FOR THE KIRIBATI ADAPTATION PROJECT				
GRANT Nos. TF 11351, TF 10875, TF 11818, TF 11448 & A5560				
STATEMENT OF CASH RECEIPTS AND PAYMENTS - BY DONOR, CATEGORY AND COMPONENT (AU\$) (1)				
FOR THE YEAR ENDED 31 DECEMBER 2018				
	Notes	2018	2017	Cumulative
CASH RECEIPTS				
1. TF 11351				
Designated Account	2	645,751	377,630	3,537,009
Direct Payments	2	568,050	1,689,588	3,097,250
Total		1,213,801	2,067,217	6,634,259
2. TF 10875				
Designated Account	2	296,379	219,329	2,308,949
Direct Payments	2	330,179	342,501	1,327,031
Total		626,558	561,830	3,635,980
3. TF A5560				
Designated Account	2	590,566	590,566	590,566
Direct Payments	2	70,506	70,506	70,506
Total		661,073	661,073	661,073
4. TF 11818				
Designated Account	2	-	87,437	507,240
Direct Payments	2	-	-	632,191
Total		-	87,437	1,139,431
5. TF 11448				
Designated Account	2	-	1,372,684	2,272,334
Direct Payments	2	-	-	-
Total		-	1,372,684	2,272,334
TOTAL CASH RECEIPTS				
Designated Account	1, 2	1,532,696	2,057,079	9,216,098
Direct Payments	1, 2	968,736	2,032,089	5,126,978
Grand Total		2,501,432	4,089,167	14,343,076
CASH PAYMENTS BY CATEGORY AND COMPONENT				
As per attached schedule	3	2,793,803	4,103,727	14,264,917
CASH RECEIPTS LESS CASH PAYMENTS		(292,372)	(14,560)	78,159
IMPRESTS	8	-	28,879	45,880
VAT RECEIVABLE	9	-	-	27,212
BALANCE FROM KAP II	10	-	-	-
NET CHANGE IN CASH		(292,372)	(43,438)	5,067
PAYABLES	13	-	0	-
ADD OPENING CASH BALANCE AS AT 1 JANUARY		297,439	340,877	-
CLOSING CASH BALANCE AS AT 31 DECEMBER	4	5,067	297,439	5,067

FINANCIAL STATEMENTS FOR THE KIRIBATI ADAPTATION PROJECT					
GRANT Nos. TF 11351, TF 10875, TF 11818, TF 11448 & TF A5560					
STATEMENT OF CASH RECEIPTS AND PAYMENTS - BY DONOR, CATEGORY AND COMPONENT (AU\$)					
FOR THE YEAR ENDED 31 DECEMBER 2018					
		Notes	2018	2017	Cumulative
CASH PAYMENTS					
A. CATEGORY 1					
1. TF 11351					
	Component 1		976,381	1,649,455	4,194,717
	Component 2		12,130	109,786	1,180,177
	Component 3		254,379	915,713	1,253,743
	Component 4		105,994	201,739	742,268
Total			1,348,883	2,876,693	7,370,905
2. TF 10875					
	Component 1		426,248	688,430	2,030,278
	Component 2		93,685	13,413	969,515
	Component 3		209,078	122,648	388,713
	Component 4		76,463	74,595	493,319
Total			805,474	899,086	3,881,825
3. TF A5560					
	Component 1		455,458	-	455,458
	Component 2		22,475	-	22,475
	Component 3		102,452	-	102,452
	Component 4		59,061	-	59,061
Total			639,446	-	639,446
3. TF 11818					
	Component 1		-	-	-
	Component 2		-	74,911	831,845
	Component 3		-	1,870	92,587
	Component 4		-	2,888	223,673
Total			-	79,669	1,148,105
4. TF 11448					
	Component 1		-	154,210	154,560
	Component 2		-	-	233,926
	Component 3		-	27,329	69,980
	Component 4		-	56,741	766,172
Total			-	238,279	1,224,637
Total - Category 1			2,793,803	4,093,727	14,264,918
B. CATEGORY 2					
TOTAL CASH PAYMENTS			2,793,803	4,093,727	14,264,918
Tfs 11351, 10875, 11818, 11448, A5560					
	Component 1		1,858,087	2,492,094	6,835,013
	Component 2		128,289	198,110	3,237,938
	Component 3		565,909	1,067,560	1,907,475
	Component 4		241,518	335,963	2,284,493
Grand Total			2,793,803	4,093,727	14,264,918

