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KIRIBATI AUDIT OFFICE



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Audit for an impact for the public

File Ref: F3/4

Kiribati

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.

- l 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

t 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.



ph hivata

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)

Contents

Introduction	3
Statement of Cash Receipts and Payments	4
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

GRANT Nos. TF 11351, T	F 10875, TF	l1818, TF 11448 & A	<i>5</i> 560	
STATEMENT OF CASH RECEIPTS AND PAYME	NTS - BY DOI	ior, category ani	O COMPONENT	(AU\$) (1)
FOR THE YEAR	ENDED 31 D	ECEMBER 2018		water and a state of the state
	**************************************	17 (2007) 2007 (2007) 2007 (2007) 2007 (2007) 2007 (2007) 2007 (2007) 2007 (2007) 2007 (2007) 2007 (2007) 2007		necessarie en
CASH RECEIPTS	Notes	2018 	2017	Cumulative
######################################		estrace propresentation and the second section of the second sections of the second section section section sections of the second section section section sections of the section		contractor no accompany contractor contractor contractor.
Designated Account	2	645,751	377,630	3,537,009
Direct Payments		568.050	1,689,588	
uani-minua namun duana amuni muuri muuri maa araa araa araa araa muuni muuni muuni minua araa araa araa araa a Totai	COST CONTROL C	1,213,801	2,067,217	6,634,259
k-in-re-colleged framework and seal and seal and estimated understand and and seal and	······································		1	
2. TF 10875	A STATE OF THE PARTY OF THE PAR	MENTATION TANDETICS I MEDICANTEGRAPHA DIRECTM		YOO MADANIA ADAMAA AA
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	. 1448/1444 1467 1467 1567 1567 1567 1567 1567 1567 1567 1567 1567 1567 1567 1567	an ar an in the annument and an annument and an angle of style game.	anneennaennaennaennaennaennaen	મહામાના સાથા માટે જે
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	T 100 HT 100	Section of the Committee of the Committe	Mana antanàna manananananananananananananananananan	. 1900 1900 1904 1904 1904 1904 1904 1904
Designated Account	**************************************	etti äärinemiteri varvamis varantumismanni jämine.	87,437	507,240
Direct Payments	2	an araran araran aran aran aran aran ar	namenamenamenahan menenderi	632,191
Total		44	87,437	1,139,431
5. TF 11448	econerum azan samanonna ganeman T	AND THE REPORT OF THE PROPERTY	eri anamenian anamenian komunian Namenian anamenian anamenian anamenian anamenian anamenian anamenian anamenia	ленияниянияния спектальники сист
Dasignated Account		CONTRACTOR CONTRACTOR DE LA CONTRACTOR D	1,372,684	2,272,334
Direct Payments	2	79-	And the second s	An Application and a supplication of the supplication of the supplication of the supplication of the supplication
Teledi muunumuu usin on	manumannan man	4	1,372,684	2,272,334
TOTAL CASH RECEIPTS		and it states the state of the	***************************************	Company of the Control of Million of the Million of the Control of
Designated Account	1, 2	1,532,696	2,057,079	9,216,098
Direct Payments		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			avvantinussa att att valta tivata tivata tivat	YANGAN ANGAN A
As per attached schedule	3	2,793,803	4,103,727	14,264,917
THE COLUMN TO THE WATER COLUMN TO THE COLUMN		maanna ann ar ganaa maan ahaa laar	Marinal Mananage America	
CASH RECEIPTS LESS CASH PAYMENTS		(292,372)	(14,560)	78,159
IMPRESTS		era sumarana ne ne ne ne su suma ne sura sa municipali. Ant		
VAT RECEIVABLE	9	CATTORISMA AND TRANSPORTED BY TAX PERSON AND THE PARTY OF	2010 A	27,212
BALANCE FROM KAP II	10	CHRONINO CONTINUE ANTONIO CONTINUE ANTONIO CONTINUE ANTONIO CONTINUE ANTONIO CONTINUE ANTONIO CONTINUE ANTONIO	44.	**************************************
NET CHANGE IN CASH		(292,372)	(43,438)	5,067
PAYABLES	13		o	not make to some the Chairmine debracement with retrieve force than the
		ATTACHER MANAGER TANGEN MANGARIN AND SANGER		ar tanta da internacional de la compansión
ADD OPENING CASH BALANCE AS AT 1 JANUARY	B1552 W. Pintz invasion value invasion	297,439	340,877	And the state of t
CLOSING CASH BALANCE AS AT 31 DECEMBER		5,067	297,439	5,06

