
REPORT OF THE AUDITOR GENERAL



**On the Accounts of Kaupule
for the years ending
1996 - 1997
and the fifteen months ending 31 March 1999**

Parliamentary Paper
No.2003

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**CERTIFICATE OF THE AUDITOR GENERAL ON THE
ACCOUNTS OF ALL KAUPULE FOR THE YEARS
ENDED 31 DECEMBER 1996 - 1997
AND FIFTEEN MONTHS ENDING 31 MARCH 1999**

In accordance with the provisions of section 172 of the Constitution and section 74 of the Falekaupule Act 1997, I have examined the respective Island Kaupule Accounts as detailed below.

Based on the above, subject to the observation contained in my report, I certify that, in my opinion the Final Accounts fairly reflect, on a cash basis, the financial transactions for the years ended 31 December 1996 - 1997 and the fifteen months ending 31 March 1999.

Lotoala Metia
Auditor General

FINAL ACCOUNTS

Nanumea Island Council

YEAR ENDING 31 DECEMBER 1996

A. SURPLUS ACCOUNT

Balance as at 1/1/96	\$ 656.12
Add Actual Revenue Collected 1996	25035.59
Less Actual Expenditure Incurred 1996	24383.93
Balance as at 31/12/96	1307.78

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/96		\$ 1307.78
Fixed Deposit	\$ 614.95	
Cash on Hand 31/12/96	45.80	
Cash at Fusi 31/12/96	10.18	
Cash at Bank 31/12/96	636.85	
	\$1307.78	\$1307.78

Nanumea Island Council

YEAR ENDING 31 DECEMBER 1997

A. SURPLUS ACCOUNT

Balance as at 1 /1/97	\$ 1307.78
Add Actual Revenue Collected	25376.58
Less Actual Expenditure Incurred	23170.11
Balance as at 31/12/97	3514.25

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/97		\$3514.25
Fixed Deposit	\$ 614.95	
Cash on Hand 31/12/97	16.28	
Cash at Fusi 31/12/97	10.18	
Cash at Bank 31/12/97	2872.84	
	\$3514.25	\$3514.25

Nanumea Island Council

FIFTEEN MONTHS ENDING 31 MARCH 1999

A. SURPLUS ACCOUNT

Balance as at 1/1/98	\$ 3514.25
Add Actual Revenue Collected for the period	28690.38
Less Actual Expenditure Incurred of the period	30660.02
Balance as at 31/3/99	1544.61

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/3/99		1544.61
Fixed Deposit	614.95	
Cash on Hand 31/3/99	5.67	
Cash at Fusi 31/3/99	96.51	
Cash at Bank 31/3/99	827.48	
	\$1544.61	\$1544.61

Nanumaga Island Council

YEAR ENDING 31 DECEMBER 1996

A. SURPLUS ACCOUNT

Balance as at 1/1/96	\$ 13584.02
Add Actual Revenue Collected 1996	25885.68
Less Actual Expenditure Incurred 1996	26400.83
Balance as at 31/12/96	13072.33

B. STATEMENT OF LEDGER OF BALANCES

	Debit	Credit
Surplus Account 31/12/96		\$13072.33
Cash on Hand	\$ 101.37	
Savings Account NBT	208.00	
Savings Account NBT	2982.89	
Savings Fusi	70.38	
IBD	9709.69	
	\$13072.33	\$13072.33

Nanumaga Island Council

A. SURPLUS ACCOUNT

Balance as at 31/1/97	\$ 13584.02
Add Actual Revenue Collected 1997	31172.12
Less Actual Expenditure Incurred 1997	32669.58
Less Actual Expenditure Incurred	11574.87

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/97		11574.87
Cash on Hand 31/12/97	25.21	
Savings Account NBT	1336.00	
Savings Account NBT	2982.89	
Savings Fusi	96.38	
IBD	7135.39	
	\$11574.87	\$11574.87

Nanumaga Island Council

FIFTEEN MONTHS ENDING 31 MARCH 1999

A. SURPLUS ACCOUNT

Balance as at 1/1/98	\$11574.87
Add Actual Revenue Collected	39323.91
Less Actual Expenditure Incurred	38430.65
Balance as at 31/3/99	12468.13

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/3/99		12468.13
Surplus Cash (Emma Holona)		100.00
Cash on Hand	101.37	
Savings Account NBT	208.00	
Savings Account NBT	2982.89	
Savings Fusi	70.38	
	\$12568.13	\$12568.13

YEAR ENDING 31 DECEMBER 1996

A. SURPLUS ACCOUNT

Balance as at 1/1/96	\$21529.93
Add Actual Revenue Collected 1996	24277.87
Less Actual Expenditure Incurred 1996	21909.59
Balance as at 31/12/96	23898.21

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Balance as at 31/12/96		23898.21
Deposit Council IBD	19500.67	
Deposit School IBD	2058.35	
Cash on Hand 31/12/96	9.73	
Cash at Fusi 31/12/96	228.49	
Cash at Bank 31/12/96	2100.97	
	\$23898.21	\$23898.21

YEAR ENDING 31 DECEMBER 1997

A. SURPLUS ACCOUNT

Balance as at 1/1/97	\$23898.21
Add Actual Revenue Collected 1997	43001.82
Less Actual Expenditure Incurred 1997	36342.14
Balance as at 31/12/97	30557.89

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/97		30557.89
Deposit Council IBD	2058.35	
Deposit School IBD	20054.50	
Cash on Hand 31/12/97	133.78	
Cash at Fusi 31/12/97	248.49	
Cash at Bank 31/12/97	8062.77	
	\$30557.89	\$30557.89

