



LAUTOKA CITY COUNCIL



2014

ANNUAL REPORT

ACRONYM

3Rs	- Reduce, Reuse & Recycle
ADBS	- Acting Director Building Service
ADES	- Acting Director Engineering Service
CBD	- Central Business District
CBH	- Central Board of Health
CCTV	- Closed Circuit Television
CEO	- Chief Executive Officer
Col	- Colonel
CSP	- Clean School Programme
CSR	- Community Social Responsibilities
FICAC	- Fiji Independent Commission Against Corruption
FIFA	- Federation Internationale de Football Association
DFAS	- Director Finance & Administration Services
DHS	- Director Health Services
GE	- General Elections
GHP	- Good Hygiene Practices
HON	- Honorable
HQ	- Headquarter
IRB	- International Rugby Board
IYC	- International Year of Children
LCC	- Lautoka City Council
MOU	- Memorandum of Understanding
MPT	- Multipurpose Truck
RFMF	- Republic of Fiji Military Forces
TC	- Tropical Cyclone
UCV	- Unimproved Capital Value
UN	- United Nations

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CHIEF EXECUTIVE OFFICER MESSAGE



I am pleased to present the 2014 Annual Report for Lautoka City Council.

LCC has shown progress across certain area of its operation during the last 12 months with a total of nine (9) projects completed with the focus on infrastructure and beautification works.

Receiving the Clean & Tidy Town Competition Top Award for the last four (4) years has boosted the moral and civic pride of the council to continue with its in-house innovated beautification works.

The citizens of Lautoka were overwhelmed with joy and happiness to publicly viewing the IRB World Cup trophy and the FIFA World Cup trophy respectively at our Churchill Park ground. The qualifying of our Flying Fijian to the 2015 World

Cup in New Zealand was an icing on the cake.

With the strategic focus to sustainable growth of Lautoka in the near future, the council has secured the government assistance to construct Open Shed Municipal Market that will house our rural casual vendors.

The council has sublet one of its open space adjacent to Churchill Park for Tappoo Group Fiji Limited to construct a modern shopping complex with an upgraded gateway to Churchill Park and inclusive of corporate booth. The said leasing arrangement will improve the council's earning power and not to mention the economic growth that will be enjoyed by everyone.

Also, in partnership with the central government, the council will upgrade its Churchill Park to an international standard synthetic athletic track. The overall winner by Jasper William High School in the Fiji Finals Girls Division, flagged the need to have a synthetic athletic track for Lautoka's citizens.

On behalf of the council, I wish to farewell our former Special Administrator, Mr. Parveen Bala who has relinquished his position to contest the 2014 National General Election and again congratulated him as Honorable Member of Parliament and appointed Minister for Local Government, Housing and Environment.

Lautoka City Council will continue to support our line Minister in upholding best practices on all our civic duties and aligning ourselves to the national government policies.

Lastly, I would like to salute all council's stakeholders for their support and commitment shown to our then Special Administrator during his tenure and not forgetting the last four (4) months after election for assuming the role of Special Administrator as Chief Executive Officer for Lautoka City Council.

I wish everyone a Merry Christmas and prosperous 2015

A handwritten signature in black ink, appearing to read 'Jone Qio Nakauvadra', written over a thin horizontal line.

Jone Qio Nakauvadra
CHIEF EXECUTIVE OFFICE

LCC STRATEGIC FOCUS

VISION

To be the best HEALTH, SPORTS & CULTURAL tourism city in the South Pacific

MISSION

With sugar being synonymous with Lautoka City, the council will continue to promote and facilitate:

- ~ Clean and Healthy Environment
- ~ Safety and Security
- ~ Prosperous Investment
- ~ Better wellbeing of Ratepayers

VALUES

- ⇒ Leadership
- ⇒ Integrity
- ⇒ Transparent
- ⇒ Responsible
- ⇒ Cleanliness
- ⇒ Timeliness
- ⇒ Standardization
- ⇒ Customer Delight

BACKGROUND INFORMATION

CITY PROFILE

LOCATION: CIVIC CENTRE
169 VITOGO PARADE
LAUTOKA

ADDRESS: P O BOX 124, LAUTOKA
OFFICE: (679) 666 0433
MOBILE: (679) 9908559
FAX: (679) 666 3288
EMAIL: lcc@connect.com.fj
WEB: www.mylautokacity.org

AUDITOR: AUDITOR GENERAL

BANKER: BANK OF SOUTH PACIFIC

LENDERS: WESTPAC LAUTOKA
BANK OF SOUTH PACIFIC
BSP LIFE (FIJI) LTD

SOLICITORS: S B PATEL & COMPANY
MISHRA PRAKASH & ASS
NATASHA KHAN & CO

INSURERS: AON RISKS (FIJI)
NEW INDIA ASSURANCE CO.

HISTORICAL BACKGROUND

Legend has been passed on that within the bounds of today's Lautoka city, there lived two tribes each with a chief. As a result of an argument one day, a fight broke out between the two chiefs at a spot which is now known as "Farquhar's point". As one chief speared the other screamed "LAU-TOKA" meaning "spear - hit" or "hit to win." And so, Lautoka acquired a name.

The development of Lautoka perhaps began in 1899 when sugar milling company, Colonial Sugar Refining Company Limited made an application to the government to build a wharf at Lautoka in order to export sugar from western Viti Levu. In that year it had decided to build a sugar mill in Lautoka which was completed in 1903

ESTABLISHMENT TIMELINES

- 01st Jun.1901-declared a *Port of Entry*.
- 02nd Feb.1929-proclaimed a Township.
- 01st Jan.1944-Lautoka Town Board was formed.
- 28th Mar.1953-Lautoka Town Council was established.
- 04th Nov.1972-1st Common Roll Election & introduction wards namely Waiyavi, Simla, Tavakubu & Veitari
- 25th Feb.1977- was declared a City & known as a *Sugar City*.
- 16th Feb. 2009 – elected Councilors were replaced with interim government appointed Special Administrators such as:
- Mr. Josefa R. Vucago from February 2009 to May, 2010
 - Mr. Aisea Tuidraki from May, 2010 to July, 2010
 - Mr. Praveen Bala July 2010 to August 2014

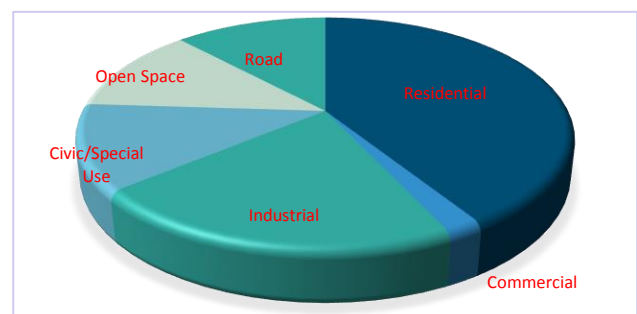
DEMOGRAPHIC DETAILS

- 8,164 – Registered Ratepayers
- 43,473 Population within City Boundary [*extract 2008 Census*]

GEOGRAPHICAL LOCATION

- 21km Northeast of Nadi International Airport
- Grid reference: 17° 37' 0" South, 177° 28' 0" East

ZONING ALLOCATION



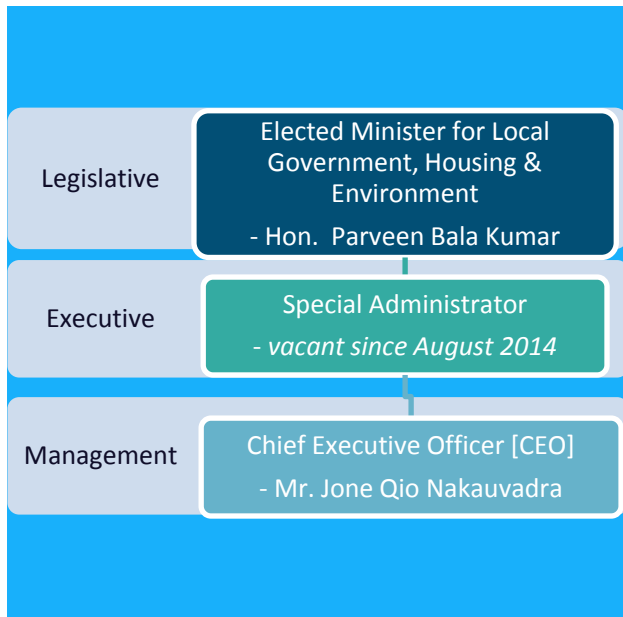
ORGANISATION STRUCTURE

(a.) Governance Setup

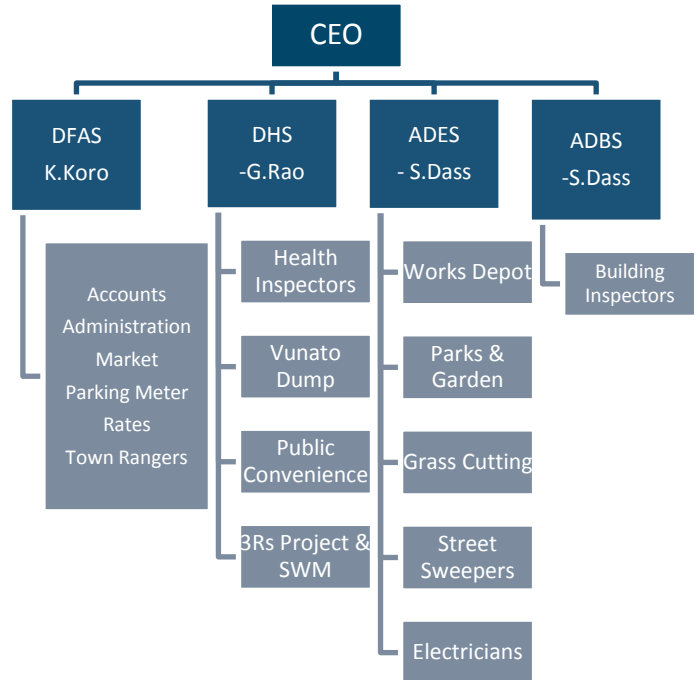
Prior to General Elections- January to July



After the GE – August to December



(b.) Management Hierarchy



BRIEF HIGHLIGHTS OF 2014

1. FIJIAN GENERAL ELECTION - 2014

In collaboration with the Fijian Election Office, the council ensures that all its facilities, especially open spaces and parks are readily available for the Fiji's National General Election scheduled for August, 2014.