FINANCIAL STATEMENTS FOR THE KIRIBATI ADAPTATION PROJECT									
GRANT Nos. TF 11351, TF 10875 and TF A5560									
SUMMARY OF CASH RECEIPTS									
For the Year Ended 31 December 2018									
1. PRIF Grant TF 11351 KI									
Direct Payments									
Date Received by WB	WA No.	Paid to	Details	WA Amount	Amount Disbursed by WB	Equivalent in AU\$	Exchange Rate	Value Date	Equivalent Grant Currency (US\$)
08-May-2019	DP 1904(B)-A	NATIONAL INSTITUTE OF WATER AND ATM	Contract payment	NZD 3167.75	NZD 3167.75	\$2,999.48	1.0561	15-May-2019	2,084.38
15-Apr-2019	DP 1904(B)	NATIONAL INSTITUTE OF WATER AND ATM	Contract payment	NZD 25632.25	NZD 25632.25	\$24,220.14	1.0583	01-May-2019	17,086.46
30-Jan-2019	DP 1903	PASIFIKA COMMUNICATIONS LTD	Contract payment	AUD 26856.83	AUD 26,856.83	\$26,856.83	1	19-Feb-2019	19,076.41
27-Jan-2019	DP 1902	POSCH AND PARTNER	Contract payment	EUR 15,864.00	EUR 15,864.00	\$25,490.15	0.6224	01-Mar-2019	18,069.10
11-Dec-2018	DP 1807	KIRIBATI TANK MANUFACTURE	Contract payment	AUD 45,638.52	AUD 45,638.52	\$45,638.52	1	19-Dec-2018	32,761.61
27-Jun-2018	DP - 1804	PUBLIC UTILITIES BOARD	Contract payment	AUD 42994.14	AUD 42,994.14	\$42,994.14	1	06-Jul-2018	31,747.73
17-Jan-2018	DP - 1801	KING HOLDINGS LTD	Contract payment	AUD 99706.21	AUD 99,706.21	\$99,706.21	1	01-Feb-2018	80,502.79
17-Jan-2018	DP - 1713	POSCH AND PARTNER	Contract payment	EUR 194859.18	EUR 194,859.18	\$300,144.86	0.6492	31-Jan-2018	241,820.24
						\$ 568,050.34			\$ 443,148.72
Designated Account									
Date Received by WB	WA No.	DA No.	Details	WA Amount AU\$	Amount Disbursed by WB	Equivalent in AU\$	Exchange Rate	Value Date	Equivalent Grant Currency (US\$)
26-Mar-2019	Adjustment to transfer	adjustments	adjustments	\$114,594.85	\$0.00	\$0.00	1	28-Mar-2019	\$0.00
26-Mar-2019	Adjustment to transfer	adjustments	adjustments	\$92,929.10	\$92,929.10	\$92,929.10	1	28-Mar-2019	\$65,891.38
26-Mar-2019	Adjustment to transfer	adjustments	adjustments	\$967.50	\$967.50	\$967.50	1	28-Mar-2019	\$686.01
26-Mar-2019	Adjustment to transfer	adjustments	adjustments	\$0.00	-\$92,929.10	-\$92,929.10	1	28-Mar-2019	-\$65,891.38
19-Mar-2019	Adjustment to reverse	adjustments	adjustments	-\$102,712.66	-\$102,712.66	-\$102,712.66	1	20-Mar-2019	-\$72,843.82