FIFTEEN MONTHS ENDING 31 MARCH 1999

A. SURPLUS ACCOUNT

Balance as at 1/1/98	30557.89
Add Actual Revenue Collected	38657.97
Less Actual Expenditure Incurred	34627.75
Balance as at 31/3/99	34588.11

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/3/99		34588.11
Deposit Council IBD	2095.03	
Deposit School IBD	20906.63	
Cash on Hand	7.56	
Cash at Fusi	307.42	
Cash at Bank	11272.27	
	\$34558.91	\$34558.91

YEAR ENDING 31 DECEMBER 1996

A. SURPLUS ACCOUNT

Balance as at 1/1/96	\$ 2797.20
Add Actual Revenue Collected 1996	28036.11
Less Actual Expenditure Incurred 1996	24864.38
Balance as at 31/12/96	5969.02

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/96		5969.02
IBD Deposit NBT	3049.04	
Cash on Hand 31/12/96	93.94	
Cash at Fusi 31/12/96	41.31	
Savings Account NBT 31/12/96	2702.52	
Advance Account – Tilaima	82.21	
	\$5969.02	\$5969.02

Report of the Auditor General

Nui Island Council

YEAR ENDING 31 DECEMBER 1997

A. SURPLUS ACCOUNT

Balance as at 1/1/97	\$ 5969.02
Add Actual Revenue Collected 1997	40821.32
Less Actual Expenditure Incurred 1997	39296.04
Balance as at 31/12/97	7494.30

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/97		7494.30
Deposit IBD	3096.15	
Cash on Hand 31/12/97	644.62	
Cash at Fusi 31/12/97	41.31	
Cash at Bank 31/12/97	3630.01	
Advance Account – Tilaima	82.21	
	\$7494.30	\$7494.30

FIFTEEN MONTHS ENDING 31 MARCH 1999

A SURPLUS ACCOUNT

Balance as at 1/1/98	\$ 7494.30
Add Actual Revenue Collected	58186.48
Less Actual Expenditure Incurred	52217.50
Balance as at 31/3/99	14463.28

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/3/99		14463.28
IBD Deposit	3189.73	
Cash on Hand	143.13	
Cash at Fusi	66.31	
Cash at Bank	10981.90	
Advance Account – Tilaima	82.21	
	\$14463.28	\$14463.28

Vaitupu Island Council

YEAR ENDING 31 DECEMBER 1996

A. SURPLUS ACCOUNT

Balance as at 1/1/96	\$	2298.38
Add Actual Revenue Collected 1996		49536.68
Less Actual Expenditure Incurred 1996		51331.30
Balance as at 31/12/96		503.76

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/96		503.76
Cash on hand 31/12/96	24.84	
Cash at Fusi 31/12/96	91.98	
Cash at Bank 31/12/96	0.49	
Advance: Tilaima Logo	386.45	
	\$503.76	\$503.76

Vaitupu Island Council

YEAR ENDING 31 DECEMBER 1997

A. SURPLUS ACCOUNT

Balance as at 1/1/97	\$	503.76
Add Revenue Actually Collected 1997		62307.17
Less Expenditure Actually Incurred 1997		55978.16
Balance as at 31/12/97		6832.77

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/97		6832.77
Cash on Hand 31/12/97	1566.09	
Cash at Fusi 31/12/97	196.98	
Cash at Bank 31/12/97	4683.25	
Advance: Tilaima Logo	386.45	
	\$6832.77	\$6832.77

Vaitupu Island Council

FIFTEEN MONTHS ENDING 31 MARCH 1999

A. SURPLUS ACCOUNT

Balance as at 1/1/98	\$	6832.77
Add Actual Revenue Collected		99482.21
Less Actual Expenditure Incurred		97726.79
Balance as at 31/3/99		8588.19

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/3/99		8588.19
Cash in Hand	274.84	
Cash at Fusi	216.98	
Cash at Bank	7709.92	
Advance: Tilaima Logo	386.45	
	\$8588.19	\$8588.19

Nukufetau Island Council

YEAR ENDING 31 DECEMBER 1996

A. SURPLUS ACCOUNT

Balance as at 1/1/96	\$34667.50
Add Actual Revenue Collected 1996	17204.99
Less Actual Expenditure Incurred 1996	17317.98
Balance as at 31/12/96	34554.51

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/96		34554.51
Deposit Council IBD	29343.47	
Deposit School IBD	2727.89	
Cash on Hand 31/12/96	1.02	
Cash at Fusi 31/12/96	194.77	
Cash at Bank 31.12.96	2287.36	
	\$34554.51	\$34554.51

Nukufetau Island Council

YEAR ENDING 31 DECEMBER 1997

A. SURPLUS ACCOUNT

Balance as at 1/1/97	\$34554.51
Add Actual revenue Collected 1997	22525.86
Less Actual Expenditure Incurred 1997	18879.46
Balance as at 31/12/97	38200.91

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/97		38200.91
Deposit Council IBD	29343.47	
Deposit School IBD	2727.89	
Cash on Hand 31/12/97	54.42	
Cash at Fusi 31/12/97	224.77	
Cash at Bank 31/12/97	5850.36	
	\$38200.91	\$38200.91

Nukufetau Island Council

FIFTEEN MONTHS ENDING 31 MARCH 1999

A. SURPLUS ACCOUNT

Balance as at 1/1/98	\$38200.91
Add Actual Revenue Collected	19871.79
Less Actual Expenditure Incurred	36167.53
Balance as at 31/3/99	21905.17