	FINANCIAL STATENE	dariffering and the second	UNIVERSITY OF THE PROPERTY OF T	noncontraction of contraction of the contraction of	
	GRANT Nos. TF 1135	AL TONIN MANAGEMENT WAS A SECURE OF AND SECURITY OF A SECU	CONTRACTOR DE LA CONTRACTOR DE CONTRACTOR DE LA CONTRACTOR DE CONTRACTOR		war Incom
)! <u> </u>	TEMENT OF CASH RECEIPTS AND P FOR THE	E STATE DE STOFF PARTIE DAN PARTIE PER STOFF DE STA	1 DECEMBER 2018		MENT (AUS)
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2.200		Notes	2018	2017	Cumulative
CASH PA	VMENTS	3			
A. CATE	GORY 1	the filter for the Mantanian Mile For Chanton and Story		The state of the s	
1. TF 11	351	**************************************			
****	Component 1		976,381	1,649,455	4,194,717
······································	Component 2		12,130	109,786	1,180,177
mand annual model and the fine factor of the first of the factor of the first of the factor of the first of t	Component 3	NSURV. V. P. Hills. Southers, resources consentrate annual forms	254,379	915,713	1,253,743
UNIKEUNIKANE DIDAN	Component 4		105,994	201,739	742,268
Total	de de la companya del la companya de la companya del la companya de la companya d	BUSIN BURE WATER NEW COLUMN TO A SECOND	1,348,883	2,876,693	7,370,90
2. TF 10		MOREOGRAPHICA STORESTON OF STOR	HALLES EST. MONINGAL IN ONE STATISTICS WAS A SECOND SECOND STATISTICS OF THE	COMPANYOR ON INCIDENCE OF MANAGEMENT AND INCIDENCE AND INC	en et en comme l'housement en mont de comme en montre en montre en
### ## :# **	Component 1	namen en anticentario de la compositiva de la compositiva de la compositiva de la compositiva de la compositiv	426,248	688,430	2,030,278
annen er en	Component 2	enneuronal entracteur motern co		13,413	969,51
entratuatus trans propins	Component 3	on the section of the	209,078	122,648	388,713
entra graphicapit, Allan-	Component 4	THE STATE OF THE S	76,463	74,595	493,319
Total	A THE RESIDENCE AND A STATE OF THE PROPERTY OF	thresh tanken-i sarresment a asarra serana arra-	805,474	899.086	3.881.82
BONDONING DO	ANTERNA PERINA P		annamanama arawa, apromonjanjan arawa (garaps	near commonword	CALL STATES OF THE STATES OF T
8. TF A5	คราคที่สะเดาการแบบ และเคยานานเทิดเดียมแบบ นามอดเมากรแบบ และประบบ แบบ และประเบณ และประเบณ และประเบณ (นามารู้ (20	nanaani	Makinowerik anomero area mountanon area consecutiva		ne er e en mem e es e en en en europe en
arrox calaminings ab ancine	Component 1	town of the stage	455,458	othe tigh traditional to represent the interval or the state of the contract o	455,458
407/ 5 40/50000000000000000000000000000000000	Component 2	THE RESIDENCE OF THE PROPERTY	22, 4 75		22,47
	Component 3	Names and Associated as the same of the same and the same a	102,452	come a consistent and a constant constant reason was an annual constant.	102,452
	Component 4	·Hallitanetenena-niviameneivereen T	59,061	-	59,061
Total	en an destruct Assacration en de ser Assaciation destruct en destruct entre destruct stations and destruction and entre		639,446	*	539,440