19-Mar-2019	Adjustment to reverse	adjustments	adjustments	\$0.00	\$102,712.66	\$102,712.66	1	20-Mar-2019	\$72,843.82
11-Dec-2018	WA 1807	ANZ No. 678394	Exp replenishments	\$50,366.89	\$50,366.89	\$50,366.89	1	20-Mar-2019	\$36,082.84
05-Dec-2018	Adjustment to transfer	adjustments	adjustments	\$156,273.03	\$156,273.03	\$156,273.03	1	06-Dec-2018	\$112,586.90
28-Nov-18	Adjustment to transfer	adjustments	adjustments	\$295,185.00	\$0.00	\$0.00	1	03-Dec-2018	\$0.00
16-Nov-2018	Adjustment to transfer	adjustments	adjustments	-\$185,315.00	-\$185,315.00	-\$290,565.84	1	26-Nov-2018	-\$210,703.16
14-Oct-2018	WA 1806(A)	ANZ No. 678394	Exp replenishments	\$80,953.32	\$80,953.32	\$80,953.32	1	01-Nov-2018	\$57,379.72
09-May-2018	WA 1805	ANZ No. 678394	Exp replenishments	\$271,786.11	\$271,786.11	\$271,786.11	1	16-May-2018	\$205,171.33
04-May-2018	WA 1804	ANZ No. 678394	Exp replenishments	\$19,286.01	\$19,286.01	\$19,286.01	1	10-May-2018	\$14,384.47
03-Apr-2018	WA 1802	ANZ No. 678394	Exp replenishments	\$81,308.56	\$81,308.56	\$81,308.56	1	11-Apr-2018	\$62,371.79
22-Feb-2018	WA1801	ANZ No. 678394	Exp replenishments	\$77,878.23	\$77,878.23	\$77,878.23	1	05-Mar-2018	\$60,242.70
17-Jan-2018	WA 1709	ANZ No. 678394	Exp replenishments	\$197,496.96	\$197,496.96	\$197,496.96	1	24-Jan-2018	\$158,333.31
						\$645,750.77			\$496,535.91
2. GEF Grant TF 10875 KI									
Direct Payments									
Date Received by WB	WA No.	Paid to	Details	WA Amount	Amount Disbursed by WB	Equivalent in AU\$	Exchange Rate	Value Date	Equivalent Grant Currency (US\$)
23-Apr-2019	DP - 1904C	NATIONAL INSTITUTE OF WATER AND ATM	Contract payment	NZD 17,880.00	NZD 17,880.00	\$16,900.29	1.05797	02-May-2019	\$11,929.54
24-Jan-2019	DP - 1901	POSCH AND PARTNER	Contract payment	EUR 35,274.82	EUR 35,274.82	\$55,482.75	0.63578	31-Jan-2019	\$40,237.99
10-Apr-2018	DP - 1803	KIRIBATI TANK MANUFACTURE	Contract payment	AUD 210,133.59	AUD 210,133.59	\$210,133.59	1.00000	19-Apr-2018	\$163,546.97
05-Apr-2018	DP 1802	CONSTRUCTION SOLUTIONS LTD	Contract payment	NZD 50,126.24	NZD 50,126.24	\$47,662.29	1.05170	12-Apr-2018	\$36,822.74
						\$330,178.92			\$252,537.24