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/3/99		21905.17
Deposit Council IBD	6343.47	
Deposit School IBD	2727.89	
Cash on Hand	311.87	
Cash at Fusi	296.08	
Cash at Bank	12225.86	
	\$21905.17	\$21905.17

Funafuti Town Council

YEAR ENDING 31 DECEMBER 1996

A. SURPLUS ACCOUNT

Balance as at 1/1/96	\$	778.02
Add Actual Revenue Collected 1996		70846.06
Less Actual Expenditure Incurred 1996		71188.54
Balance as at 31/12/96		435.54

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 21/12/96		435.54
Cash on Hand 31/12/96	205.75	
Cash at Fusi 31/12/96	64.55	
Cash at Bank 31/12/96	165.24	
	\$435.54	\$435.54

Funafuti Town Council

YEAR ENDING 31 DECEMBER 1997

A. SURPLUS ACCOUNT

Balance as at 1/1/97	\$	435.54
Add Actual Revenue Collected 1997		96229.67
Less Actual Expenditure Incurred 1997		91610.59
Balance as at 31/12/97		5054.62

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/97		5054.62
Cash on Hand 31/12/97	167.14	
Cash at Fusi 31/12/97	97.38	
Cash at Bank 31/12/97	2484.38	
Shortage found in June 1997	1644.65	
Advances: Iapesa Vave	164.50	
Loise Sumeo	496.57	
	\$5054.62	\$5054.62

Funafuti Town Council

FIFTEEN MONTHS ENDING 31 MARCH 1999

A. SURPLUS ACCOUNT

Balance as at 1/1/98	\$	5054.62
Add Actual Revenue Collected		139842.04
Less Actual Revenue Incurred		139814.69
Balance as at 31/3/99		5081.97

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/99		5081.97
Cash on Hand	185.28	
Cash at Fusi	97.38	
Cash at Bank	997.16	
Current Account	1468.03	
Shortage - June 1999	1644.65	
Advances: Iapesa Vave	164.50	
Loise Sumeo	496.57	
Pene Enoka	20.00	
Pikona Satupa	8.40	
	\$5081.97	\$5081.97

Nukulaelae Island Council

YEAR ENDING 31 DECEMBER 1996

A. SURPLUS ACCOUNT

Balance as at 1/1/96	\$	13728.27
Add Actual Revenue Collected 1996		24392.57
Less Actual Expenditure Incurred 1996		24117.71
Balance as at 31/12/96		14003.13

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/96		14003.13
IBD 691697.40	4951.11	
IBD 691697.41	3485.93	
Cash on Hand 31/12/96	180.27	
Cash at Fusi 31/12/96	297.65	
Cash at Bank 31/12/96	2527.99	
Growth Bond Investment	2560.18	
	\$14003.13	\$14003.13

Nukulaelae Island Council

YEAR ENDING 31 DECEMBER 1997

A. SURPLUS ACCOUNT

Balance as at 1/1/97	\$	14003.13
Add Actual Revenue Collected 1997		30699.63
Less Actual Expenditure Incurred 1997		19145.43
Balance as at 31/12/97		25557.33

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/12/97		25557.33
IBD 691697.40	5100.76	
IBD 691697.41	3845.93	
Cash on Hand 31/12/97	1042.82	
Cash at Fusi 31/12/97	317.65	
Cash at Bank 31/12/97	13049.99	
Growth Bond Investment	2560.18	
	\$25557.33	\$25557.33

Nukulaelae Island Council

FIFTEEN MONTHS ENDING 31 MARCH 1999

A. SURPLUS ACCOUNT

Balance as at 1/1/98	\$	25557.33
Add Actual Revenue Collected		38333.01
Less Actual Expenditure Incurred		30000.59
Balance as at 31/3/99		33889.75

B. STATEMENT OF LEDGER BALANCES

	Debit	Credit
Surplus Account 31/3/99		33889.75
IBD 691697.40	3660.19	
IBD 691697.41	5333.97	
Cash on Hand	128.26	
Cash at Fusi	622.66	
Cash at Bank	21584.49	
Growth Bond Investment	2560.18	
	\$33889.75	\$33889.75

1. Introduction

The report covers the financial years 1996 – 1997 and fifteen months ending 31 March 1999, due to the change of Kaupule financial year end, upon the introduction of the Falekaupule Act 1997.

Given the understanding that the accounts in question should have been tabled in Parliament current to the end of the financial years, it is only appropriate that one audit report would suffice, in view of the fact that the comments are identical and of the same nature.

The final accounts were compiled by staff of the Office of the Auditor General, because the Island Executive Officers and Treasurers of respective Kaupule failed to submit the accounts in accordance with the deadline specified by the Local Government Financial Instructions (now Falekaupule Act and the Financial Guidelines).

2. Method of Audit

The approach recommended in the past is to divide the report into two main areas:

- Examination and audit of monthly accounts and
- Final Accounts

All Kaupule were visited twice in the years under review to conduct spot audit inspections.

The main emphasis is to examine in details the monthly accounts submitted by respective Kaupule.

Audit findings and comments from the above examinations of the accounts are recorded in a management letter, which is addressed for the attention of Island Secretaries.

3. Legislation

The Auditor General is required by section 172 of the Constitution to inspect and report on the Public Accounts of Tuvalu, the control of Public Money and Property of Tuvalu and all transactions with or concerning Public Money or Property of Tuvalu and submit his report thereon to Parliament.

The auditing of Kaupule Accounts is carried out under the then Local Government Act (CAP 19). Section 68 of which requires the Auditor General to transmit to the Minister responsible for Local Government and the Minister of Finance every report prepared by him on the examination and audit of the accounts kept by the Kaupule.