3. TF 11	unanamananamunanun unanamanan unanamanan unanaman unanaman unanaman unanaman unanaman unanaman unanaman unanam R 18	KURIK BUK INANA MANAH B INANAN PER		momentum communication con communication con communication con contraction contraction contraction contraction	THE PROPERTY OF SHEETS OF
	Component 1	managana managana managana a	encios estaman presidente indicato por al productivo de ence	ti citat terditati titti or teorrico or roma tromoni dan	
EDVIE , I WOLL AN MELLOW A CHIEF	Component 2			74,911	831,84
DV ACKNOWN - CATANIA ANAMAN	Component 3	040 1800 C C C C C C C C C C C C C C C C C C	ere rameramente armente anticolor de la companya d	1,870	92,587
and research and an area.	Component 4	Market Market Market Agent Market	: THE IS THE BEST OF THE SECOND STREET OF THE SECON	2.888	223 _, 673
Total	ericentus es o tietamentetitus eritoren erantur erantetimen menetamentetimen erantetimen erantetimen erantetim	er course de messes comparson plans (est appropriate de seus	4	79,669	1,148,105
4. TF 11	terra in 1941 til i kinimitterratikomini omni mengerapan, menamen perseterra mengeramen av septemen selam sela Di Lais 1945 til i 1946 DEGE SELIK Di Salme millem hilletar i mengeraman kommunikan mengera a menger i rasya a	emercina de maniero de	an en	CONTRACTOR OF THE PROPERTY OF	พระพระพระสาราชาสาราชาสาราชาสาราชาสาราชาสาราชาสาราชาสาราชาสาราชาสาราชาสาราชาสาราชาสาราชาสาราชาสาราชาสาราชาสาราช
T# 35 . A.A.	Component 1	Philipson of the Control of the Cont	MATERIAL AND	154,210	154,560
STOR AND PARTIES A	Component 2	man na sauce na cheart ann dhart ann dhaar an sa	TO THE PROPERTY OF THE PROPERT	TAL DATE CALLS	233,920
angere angelen en en en en en en en en	Component 3	THE REPORT OF THE PROPERTY OF STREET	entron decements remarcament concerne accument	27,329	2327373 189,981
THE THE PARTY AND ASSESSED.	Component 4	***************************************	enna en	56,741	766,172
Total	Component T	Samuel Commence Service Servic		238,279	1,224,637
MENSAL STRANSPORTS WATER	ategory 1	***************************************	2,793,203	4,093,727	14,264,91
NAMESTANIA (NO SECTIONAL DE LA CONTRACTIONAL DE LA CONTRACTIONAL DE LA CONTRACTIONAL DE LA CONTRACTIONAL DE LA CONTRACTIONAL DE LA CONTRACTIONAL D	N. C. STAN AND CONTRACTOR AND	entante començación en constructo de la constructo de constructo de constructo de constructo de constructo de c	CONTRACTOR	umammananan kuma kuma kuma kuma kuma kuma kuma kuma	over ordered to the control of the c
B. CATE		***************************************	- KOMMONOMANAMANAMANAMANAMANAMANAMANAMANAMA		
TOTAL	CASH PAYMENTS	***************************************	2,793,803	4,093,727	14,264,911
TFs 113!	51, 10875, 11818, 11448, A5560			oner eremenen menemen menemen men	
	Component 1		1,858,087	2,492,094	6,835,013
e-e/Meximum/ni	Component 2		128,289	198,110	3,237,93t
	Component 3	er anne 1960: see 171 saktorisi sekite 11 aktibidate beda	565,909	1,067,560	1,907,47
nan ganta santanga ceeta	Component 4	THE STATE OF THE S	241,518	335,963	2,284,493
Grand T	A contraction of the contraction	ran marco , essecucios de crigante de cristina (como de cristina d	2,793,803	4,093,727	14,264,910

