



Tonga Office of the

Auditor General

Annual Report

2019 – 2020

Nuku'alofa
March, 2021



Our Reference: LC1052/181/21

Your Reference:

Date: 31st March, 2021

Lord Fakafanua
The Honourable Speaker
Legislative Assembly

I have the honour to submit herewith the Annual Report of the Tonga Office of the Auditor General for the financial year ended 30th June, 2020, in accordance with section 24 of the *Public Audit Act 2007 (as amended)*.


Sefita Tangi
AUDITOR GENERAL



cc: Hon. Rev. Dr Pohiva Tu'i'one
Prime Minister
Prime Minister's Office

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AUDITOR GENERAL'S FOREWORD AND OVERVIEW

I am pleased to hereby present the Annual Report of the Tonga Office of the Auditor General, (*TOAG*), for the financial year 2019-20.

The year has been marked with the TOAG delivering the audit services against its mandate under the *Public Audit Act 2007*. We delivered independent and objective audit reports and advice to the Legislative Assembly, the Government, and the community. The focus as stated in our vision, is to improve the Government public sector *integrity, accountability, and transparency*.

Overview

We delivered the financial and compliance audits and advisory services as planned for the year 2019-20. We completed the audits of 42 audit units, (in Line Ministries, Departments, and Agencies, *MDAs*), 23 financial statements, 4 audit reviews, 2 audit advisory, 102 audit certifications and 1 performance audit. In our audit reports, we raised and issued 265 recommendations, the remedial actions for managements to consider and acted upon.

We completed the audit of the Government Financial Statements for the year ended 30th June, 2020 and issued our audit opinion on 26th February, 2021.

In preparing of the Government financial statements for the year ended 30th June 2020, the Ministry of Finance adopted the Cash Basis of Accounting of the International Public Sector Accounting Standards, (*IPSAS*). The audit conclusion was a qualified audit opinion based on two account areas; (i) Cash and Cash Equivalent, and (ii) Property Plant and Equipment. The issues raised were material and consistent with prior financial years.

In addition to this annual report, the summaries of our financial and compliance audits during the year are reported in a separate report to the Lord Speaker, "Financial and Compliance Audit Report 2019-20", which is consistent with previous years.

We completed and submitted to Parliament one (1) performance audit for the year; Administration of Public Procurement. This is the third performance audit reports submitted to Parliament since Performance Audit Unit established.

As mentioned in our previous annual report, we are working closely with all *MDAs* on our planned performance review for the existence and effectiveness of performance information framework of all *MDAs*. We are still seeking for every opportunity in our endeavour to build up the skills and knowledge of performance audit methodologies and techniques.

Staff Training and Professional Development Programme

The capacity building and staff development programme continued throughout the year. Accountant, 'Akuila M. P. Lomu completed her program of study for a Bachelor of Commerce at the Victorian University of Wellington, New Zealand in November 2020. Audit Senior, Filatoa Vailea started for a Master Degree of Auditing (Maud) at the Nanjing Audit University, China, in September 2019 and expected to complete by the end of September 2021. Two (2) Officers completed Diploma in Accounting Studies from Tonga Institute of Higher Education namely: Auditing Assistant Grade I, Maile Fuiono Kavaefiafi and Audit Assistant Gr II, Kalisi Simulata F. Tu'alau.

The *INTOSAI* Development Initiatives, (*IDI*), and *PASAI*, are continued with capacity building and training programs to *TOAG* on difference levels of our staff. I would like to hereby acknowledge the financial assistance of the Department of Foreign Affairs and Trade of the Australian Government, which made these trainings possible. It added value to the *TOAG*'s effort for enhanced quality of audits.

TOAG is still looking for work attachment opportunity to a more advance Audit Office in the area of performance audit. *TOAG* also continued with its staff professional development programme, especially trying for both Chartered and Certified Accountant, *CA* and *CPA*, professional qualifications. *TOAG* is still the approved training institution of the Australia and New Zealand Institute of Chartered Accountants.

Audit of the *TOAG* Financial Statements 2019-20

The financial statements of the *TOAG* for the financial year ended 30th June, 2020 is yet to be audited. This is due to the travel restrictions of the *TOAG* external auditor, Grant Thornton New Zealand, referring to COVID-19.

Overall, the *TOAG* underspent its budgeted allocation by \$528,726. The unspent amount was mainly from vacancies.