Falekaupule Act 1997 has taken over with provisions with respect to the audit of Kaupule Accounts, as well as addressing comments raised in the previous audit reports. Section 75 (2) now states that the Auditor General shall send a copy of every report prepared by him under sub-section (1) to the Speaker of Parliament for tabling in Parliament at the first session following its receipt by the Speaker.

4. Audit Findings

Nanumea

The following revenue sub-heads did not meet their allocated targets in the approved estimates for the financial years included in the report.

1996

Revenue Head	Estimates	Actual	Shortfall
Land Tax	1200.00	1126.00	74.00
Licences	1500.00	998.00	502.00
House Rent	1000.00	575.00	425.00
Rest House Rent	1500.00	497.00	1003.00
Properties Hire	400.00	188.00	212.00
Pig Sales	500.00	55.00	445.00
Workshop Income	100.00	37.00	63.00

1997

Revenue Head	Estimates	Actual	Shortfall
Land Tax	1200.00	916.00	284.00
Head Tax	4110.00	2006.00	2104.00
House Rent	1300.00	645.00	655.00
Rest House Rent	1500.00	735.00	765.00
Tractor Hire	2000.00	839.00	1161.00
Pig Sales	400.00	114.00	286.00
Entertainment	300.00	38.00	262.00
Workshop Income	100.00	31.00	69.00
Maneapa Hire	480.00	35.00	445.00

Fifteen Months Ending 31 March 1999

Revenue Head	Estimates	Actual	Shortfall
Land Tax	1200.00	1141.00	59.00
Head Tax	1800.00	1780.00	20.00

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House Rent	1500.00	180.00	1320.00
Rest House Rent	1000.00	588.00	412.00
Properties Hire	400.00	194.00	206.00
Investment Interest	500.00	86.00	414.00
Workshop Income	100.00	7.00	93.00

Section 157 of the Local Government Financial Instructions (LGFI), clearly states that when provision under any particular expenditure head will be insufficient, the Island Executive Officer will seek authority to increase the provision before overspending occurs.

It is confirmed that the following expenditure heads were overspent without supplementary provisions been sought.

1996

Expenditure Head	Estimates	Actual	Excess
Clerk/Typist	466.00	497.00	31.00
Orderlies	1560.00	1586.00	26.00
MCH Aide	492.00	510.00	18.00
Driver	624.00	650.00	26.00
Coxwain	732.00	763.00	31.00
Storekeeper	696.00	722.00	26.00
Control/Record Clerk	780.00	813.00	33.00
Land Rent/Trees			
Compensation	700.00	942.00	242.00
Catamaran Fuel	1500.00	1648.00	148.00

1997

Expenditure Head	Estimates	Actual	Excess
Casual Labour	2535.00	2608.00	73.00
Upkeep of Rest House	100.00	108.00	8.00
Miscellaneous	100.00	2049.00	1949.00
Telecom Expenses	553.00	636.00	83.00

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Fifteen Months Ending 31 March 1999

Expenditure Head	Estimates	Actual	Excess
Assistant Exoff	2940.00	3744.00	804.00
Clerk/Typist	672.00	770.00	98.00
Carpenter	922.00	1170.00	248.00
Orderlies	1900.00	2320.00	420.00
MCH Aide	672.00	853.00	181.00
Coxwain	768.00	975.00	207.00
Resthouse Assistant	672.00	853.00	181.00
Librarian	672.00	775.00	103.00
Record Clerk	940.00	1193.00	253.00
Casual Labour	2592.00	3353.00	761.00
Councillors Allowances	1854.00	2363.00	509.00
Approved Teachers	672.00	1704.00	1302.00
Mechanic	100.00	415.00	315.00
Property Maintenance	1500.00	1837.00	337.00
Tractor Fuel	1000.00	1555.00	555.00
Catamaran Fuel	1300.00	2493.00	1193.00
Miscellaneous	200.00	882.00	682.00

Nanumaga

The trial balances of the financial years under review revealed that the following revenue heads did not met the targeted amounts approved under the following revenue heads.

1996

Revenue Head	Estimates	Actual	Shortfall
Licences	2000.00	1663.00	337.00
House Rent	2040.00	1412.00	964.00
Hire of Council Properties	1000.00	715.00	285.00
Investment Interest	700.00	25.00	675.00

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1997

Revenue Head	Estimates	Actual	Shortfall
House Rent	3200.00	2042.00	1158.00
Tractor Hire	1000.00	415.00	585.00
Hire of Council Properties	800.00	458.00	342.00
Interest of Investment	700.00	439.00	261.00

Fifteen Months Ending 31 March 1999

Revenue Head	Estimates	Actual	Shortfall
Land Tax	3110.00	2869.00	241.00
Head Tax	3440.00	2684.00	756.00
Licences	1800.00	1474.00	326.00
House Rent	3240.00	1905.00	1335.00
Rest House Rent	1500.00	25.00	1475.00
Tractor Hire	1000.00	327.00	673.00
Miscellaneous	800.00	212.00	588.00

Tabled below are expenditure heads, which were overspent without supplementary provisions, been sought as required under LGFI 157. It is also noted that \$103.00 was expensed against the Budget Committee Allowances, when in fact there was no approved provisions in 1998 Estimates.