2. GEF Grant TF 10875 KI									
Designated Account									
Date Received by WB	WA No.	DA No.	Details	WA Amount AU\$	Amount Disbursed by WB	Equivalent in AU\$	Exchange Rate	Value Date	Equivalent Grant Currency (US\$)
08-May-2019	WA 1904	DA-D	Exp replenishment	\$22,431.50	\$0.00	\$0.00	1	09-May-2019	\$0.00
29-Apr-2019	WA 1903	DA-D	Exp replenishment	\$161,359.89	\$0.00	\$0.00	1	05-May-2019	\$0.00
23-Apr-2019	WA 1902	DA-D	Exp replenishment	\$141,313.70	\$0.00	\$0.00	1	29-Apr-2019	\$0.00
28-Mar-2019	Adjustment to revers	DA-	adjustments	-\$45,161.16	-\$45,161.16	-\$45,161.16	1	28-Mar-2019	-\$32,021.52
28-Mar-2019	Adjustment to revers	DA-	adjustments	\$0.00	\$45,161.16	\$45,161.16	1	28-Mar-2019	\$32,021.52
26-Mar-2019	Adjustment to transf	ADHOC REVERSAL	adjustments	-\$967.50	-\$967.50	-\$967.50	1	28-Mar-2019	-\$686.01
26-Mar-2019	Adjustment to transf	DA-	adjustments	-\$92,929.10	-\$92,929.10	-\$92,929.10	1	28-Mar-2019	-\$65,891.38
26-Mar-2019	Adjustment to transf	DA-	adjustments	\$0.00	\$92,929.10	\$92,929.10	1	28-Mar-2019	\$65,891.38
20-Dec-2018	WA 1806(D)	DA-D	Exp replenishment	\$95,745.27	\$0.00	\$0.00	1	09-Jan-2019	\$0.00
11-Dec-2018	WA 1807	DA-D	Exp replenishment	\$81,867.28	\$81,867.28	\$81,867.28	1	18-Dec-2018	\$58,649.72
05-Dec-2018	Adjustment to transf	DA-	adjustments	-\$156,273.03	-\$156,273.03	-\$156,273.03	1	06-Dec-2018	-\$112,586.90
28-Nov-2018	WA 1806(C)	DA-D	Exp replenishment	\$16,439.76	\$14,123.22	\$14,123.22	1	07-Dec-2018	\$10,302.18
04-May-2018	WA 1804	DA-D	Exp replenishment	\$103,789.85	\$88,866.66	\$88,866.66	1	11-May-2018	\$66,214.55
08-Apr-2018	WA 1803	DA-D	Exp replenishment	\$268,762.28	\$268,762.28	\$268,762.28	1	13-Apr-2018	\$208,263.89
				\$ 596,378.74	\$ 296,378.91	\$ 296,378.91			\$ 230,157.43
3.APIP Grant TF A5560 KI									
Direct Payments									
Date Received by WB	WA No.	Paid to	Details	WA Amount	Amount Disbursed by WB	Equivalent in AU\$	Exchange Rate	Value Date	Equivalent Grant Currency (US\$)
08-May-2019	DP 1904-A	National Institute of V	Contract payments	\$8,205.32	\$8,205.32	\$7,769.47	1.05610	15-May-2019	\$5,399.10
15-Apr-2019	DP 1904	National Institute of V	Contract payments	\$66,394.68	\$66,394.68	\$62,736.93	1.05830	01-May-2019	\$44,258.69
						\$ 70,506.40			\$ 49,657.79
Designated Account									
Date Received by WB	WA No.	DA No.	Details	WA Amount AU\$	Amount Disbursed by WB AU\$	Equivalent in AU\$	Exchange Rate	Value Date	Equivalent Grant Currency (US\$)
8-Nov-16	1605	ANZ No. 678394	Exps replenishment	-\$63,117.99	\$(63,117.99)	-\$63,117.99	1	16-Nov-16	-\$44,753.81
				\$0.00	\$ 63,117.99	\$63,117.99	1		\$44,753.81
				\$185,315.00	\$ 185,315.00	\$290,566.22	0.637772		\$210,703.16
				\$0.00	\$ 300,000.00	\$300,000.00	1		\$224,100.00
				\$ 122,197.01	\$ 485,315.00	\$590,566.22			\$ 434,803.16
SUMMARY OF CASH RECEIPTS									
For the Year Ended 31 December 2018									
	Summary		PRIF	GEF	APIP	GFDRR	PHRD	Total (AU\$)	Total (US\$)
	2018 - Direct Payment		\$ 568,050.34	\$30,178.92	\$ 70,506.40	-	\$ -	\$ 968,735.65	\$ 745,343.75
	2018 - Designated Account		\$645,750.77	\$ 296,378.91	\$ 590,566.22	\$ -	\$ -	\$1,532,695.90	\$ 1,161,496.50
	2018 - Total		\$ 1,213,801.11	\$ 626,557.83	\$ 661,072.62	\$ -	\$ -	\$ 2,501,431.55	\$ 1,906,840.25
	Prior Years		\$ 5,420,457.96	\$ 3,009,421.91	\$ -	\$ 1,139,431.14	\$ 2,272,333.98	\$ 11,841,644.99	\$ 9,654,757.67
	Cumulative (AU\$)		\$ 6,634,259.07	\$ 3,635,979.74	\$ 661,072.62	\$ 1,139,431.14	\$ 2,272,333.98	\$ 14,343,076.54	
	Cumulative (US\$)		\$ 5,377,885.14	\$ 2,995,682.76	\$ 484,460.95	\$ 899,995.50	\$ 1,803,573.57		\$11,561,597.92