Prior to the General Election, council's premises such as the Sugar City Mall Open Space, Civic Center Chamber & Carnival ground were utilized to carryout Voters Registrations and National Elections Awareness and Campaigns.

Leading up to the general election, Mr. Parveen Bala resigned from his position as Special Administrator for Lautoka, Ba & Tavua Town Council to join the Fiji First Party as one of its candidates in the new introduced electorate system.

The outcome of the general election was a blessing to the council when Mr. Bala was appointed as a Minister for Local Government, Housing and Environment.

2. IRB RUGBY WORLD CUP 2015 QUALIFYING GAME FOR FLYING FIJIAN

Lautoka's Churchill Park was chosen to host the IRB World Cup Qualifying Games for 2015 between the Flying Fijians vs. Cook Island Rugby Team.



The event was blessed with the presences of the prestigious IRB World Cup known as the Webb Ellis trophy at the ground on the day.

The superb rugby displayed by the Flying Fijians cemented the hopes of the local rugby fans to the 2015 Rugby World Cup in New Zealand.

The council in partnership with the Fiji Rugby Union hosted both rugby teams and officials to an open-air garden dinner with refreshments at the Botanical Garden.



3. HOSTING OF THE FIFA WORLD CUP TROPHY

Lautoka City was recognised by FIFA (Fédération Internationale de Football Association) to host the FIFA World Cup trophy during its World Tour in the Pacific.

The trophy is made from 18 carat (75%) gold.



The FIFA World Cup Trophy was displayed at Churchill Park for free public viewing on Saturday 21st September, 2014.

TOWN RATES & FINANCIAL UPDATES

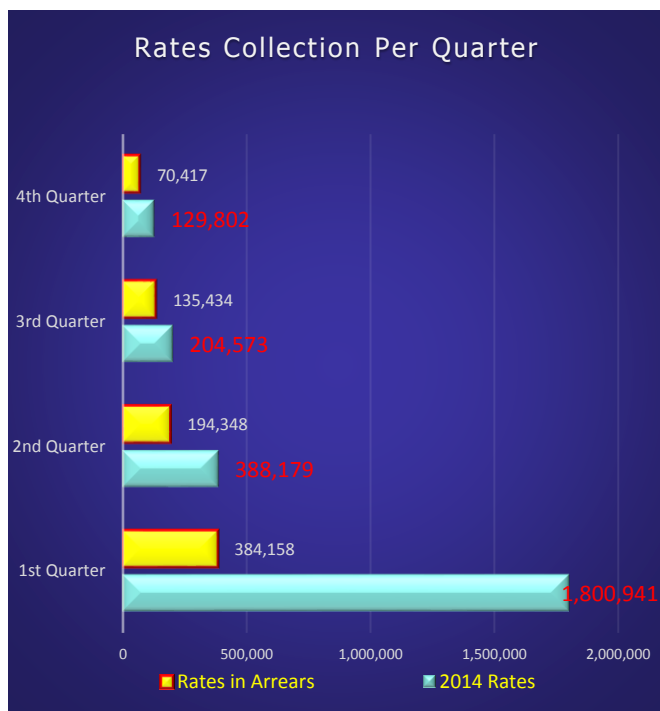
1. LAND VALUATION & RATE

The total unimproved capital valuation of land within the city for rating purposes was \$267,499,140 and the rate levy for 2014 was 1.5261cent in the **\$3,910,792** based on UCV and rates income were as follows:-

RATES	Levy	U.C.V.	Rate Income
	C	\$	\$
General	0.8592	249,970,440	2,147,746
Loan	0.6669	263,161,140	1,755,021
Agriculture	0.185	4,338,000	8,025
			3,910,792

2. RATES COLLECTION REPORT - 2014

	2014 Rate Levy	Rates in Arrears
Total Budget	\$3,910,792	\$4,827,339
Collection	\$2,625,292	\$817,651
Balance	\$1,303,853	\$4,009,678
<i>% Collected</i>	<i>66.82%</i>	<i>16.94%</i>

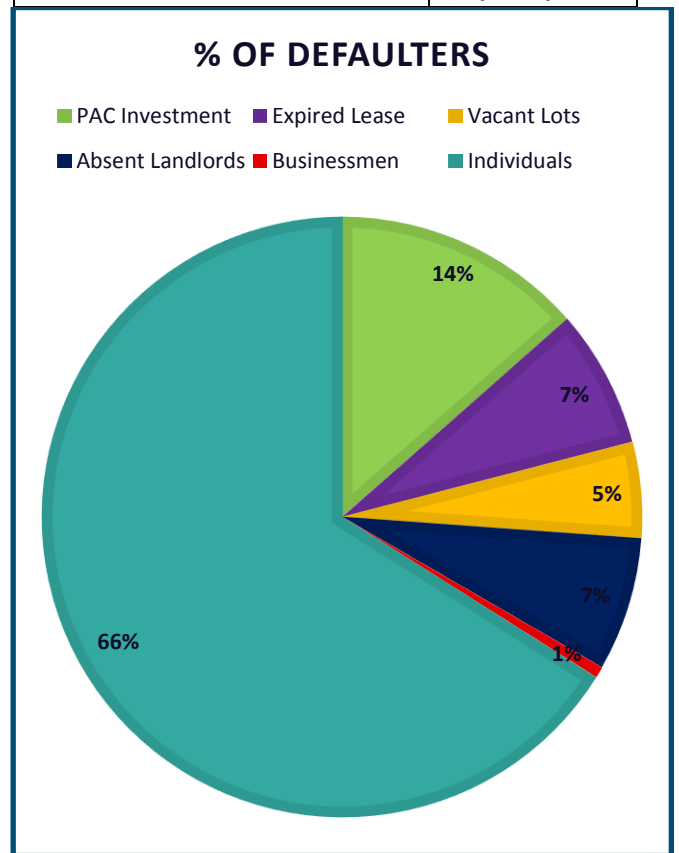


3. RATE ASSESSMENTS RATEPAYERS

Total number of town ratepayers for the year ending 2014 is: **8,041**.

4. CLASSIFICATION OF MAJOR DEFAULTER IN TOWN RATES

Estate of Deceased Persons	\$613,234
PAC Investment	\$258,225
Expired Leases	\$142,066
Vacant Lots	\$98,996
Absent Landlords	\$137,499
Businessmen	\$11,479
Individuals	\$2,748,179
TOTAL	\$4,009,678

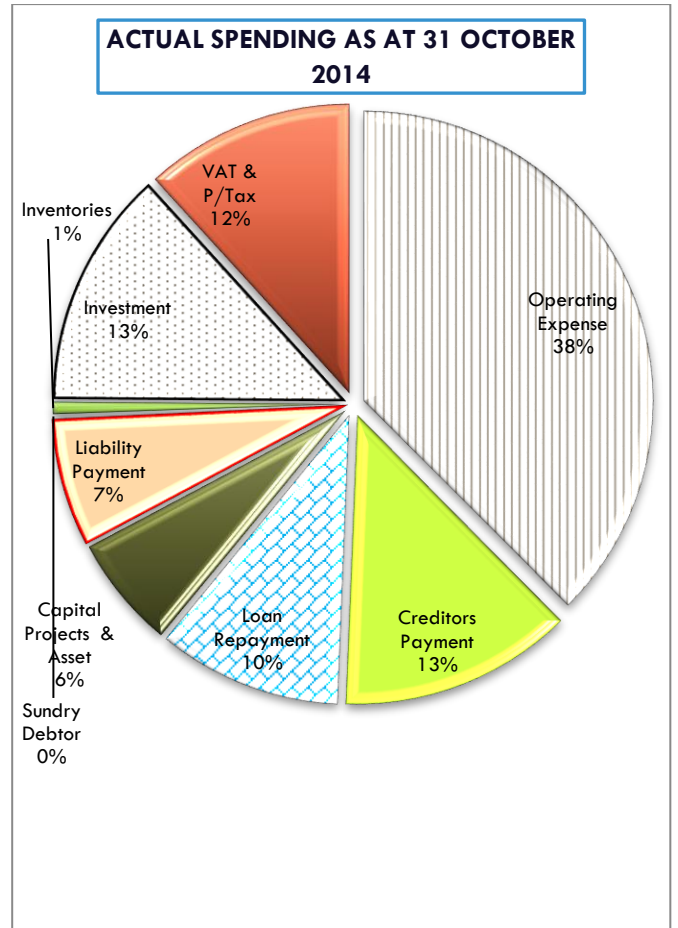
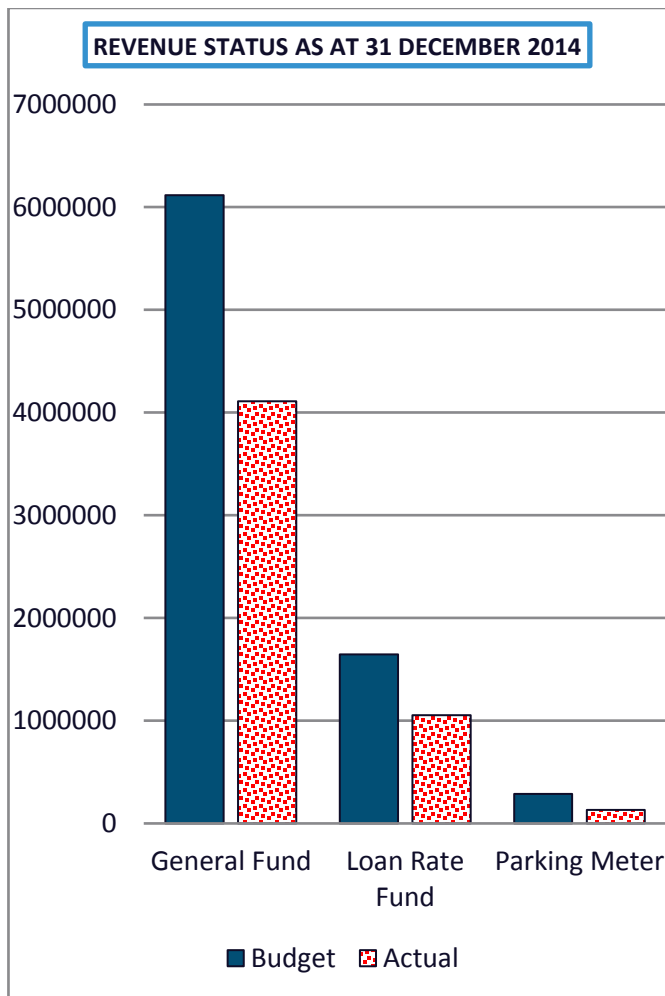