1996

Expenditure Head	Estimates	Actual	Excess
PHCC Allowances	384.00	397.00	13.00
Tractor Fuel	1100.00	1150.00	50.00
Tuvalu Day	250.00	1250.00	1000.00

1997

Expenditure Head	Estimates	Actual	Excess
Assistant Exoff	2813.00	4269.00	1456.00
Orderly	960.00	1090.00	130.00

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MCH Aide	960.00	1048.00	88.00
Driver	960.00	1012.00	52.00
Resthouse Attendant	960.00	1048.00	88.00
Approved Teacher	1056.00	1100.00	44.00
Councillors Allowances	2076.00	2209.00	133.00
PHCC Allowances	504.00	559.00	55.00
Mechanic	960.00	1156.00	196.00
Trees Compensation	50.00	75.00	25.00
Tuvalu Day	250.00	1000.00	750.00
Telecom Expenses	553.00	2115.00	1561.00

Fifteen Months Ending 31 March 1999

Expenditure Head	Estimates	Actual	Excess
Assistant Exoff	2940.00	3675.00	735.00
Clerk/Typist	960.00	1493.00	533.00
Carpenter	960.00	1337.00	377.00
Orderly	960.00	1393.00	433.00
MCH Aide	960.00	1397.00	437.00
Driver	960.00	1233.00	273.00
Resthouse Assistant	960.00	1365.00	405.00
Storekeeper	960.00	1392.00	432.00
Approved Teacher	1056.00	1360.00	304.00
TPF Contributions	683.00	898.00	215.00
Councillors Allowances	2220.00	2353.00	133.00
PHCC Allowances	504.00	747.00	243.00
School Committee Allces	384.00	428.00	44.00
Casual Labours	500.00	1545.00	1045.00
Mechanic	960.00	1393.00	433.00
Budget Committee Allces	0	103.00	103.00

Niutao

Local revenues are raised annually to provide funds to meet current operations of the Kaupule for each financial year. There is evident that on many occasions, the respective Kaupule did not managed to raise the amounts approved in the annual estimates.

The two factors contributing to these shortfalls are either the basis upon which the approved amounts were calculated is overstated, or the Kaupule did not enforced collections of rates, licences and

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other fees as and when they fall due. The table below highlighted revenue heads that were under collected by the Kaupule:

1996

Revenue Head	Estimates	Actual	Shortfall
Land Tax	2000.00	1473.00	527.00
Head Tax	1900.00	1223.00	677.00
Licences	1700.00	1374.00	326.00
House Rent	1700.00	535.00	1165.00
Tractor Hire	2600.00	1533.00	1067.00
Property Hire	500.00	162.00	338.00
Investment Interest	800.00	356.00	444.00
Generator Hire	500.00	430.00	70.00

1997

Revenue Head	Estimates	Actual	Shortfall
Land Tax	2000.00	94.00	1906.00
House Rent	2520.00	580.00	1940.00
Tractor Hire	2600.00	2423.00	177.00
Property Hire	500.00	135.00	365.00
Investment Interest	800.00	573.00	227.00
Generator Hire	500.00	465.00	35.00
Falekaupule Hire	500.00	165.00	334.00
Miscellaneous	600.00	159.00	441.00

Fifteen Months Ending 31 March 1999

Revenue Head	Estimates	Actual	Shortfall
Land Rent	2000.00	1499.00	501.00
Head Tax	3000.00	2251.00	749.00
Licences	2100.00	1924.00	176.00
House Rent	2520.00	659.00	1861.00
Quest House Rent	1000.00	913.00	87.00
Tractor Hire	2600.00	1899.00	701.00
Hire Council Properties	500.00	65.00	435.00
Generator Hire	500.00	355.00	145.00

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Miscellaneous	600.00	27.00	573.00
Court Fines	500.00	5.00	495.00

The expenditure heads listed below were overspent in the years under review – the Land Rent, Entertainment and Tuvalu Day provisions were grossly overspent warranting thorough explanations.

1996

Expenditure Head	Estimates	Actual	Excess
MCH Aide	695.00	841.00	146.00
Tractor Fuel	1000.00	1270.00	274.00
Tuvalu Day	250.00	1000.00	750.00

1997

Expenditure Head	Estimates	Actual	Excess
Approved Teacher	576.00	1008.00	432.00
TPF contributions	451.00	651.00	200.00
Land Rent	527.00	6728.00	6201.00
Entertainment	50.00	2008.00	1958.00

Fifteen Months Ending 31 March 1999

Expenditure Head	Estimates	Actual	Excess
Assistant IEO	2940.00	3751.00	811.00
Clerk/Typist	889.00	1107.00	218.00
Carpenter	915.00	1065.00	150.00
Orderlies	1706.00	2123.00	417.00
MCH Aide	1031.00	1281.00	250.00
Driver	915.00	1139.00	224.00
Mechanic	1208.00	1503.00	295.00
Foreman	1208.00	1503.00	295.00
TPF Contributions	710.00	854.00	144.00
Land Rent	528.00	6728.00	6200.00
Tractor Fuel	1000.00	1354.00	354.00
Tuvalu Day	1000.00	3000.00	2000.00

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Nui

The revenue performances of the Kaupule is unsatisfactory – out of the 16 revenue heads, only half of the items managed to meet the budgeted approved amounts:

1996

Revenue Head	Estimates	Actual	Shortfall
Head Tax	1200.00	694.00	506.00
Licence	800.00	472.00	328.00
House Rent	800.00	370.00	430.00
Boat Hire	500.00	494.00	6.00
Investment Interest	300.00	10.00	290.00
Sale of String	150.00	31.00	119.00
Falekaupule Hire	100.00	66.00	34.00
Pig Sale	200.00	95.00	105.00

1997

Revenue Head	Estimates	Actual	Shortfall
Head Tax	2600.00	1181.00	1419.00
Licence	800.00	607.00	193.00
Tractor Hire	1300.00	387.00	913.00
Sale of String	150.00	30.00	120.00
Hire of Falekaupule	100.00	78.00	22.00
Workshop Income	50.00	16.00	34.00
Fish Sale	2500.00	2000.00	500.00
Electricity/Solar Hire	3500.00	3196.00	304.00

Fifteen Months Ending 31 March 1999

Revenue Head	Estimates	Actual	Shortfall
Head Tax	2600.00	1160.00	1440.00
Investment Interest	300.00	119.00	181.00
Fish Sale	2500.00	1483.00	1017.00

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Whilst under collection of locally raised revenues may not actually raised much concerns, over spending of the core budget without seeking additional funding is a matter that needs proper explanations.