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			GRANT N	los. TF 11351, TF	10875 and TF A556	0			
			s	UMMARY OF CA	SH RECEIPTS				
***************************************	r were the constraint and the first and the constraint and the constra	Arraquatamentriaspin querracion	For th	ne Year Ended 31	December 2018	rances and a second	L		·
					les annotate les sonne ara sosles ses ar- ar-	uman la ur heald sudulas les Lumbs es cusums	canalistican summit insurance		
1. PRIF Grant TF	~			······		~,,~,,			
Direct Payments		eva negra iv mi ravena marraman meruna e	t till skiller ametiar ar a		mountain ann ann ann ann ann ann ann ann ann			navarana and anciare na-cara	
Date Received by WB	WA No.	Paid to	Details	WA Amount	Amount Disbursed by WB	Equivalent in AU\$	Exchange Rate	Value Date	Equivalent Gran Currency (US\$)
08-May-2019	DP 1904(8)-A	NATIONAL INSTITUTE C	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 C	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 COMMUNICA	Contract payment	AUD 26856.83	AUD 26,856.83	\$26,856.83	1	19-Feb-2019	19,076.43
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 MANUF	Contract payment	AUD 45,638.52	AUD 45,638.52	\$45,638.52	1	19-Dec-2018	32,761.62
27-Jun-2018	DP - 1804	PUBLIC UTILITIES BOAR	English same and a second control of the sec	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	**************************************	\$300,144.86	;	31-Jan-2018	241,820.24
						\$ 568,050.34		***************************************	\$ 443,148.72
Designated Acco				nana manana manana da da manana	unedendimently bikin i Million of Indiditi	siiski aanaa majasylyhdeise maasil		***************************************	
Date Received by WB	WA No.	DA No.	Details	WA Amount AU\$	Amount Disbursed by WB	Equivalent in AU\$	Exchange Rate	Value Date	Equivalent Gran
26-Mar-2019	Adjustment to transf	adiustments	adjustments	\$114,594.85	**************************************		1	28-Mar-2019	\$0.0
26-Mar-2019	Adjustment to transf	\$1.440.000 composited acceptate acce	adjustments	\$92,929.10	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~	,.m.u.a.u.a.u.u.u.u.u.u.u.		28-Mar-2019	\$65,891.3
26-Mar-2019	Adjustment to transf		adjustments	\$967.50			,	28-Mar-2019	\$686.0
26-Mar-2019	Adjustment to transf		intrine Kramwinaning ar-ma	\$0.00	rena ne manara na dama	TI PARING CONTRACTOR IN THE COURSE	 	28-Mar-2019	<u> </u>
	·		adjustments	‡	harmon and a company and a company	la reconstrucción de la construcción de la construc	h	***************************************	-\$65,891.3 -\$72,843.8
19-Mar-2019	Adjustment to revers	i	adjustments	-\$102,712.66			1	20-Mar-2019	
19-Mar-2019	Adjustment to revers	(adjustments	\$0.00	\$102,712.66			20-Mar-2019	\$72,843.8
11-Dec-2018	WA 1807	ANZ No. 678394	Exp replenishments	\$50,366.89	\$50,366.89	\$50,366.89	1	20-Mar-2019	\$36,082.8
05-Dec-2018	Adjustment to transf		adjustments	\$156,273.03	\$156,273.03	\$156,273.03		06-Dec-2018	\$112,586.9
28-Nov-18	Adjustment to transf	Andrew Commencer and Andrew Commencer	adjustments	\$295,185.00	l contentrative to the content			03-Dec-2018	\$0.0
16-Nov-2018	Adjustment to transf	1	adjustments	-\$185,315.00	The second secon	en ar ar ar ar à care a con d'enera em ar a comme	1	26-Nov-2018	-\$210,703.1
14-Oct-2018	WA 1806(A)	ANZ No. 678394	Exp replenishments	\$80,953.32), втего во во посторони по посторони по	\$80,953.32	ļj	01-Nov-2018	\$57,379.7
09-May-2018	WA 1805	ANZ No. 678394	Exp replenishments	\$271,786.11	\$271,786.11		1	16-May-2018	\$205,171.3
04-May-2018	WA 1804	ANZ No. 678394	Exp replenishments	\$19,286.01	\$19,286.01	\$19,286.01	·	10-May-2018	\$14,384.4
03-Apr-2018	WA 1802	ANZ No. 678394	Exp replenishments	\$81,308.56				11-Apr-2018	\$62,371.7
22-Feb-2018	WA1801	ANZ No. 678394	Exp replenishments	\$77,878.23		\$77,878.23		05-Mar-2018	\$60,242.7
17-Jan-2018	WA 1709	ANZ No, 678394	Exp replenishments	\$197,496.96	\$197,496.96		1	24-Jan-2018	\$158,333.3
MMA Graditates de la lateratura de ca			and the section of th		ontonen un manar nen meren per	\$645,750.77			\$496,535.9
2. GEF Grant TF 1	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 Grar 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	\$11,929.5
24-Jan-2019	DP - 1904C	POSCH AND PARTNER		EUR 35,274.82	EUR 35,274.82	MININGA MANAGA M	0.63578	31-Jan-2019	\$40,237.9
24-Jan-2019 10-Apr-2018	DP - 1803	KIRIBATI TANK MANUFACTURE	Contract payment	AUD 210,133.59	,			19-Apr-2018	\$40,237.9 \$163,546.9
05-Apr-2018	DP 1802	TIMBER CONSTRUCTION SOLUTIONS LTD	Contract payment	NZD 50,126.24				12-Apr-2018	\$36,822.7
an unvertore mercen mette	elsade-Ministribili Militelli Interconstruenchess	······································	aranarunan unmann manusus		***************************************	\$330,178.92			\$252,537.2
	1	1	1	;	,		1 1		1