New audit computer program, Team Mate

Team Mate is an audit computer program that is widely used by audit offices. *TOAG* purchased and introduced Team Mate to *TOAG* during May/June 2015. Currently, we are at the implementation stage and most of the teams carrying out audits using Team Mate, it covers all stages of an audit from planning, field-work, review, to reporting stages. Overall, it very much help all audit officers, at all levels, with more efficiency and more focus audits. *TOAG* now joins with developed *SAIs* in using this expert audit technological package to complement its works.

We are currently mastering the using of Team Mate with the assistance of the provider and *PASAI*.

Challenges

The major challenge is the building up of our staff capacity in order to manage the gap between the actual and the expected level of competencies and proficiencies in all our audits, and we appreciate that this is a long-term challenge. Our continuous staff training in all forms; on-job, training sessions by us, *PASAI*, and *IDI*, short term attachment to the Office of the Auditor General of Audit New Zealand and Australia, and our professional development programme are all aimed at meeting this challenge at all times.

Adding on to our major challenge above, the staff turn-over is rising at our professional level. Actually, at the professional level of accounting and finance, the pasture is greener in the private sector thus, our professional level staff left for better remuneration. We maintain and hold on to the professional training programs of our staff.

Our financial resource through the *TOAG* allocated fund in the Government annual budget is always a challenge to our operation and our independent as a *SAI*. However, we are fortunate to have complimented by our development partners in areas that are not sufficiently covered by our annual budgeted allocation. We sincerely hope that we will continue to receive those valuable assistances in the future.

The challenge of timely completed of audits is always with us and the significant part of this challenge is the late submission of (draft) accounts to be audited; public accounts and quarterly statements, public enterprises, and development projects. We have started distributing a program/timetable for when each accounts to be audited to all auditees in the effort to manage this challenge but it does minimal assistance. Also, the keeping and maintaining of complete financial record and information is always a part of it.

Looking ahead

The development of the *TOAG* is continuously as ongoing agenda. The priority and focus is on capacity building of staff and using of computer assisted audit techniques, which overall will advance the efficiency and quality of carrying out the audits. Appropriately restructured of our operations is a continuous effort of us all.

We are continuing with our professional training program, currently two (2) officers are taking the *CA* and *CPA* programs and one (1) officer is taking the undergraduate courses part-time with the *USP* Campus here in Tonga as well as four (4) officers with Tonga Institute of Higher Education. The Office is giving them all the assistance and encouragement that we could afford.

In our endeavour to fully adopt the *ISSAIs*, we are in progress with a pilot project by *IDI*, in conducting audits; financial, performance, and compliance, which fully complied with *ISSAIs* and following the risk approach of audit. We are working towards the successfully completion of this project during the coming working year, 2020-21. I wish to hereby acknowledge the assistance of *DFAT*, *IDI*, and *PASAI*, which make this project possible to pilot with us and will continue to other *SAIs*.

We are continuing with the audit computer program, Team Mate, to all our financial and compliance audits and with the assistance of the supplier of Team Mate and *PASAI*. The day-to-day management of the software and hardware components of our information technology system is always a challenge.

We are working closely with the Public Accounts Committee of Parliament and the Audit Oversight Committee of Cabinet, particularly in the scrutinizing process of our audit reports and the appropriate responses and actions from auditees. It will move forward the endeavour for integrity, accountability, and transparency in all our works and the oversight function for the public fund management, (*PFM*).

We continue striving for our vision, which “*Integrity, Accountability, and transparency*” and obviously it is starting with us and all our audits, reports and advices and then to all our audit clients which ultimately impact on whole of Government as part of the measures to expand potential and growth.

Sefita Tangi *FCPA (Aust)*
AUDITOR GENERAL

1 ROLES AND RESOURCES

1.1 Roles

The TOAG's primary role is to provide independent report, assurance and advice to the Speaker of the Legislative Assembly on how government and other public bodies account for and use public money and public resources. The role is discharged by carrying out audits and report on whether government activities are carried out and accounted for consistent with applicable legislation, accounting and auditing standards, and achieve or otherwise the intended outcomes.