The following expenditure heads were obviously overspent without any attempts been made to seek supplementary provisions to cover the excess amounts overspent:

1996

Expenditure Head	Estimates	Actual	Excess
Overtime	120.00	235.00	115.00
Maintenance of Properties	1500.00	2275.00	775.00
Land Rent	600.00	740.00	140.00
Tractor Fuel	600.00	1015.00	415.00
Boat Fuel	350.00	1102.00	752.00
Entertainment	150.00	183.00	33.00
Generator Fuel	900.00	1250.00	350.00
Tuvalu Day	500.00	750.00	250.00
Miscellaneous	100.00	2090.00	1990.00
Fishing Industry	500.00	2279.00	1779.00

1997

Expenditure Head	Estimates	Actual	Excess
Mechanic	960.00	1084.00	124.00
Maintenance of Properties	1500.00	2453.00	953.00
Land Rent/Tree Comp	600.00	8620.00	8020.00
Boat Fuel	350.00	1105.00	755.00
Miscellaneous	10.00	3813.00	3803.00
Fishing Industry Expense	500.00	2210.00	1710.00
Telecom Charges	553.00	1549.00	996.00

Fifteen Months Ending 31 March 1999

Expenditure Head	Estimates	Actual	Excess
Assistant IEO	2954.00	4427.00	1473.00
Clerk Typist	711.00	904.00	193.00

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Carpenter	846.00	1206.00	360.00
MCH Aide	711.00	1034.00	323.00
Driver	711.00	1005.00	294.00
Coxwain	711.00	900.00	189.00
Weaver	960.00	1200.00	240.00
Casual Labour	2000.00	2174.00	174.00
TPF Contributions	450.00	674.00	224.00
Councillors Allowances	2592.00	3242.00	650.00
PHCC Allowances	1332.00	1459.00	127.00
PSC Allowances	1332.00	1475.00	143.00
IDRF Allowances	468.00	632.00	164.00
Mechanic	960.00	1160.00	200.00
Workshop Keeper	711.00	1005.00	294.00

Vaitupu

Analysed below are revenue heads under collected for the accounting periods under review:

1996

Revenue Head	Estimates	Actual	Shortfall
Head Tax	2720.00	2400.00	300.00
Tractor Hire	3000.00	1321.00	1679.00
Hire Council Properties	2000.00	686.00	1314.00
Investment	1100.00	52.00	1048.00
Entertainment	1100.00	375.00	725.00
Workshop Income	2000.00	405.00	1595.00

1997

Revenue Head	Estimates	Actual	Shortfall
Licences	7500.00	4729.00	2771.00
Sale of Local Product	100.00	30.00	70.00
Tractor Hire	3500.00	3407.00	93.00
Entertainment Fees	1200.00	383.00	817.00
Pig Sale	5000.00	3430.00	1570.00
Snack Bar Income	3000.00	1132.00	1868.00
Rental Fees	360.00	120.00	180.00

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Fifteen Months Ending 31 March 1999

Revenue Head	Estimates	Actual	Shortfall
Head Tax	3500.00	2701.00	799.00
Sale of Local Product	100.00	39.00	61.00
Pig Sale	3500.00	2340.00	1160.00
Workshop Income	800.00	762.00	38.00
Sale of Fish	200.00	47.00	153.00
Commercial Rental Fees	360.00	195.00	165.00

Calculated in the following tables are expenditure heads that were overspent, without actually seeking approval for supplementary appropriations, in accordance LGFI 157. In 1996, 95 per cent of the expenditure heads were overspent; the percentage declined in 1997, but picked up again in the financial year ending 31 March 1999.

This is a clear indication that the affairs of the Kaupule are being conducted without due diligence and care thus warranting full explanations from the Kaupule. The fuel consumption for the Kaupule generator is just too excessive in all the three years under review.

1996

Expenditure Head	Estimates	Actual	Excess
Assistant IEO	2798.00	2926.00	128.00
Clerk Typist	1080.00	1240.00	160.00
Carpenter	1080.00	1230.00	150.00
Orderlies	720.00	780.00	60.00
MCH Aide	792.00	883.00	91.00
Foreman	1300.00	1494.00	194.00
Mechanic	1082.00	2044.00	962.00
Casual Labours	2500.00	2647.00	147.00
Overtime	300.00	497.00	197.00
Councillors Allowances	2214.00	2867.00	653.00
PSC Allowances	318.00	337.00	19.00
Snack Bar Keeper	910.00	960.00	50.00
Storekeeper	1009.00	1164.00	155.00
Skilled Worker	1009.00	1753.00	744.00
Generator Operator	1000.00	1625.00	625.00