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5. RECOVERY VIA LEGAL PROCEEDINGS

Small Claims Tribunal	Nos.	Amount (\$)
Total Cases Filed	280	476,179.43
Fully Paid/Settled	35	45,056.80
Installments	201	380,015.20
Pending Cases	44	51,047.43
Magistrate Court	Nos.	Amount (\$)
Total Case Filed	26	43,992.00
Settled by Installment	11	7,624.00
Pending Cases	15	36,368.00

6. 2014 REVENUE & SPENDING GRAPHS



An aerial view of Lautoka City in 2014

PUBLIC HEALTH AND SAFETY COMPLIANCE

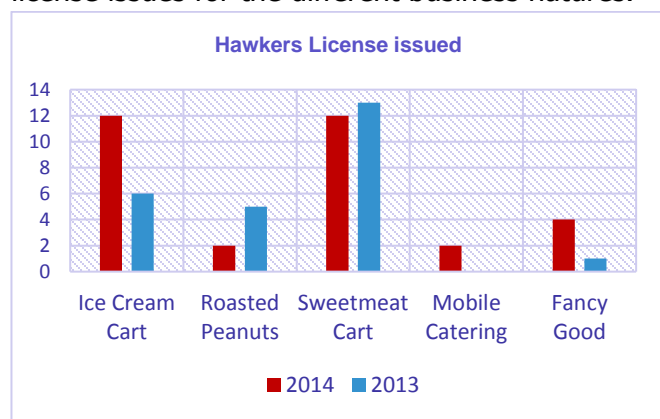
1. LICENCES & REGISTRATION OF PREMISES

Tabulated below the health business licenses issued by council for the year 2014 in comparison to year 2013

Types of Business	Total
Hotels/ Guest Houses	10
Catering Premises	44
Retail with Liquor	44
Bake House with Retail Sale	11
Butcher Shop	6
Aerated Water, Ice Cream Factories	-
Confectionery/Sweet Meat Factories	2
Theatres	4
Hairdresser/Barbershop	37
Billiard Tables/Amusement Centre	11
Laundries	2
Dance Halls/Night Clubs	7
Hawkers	14
Fish Retail	2
Food Processing/Packer	7
Supermarket with Liquor Licence	10
Club, Private with Liquor Licence	3
Warehouse	7
Total	223
[2013]	305

2. HAWKERS

The bar graph illustrated the nos. of hawkers' license issues for the different business natures.

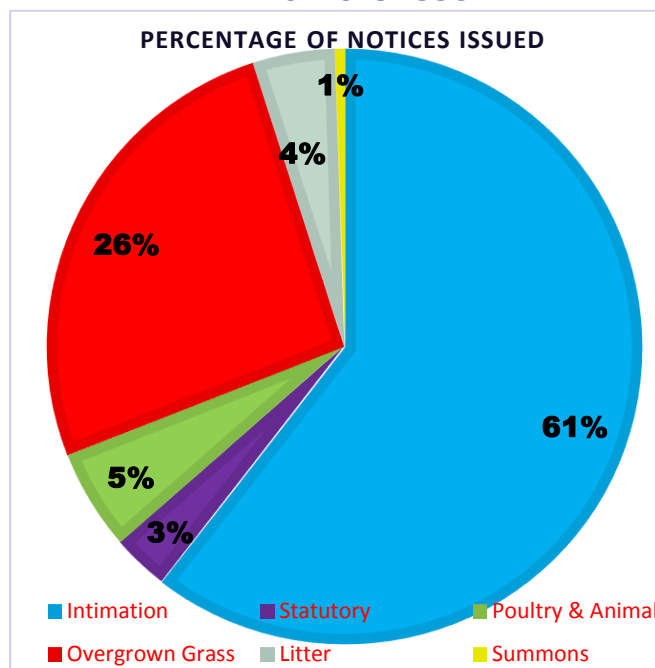


3. UNSOUND FOOD ITEMS CONDEMNED AND DESTROYED

Item	Quantity (kg)
Infant Formula Milk	323.1 kg
White Rice	58.85 kg
Wheat	1.52 tons
Beer	4560kg
Canned Fish	265.86kg
Assorted Raw Meat	180 kg



4. WRITTEN NOTICES ISSUED



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5. UPHOLDING OF FOOD SAFETY ACT

Legal proceedings were instituted against one (1) person for selling food which was unfit for human consumption under the provisions of Food Safety Act 2003.



Routine food safety works including inspection of food premises, food and water sampling, investigating food complaints, conducting awareness and health licensing works were conducted during the year.

- Total of **131 Health Licenses** were processed on behalf of Central Board of Health. Total of **\$57,173.50** in health license fees was collected and forwarded to CBH.
- Total of **26 Abatement Notices** were also issued in pursuant to section 51 of the Food Safety Act 2003

6. HACCP IMPLEMENTATION AWARENESS TRAINING

Lautoka City Council successfully organized and facilitated awareness training on October 16, 2014 in consultation with Ministry of Health for owners of Food Processing Establishments on the Hazard Analysis Critical Control Point (HACCP) implementation which becomes mandatory from 2015.

The training was held at Lautoka Hotel whereby thirty (30) representatives from both urban and rural areas attended with the purpose to create awareness to ensure uniformity regarding the implementation of HACCP and General Hygiene Practices and identifying the different business scales that could require HACCP documentation, its implementations and certification.

Further noted that the training was based on HACCP (Hazard Analysis Critical Control Point), its implementation and the certification/approval process and the training was also conducted to

assist food businesses formulate document system (SSOP, PRP's) addressing food safety system.

7. MOSQUITO CONTROL WORKS

(i.) Survey Works: Larval

As part of mosquito control works, monthly larval survey works were carried out in order to monitor the density of mosquito population in the city. Specimen of larva was collected and identification was carried out by our inspectors to ascertain the presence of vectors responsible for the spread of dengue fever and other mosquito borne disease. Copies of reports were sent to Ministry of Health.



(ii.) Mosquito Spraying:

Mosquito spraying was carried out in the city area from March 7, 2014 to March 18, 2014. For the spraying works, Ministry of Health had provided thirty [30] litres of chemicals and LECO motorized sprayer. The council's health inspectors conducted the mosquito spraying works.

In October 2013, the country has recorded 1,422 positive dengue cases out of which 165 cases were from the Western Division.

With the records submitted by the Ministry of Health revealed 102 suspected cases from 12th – 23rd January, 2014 and records also indicated that cases are mostly from Natabua, Rifle Range and Waiyavi areas.

Awareness included precautionary measures to avoid further transmission of the virus within the house and the communities, larval surveys, reduction in vector breeding sites via clean-up, clearing of overgrown grass, reporting to health facility in cases of any symptoms which resemble dengue fever etc.

Furthermore, approximately 130 loads of refuse had been cleared by the contractor under the council's user pay concept of refuse collection at a subsidized rate of \$12.00/load. The department also conducted sentinel larval survey of 103 premises and it was

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noted that breteau Index was 29.1, premise index of 22.4 and container index of 16.1 which indicates high risk for transmission of dengue virus and spread of dengue fever.



Despite the mass awareness in the media by the Ministry of Health, members of public are not practicing the preventive measures to stop the spread of dengue fever.

Sixteen offenders (16) were served with notices requiring them to destroy all breeding grounds of immature stages of mosquito (larvae) and had also been warned that council may institute legal proceedings against them without any further warning for contravention of Section 109 of the Public Health Act Cap 111.

(iii.) Spraying in Private Premises

The spraying of private residential premises and industrial premises was also carried out for the destruction of mosquitoes on user pay concept



(iv.) Other Control Measures

Routine house-to-house visits by the inspectorate staff to check likely mosquito breeding grounds on the premises were carried out throughout the year. The residents were advised on source reduction by destruction of mosquito breeding grounds. Also, emphasis was placed on the clearing of vacant lots and compound with overgrown grass.



8. MANAGEMENT OF WASTE DISPOSAL & MUNICIPAL GARBAGE DUMP

At the end of 2013

- ✓ Total number of loads of refuse disposed at the council's dump was **14,579 loads** during the year amounting to **25,659 tonnes**.
- ✓ A total amount of **279.99 tonnes** of recyclable waste was removed by waste pickers.
- ✓ The total area of the dump site is 16 hectares.



ENVIRONMENTAL UPKEEP

1. CLEAN SCHOOLS PROGRAM - 2014

The 2014 Clean Schools Program embarked to continue with the program in much bigger and better way. This year's program targeted 17 Urban Schools and 14 Rural Schools respectively.

The Council approved a budget of two thousand dollars (\$2,000.00) for the program. The final judging of the program that was carried for a period of 5 days, Lautoka City Council (Health Department) held the "Awarding Ceremony" for the Clean School Program on Friday 14th November 2014). Judges were invited from organizations such as Ministry of Education, Department of Environment, JICA and LCC. The program was officiated by the Acting Director of Environment, Mr. Aminiasi Qareqare as Chief Guest.



The activities had been judged in from of a "competition and had criteria on aspects such as "Environmental Awareness Raising", "School Composting" and Rubbish Separation & Recycling".

2. MARKET COMPOSITING

A total amount of **51 compost bins** was sold and **\$2,079.00 (693 bags)** worth of compost was sold for the year 2014



3. ESTABLISHMENT OF THE RECYCLING COLLECTION CENTER AT IYC PUNJAS CHILDRENS PARK

The council was providing the service of separate recyclable collection of recyclables for whole of Veitari Ward from 2012. The Service had been implemented under the 3R Promotion Plan of the Council to promote recycling of wastes including cartons, papers, glass bottles, pet bottles, hard plastics, aluminum cans, metals etc.

Therefore, a recycling centre was constructed at the Council's Punjas IYC Children's Park since it is widely accessible to the public.

The centre will serve as a facility for receiving recyclable items limited to pet bottles, hard plastic, aluminum cans, papers etc.

The facility will also serve the purpose as dispatch centre for market compost once payments are made at the council's office. Presently the compost is stored in council's health department and health inspectors have to carry the 10Kg compost packs down stairs for the customers.

Council's attendant at the IYC Park can assist in guiding and managing the centre to avoid any problems like disposal of other wastes, mixing of waste, advising on collection of recyclables once the bags are filled, dispatch of compost etc.