Notes to the Financial Statements

1. The Kiribati Adaptation Project (Phase III) (KAP III) officially commenced in April 2012, being the date when all the grants (except GEF) were made available, and follows earlier phases of the program. The closing date is set as 31 December 2018.

KAP III is funded jointly by the Global Environment Facility (GEF; under its Least Developed Country Fund {LDCF}), the Global Facility for Disaster Reduction and Recovery (GFDRR), the Japan Policy and Human Resources Development Fund (PHRD), the Pacific Region Infrastructure Facility (PRIF), the Australia – Pacific Islands Partnership (APIP) and the Government of the Republic of Kiribati (GoK), as follows:

- GEF – Grant of US\$ 3.00 million (with estimated AU\$ equivalent of AU\$ 3.00 million); established through a Financing Agreement dated 14 October 2011.
- GFDRR – Grant of US\$ 0.90 million (with estimated AU\$ equivalent of AU\$ 0.90 million); established through a Financing Agreement dated 27 February 2012.
- PHRD – Grant of US\$ 1.80 million (with estimated AU\$ equivalent of AU\$ 1.80 million); established through a Financing Agreement dated 25 January 2012.
- PRIF – Grant of US\$ 4.99 million (with estimated AU\$ equivalent of AU\$ 4.99 million); established through a Financing Agreement dated 15 December 2011.
- APIP – Grant of US\$0.48 million (with estimated AU\$ equivalent of AU\$ 0.61 million); established through a Financing Agreement dated 15 October 2017.
- GoK – estimated contribution of US\$ 0.25 million (with estimated AU\$ equivalent of AU\$ 0.25 million).

GoK funding is an in kind contribution, and does not form part of the core funding of KAP III upon which the Financial Statements are based.

The objective of KAP III is to improve the resilience of Kiribati to the impacts of climate change on freshwater supply and coastal infrastructure. There are four Parts to KAP III, as follows:

- Part A – Improving Water Resource Use and Management: through the provision of works, equipment and technical assistance.
- Part B – Increasing Coastal Resilience: through the provision of works, equipment and technical assistance.
- Part C – Strengthening the Capacity to Manage the Effects of Climate Change and Natural Hazards: through the provision of works, equipment and technical assistance.
- Part D – Project Management, Monitoring and Evaluation.

KAP III is implemented under the overall guidance, coordination and monitoring of the National Adaptation Steering Committee, chaired by the Office of the President. KAP III is supported by a Project Management Unit under the Office of the President; it is envisaged that the financial management and procurement support services for KAP III will be structured through the Kiribati Fiduciary Services Unit (KFSU), which is being established under the Ministry of Finance and Economic Development (MFED).