2. GEF Grant TF 1	0875 KI			attitalle ja lekkari propagara					i Annual and a second
Designated Acco	unt								Transmission of transmission (a)
Date Received by WB	WA No.	DA No.	Details	WA Amount AU\$	Amount Disbursed by WB	Equivalent in AU\$	Exchange Rate	Value Date	Equivalent Gran Currency (US\$)
08-May-2019	WA 1904	DA-D	Exp replenishment	\$22,431.50	\$0.00	\$0.00	1	09-May-2019	\$0,0
29-Apr-2019	WA 1903	DA-D	Exp replenishment	\$161,359.89	\$0.00	\$0.00	1	05-May-2019	\$0.0
23-Apr-2019	WA 1902	DA-D	Exp replenishment	\$141,313.70	\$0.00	\$0.00	1	29-Apr-2019	\$0.0
28-Mar-2019	Adjustment to revers	DA-	adjustments	-\$45,161.16	-\$45,161.16	-\$45,161.16	1	28-Mar-2019	-\$32,021.5
28-Mar-2019	Adjustment to revers	DA-	adjustments	\$0.00	\$45,161.16	\$45,161.16	1	28-Mar-2019	\$32,021.5
26-Mar-2019	Adjustment to transf	ADHOC REVERSAL	adjustments	-\$967.50	-\$967.50	-\$967.50	1	28-Mar-2019	-\$686.0
26-Mar-2019	Adjustment to transf	DA-	adjustments	-\$92,929.10	-\$92,929.10	-\$92,929.10	1	28-Mar-2019	-\$65,891.3
26-Mar-2019	Adjustment to transf	DA-	adjustments	\$0.00		фичения на приняти на		28-Mar-2019	\$65,891.3
20-Dec-2018	WA 1806(D)	DA-D	Exp replenishment	\$95,745.27	\$0.00	ļ		09-Jan-2019	\$0.0
11-Dec-2018	A american management of a party and a	DA-D	Exp replenishment	\$81,867.28	and the second s			18-Dec-2018	\$58,649.7
05-Dec-2018	Adjustment to transf	DA-	adjustments	-\$156,273.03	-\$156,273.03	-\$156,273.03	1	06-Dec-2018	-\$112,586.9
28-Nov-2018		DA-D	Exp replenishment	\$16,439.76		\$14,123.22	1	07-Dec-2018	\$10,302.1
04-May-2018		DA-D	Exp replenishment	\$103,789.85	\$88,866.66	\$88,866.66		11-May-2018	\$66,214.5
08-Apr-2018	**************************************	DA-D	Exp replenishment	\$268,762.28				13-Apr-2018	\$208,263.8
			and an an an an an an	\$ 596,378.74				10 701 2010	\$ 230,157.43
						¥ 1250,570.52			V 230,1371
3.APIP Grant TF	45560 KI	Marion Harrison I. S. 1997 Specific Street	natawaya						E Summer diplomization of property of the E
Direct Payments		process transmission annual manuals							} }
Date Received by WB	WA No.	Paid to	Details	WA Amount	Amount Disbursed by WB	Equivalent in AUS	Exchange Rate	Value Date	Equivalent Grar 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	\$5,399.1
15-Apr-2019	DP 1904	National Institute of V	Eu-unpananumania manimum manimum	\$66,394.68	\$66,394.68	\$62,736.93	1.05830	01-May-2019	\$44,258.6