4. ORGANISED CLEAN UP CAMPAIGN

Clean up campaign was conducted within the municipality from 1st September to 16th October, 2014.

Residents were advised of the campaign by means of distributing circulars in densely populated areas and also announcements were made in the areas prior to the cleanup.

Also, as part of the Local Government Forum resolutions, the councils were instructed by the Minister for Local Government, Housing & Environment to carry out three (3) cleanup campaign per year.

The three (3) clean-up campaigns be conducted as:

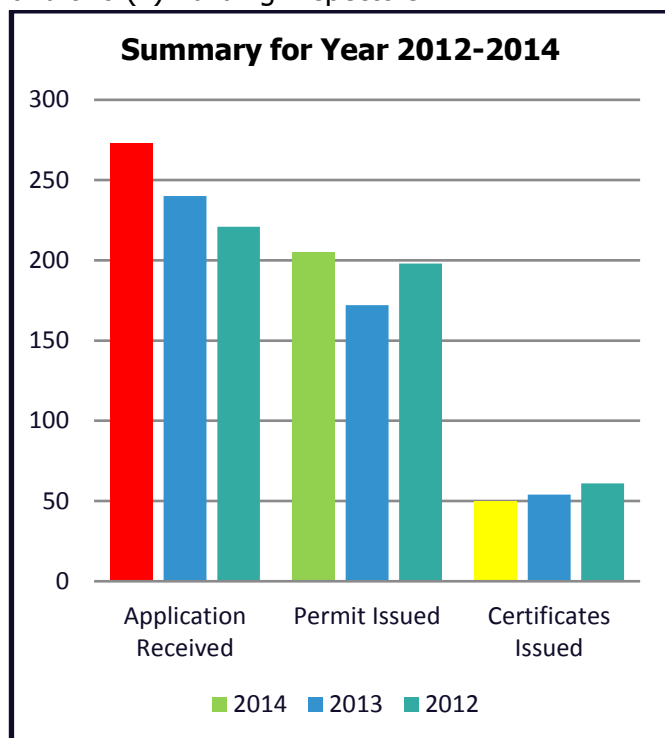
- a) April - 2 weeks (1st and 2nd week)
- b) August - 2 weeks (1st and 2nd week)
- c) November - 2 weeks (1st and 2nd week).

BUILDING AND ENGINEERING REPORT

1. COMPLETION CERTIFICATE ISSUED

The building department consisted of a Manager Building Services with one Senior Building Inspector and two (2) Building Inspectors

- ✓ Building Application Received – 273
- ✓ Building Permit Issued – 205
- ✓ Completion Certificate Issued – 80
- ✓ Outline Building Application Processed – 40
- ✓ Total Building Inspection – 1,345
- ✓ Building Fess Collected - \$157,765.00



2. SUBDIVISION AND REZONING

Our Engineering department was merged with the Building department after resignation of Mr. De Asa and the department is currently headed by one of our long serving staff, Mr. Shalend Dass with the support of his building surveyors.

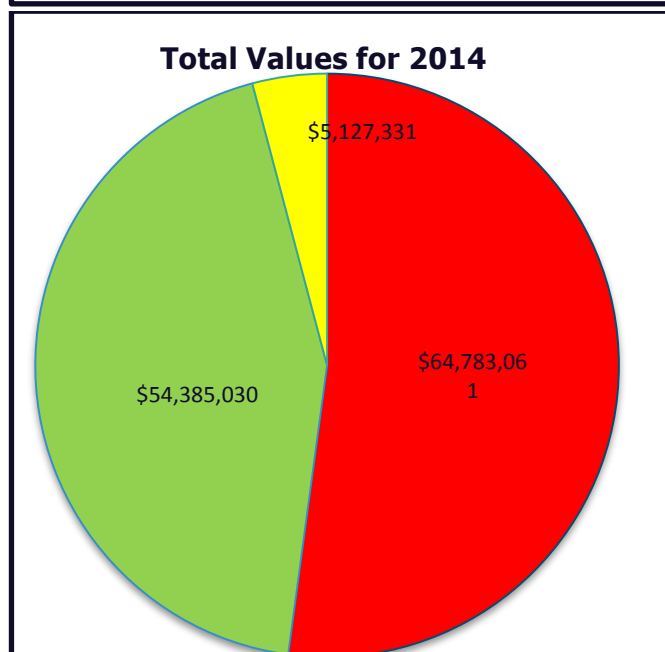
Tabulated below the nos. of application received, processed and approved or declined by our Engineering department for the year 2014

(a). SUBDIVISIONS

Nos. Subdivision Scheme Plan processed	10
Nos. Survey Plans Approved	3
Nos. Subdivision Under Construction	4

(b). REZONING

Nos. of rezoning application processed	7
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Lautoka City Council commended the Ministry of Local Government, Urban Development, Environment and Housing (MLGUDEH) for establishing the Department of Town Country Planning (DTCP) Office in Lautoka since 2013 which has improved the service delivery of the council as one of the approving authority of the subdivisions and rezonings.

Department of Town Country Planning (DTCP) western officials are housed at the Rogorogoivuda House complex together with the Department of Environment (DOE) under Mr. Viliame Qaniuci as its Officer-In-Charge for the Western Office.

INFRASTRUCTURE & BEAUTIFICATION WORKS

1. ACCOMODATION CENTERS FOR RURAL WOMEN MARKET VENDOR

The project was funded by UN Women in partnership with Lautoka City Council for rural women market vendors who used to sleep on the market veranda with their market produce.

The Council has apportioned part of its Municipal Carpark on the first floor of the Sugar City Mall Complex to accommodate sixty(60) single beds with mattresses inclusive of modern toilet facilities, washing/drying, dining area and resource center.



The government grant received was \$111,870.00 and UN Women contributed \$88,187.71 whilst councils contributions was \$23,684.82 plus its in-house expertise and workmanship.

The project is part of council's the income generating projects whereas all night occupants will be paying a minimal fees of \$2.00 per night with some strict conditions monitored by council's hired female security personnel

The facility was opened by the Honorable Prime Minister – Josaia Voreqe Bainimarama on 14th July, 2014 and concurrently commissioned the ground breaking for construction of Municipal Market New Wing at the Market Open Space.

2. CONSTRUCTION OF AN OPEN SHED MARKET AT THE MUNICIPAL MARKET OPEN SPACE

A total cost of 1.4million FJD was used to construct a new market open shed at the Municipal Market open space between the two market complexes and the Bus Station Terminal.

The UN Women donated USD\$200K whilst our line ministry offered FJD\$400K leaving the balance to be borne by the council.

The ground breaking of the said work was done by our Prime Minister after opening the Women Accommodation & Resource Center.



Prior to this construction, the council workers were trained by the OHS Inspectors on the removal and proper disposal of Asbestos from Old Bus Station Terminal rooftop with an approx. cost of \$17,00.00. The new complex will bring smiles to rural market vendors who sits on the pavement or under the tarpaulin during hot sun & rainy weather.

3. RESEALING OF MUNICIPAL BUS TERMINAL PAVEMENT & PAINTING

The sum of \$35,000.00 was used to reseal the Bus Terminal pavement and also to enhance its outlook as it was in a deteriorating condition.

The increasing nos. of heavy loaded bus visiting our bus station and oil leakage from buses are some of the challenges faced.

Cementing of bus station terminal with proper

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drainage system and provision of oil traps with proper disposal tanks are some of the plans that are in the pipeline for LCC to consider in the near future.



4. UPGRADING OF CHURCHILL PARK MULTIPURPOSE COURT (MPC)

The council started the 1st phase of upgrading Multipurpose Court from 4th Quarter of 2013 and completed it the 2nd phase of its upgrading works by June, 2014.



The weathering of cement turf and fencing was something the council has to rectify including the repairing of the damaged floodlights caused by TC Evan on late 2012.

The council spent \$70,000 on the re-turfing of the whole court, \$15,000 for its fencing and \$30,000 for the painting of the turf as per required standard.



5. CONTINUOUS WORK ON REHABILITATIONS OF MAJOR DRAINS WITHIN THE CITY

The council is mindful of its aging infrastructure especially on its drainage system; therefore, rehabilitation works on major drains was done to eliminate blockage and flooding of waterways especially in safeguarding residential lots.



The rehabilitation works such as repairing of minor and major drains, clearing of debris from the many drains especially on the mouth of the big culverts.

6. DISPLAY WALL AT THE WHARF ROUNDABOUT

LCC continues to decorate the roundabout adjacent to its "Port of Entry" as an eye attraction to the visiting cruise liners.

Works to provide the Display Wall with write ups & picturesque of the Lautoka's History and timeline developments are currently in progress.

The said work is part of the holistic approach of Lautoka as one of Fiji's Tourism Destination especially via visiting cruise liners.



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7. IMPROVEMENT WORKS ALONG MARINE DRIVE FORESHORE

Marine Drive Foreshore is heavily patronized by citizens of Lautoka during their morning & afternoon walks whilst some prefer to spend their leisure & lunch time along the seawalls.



A 1mile of walkway (footpath) was constructed adjacent to the seawall from the cul-de-sac at Nede Street to the cul-de-sac at Daniva Street.

The council installed some new cement seats and tables including the construction of water fountains with appropriate landscaping along the foreshore as part of its beautification works.



So far, the sum of \$84,000 has been spent for the said beautification works and it will be continued in the near future.

8. UPGRADING WORKS AT BOTANICAL GARDEN

Our Botanical Garden has hosted so many civic functions and private events such weddings, birthdays and award nights.

Improvement works is currently in progress for the man-made running creek and wooden bridge with decking.



A function area is being demarcated for its multipurpose use with relevant landscaping works.