The World Bank (WB) administers all funding. A bank account ("Designated Account") has been established in Kiribati. In addition, larger payments may be made directly by WB and charged directly to the respective grant, rather than channeled through the Designated Account, in accordance with agreed WB procedures.

The Financial Statements are prepared by KAP III under the historical cost convention and in accordance with the modified cash basis of accounting; expenditures are charged when paid except:

- Advances (which are given for approved official purposes only) are charged against a Receivables Account initially, and are charged to expenditure based on advance acquittals with supporting documents; and
- Payables are taken up for income tax and provident fund liabilities at the time of payment of salaries and are cleared through the settlement of the liabilities to the respective authorities, on a monthly basis.

The reporting currency is Australian Dollars (AU\$).

Transactions in currencies other than AU\$ are translated into AU\$ using the actual exchange rate applied by the bank (where the transaction are paid from the Designated Account) or at the applicable rate (where the transactions are paid directly by WB).

This is the final year of operation for KAP III therefore all accounts were all cleared at the end of the year.

2. Cash Receipts (AUD)

Details of the cash receipts for the three grants, are given in the table on page 6 to 7.

The Designated Account (DA), is locally managed, account; funds are transferred from the WB periodically, from which payments are made. Direct Payments are made by WB directly to the supplier/consultant, based on the official request of the authorized signatories of the project.

3. Cash Payments (AUD)

The summary of payments is given in the Statements of Cash Receipts and Payments on page 3 to 4.

4. Cash Balance

The closing balance in these financial statements is reconciled with the balance in the DA as at 31 December 2018. The closing cash balance is summarized in the table below.

		2018	2017
Balance as per bank statement		157,252.00	324,101.31
Less: Outstanding cheques		152,184.86	26,662.61
DA Balance as per books		5,067.14	297,438.70

5.

The approved budget is developed on the same accounting basis (cash basis), same classification basis, and for the same period during which withdrawals from the grant accounts are made as for the financial statements. It encompasses the same entities as the financial statements.

The lifetime budget in AU\$ as per these financial statements is as per the budget agreed by the Office of the President. The remaining budget available is expected to be utilized over the remaining period of the project, taking account of the closure dates of each grant.

No annual budget was developed for 2015, 2016, 2017 and for 2018.

The lifetime budget is monitored against the likely amount of AU\$ to be generated from the US\$ grants, to ensure that the grants are not over-committed.

FINANCIAL STATEMENTS FOR THE KIRIBATI ADAPTATION PROJECT									
GRANT Nos. TF 11351, TF 10875, TF 11818 and TF 11448									
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL - BY CATEGORY AND COMPONENT (AU\$)									
FOR THE YEAR ENDED 31 DECEMBER 2017									
	Notes	2018			2017			Cumulative	
	3, 6	Budget	Actual	Variance	Budget	Actual	Variance	Lifetime Budget	Actual
Category 1			2,793,803			4,093,727		-	14,264,918
Component 1			1,858,087			2,492,094			6,835,013
Component 2			128,289			198,110			3,237,938
Component 3			565,909			1,067,560			1,907,475
Component 4			241,518			335,963			2,284,493
TOTAL BUDGET AND ACTUAL			2,793,803.18			4,093,727.37		-	14,264,918.44

6. Property, Plant & Equipment

Payments for Property Plant & Equipment (PPE) are charged fully as disbursements under the respective component, and included in the Statement of Cash Receipts and Payments, at cost, these are recorded in the PPE Register, the purpose of inventory control.

There is no PPE purchased on hire purchase schemes and no depreciation is being charged.

The PPE Register is shown below.