		The second district of the spirit of the second sec			trib subarranarawan r usuransu	\$ 70,506.40			\$ 49,657.79
Designated Acco	unt	vermen vinannomeren						anuman managementaria ma	
Date Received by WB	WA No.	DA No.	Details	WA Amount AU\$	Amount Disbursed by WB AU\$	Equivalent in	Exchange Rate	Value Date	Equivalent Grar Currency (US\$
8-Nov-16	**************************************	ANZ No. 678394	Exps replenishment	-\$63,117.99	processore de la companya del companya de la companya de la companya del companya de la companya	-\$63,117.99	1	16-Nov-16	-\$44,753.8
teletta Salbitellarahi Hamakaarina an		7 ((22)(0, 0) 000-1	LAPS TEPICIES THE	\$0.00	en eren mann e berekenaar aan ee	\$63,117.99		10-100-10	\$44,753.8
***************************************	ļa			\$185,315.00	andreament to the separation of the second	\$290,566.22	0,637772		\$210,703.1
		пистаналичная заправа партогароврукту.		\$0.00		\$300,000.00	1		and the second second second
			Carrier of the Carrie	\$ 122,197.01					\$224,100.0
-NINIMAN AMERICAN AND AND AND AND AND AND AND AND AND A			Ulfridi II. iMfaldamas riahmemenasan eremen	\$ 122,197.01	\$ 485,315,00	\$590,566.22			\$ 434,803.16
		Millian ration (British Paris)		UMMARY OF CA	CLI DECEIBTS	***************************************		n-Markemannananananananananananananananananana	**************************************
			**************************************	CONT. The two coldinary of the continuous and an area	December 2018			man amanti	
nivona inamaroriminarimoa	Summary	CONTRACTOR OF STREET, STATE OF S	PRIF	GEF	APIP	GFDRR	PHRD	Total (AU\$	Total (US\$)
	2018 - Direct Paymen	t	\$ 568,050.34	330,178.92	\$ 70,506.40	_	\$ -	\$ 968,735.65	4 anal man
	2018 - Designated Ac	ount	\$645,750.77	personer arminismum		\$ -	\$ -	and reason was soon as Son	\$ 1,161,496.50
***************************************	2018 - Total	***************************************	\$ 1,213,801.11	\$ 626,557.83		\$ -	\$ -	,	\$ 1,906,840.25
	Prior Years	W	\$ 5,420,457.96	\$ 3,009,421,91		\$ 1,139,431.14	\$2,272,333,98	\$ 11,841,644,99	gara i reconsida annomana i meneral annomana
	Cumulative (AU\$)		\$ 6,634,259.07	\$ 3,635,979.74		\$ 1,139,431.14	\$2,272,333.98	\$ 14,343,076,54	
	Cumurative (MOS)		; 10,004,200,01 i	\$ 3,033,073.74 i	→ 001,0/2.02 I	1 3 1,133,431 14 ·	34,414,333,30:	3 14.343.070.34	