9. IYC PARK BEAUTIFICATION & UPGRADING WORKS IN PARTNERSHIP WITH PUNJAS GROUP

The \$135,000.00 worth projects was carried out in partnership with Punjas Group Ltd and the followings are to be noted:

- ✓ provision of latest children's playing facilities by Punjas Group
- ✓ the extension of the IYC Children Park (1,845sq.mtr) by LCC
- ✓ construction of proper retaining wall and fencing of IYC Park
- ✓ provision of the "bure" type shed for leisure area
- ✓ beatification/landscaping works and upgrading of its Kiosk



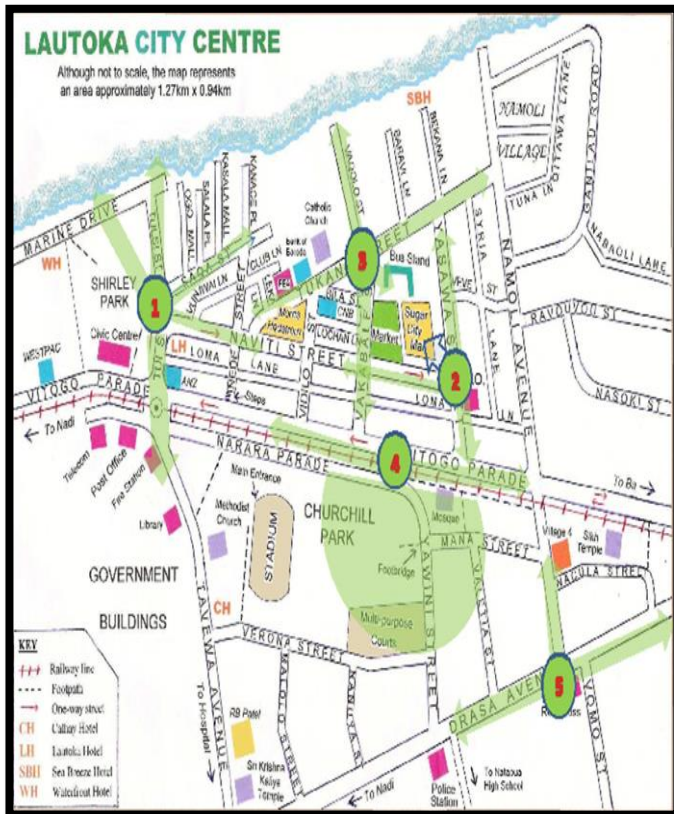
The project was commissioned by Commissioner Western – Cmdr. Joeli Cawaki.



CIVIC RESPONSIBILITIES

1. INSTALLATION OF CCTV CAMERA AROUND LAUTOKA CBD AREAS

Lautoka City Council invested an initial sum of \$40,000.00FJD to acquire and install five (5) CCTV at all points of entry to Lautoka City Centre.



A Memorandum of Understanding (MOU) was established between Lautoka City Council and Fiji Police Force to strengthen the law enforcement, networking and information sharing with law-abiding citizens and crime free Sugar City. The commissioning of the CCTV project was done by the Commissioner of Police – Col. Iowane Naivalurua at Namoli Green in April 30, 2014. An operation center was established at the Police Western HQ to monitor the five 'live' CCTV and capture incidents of concerns with recorded time.

2. RENOVATION WORKS AT LAUTOKA HOSPITAL PAYING WARDS

The council's 2014 Community Social Responsibility (CSR) was to carry out renovation works at the Western Divisional hospital - Paying Ward, Lautoka. An estimated sum of \$18,000 worth of materials was acquired by the council to renovate the termite invested timber with new paintings. Council workers and building inspectors were engaged to carry out the said work instead of a private contractor.

3. MEMORANDUM OF AGREEMENT WITH FICAC

The council has sealed an agreement with Fiji Independent Commission Against Corruption in fighting the act of corruption in the society. Council staff underwent awareness training by FICAC officials at the Council Chambers. FICAC has been granted approval by the council to erect their billboards at three locations within the CBD area for awareness purposes.



HUMAN RESOURCE BRIEF

1. ESTABLISHMENTS

At the end of the year, the council had following employees on its payroll:-

Department	Staff	Un-established	Total
Town Clerk's	25	3	28
City Engineer	7	82	89
Building	4	-	4
Public Health	8	9	17
Parking Meter/Car Park	16	-	16
Total	60	94	154

[2013: 57 70 127]

2. STAFF RESIGNATION

Staff: -

- (i.) Mrs. Luisa Kumkee, Secretary to Director Health Service from April 2002 to February 2014
- (ii.) Mr. Shiva Rajan, Director Finance & Administration Service from July 1989 to April 2014
- (iii.) Mr. Vignesh Pillay, Assistant Rates Clerk from May 2005 to April, 2014
- (iv.) Mr. Avin Prasad, IT Officer from December 2010 to May 2014
- (v.) Mr. Danilo De Asa, Director Engineering & City Planner from November 2013 to February 2014
- (vi.) Mrs. Karalaini Bula, Secretary to Chief Executive Officer from September 1998 to August 2014

3. STAFF LOCAL TRAININGS

Officer	Programme	Date/Venue
Rouhit Karan Singh	Japan ODA Press Tour Presentation on the Waste Minimization Project at Vunato Disposal Site	February 20 th & 24 th 2014 @ LCC Chamber
Health Department Staffs	Hygiene Awareness Workshop for the Fresh Fruits and Vegetables Markets in Fiji	February 19 th , 2014 @ Sugar City Mall
Shalend Singh	Training on computerized weighbridge system of Vunato Disposal Site & 3R practices of Lautoka City Council	May 19 th -20 th , 2014 @ Vunato Disposal Site
Shalend Singh	Training on Market Waste Composting for Ms. Nanai Raga from Papua New Guinea	August 25 th – 26 th , 2014 @ Vunato Disposal Site
Rouhit Karan Singh	Training on Establishment of Environment Management Unit	August 25 th – 27 th , 2014 @ Studio 6, Conference Room, Suva
Shalend Singh	Training on Home Composting for Koroipita Model Community	September 29 th , 2014 @ Vunato Disposal Site
Shalend Singh	Presentation on J-PRISM Project Bi-Monthly Meeting	October 15 th , 2014 @ Sigatoka Town Council
Shalend Singh	HACCP Implementation Awareness Training	October 16 th , 2014 @ Lautoka Hotel
Rouhit Karan Singh Shalend Singh	J-PRISM Regional Training of the Trainers	November 17 th - 22 nd , 2014 @ Labasa

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4. OTHER AWARENESS AND TRAININGS CONDUCTED

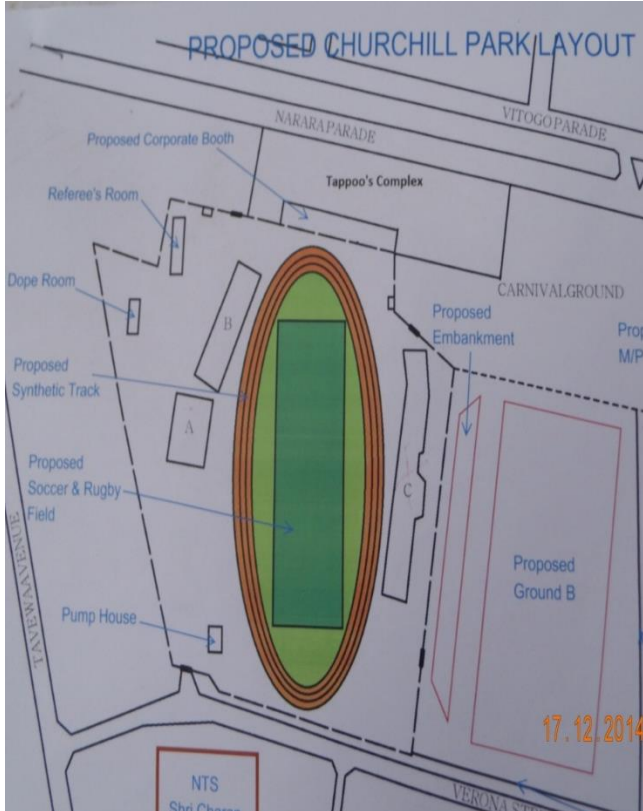
Date	Organisation	Topics Covered	Facilitated by
18/2/14	Fiji National University	Solid Waste and Recycling Program	Chief Executive Officer Rouhit Karan Singh
March	Tuvu Primary, Drasa Muslim, Saru MGM Primary & Ami Chandra Memorial School	Awareness in Home Composting	Rouhit Karan Singh
1/7/14	Andra Sangam School	World Environment Day Celebrations- Happy Earth Day-Lets Live and Cherish Mother Nature	Mithun Prasad
8/8/14 & 27/8/14	Free Bird Institute	3R Awareness & Landfill Management	Shalend Singh
11/9/14	University of South Pacific	3R Awareness & Landfill Management	Shalend Singh
15/10/14	Free Bird Institute	3R Awareness & Landfill Management	Shalend Singh
24/11/14	Japanese Technical Cooperation Project	Training for Mr. Selby Etibela from Palau- Training on Market Waste Composting	DHS Gyneshwar Rao, MHS Rouhit Singh, SHI Shalend P Singh
26/11/14	Free Bird Institute	3Rs and Landfill Management	Shalend Singh

5. STAFF OVERSEAS TRAININGS

Officer	Programme	Date /Venue
Rouhit Karan Singh	Training Workshop on Action-Oriented – Training to Improve Occupation Health and Safety Conditions	May 19 th – 23 rd , 2014 @ Incheon, Republic of Korea
Wally Atalifo	Climate Change & Sustainability Course ITEC, The Energy & Research Institute (TERI)	October 27 th – November 14 th , 2014 @ Gurgaon, New Delhi, India
Shalendra Dass	Urban Spatial Planning Training	October 27 th to November 2 nd 2014 @ Denpasar, Bali, Indonesia

2015 FORECASTED DEVELOPMENTS IN LAUTOKA

1. CONSTRUCTION OF SYNTHETIC 400M TRACK @ CHURCHILL PARK



2. TAPPOO CITY DEVELOPMENT & CHURCHILL PARK GATEWAY



3. CONSTRUCTION OF NEW COURT HOUSE



LAUTOKA CITY COUNCIL

P.O. Box 124, Lautoka, Fiji

All communications to be addressed to the CEO

Your Ref. 1300/1

Our Ref.



Civic Centre, Shirley Park.

169 Vitogo Parade, Lautoka.

Telephone No (679) 666 0433

Fax (679) 666 3288

Email: ceo@lcc.com.fj

Website: www.mylautokacity.com

City of Lautoka

"Our City Our Pride"

June 16th, 2020

MAK/dm

Mr Sairusi Dukuno
Office of the Auditor General
6-8th Floor, Ratu Sukuna House
2-10McAuthur St
PO Box 2214,
Government Buildings
SUVA

Dear Sir,

**RE: LAUTOKA CITY COUNCIL
AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014**

The audited financial statements for 2014 has been signed. The signed accounts is attached for your further action.