1.2 Core Functions of the Office

The core output of the Office for the year are classified into four (4) categories. They cover:

- Special Audits
- Financial Audits
- Performance Audits
- Compliance Audits

(Details shown in Item 2.1 and 3 of this report)

1.3 Organisational Structure

The management structure of the TOAG as at 30th June, 2020 is shown in *Figure 1*. The four (4) main branches of the Corporate and Operations are directed by four Executive Directors. Corporate Management Unit is responsible for Administration and Support Services. The Operations Branch is divided into three (3) Units; (i) Financial Audits and they are responsible for audit of the Public Enterprises and the Government Accounts (Public Accounts) (ii) Performance Audits and Performance Review; and (iii) Compliance Audits and they are responsible for audit of the Government Ministries, Departments and Agencies (MDAs) and audit of Development Projects

1.3.1 Staff Profile

During 2019-20 financial year, the Office had 39 staff with twelve (12) vacant posts. Twenty-six (26) staff were female and thirteen (13) were males. With the exception of the Auditor General, *Table 1* presents the profile of the TOAG's established staff.

Table 1: Profile of Established Staff at 30th June, 2020

Positions	30 th June 2020
Executive Director	4(1 vacant)
Audit Managers	6(1 vacant)
Audit Senior	9 (1 vacant)
Human Resource Manager	1
System Analyst	1(1 vacant)
Auditor	14(3 vacant)
Personal Assistant	1
Accountant	1
Communication Officer/Librarian	1
IT Support	1(1 vacant)
Receptionist/Filing	1
Audit Assistant Gr I	4(1 vacant)
Audit Assistant Gr II	3(2 vacant)
Audit Assistant Gr III	1(1 vacant)
Driver/Messenger	2
Total number of posts	50

1.3.2 Staff Promotion

The Office continued to recognize the contributions, efforts and good performance of its staff. Staff promotions during the year are as follows.

<i>Name</i>	<i>Post</i>	<i>Post promoted to</i>	<i>Date</i>
1. Lotomo'ua F. Tu'ungafasi	Audit Manager	Executive Director-CMU	06/09/19
2. Kelepi T. Makakaufaki Jr	Audit Manager	Executive Director-FAU	06/09/19
3. Fatafehi F. Taumoha'apai	Audit Manager	Executive Director-PAU	06/09/19
4. Sisilia F. Lutui	Audit Manager	Executive Director-CAU	06/09/19
5. Kentucky H. Tai	Audit Senior	Audit Manager	03/12/19
6. Cathreen A. Mafi	Audit Senior	Audit Manager	03/12/19
7. Pita Taufatofua	Audit Senior	Audit Manager	03/12/19
8. Sitiveni Nau	Audit Senior	Audit Manager	03/12/19
9. Lavili T. Afu	Audit Senior	Audit Senior	03/12/19
10. Taniela 'E. Mahe	Auditor	Audit Senior	03/12/19
11. Mele F. Lupeitu'u	Auditor	Audit Senior	03/12/19
12. Popua V. Mafi	Auditor	Audit Senior	03/12/19
13. Pateli V. E. Fanguna	Communication Officer/Librarian	Auditor	03/12/19
14. Vangana Fangaloka	IT Support	Auditor	03/12/19
15. Salome L. Halapua	Audit Assistant Gr I	Auditor	03/12/19
16. Sokopeti Polutele	Audit Assistant Gr II	Auditor	03/12/19

1.3.3 Staff Recruitments

During the year there were new staff recruitment namely:

<i>Name</i>	<i>Post</i>	<i>Date</i>
1. 'Elina Koloamatangi	Auditor	01/06/20
2. Grace Filimoehala	Communication Officer/Librarian	01/06/20

1.3.4 Resignation

During the year the following staff resigned and have moved to different workplaces.

<i>Name</i>	<i>Post</i>	<i>Date</i>
1. Fatafehi Taumoha'apai	Executive Director-PAU	01/04/20
2. Felix A. Fe'iloaki	System Analyst	26/02/20

1.3.5 Dismissal

During the year one of the staff dismissed from work.

<i>Name</i>	<i>Post</i>	<i>Date</i>
1. Mr Viliami Fa Vatuvei	Audit Assistant Gr II	21/12/19

1.3.6 Deceased employee

During the year one of the staff passed away.