Notes to the Financial Statements

 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.
- o 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.
- o 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

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.

	F	INANCIAL	STATEMENTS	FOR THE R	IRIBATI	ADAPTATION P	ROJECT	***************************************	P.7111993 (98.8AA
		GRAN	T Nos. TF 1135	1, TF 108	75, TF 11	.818 and TF 114	48	**************************************	**************************************
STATEN	IENT OF (COMPARIS	ON OF BUDGE	T AND AC	TUAL - B	Y CATEGORY A	ND COMP	ONENT (A	U\$)
	The state of the s		FOR THE YEA	R ENDED 3	1 DECEN	ИBER 2017			ann farakanka daka mikki Brist II i Bishiyi masara masara
ו נופרי - ממנייניין, יי משמברי זי ערשייבי זעניי בנוציה ביותי שייים שני שנעייני יצייניקי	Notes	1	2018			2017		Cu	mulative
	3, 6	Budget	Actual	Variance	Budget	Actual	Variance	Lifetime Budget	Actual
Category 1			2,793,803	5 5 5 6 6 6 6 7 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8		4,093,727	Middle transferitmerevises	-	14,264,918
Component 1	การการการการการการการการการการการการการก								
Component 2			128,289			198,110			3,237,938
Component 3			565,909			1,067,560			1,907,475
Component 4	AFRICA IN THE STATE OF THE STAT		241,518	entiferance viscouron contractor		335,963		ad wattenhere vectors	2,284,493
TOTAL BUDGET AND	ACTUAL		2,793,803.18		11 - 10 17 - 11 - 10 17 - 1	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.

KIRIB	KIRIBATI ADAPTATION PROJECT (PHASE III	TION PRC	SECT	(PHASE III)							
FIXEL	FIXED ASSETS REGISTER	ISTER									
For t	For the period ended 31st December 2018	led 31st	Decen	ıber 2018			:				
롸 £	Purchase	Vouc	ş	Description of Assets	ts -	Serial No.	Supplier	Cost of Asset	Locati	Respons	Remarks
Š	3	S S		Mistake/ Islander/ 1970	<u> </u>				Asset	Officer	
Н	3/15/2013	1380	₼	Digital Camera (Cybershot)	Sony	8273195	Sony	\$211.95	PUB	SWE (PUB)	
2	3/28/2013	13106	Н	Video camera			Phoenix Store	\$750.00	MELA	ECD	for Mangrove Planting
3	5/14/2013	13165	1 set	Satellite disc	Shiron	ACM DVB- 52	Pintech	\$14,763.00	OB Bairiki	08	
4	4/15/2013	13129	П	External drive	1 TB		Tentanini	\$175.00	KAP	PM	
	4/15/2013	13129	-	External drive	500 GB		Tentanini	\$175.00	KAP	М	
	4/15/2013	13129	~	External drive	500 GB		Tentanini	\$175.00	KAP	PA	
5	9/3/2013	13318	н	Water-proof camera	Olymp	BH2532145	Olympus	\$234.00	MELA	ECD	for Mangrove
	9/3/2013	13318	-	Water-proof	Olymp	BH1513571	Olympus	\$234.00	MELA	ECD	for Mangrove
				camera	ns				۵		Planting
9	9/11/2013	13324	П	Desktop computer	Dell		Pintech	\$2,090.35	KAP	KAP	
	9/11/2013	13324	1	Desktop computer	Dell		Pintech	\$2,090.35	KAP	СОМО	
7	9/11/2013	13324	1 set	Laptop & Docking Station	Dell		Pintech	\$2,462.46	OB Bairiki	PD	asset trf to OB
	9/11/2013	13324	1 set	Laptop & Docking Station	Dell		Pintech	\$2,462.46	KAP	PM	
	9/11/2013	13324	1 set	Laptop & Docking Station	Dell		Pintech	\$2,462.46	КАР	APM	