Yours faithfully

**MOHAMMED ANEES KHAN
CHIEF EXECUTIVE OFFICER**

**LAUTOKA CITY COUNCIL
COUNCIL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

COUNCIL REPORT

The Council herewith submits the Statement of Financial position at 31 December 2014, the related Statement of Comprehensive Income and Statement of Movements in Funds of the Council for the year then ended on that date and report as follows:

Administrator

The Special Administrator for Lautoka City Council during the financial year of this report was Mr. Praveen Bala who resigned on 15th August 2014.

Management Staff

Chief Executive Officer Jone Q. Nakauvadra

Principal Activities

The principal activities of the Council under the Local Government Act are to provide for the health, welfare and convenience of the inhabitants of the Lautoka City Municipality and to preserve the amenities or credit thereof.

Results

The operating surplus for the Council for year ended 31 December was:-

	<u>2014</u>	<u>2013</u>
Operating surplus	\$2,621,389	\$2,534,415

Bad and doubtful debts

Prior to the completion of the Council's financial statements, the Council took reasonable steps to ascertain that action had been taken in relation to writing off of bad debts and provision for doubtful debts.

As at the date of this report, the council is not aware of any circumstances, which would render the amount written off for bad debts inadequate to any substantial extent.

Non-Current Assets

Prior to the completion of the financial statements of the Council, the Council took reasonable steps to ascertain whether any non-current assets were unlikely to be realized in the ordinary course of business compared to their values as shown in the accounting records of the Council. Where necessary these assets have been written down or adequate provision has been made to bring the values of such assets to an amount that they might be expected to realize.

As at the date of this report, the Council is not aware of any circumstances which would render the values

**LAUTOKA CITY COUNCIL
COUNCIL REPORT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

attributed to non-current assets in the Council's financial statements misleading.

Basis of Accounting

The Council believes the basis of the preparation of the financial statements is appropriate and the Council will be able to continue in operation for at least twelve months from the date of this statement. Accordingly, the Council believes the classification and carrying amounts of assets and liabilities as stated in these financial statements to be appropriate.

Unusual Transactions

Apart from these matters and other matters specifically referred to in the financial statements, in the opinion of the Council, the results of the operations of the Council during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, in the opinion of the Council, to affect substantially the results of the operations of the Council in the current financial year, other than those reflected in the financial statements.

Other Circumstances

As at the date of this report:

- a) no charge on the assets of the Council has been given since the end of the financial year to secure the liabilities of any other person;
- b) no contingent liabilities have arisen since the end of the financial year for which the Council could become liable; and
- c) no contingent liabilities or other liabilities of the Council have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Council, will or may substantially affect the ability of the Council to meet its obligations as and when they fall due.

As at the date of this report, the Council are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the Council's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the Council misleading or inappropriate.

For and on behalf of the Council and in accordance with a resolution of the Councilors.

Dated this 16th day of June 2020.


.....
Chief Executive Officer

**LAUTOKA CITY COUNCIL
STATEMENT BY COUNCIL
FOR THE YEAR ENDED 31 DECEMBER 2014**

The Council states that:

- (a) the accompanying statement of comprehensive income of the Council is drawn up so as to give a true and fair view of the results of the Council for the year ended 31 December 2014;
- (b) the accompanying statement of movement in funds is drawn up so as to give a true and fair view of the movement in the Council's funds for the year ended 31 December 2014;
- (c) the accompanying statement of financial position of the Council is drawn up so as to give a true and fair view of the state of affairs of the Council as at 31 December 2014;
- (d) at the date of this statement there are reasonable grounds to believe the Council will be able to pay its debts as and when they fall due; and
- (e) all related party transactions have been adequately recorded in the books of the council.

For and on behalf of the Council.

Dated this 16th day of June 2020.



.....
Chief Executive Officer

**LAUTOKA CITY COUNCIL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014**

Income	2014	2013
	\$	\$
<u>Rates</u>		
General	2,511,681	2,155,771
Loan	1,874,905	1,755,022
Parking Meter	261,513	272,229
	<u>4,648,099</u>	<u>4,183,022</u>
 Other Income		
Amortization of capital grant	93,727	93,727
Business license fees	448,535	428,672
Fees, charges and rent	2,790,078	3,374,690
Premium on sub-lease of land	138,591	408,000
Interest	247,313	214,694
Others	559,346	1,395,597
	<u>8,925,689</u>	<u>10,098,402</u>
 Expenses		
Administrative and operating costs	850,293	1,969,248
Auditor's remuneration	8,696	8,696
Depreciation and amortization	584,831	624,809
Interest	354,160	393,525
Principal repayment	438,847	426,834
Legal and professional fee	86,335	38,206
Parks, gardens and public amenities	505,696	612,998
Rate payer services	1,103,404	1,317,317
Salary and wages	2,206,778	1,385,139
Street light and street maintenance costs	165,260	787,215
	<u>6,304,300</u>	<u>7,563,987</u>
 Operating surplus for the year	2,621,389	2,534,415
Other comprehensive income	-	-
Total comprehensive income	<u>2,621,389</u>	<u>2,534,415</u>

**LAUTOKA CITY COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Notes	2014 \$	2013 \$
Current assets			
Cash at bank and on hand	2	5,799,801	3,599,765
Held-to-maturity investments	3	1,407,245	1,481,120
Inventories	4	26,141	20,140
Receivables	5	4,681,960	5,992,354
Other receivables	6	36,288	44,858
Total current assets		11,951,435	11,138,237
Non-current assets			
Property, plant and equipment	10	3,432,599	3,187,697
Investment properties	11	6,480,036	6,662,157
Total non-current assets		9,912,635	9,849,854
TOTAL ASSETS		21,864,070	20,988,091
FUNDS AND LIABILITIES			
Council Municipal Funds			
Accumulated surplus		10,828,214	8,206,825
Reserves	12	455,490	455,490
Council Trust Funds			
Parking meter fund		500,643	500,450
Car park fund		328,031	327,093
Total funds		12,112,378	9,489,858
Current liabilities			
Creditors and accruals	7	870,620	2,586,577
Provisions	8	114,831	154,676
Interest bearing borrowings	9	488,672	527,506
Total current liabilities		1,474,123	3,268,759
Non-current liabilities			
Provisions	8	137,606	95,771
Interest bearing borrowings	9	7,330,401	7,730,414
Capital grant in aid	13	809,562	403,289
Total non-current liabilities		8,277,569	8,229,474
TOTAL EQUITY AND LIABILITIES		21,864,070	20,988,091

The accompanying notes form an integral part of the Statement of Financial Position.

For and on behalf of the Council.

 16/06/2020
.....
Chief Executive Officer

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. Corporate Information

The financial statements of Lautoka City Council ("the Council") for the year ended 31 December 2014 were authorized for by the Chief Executive Officer on 16/06/2020. The Council was incorporated in Fiji under the Local Government Act, 1972.

1.2 Basis of preparation of the Financial Statements

The financial statements have been prepared on accrual basis under the historical cost convention using the accounting policies described below and except where stated, do not take into account current valuation of non - current assets. The financial statements are presented in Fijian dollars.

Statement of compliance

The financial statements of Lautoka City Council have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and the Local Government Act.

1.3 The Lautoka City Council Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of these financial statements.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds have been eliminated.

Trust Funds

The Lautoka City Council has received parking monies in compliance with the Traffic Act and contributions from developers under the Town Planning Act. As the Council performs a custodial role, these funds are excluded from Council Funds.

1.4 Significant accounting judgments, estimates and assumptions

The preparation of the Council's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

In the process of applying the Council's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements:

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

Estimations and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below:

Impairment of non-financial assets

The Council assesses whether there are any indicators of impairment for all non-financial assets at each reporting date.

Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Impairment losses on rates and fees receivable

The council reviewed its rates and fee receivables at each reporting date to assess whether an allowance for impairment should be recorded in the statement of comprehensive income. In particular, judgment by council is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

1.5 Summary of significant accounting policies

a) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

b) Inventories

Inventories, comprising of maintenance materials, concrete products, steel, iron, mechanical spares, uniforms, stationery and miscellaneous items are valued at the lower of cost and net realizable value. Cost is assigned on a first-in-first-out basis.

c) Investments and other financial assets

Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit and loss, any directly attributable incremental costs of acquisition or issue.

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

Receivables

Rates receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Rates receivables are initially recognized as receivables from the commencement of each rating period (inclusive of VAT where applicable). After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains or losses are recognized in the statement of comprehensive income when the receivables are derecognized or impaired, as well as through the amortization process. Bad debts are written-off as incurred. Rates received in advance of the rating period are recognized as a liability.

Held to maturity financial investments

Held-to-maturity financial investments are those which carry fixed or determinable payments and have fixed maturities and which the company has the intention and the ability to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently measured at amortized cost using the effective interest rate method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Amortization is included as 'Interest income' in the statement of comprehensive income. The losses arising from impairment of such investment are recognized in the statement of comprehensive income line 'Impairment losses on financial investments'.

d) Impairment of financial assets

The council assesses at each Statement of Financial Position date whether a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the statement of comprehensive income.

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are de-recognized when they are assessed as uncollectible.

e) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such costs include the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of comprehensive income as incurred.

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Leasehold land	over life of lease
Buildings	2.50%
Furniture and fittings	20%
Plant and equipment	20%
Office equipment	20%
Motor Vehicles	20%
Road, footpath and drains	1%

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognized. The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of comprehensive income in the year in which the expenditure is incurred. The useful lives of intangible assets for the company are assessed to be finite.

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is renewed at least at each financial year end. Changes in the expected useful life or expected pattern of consumption in future economic benefits embodied in the asset is accounted by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category consistent with the function of the intangible assets.

Gain or losses arising from the de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is de-recognized.

g) Impairment of non-financial assets

The Council assesses at each reporting date or more frequently if events or changes and circumstances indicate that the carrying value may be impaired, whether there is an indication that a non-financial asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Council makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset (or cash generating unit) exceeds its recoverable amount, the asset (or cash generating unit) is considered impaired and is written down to its recoverable amount.

For assets an assignment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount.

h) Investment Property

Investment property is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the investment property when that cost is incurred, if the recognition criteria is met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the investment property as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of comprehensive income as incurred.

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014

Depreciation is calculated on a straight line basis over the useful life of the asset as follows:

Building 2.50%

Premiums on leasehold land are capitalized and amortized over the term of the lease.

An item of investment property is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognized.

