

# Audited Project Financial Statements

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Project Number: 46351  
Grant Number: 0378  
Period covered: 12 March 2014 to 30 June 2015

## Kingdom of Tonga: Climate Resilience Sector Project

Prepared by Ministry of Meteorology, Energy, Information, Disaster Management, Environment, Climate Change and Communications

For the Asian Development Bank  
Date received by ADB: 30 December 2015

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy 2011 and as agreed between ADB and the Ministry of Finance and National Planning, Executing Agency.



# CLIMATE RESILIENCE SECTOR PROJECT

A Grant Agreement between the Government of Tonga and the Asian Development Bank



Project Management Unit

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## **Financial Statements For the year ended 30 June 2015**

**December 2015**



## AUDITOR GENERAL'S REPORT

To the Chief Executive Officer for Meteorology, Energy, Information, Disaster, Climate Change and Communication.

I have audited the accompanying Statements of Consolidated Accounts, Direct Payment Summary, Imprest Funding, and Notes to the Financial Statements for the Climate Resilience Sector Project ("the Project") as set out on pages 4 to 9 for the financial period ended 30<sup>th</sup> June 2015.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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 Institution (ISSAIs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement whether due to fraud or error, and whether grant provided by Asian Development Bank ("ADB") were all used for the project in compliance with the financial covenants of the Grant Agreement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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, the auditor considers 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. An audit also included evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate a basis for my unqualified audit opinion.

### Unqualified Auditor's Opinion

In my opinion, the accompanying Financial Statements as shown on pages 4 to 9, present fairly in all material respects the consolidated accounts, direct payments, and imprest funding summary of the Climate Resilience Sector Project for the year ended 30<sup>th</sup> June 2015 in accordance with the Asian Development Bank (ADB) project guidelines. Thus all financial grant from ADB for this project were used for the project only in compliance with the covenants of this Grant Agreement.

Sefita Tangi FCPA  
AUDITOR GENERAL



Nuku'alofa  
23<sup>rd</sup> December, 2015

**CLIMATE RESILIENCE SECTOR PROJECT**  
**CONSOLIDATED FINANCIAL STATEMENT**  
as at 30 June 2015.

Item	Budget (USD)					Incurred (USD)		
	ADB Grant	GoT			Total	ADB Grant	GoT Counterpart Financing	Total
		Recurrent Costs	Duties/Fees	Total				
<b>Z. Funding Revenue</b>								
1 Strategic Climate Fund	19,250,000 19,250,000	2,450,000 2,450,000	1,430,000 1,430,000	3,880,000 3,880,000	23,130,000 23,130,000	148,236 148,236	0 0	148,236 148,236
<b>A. Investment Cost<sup>a</sup></b>								
1 Civil works	17,831,529	0	1,423,322	1,423,322	19,254,851	139,112	0	139,112
2 Equipment & Mechanical	5,169,955	0	950,000	950,000	6,119,955	0	0	0
3 Consultants	2,815,429	0	470,322	470,322	3,285,751	63,651	0	63,651
a. PMU	4,386,385	0	0	0	4,386,385	75,460	0	75,460
b. Technical Expertise	2,081,471	0	0	0	2,081,471	75,460	0	75,460
c. Capacity Development	1,959,043	0	0	0	1,959,043	0	0	0
4 Training	345,861	0	0	0	345,861	0	0	0
5 COTF Seed Funding	459,750	0	3,000	3,000	462,750	0	0	0
	5,000,000	0	0	0	5,000,000	0	0	0
<b>B. Recurrent costs</b>								
1 Salaries	0	2,453,590	0	2,453,590	2,453,590	0	0	0
2 Office space & expenses	0	1,340,278	0	1,340,278	1,340,278	0	0	0
3 Equipment operation & maintenance	0	273,050	0	273,050	273,050	0	0	0
4 Outer Islands travel expenses <sup>c</sup>	0	540,262	0	540,262	540,262	0	0	0
	0	300,000	0	300,000	300,000	0	0	0
<b>Sub-total</b>	17,831,529	2,453,590	1,423,322	3,876,912	21,708,441	139,112	0	139,112
<b>C. Contingencies<sup>b</sup></b>	1,418,471	0	0	0	1,418,471	0	0	0
<b>Total Project Costs</b>	19,250,000	2,453,590	1,423,322	3,876,912	23,125,912	139,112	0	139,112
<b>D. Balance</b>	0	(3,590)	6,678	3,088	3,088	9,125	0	9,125

**CLIMATE RESILIENCE SECTOR PROJECT**  
**STATEMENT OF IMPREST FUNDING SUMMARY**  
for the Year Ended 30 June 2015.

Item	Budget (USD)					Incurred (USD)		
	ADB Grant	Recurrent Costs	GoT		Total	ADB Grant	GoT Courtland Financing	Total
			Duties/Taxes	Total				
<b>Z. Funding Revenue</b>								
1 Strategic Climate Fund	19,250,000 19,250,000	2,450,000 2,450,000	1,430,000 1,430,000	3,880,000 3,880,000	23,130,000 23,130,000	84,585 84,585	0 0	84,585 84,585
<b>A. Investment Cost<sup>a</sup></b>								
1 Civil works	17,831,529 5,119,955	0 0	1,423,322 960,000	1,423,322 960,000	19,254,851 6,119,955	75,460 0	0 0	75,460 0
2 Equipment & Mechanical	2,815,429	0	470,322	470,322	3,285,751	0	0	0
3 Consultants	4,386,395	0	0	0	4,386,395	75,460	0	75,460
a. PMU	2,081,471	0	0	0	2,081,471	75,460	0	75,460
b. Technical Expertise	1,959,043	0	0	0	1,959,043	0	0	0
c. Capacity Development	345,881	0	0	0	345,881	0	0	0
4 Training	459,750	0	3,000	3,000	462,750	0	0	0
5 CCTF Seed Funding	5,000,000	0	0	0	5,000,000	0	0	0
<b>B. Recurrent costs</b>								
1 Salaries	0	2,453,590	0	2,453,590	2,453,590	0	0	0
2 Office space & expenses	0	1,340,278	0	1,340,278	1,340,278	0	0	0
3 Equipment operation & maintenance	0	273,050	0	273,050	273,050	0	0	0
4 Outer Islands travel expenses <sup>c</sup>	0	540,262	0	540,262	540,262	0	0	0
Sub-total	17,831,529	2,453,590	1,423,322	3,876,912	21,708,441	75,460	0	75,460
<b>C. Contingencies<sup>b</sup></b>								
Total Project Costs	19,250,000	2,453,590	1,423,322	3,876,912	23,126,912	75,460	0	75,460
<b>D. Balance</b>	0	(3,590)	6,678	3,088	3,088	9,125	0	9,125

**CLIMATE RESILIENCE SECTOR PROJECT  
FIXED ASSETS REGISTER**

as at 30 June 2014.

Asset Identifier	Detailed Description	Model/Serial Number	Physical Location for Verification	Acquisition Date	Accounting Period	Current Months Expired	Original Cost USD
Motor Vehicle CRSP1	2014 Super Red II Toyota Hilux 4x4 2.5L Diesel Manual	M/N: KUN25R-PRMDH-N3 (DLX Specs) C/N: MRQFR22G000779701	Department of Climate Change, MEIDECC	27-Feb-15	30-Jun-15	4	31,957
Motor Vehicle P1835	2015 White Toyota Hilux 4x4 2.5L Diesel Manual	M/N: KUN25R-PRMDH-N4 (DLX Specs) C/N: MRQFR22G000798165	Department of Meteorology, MEIDECC	11-May-15	30-Jun-15	2	31,685