KIRIBATI ADAPTATION PROJECT (PHASE III)											
FIXED ASSETS REGISTER											
For the period ended 31st December 2018											
Item No.	Purchase Date	Voucher No.	Qty	Description of Assets (Make/Model/Type)	Serial No.	Supplier	Cost of Asset	Location of Asset	Responsible Officer	Remarks	
1	3/15/2013	1380	1	Digital Camera (Cybershot)	8273195	Sony	\$211.95	PUB	SWE (PUB)		
2	3/28/2013	13106	1	Video camera		Phoenix Store	\$750.00	MELAD	ECD	for Mangrove Planting	
3	5/14/2013	13165	1 set	Satellite disc	ACM DVB-52	Pintech	\$14,763.00	OB Bairiki	OB		
4	4/15/2013	13129	1	External drive	1 TB	Tentanini	\$175.00	KAP	PM		
	4/15/2013	13129	1	External drive	500 GB	Tentanini	\$175.00	KAP	PO		
	4/15/2013	13129	1	External drive	500 GB	Tentanini	\$175.00	KAP	PA		
5	9/3/2013	13318	1	Water-proof camera	BH2532145	Olympus	\$234.00	MELAD	ECD	for Mangrove Planting	
	9/3/2013	13318	1	Water-proof camera	BH1513571	Olympus	\$234.00	MELAD	ECD	for Mangrove Planting	
6	9/11/2013	13324	1	Desktop computer		Pintech	\$2,090.35	KAP	KAP		
	9/11/2013	13324	1	Desktop computer		Pintech	\$2,090.35	KAP	COMO		
7	9/11/2013	13324	1 set	Laptop & Docking Station		Pintech	\$2,462.46	OB Bairiki	PD	asset trf to OB	
	9/11/2013	13324	1 set	Laptop & Docking Station		Pintech	\$2,462.46	KAP	PM		
	9/11/2013	13324	1 set	Laptop & Docking Station		Pintech	\$2,462.46	KAP	APM		

	9/11/2013	13324	1 set	Laptop & Docking Station	Dell			Pintech	\$2,462.46	KAP	PO	
	9/11/2013	13324	1 set	Laptop & Docking Station	Dell			Pintech	\$2,462.46	KAP	PA	
8	9/30/2013	Bank draft	1	Saloon car (SX4-Sedan)	Suzuki	TUC 334		Niranjans	\$24,400.00	KAP	PM	
9	9/30/2013	Bank draft	1	Single cab (BTSO Pro 4x4)	Mazda	TUC 335		Niranjans	\$28,400.00	PUB	SWE (PUB)	
10	9/30/2013	Bank draft	1	Double cab (BTSO Dbl Cab)	Mazda	TUC 336		Niranjans	\$24,400.00	MPW U	SWE (MPWU)	
11	1/22/2014	1431	1	Laptop (Inspiration 14z)	Dell	5X24QT1		Pintech	\$1,250.00	KAP	CELO	
	1/22/2014	1431	1	Laptop (Inspiration 14z)	Dell	G48VPT1		Pintech	\$1,250.00	KAP	CAGE	
12	4/25/2014	14135	1 lot	Science Tools - Equipm't				Aquaduct	\$49,972.00	MPW U	Civil	Equipments for MPWU
13	3/15/2014	-	1	GPS Garmin eTrex 10	Garmin	2DR476122		Garmin	-	KAP	CAGE	
14	6/20/2014	14192	1	Motor cycle (100 cc)	Yamaha	TG 340		Farr Marine	\$3,825.00	KAP	PMU	
15	6/20/2014	14192	1	Motor cycle (100 cc)	Yamaha	TG 341		Farr Marine	\$3,825.00	KAP	PMU	
16	7/18/2014	14209	1	Mobile Phone (Samsung)	Galaxy Ace	R21F205H8 HU		TSKL	\$235.70	KAP	PM	
17	10/10/2014	14291	1	Laptop (Latitude E7240) Ultra Bk	Dell	JDHDT21		Pintech	\$1,300.00	OB	DS	
18	10/31/2014	14323	1	Laptop (Satellite S50t - B)	Toshiba	7E151529C		JB Hi-Fi	\$1,287.00	MPW U	SWE	
19	1/22/2015	1515	1	GPS for PUB (G 10)				CR Kennedy & Co.	\$45,624.00	PUB	SWE	bought for PUB