					<u> </u>					Γ				
							Equipments for MPWU							bought for PUB
ЬО	PA	PM	SWE (PUB)	SWE (MPWU)	CELO	CAGE	Civil	CAGE	PMU	PMU	₽M	SO	SWE	SWE
KAP	KAP	KAP	PUB	MPW U	KAP	KAP	MPW	KAP	KAP	KAP	KAP	08	MPW U	PUB
\$2,462.46	\$2,462.46	\$24,400.00	\$28,400.00	\$24,400.00	\$1,250.00	\$1,250.00	\$49,972.00	1	\$3,825.00	\$3,825.00	\$235.70	\$1,300.00	\$1,287.00	\$45,624.00
Pintech	Pintech	Niranjans	Niranjans	Niranjans	Pintech	Pintech	Aquaduc t	Garmin	Farr Marine	Farr Marine	TSKL	Pintech	JB Hi-Fi	CR Kennedy & Co.
		TUC 334	TUC 335	TUC 336	5X24QT1	G48VPT1		2DR476122	TG 340	TG 341	R21F205H8 HJ	ЈОНОТ21	7E151529C	
Dell	Dell	Suzuki	Mazda	Mazda	Dell	Dell		Garmin	Yamah a	Yamah a	Galaxy Ace	Dell	Toshib a	
Laptop & Docking Station	Laptop & Docking Station	Saloon car (SX4- Sedan)	Single cab (BTSO Pro 4x4)	Double cab (BTSO Dbl Cab)	Laptop (Inspiration 14z)	Laptop (Inspiration 14z)	Science Tools - Equipm't	GPS Garmin eTrex 10	Motor cycle (100 cc)	Motor cycle (100 cc)	Mobile Phone (Samsung	Laptop (Latitude E7240) Ultra Bk	Laptop (Satellite S50t - B)	GPS for PUB (G 10)
1 set	1 set	Ţ	₩.	1	1	T	1 lot	⊣	-	1	⊣	⊣	Н	н
13324	13324	Bank draft	Bank draft	Bank draft	1431	1431	14135	ı	14192	14192	14209	14291	14323	1515
9/11/2013	9/11/2013	9/30/2013	9/30/2013	9/30/2013	1/22/2014	1/22/2014	4/25/2014	3/15/2014	6/20/2014	6/20/2014	7/18/2014	10/10/201 4	10/31/201 4	1/22/2015
		σ	6	10	11		12	13	14	15	16	17	18	19

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% \$ '

			\$298,034.01				TOTAL				
		i									
	Director										
	Proj	OB	\$2,025.00	Pintech	E7470	Deli	Ultrabook Laptop	Н	1712	1/19/2017	27
				es							
	Tech			Enterpris							
	Water	PUB	\$268.80	Target			Executive chairs	7	16278	9/14/2016	76
				es							
	Assis't			Enterpris							
	Proj	KAP	\$1,080.00	Target			Executive chairs	∞	16273	9/8/2016	22
server	Assis't s					o wer					
KAP office	Proj	KAP	\$1,568.00	Tentanini		Cyberp	UPS	⊣	1612	1/13/2016	24
				s							
	-ECD			Boudjela			& GPS system		15/48	••••	
	Director	ECD	\$3,860.58	Dr Squad			Camera+clothing	1	[9	9/10/2015	23
							17)				
Division	(PUB) [+			testing Equip't (G		15/45		
PUB Water	SWE	PUB	\$30,321.98	Aquaduc			Water quality	Н	ਰ	8/31/2015	22
				Soln			sofwares				
				Com'csn			computers &				
		KAP	\$10,930.00	Е			Laptop	7	15125	5/20/2015	21
Division	(PUB)										
PUB Water	SWE	PUB	\$29,000.00	LMTA			Motor bikes	10	1557	5/11/2015	20

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10