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Permanent Skilled Labour	3000.00	3107.00	107.00
Electrician	910.00	1044.00	134.00
Maintenance of Properties	2000.00	2844.00	844.00
Tractor Fuel	1000.00	1816.00	816.00
Miscellaneous	200.00	2127.00	1927.00
Electrician Equipment	100.00	183.00	83.00
Snack Bar Upkeeping	1000.00	1415.00	415.00
Private Tools	100.00	159.00	59.00
Electricity Fuel	2000.00	11872.00	9872.00
Small Engine Fuel	100.00	227.00	127.00

1997

Expenditure Head	Estimates	Actual	Excess
Assistant IEO	2954.00	3048.00	94.00
Clerk Typist	1456.00	1481.00	25.00
Overtime	600.00	819.00	219.00
Audit Fees	330.00	660.00	330.00
Small Engine Fuel	100.00	449.00	349.00
Electricity Fuel	9000.00	11904.00	2904.00
Telecom	400.00	1974.00	1574.00

Fifteen Months Ending 31 March 1999

Expenditure Head	Estimates	Actual	Excess
Assistant IEO	3067.00	3997.00	931.00
Clerk Typist	1560.00	1962.00	402.00
Carpenter	1560.00	1974.00	414.00
Orderly	1248.00	1567.00	320.00
MCH Aides	1248.00	1584.00	336.00
Foreman	1768.00	2234.00	466.00
Mechanics (2)	3536.00	4257.00	721.00
Overtimes	600.00	1055.00	455.00
TPF Contributions	1576.00	2312.00	736.00
Snack Bar	1352.00	1714.00	362.00
Storekeeper	1456.00	1844.00	388.00
Approved Teachers	1456.00	2464.00	1008.00
Generator Operator	2704.00	3143.00	439.00
Junior Electrician	1352.00	2039.00	687.00
Maintenance Council Prop	2000.00	2744.00	744.00

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Miscellaneous	100.00	3461.00	3361.00
Hire of Private Tools	100.00	598.00	498.00
Equipment Fuel	450.00	577.00	127.00
Generator Fuel	10000.00	29132.00	19132.00

Nukufetau

Of the 11 revenue heads in the budgets, only 4 of them met the expected targets approved in the budget for the following years:

1996

Revenue Heads	Estimates	Actual	Shortfall
House Rent	1920.00	1060.00	859.00
Boat Hire	300.00	87.00	213.00
Tractor Hire	300.00	231.00	69.00
Property Hire	800.00	198.00	602.00
Investment Interest	2000.00	480.00	1520.00
Pig Sales	100.00	60.00	40.00
Fish Sales	500.00	171.00	323.00

1997

Revenue Head	Estimates	Actual	Shortfall
Head Tax	2000.00	1848.00	152.00
House Rent	1920.00	752.00	1168.00
Rest House	600.00	370.00	230.00
Investment Interest	2000.00	30.00	1970.00

Fifteen Months Ending 31 March 1999

Revenue Head	Estimates	Actual	Shortfall
Head Tax	3000.00	2232.00	768.00
House Rent	2400.00	387.00	2012.00
Boat Hire	500.00	228.00	272.00
Pig Sales	500.00	163.00	337.00
Fish Sales	4000.00	2511.00	1489.00

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The Kaupule overspent some of its expenditure heads without seeking supplementary provisions in accordance with LGFI 157.

1996

Expenditure Head	Estimates	Actual	Excess
Casual Labours	2000.00	3159.00	1159.00
PHCC Allowances	200.00	531.00	331.00
Audit Fee	300.00	330.00	30.00
Entertainment	150.00	461.00	311.00

1997

Expenditure Head	Estimates	Actual	Excess
Carpenter	791.00	1157.00	366.00
Councillors Allowances	2412.00	2827.00	415.00
Overtimes	200.00	224.00	24.00
IDRF Allowances	180.00	220.00	40.00
Tractor Fuel	200.00	262.00	62.00
Boat Fuel	200.00	295.00	95.00

Fifteen Months Ending 31 March 1999

Expenditure Head	Estimates	Actual	Excess
Assistant IEO	3209.00	2623.00	414.00
Clerk Typist	1226.00	1376.00	150.00
MCH Aide	949.00	1118.00	169.00
Coxwain	1037.00	1140.00	103.00
Overtimes	500.00	553.00	53.00
Driver	1092.00	1202.00	110.00
Properties Maintenance	2700.00	7427.00	4727.00
Entertainment	200.00	275.00	75.00

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Funafuti

The following revenue heads were under collected without proper justifications:

1996

Revenue Head	Estimates	Actual	Shortfall
Basic Rate	15000.00	10813.00	4186.00
Licence	20000.00	15767.00	4233.00
Market Fees	4500.00	4440.00	60.00
Garbage Disposal	5000.00	1875.00	3125.00
Tractor Services	500.00	177.00	323.00

1997

Revenue Head	Estimates	Actual	Shortfall
Basic Rate	15000.00	10218.00	4782.00
Entertainment	500.00	5.00	495.00
Garbage Disposal Fee	5000.00	3612.00	1388.00
Vehicle Hire	800.00	97.00	703.00
Miscellaneous	300.00	0	300.00
Funafala Rest House	500.00	425.00	75.00
Hire of FTC Properties	400.00	70.00	330.00
Cemetery Fee	100.00	60.00	40.00
Funafala Maneapa	200.00	25.00	175.00
Building Permit	200.00	100.00	100.00

Fifteen Months Ending 31 March 1999

Revenue Head	Estimates	Actual	Shortfall
Basic Rate	15000.00	12528.00	2472.00
Licence	26000.00	25964.00	36.00
Entertainment	1000.00	646.00	354.00
Garbage Disposal Fee	8000.00	3413.00	4587.00
Building Rent	800.00	0	800.00
Funafala Rest House	500.00	410.00	90.00
Hire of FTC Properties	400.00	131.00	269.00
Cemetery Fee	100.00	20.00	80.00

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Water Supply	8000.00	998.00	7002.00
Conservation Area	300.00	250.00	50.00

The total amount of \$7385.00, \$20991.00 and \$12271.00 respectively were overspent in the years under review, without actually seeking supplementary provisions in accordance with LGFI 157.