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end.

i) Fund accounting

The Lautoka City Council has adopted a fund accounting system, as a considerable part of annual revenues comprises of rates for different purposes and special purpose funds as required by the Local Government Act. Accordingly, it is necessary to establish a separate fund to record the amount received, expenditure incurred and the net balance of funds available to be carried forward into the next financial year.

The identification of funds is maintained throughout the accounting system, thus providing the control necessary to ensure that each fund is used only for the purpose for which it is received.

Details of Special Purpose Funds maintained by the Council are:

Parking meter fund

The Council, in compliance with the Traffic Act, has to maintain a separate account for the operation of Parking meters in designated areas of roads within the city.

Car park fund

This fund has been created for contributions received from developers under the Town Planning Act. The fund is used to construct and develop car parks.

j) Financial liabilities

Interest bearing loans and borrowings

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs, and have not been designated 'as at fair value through profit or loss'.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014

k) **Provisions**

Provisions are recognized when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Where the Council expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when reimbursement is virtually certain.

l) **Provisions continued**

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Employee entitlements

Employee entitlements relating to wages, salaries, annual leave, sick leave, long service leave and retirement benefit represents the amount which the Council has a present obligation to pay resulting from the employees' services provided up to balance date.

Wages and salaries, sick leave and annual leave

Liabilities for wages and salaries and annual leave are recognized, and are measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Provision for long service leave

A liability for long service leave is recognized, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

m) **Leased assets**

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

Council as a lessee

Finance leases, which transfer to the Council substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Finance charges are reflected in the statement of comprehensive income.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Board will obtain ownership by the end of the lease term.

Operating lease payments are recognized as an expense in the statement of comprehensive income on a straight line basis over the lease term.

n) Trade and other payables

Liabilities for other payables are carried at cost (inclusive of VAT where applicable) which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the entity. Amounts payable that have been denominated in foreign currencies have been translated to local currency using the rates of exchange ruling at the end of the financial year.

o) Revenue recognition

Revenue is recognized in the financial statements using the accrual concept of accounting.

p) Income tax

The Council is exempt from income tax in accordance with the provisions of Section 17(4) of the Income Tax Act.

q) Comparative figures

Comparative figures have been amended where necessary, for changes in presentation in the current year.

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014

2. CASH AT BANKS AND ON HAND

	2014	2013
	\$	\$
Cash at bank - General fund	1,130,067	(49,344)
Cash at bank - Parking meter funds	534,146	534,146
Savings account BSP	4,134,588	3,113,963
Cash on hand	1,000	1,000
Total cash at banks and on hand	<u>5,799,801</u>	<u>3,599,765</u>

As the Council performs a custodian role, Cash at bank - Parking Meter Funds are only to be used for development of car parks, parking meter areas and capital projects.

Capital grant in aid funds of \$500,000 received from the Ministry of Local Government in 2014 and held in the BSP General Fund bank account are only to be used for the construction of the Market Open Shed.

3. HELD AT MATURITY INVESTMENTS

	2014	2013
	\$	\$
Westpac Banking Corporation	1,112,000	1,187,000
Bank of South Pacific	295,245	294,120
	<u>1,407,245</u>	<u>1,481,120</u>

Interest earned at 2.5% from the above term deposits are credited to General Fund

4. INVENTORIES

Materials	24,515	15,116
Fuel and oil	1,626	5,024
	<u>26,141</u>	<u>20,140</u>

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014

5. RECEIVABLES

	2014	2013
	\$	\$
Rates receivables	5,011,035	5,575,704
Less: provision for doubtful debts	<u>(1,000,000)</u>	<u>(1,000,000)</u>
	4,011,035	4,575,704
Other debtors	<u>670,925</u>	<u>1,416,650</u>
Total receivables	<u><u>4,681,960</u></u>	<u><u>5,992,354</u></u>

Movement in the provision for doubtful debts of receivables were as follows:

Rates receivables

At 1 January	1,000,000	1,000,000
Movement, net	<u>-</u>	<u>-</u>
31 December	<u><u>1,000,000</u></u>	<u><u>1,000,000</u></u>

6. OTHER RECEIVABLES

Prepayments	<u>36,288</u>	<u>44,858</u>
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7. CREDITORS AND ACCRUALS

Sundry creditors and accruals	281,569	1,120,106
Other creditors	298,043	1,205,166
Security deposits	228,974	200,802
Refundable building deposits	<u>62,034</u>	<u>60,503</u>
	<u>870,620</u>	<u>2,586,577</u>

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 60 day term;

Other payables are non-interest bearing and have an average term of six months; and

LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014

8. PROVISIONS

	2014	2013
	\$	\$
<u>Long service leave</u>		
At 1 January	95,771	95,245
Net arising during the year	41,835	526
At 31 December	<u>137,606</u>	<u>95,771</u>
<u>Annual leave</u>		
At 1 January	154,676	103,021
Net arising during the year	123,567	123,566
Net Utilized	<u>(163,412)</u>	<u>(71,911)</u>
At 31 December	<u>114,831</u>	<u>154,676</u>
Total provisions	<u>252,437</u>	<u>250,447</u>
Disclosed as:		
Current	114,831	154,676
Non-current	<u>137,606</u>	<u>95,771</u>
Total provisions	<u>252,437</u>	<u>250,447</u>

9. INTEREST BEARING LOANS AND BORROWINGS

Current		
Bank of South Pacific	<u>488,672</u>	<u>527,506</u>
Total current	(a) <u>488,672</u>	<u>527,506</u>
Non-current		
Bank of South Pacific	<u>7,330,401</u>	<u>7,730,414</u>
Total non-current	<u>7,330,401</u>	<u>7,730,414</u>

Particulars relating to interest bearing loans and borrowings

- a) The loan from Bank of South Pacific and Westpac Banking Corporation are secured by pari passu debenture deeds of \$10,611,358 over all of the Council's assets and undertakings without any preference or priority of existing debentures one over another.

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2014

10. PROPERTY, PLANT & EQUIPMENT

	2014	2013
	\$	\$
<u>Land and buildings</u>		
Deemed cost:		
At 1 January	3,614,067	3,256,965
Additions	19,970	357,102
At 31 December	<u>3,634,037</u>	<u>3,614,067</u>
Depreciation and impairment		
At 1 January	1,078,016	989,359
Depreciation charge for the year	87,905	88,657
At 31 December	<u>1,165,921</u>	<u>1,078,016</u>
Net book value	<u>2,468,116</u>	<u>2,536,051</u>
<u>Plant and equipment</u>		
Deemed cost:		
At 1 January	315,119	1,006,428
Additions	30,378	67,800
Disposals	-	(758,874)
Re-classification	-	(235)
At 31 December	<u>345,497</u>	<u>315,119</u>
Depreciation and impairment		
At 1 January	208,030	829,842
Depreciation charge for the year	46,658	48,899
Disposals	-	(670,711)
At 31 December	<u>254,688</u>	<u>208,030</u>
Net book value	<u>90,809</u>	<u>107,089</u>

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2014

10. PROPERTY, PLANT & EQUIPMENT (CONT'D)

Furniture and fittings

	2014	2013
	\$	\$
Deemed cost:		
At 1 January	203,397	202,006
Additions	-	1,391
At 31 December	203,397	203,397
Depreciation and impairment		
At 1 January	185,984	153,993
Depreciation charge for the year	13,186	31,991
At 31 December	199,170	185,984
Net book value	4,227	17,413

Office equipment

Deemed cost:		
At 1 January	307,547	284,792
Additions	13,274	22,755
At 31 December	320,821	307,547
Depreciation and impairment		
At 1 January	227,053	171,426
Depreciation charge for the year	52,793	55,627
At 31 December	279,846	227,053
Net book value	40,975	80,494

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2014

10. PROPERTY, PLANT & EQUIPMENT (CONT'D)

	2014	2013
<u>Motor vehicles</u>	\$	\$
Deemed cost:		
At 1 January	1,077,956	1,034,232
Additions	40,870	121,839
Disposals	-	(78,115)
At 31 December	1,118,826	1,077,956
Depreciation and impairment		
At 1 January	684,706	566,675
Depreciation charge for the year	172,192	184,084
Disposals	-	(66,053)
At 31 December	856,898	684,706
Net book value	261,928	393,250
<u>Roads, drains and footpaths</u>		
Deemed cost:		
At 1 January	-	50,623,532
Disposals	-	(50,623,532)
At 31 December	-	-
Depreciation and impairment		
At 1 January	-	4,724,808
Disposals	-	(4,724,808)
At 31 December	-	-
Net book value	-	-
Net Book Value (Parking Meters-Equip)	-	53,400
Work In Progress	566,544	-
At 31 December	566,544	53,400
Total property, plant and equipment	3,432,599	3,187,697

LAUTOKA CITY COUNCIL
 NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
 FOR THE YEAR ENDED 31 DECEMBER 2014

11. INVESTMENT PROPERTIES

	2014	2013
	\$	\$
Deemed cost:		
At 1 January	8,152,449	8,129,772
Additions	449,649	22,677
At 31 December	8,602,098	8,152,449
Depreciation and impairment		
At 1 January	1,490,292	1,286,481
Depreciation charge for the year	631,770	203,811
At 31 December	2,122,062	1,490,292
Net book value	6,480,036	6,662,157

12. RESERVES

Other reserves

In-house cyclone reserves	418,490	418,490
Workmen's compensation reserve	9,000	9,000
Cyclone reserves	28,000	28,000
Total reserves	455,490	455,490

13. CAPITAL GRANT

At 1 January	403,289	497,016
Additional Grant Received in 2014	500,000	-
Released to the statement of comprehensive income	(93,727)	(93,727)
Closing balance at 31 December	809,562	403,289

**LAUTOKA CITY COUNCIL
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2014**

14. RELATED PARTY TRANSACTIONS

(a) Administrator - Mr. Praveen Bala

(b) Transactions with related parties are as follows:

Transactions with related parties during the year ended 31 December 2014 with approximate transaction value are summarized as follows:

	2014	2013
	\$	\$
Administrator - Honorarium	21,466	32,200

These transactions with related parties were made on normal commercial terms and conditions.

MANAGEMENT REPRESENTATION LETTER

The following is a format of the management representation letter, which is required to be retyped on Lautoka City Council's letterhead and submitted to the Office of the Auditor General.

Date:

Ajay Nand
Auditor General
Office of the Auditor General
P.O. Box 2214
Government Buildings
SUVA

Dear Mr. Nand

This management representation letter is provided in connection with your audit of the financial statements of Lautoka City Council for the year ended 31 December 2014 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of (or 'present fairly', in all material aspects) the financial position of the Council as of 31 December 2014 and of the results of its operations and cash flows for the year then ended in accordance with the International Financial Reporting Standards ("IFRS") and the Local Government Act (Cap 125).

We confirm to the best of our knowledge and belief, the following representations:

General

1. We acknowledge our responsibility for the preparation and fair presentation of the financial statements in accordance with the Local Government Act (Cap 125) and the International Financial Reporting Standards, including;
 - (a) giving a true and fair view of the Lautoka City Council's financial position as at 31 December 2014 and of its performance and cash flows for the year ended on that date; and
 - (b) complying with International Financial Reporting Standards.
2. We acknowledge our responsibility to ensure that significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
3. We acknowledge our responsibility to ensure that related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards.
4. We acknowledge our responsibility to ensure that all events subsequent to the date of the financial statements and for which International Financial Reporting Standards require adjustment or disclosures have been adjusted or disclosed.
5. We acknowledge our responsibility to ensure that the financial statements are free of material misstatements, including omissions.

6. We have no plans or intentions that may materially alter the carrying values or classification of assets and liabilities reflected in the financial report.
7. There are no formal or informal set-off arrangements with any of our cash balances, investment accounts and line of credit or similar arrangements.
8. All assets and insurable risks of the council are adequately reasonably covered by insurance.
9. We have disclosed to you and in the financial statements all financial guarantees that we have given to third parties and we have accounted for these guarantees in accordance with the requirements of IAS 39 "*Financial Instruments Recognition and Measurement*".
10. There were no agreements under which any of the liabilities of the council had been subordinated to any other of its receivables.
11. No circumstances has arisen, not otherwise dealt with in the report or financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the council misleading or inappropriate.

Internal Controls

12. We acknowledge that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud and error. We believe that we have not established and maintained an adequate internal control structure to facilitate the preparation of reliable financial statements, and adequate financial records were not maintained.

Going Concern

13. The financial statements of the council have been prepared on a going concern basis. We consider the application of going concern principle to be appropriate in the preparation of these financial statements as we believe that the council has adequate funds to meet its liabilities as and when they fall due over the next twelve months.

Assets

14. The council has satisfactory title to all assets and there are no liens or encumbrances or pledge or collateral on the council's assets, except for those that are disclosed in the notes to the financial statements.

Property, Plant and Equipment

15. The capital expenditure incurred during the year has been properly capitalized to property, plant and equipment and have been fairly and reasonably allocated to the class of assets.
16. Depreciation is calculated using the straight line method to allocate the cost of the asset over their estimated useful life.
17. Allowances for depreciation have been adjusted for property, plant and equipment that have been abandoned or are otherwise unusable.

18. There were no material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles, other than those disclosed in the financial statements.
19. We were unable to provide supporting documentations to support the additions to land and building of \$19,970, and additions to investment property of \$449,649 reported in Note 10 and 11 respectively in the financial statements.
20. The parking meter assets with the written down value of \$41,659 were not recorded in the financial statements.

Receivables

21. Trade receivables as at balance date, aggregating to \$5,681,960 represented valid claims against customers. We are of the opinion that these debts will be realized in full subject to an allowance for impairment of \$1,000,000. However, we do acknowledge the following:
 - That we were unable to provide supporting documentations to substantiate the variance of \$590,416 between the rates receivable listings and amount reflected in the financial statements.
 - That we were unable to provide supporting documentations to substantiate the variance of \$1,456,143 between the rates receivable listings and arithmetic addition check done on the listings.
 - That we were unable to provide supporting documentations to substantiate the provision for doubtful debts of \$1,000,000.

Investments

22. Held-to-maturity investments in commercial banks and financial institutions by the council are recorded at their amortized cost. We have obtained all necessary information from commercial banks and financial institutions, to enable use to make appropriate adjustments for purpose of preparing the financial statements.
23. We were unable to provide supporting documentations to support the variance of \$7,200 between the investments with Westpac Banking Corporation reported in the financial statements and amount confirmed by the bank through Bank Audit Confirmations.

Impairment of Assets

24. We have considered the requirements on International Accounting Standard IAS 36 *Impairment of Assets* when assessing the impairment of assets and in ensuring that no assets are stated in excess of their recoverable amount. We have communicated to you all indicators of impairment and where these exist, we have conducted appropriate impairment testing on the relevant asset, and impairment adjustment has been made wherever required.

Liabilities

25. All known liabilities of the council at balance date were recorded in the books of account as at that date.
26. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent.

27. No other claims in connection with litigation have been or expected to be received except those disclosed in the financial statements.
28. We were unable to provide supporting documentations to support other creditors balance of \$298,043 and refundable building deposits of \$62,034 reported in Note 7 to the financial statements.
29. We were unable to provide supporting documentations to support the variance of \$22,832 between the sundry creditors' listings and financial statements.
30. We were unable to provide the audit trail and appropriate documentations to confirm that the rent received in advance of \$652,800 was recorded in the general ledger and financial statements.
31. We were unable to provide solicitors confirmations at balance date.

Income

32. We were unable to provide supporting documentations to support the variance of \$452,286 between the rates income listings and financial statements.
33. We were unable to provide supporting documentations to support the variance of \$286,297, \$43,580, and \$4,193 between the independent reconciliations performed by audit for rates, taxi and mini bus income respectively and financial statements.
34. We did not record rates, taxi, and mini bus income on accrual basis of accounting in accordance with the requirements of IAS 1 – Presentation of Financial Statements, paragraph 1.27 of the IFRS and Note 1.2 of the financial statements. The income were recorded on cash basis.
35. We were unable to provide the audit trail and appropriate documentations to confirm that the sub-lease rental income of \$163,200 and bus station fees income of \$14,240 was recorded in the general ledger and financial statements.
36. We were unable to provide supporting documentations to support the business license fees income of \$448,535, parking meter fees of \$69,147, and fees, charges and rent of \$83,191.
37. We were unable to provide supporting documentations to support the sundries income of \$550,556 recorded in the general ledger.

Expenses

38. We were unable to provide supporting documentations to support transactions totalling \$125,370 recorded in various expense account in the statement of comprehensive income.
39. We were unable to provide satisfactory explanations/records to substantiate the principle loan repayment of \$438,847 recorded as an expenses in the statement of comprehensive income.
40. We were unable to provide supporting documentations to substantiate variance of \$8,135 between the wages and salaries report and amount reported in the financial statements.

Income Tax

41. The council is exempt from income tax in accordance with the provisions of Section 17 (4) of the Fiji Income Tax Act.

Statement of Changes in Equity

42. We did not prepare and present the statement of changes in equity in the financial statements in accordance with the requirements of the International Financial Reporting Standards (IAS 1).

Statement of Cash Flows

43. We did not prepare and present the statement of cash flows in the financial statements in accordance with the requirements of the International Financial Reporting Standards.

Council Trust Funds

44. We were unable to provide supporting documentations to support the parking meter fund balance of \$500,643 and car park fund balance of \$328,031.

General Journal Entries

45. We were unable to provide supporting documentations to support the debit and credit general journal entries recorded in the cash at bank general ledger account of \$7,821,990 and \$1,251,969 respectively.

Events Subsequent to Balance Date

46. We did not disclose or provide confirmations on events subsequent to balance date.

Capital and Operating Lease Commitments

47. We did not disclose in the financial statements or provide you with the capital and operating lease commitments at balance date.

Fair Value Assessment

48. Where assets and liabilities are recorded at fair value, the value attributed to these assets and liabilities is, in the opinion of the council, the fair value. We are responsible for the reasonableness of any significant assumptions underlying the valuation and we confirm that the assumptions used appropriately reflect our intent and ability to carry out specific courses of action.

Disclosures in Financial Statement

49. The following have been properly recorded and, where appropriate, adequately disclosed in the financial statements:

- (a) related party transactions and related amounts receivable and payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees (written or verbal).

- (b) losses arising from the fulfilment of, or an inability to fulfil, any sale or purchase commitments;
- (c) all liabilities or assets including those arising under derivative financial instruments; and
- (d) unasserted claims or assessments that our lawyers has advised us are probable of assertion.

50. We did not disclose contingent liabilities/assets, subsequent events, and capital and operating lease commitments in the financial statements

Related Party

51. The information we provided to you regarding the identification of related party relationships and transactions are complete.

Fraud or Suspected Fraud

52. There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or others where the fraud could have a material effect on the financial statements.

53. There have been no allegations of fraud, or suspected fraud, affecting materially the council's financial statements communicated by employees, former employees, analysts, regulators or others.

Compliance with Legislation and Other Requirements

54. We are not aware of any breaches or possible breaches of any relevant legislation, contracts or agreements and accounting standards.

55. In respect of the operations during the year, Parliament and other Government directives have been complied with.

56. There have been no instances of non-compliance with laws and regulations involving management or employees who have a significant role in internal control.

57. There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.

58. There are no violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as basis for recording as an expense.

Financial Records, Data and Information

59. We have made available to you:

- (a) All financial records and related data, other information, explanations and assistance necessary for the conduct of the audit. However, we do acknowledge that not all financial records, data and information for the financial years 2014 were available for your review;

- (b) Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- (c) Additional information that you have requested from us for the purpose of the audit;
- (d) Unrestricted access to persons within the council from whom you determined it necessary to obtain audit evidence.

Contractual Agreements

60. The council has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance. There has been no non-compliance with requirements of regulatory authorities that could have a material effect on the financial statements in the event of non-compliance.

Special Purpose Entities and Structure

There are no transactions and structures, including "Special Purpose Vehicles/Entities" that are classified as off-balance sheet.

FNPF and Tax Deductions

- (e) The calculations of the Value Added Tax (VAT) where applicable, have been in accordance with the VAT Decree.
- (f) Deductions as required by the Fiji National Provident Fund have been made and paid to the relevant authorities.

We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We understand that your audit was conducted in accordance with International Standards on Auditing and was, therefore, designed primarily for the purpose of expressing an opinion on the financial statements of the entity taken as a whole, and that your test of the financial records and other auditing procedures were limited to those which you considered necessary for that purpose.

Yours sincerely



16/06/2020

Chief Executive Officer



16/6/2020

Senior Accounts Officer