It is important to point out at this juncture that the liquidity position of the Kaupule is weak, thus calling for more prudence financial management on the part of management.

1996

Expenditure Head	Estimates	Actual	Excess
Assistant IEO	2704.00	2716.00	12.00
Orderlies	3320.00	3521.00	201.00
Overtimes	200.00	1158.00	958.00
PHCC Allowance	1200.00	1470.00	270.00
IDRF Allowance	480.00	500.00	20.00
Land Rent	2147.00	2674.00	527.00
Audit Fee	330.00	580.00	250.00
Telecom Charges	1500.00	1815.00	315.00
Miscellaneous	2000.00	6832.00	4832.00

1997

Expenditure Head	Estimates	Actual	Excess
Assistant IEO	2920.00	2996.00	76.00
Typist	2080.00	2089.00	9.00
Garbage Labourers	6656.00	8079.00	1423.00
Overtimes	1000.00	1354.00	354.00
TPF Contributions	1920.00	3444.00	1524.00
School Typist	1820.00	1836.00	16.00
PHCC Allowances	1440.00	2030.00	590.00
CA Officers (2)	10.00	2376.00	2366.00
Maintenance FTC Prop	6500.00	7448.00	948.00
Telephone Bills	2000.00	4102.00	2102.00
Electricity Bills	1500.00	4355.00	2855.00
Entertainment	700.00	996.00	296.00

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Miscellaneous	1000.00	5853.00	4853.00
Photocopy Charges	300.00	536.00	236.00
Office Supplies	650.00	3308.00	2658.00

Fifteen Month Ending 31March 1999

Expenditure Head	Estimates	Actual	Excess
Orderlies (2)	2002.00	4156.00	2154.00
Rest House Keeper	1144.00	1412.00	268.00
Garbage Labourers	3120.00	8079.00	4959.00
CA Officers (2)	972.00	2376.00	1404.00
Telephone Bills	5000.00	5337.00	337.00
Electricity Charges	3000.00	3360.00	360.00
Entertainment	700.00	853.00	153.00
Miscellaneous	1000.00	1569.00	569.00
Broadcasting Charges	500.00	684.00	184.00
Office Supplies	2000.00	2693.00	693.00
Classroom Maintenance	3000.00	4190.00	1190.00
Office Renovation	10000.00	10178.00	178.00
Road Maintenance	0	1500.00	1500.00

Nukulaelae

The Kaupule did not managed to collect the amount of revenues approved under the following heads:

1996

Revenue Head	Estimates	Actual	Shortfall
Basic Rate	1480.00	1277.00	210.00
Licences	800.00	598.00	202.00
House Rent	840.00	450.00	390.00
Boat Hire	500.00	213.00	287.00
Miscellaneous	500.00	58.00	442.00
Sales of Furniture	600.00	1.00	599.00
Sales of Local Product	200.00	91.00	109.00

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1997

Revenue Head	Estimates	Actual	Shortfall
Basic Rate	1040.00	873.00	167.00
House Rent	960.00	455.00	485.00
Boat Hire	500.00	380.00	120.00
Investment Interest	500.00	170.00	330.00
Tractor Hire	350.00	29.00	321.00
Local Produce	250.00	44.00	206.00
Miscellaneous	200.00	18.00	182.00

Fifteen Months Ending 31 March 1999

Revenue Head	Estimates	Actual	Shortfall
Basic Rate	1351.00	1050.00	301.00
Licences	700.00	684.00	16.00
House Rent	720.00	505.00	215.00
Rest House Rent	300.00	224.00	76.00
Boat Services	500.00	431.00	69.00
Workshop Services	2700.00	1498.00	1202.00
Generator Hire	950.00	99.00	851.00
Hire Council Properties	2400.00	639.00	1761.00
Sales of Local Products	150.00	137.00	13.00

The following expenditure heads were overspent against the approved budget, but no supplementary application was lodged in accordance with LGFI 157:

1996

Expenditure Head	Estimates	Actual	Excess
Approved Teacher	765.00	800.00	32.00
Tuvalu Day	500.00	750.00	250.00

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1997

Expenditure Head	Estimates	Actual	Excess
Fuel	500.00	876.00	376.00
Miscellaneous	100.00	267.00	167.00
Telecom Expenses	1253.00	1325.00	72.00

Fifteen Months Ending March 1999

Expenditure Head	Estimates	Actual	Excess
Clerk Typist	1077.00	1109.00	32.00
MCH Aide	1155.00	1187.00	32.00

Recommendation

The provision of the Local Government and Financial Instructions 157 must be observed strictly;

That no payments shall be effected for expenditure items that were not budgeted for in the annual Estimates;

The Kaupule, Island Secretaries and Treasurers to take note that expenditures incurred over and above the approved amounts in the Budget, without supplementary provisions been approved is strictly not allowed to stand charge against Kaupule funds;

That the Final Accounts are prepared and submitted to the Auditor General, immediately after the end of each financial year.

That the Auditor General tour all the outer islands and meet with respective Kaupule concerning their duties to comply strictly with the above recommendations. Non-compliance with the above, including provisions of the Financial Guidelines and the Falekaupule Act, will be surcharged against officers responsible for authorising such transactions.