<i>Name</i>	<i>Post</i>	<i>Date</i>
1. Sivilaise Tonga	Auditor	20/01/20

1.3.7 Professional Development Program

The Office has made strong commitment to the professional development of staff through a number of key initiatives. Two senior officers are currently pursuing the *CPA* and *CA* professional qualification by taking the courses with the *CPA* Australia and the Institute of Chartered Accountants in Australia and New Zealand. Also, five juniors took part time courses with the University of the South Pacific and the Community Development and Training Centre here in Tonga.

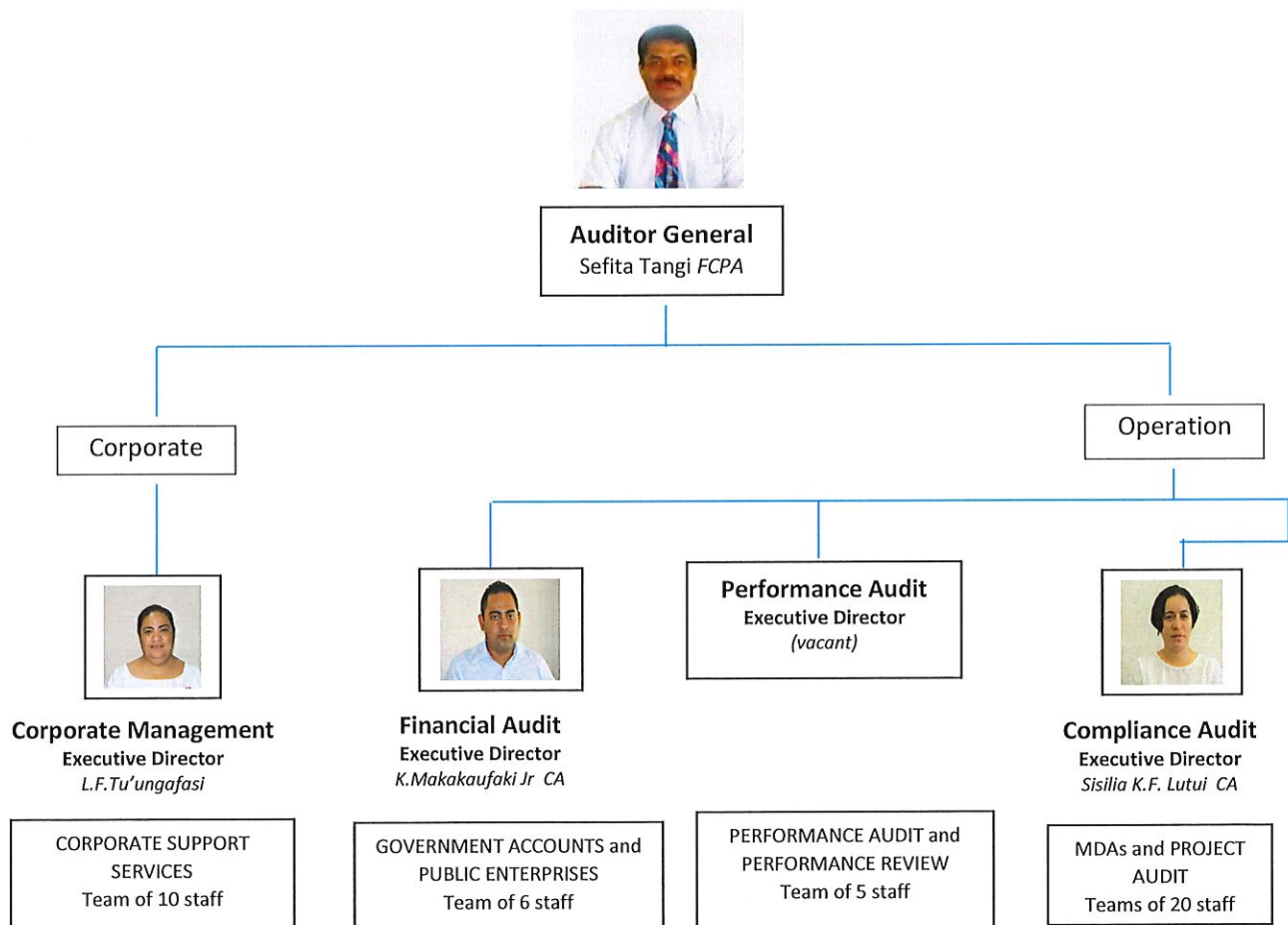
During the year, the audit staff attended training programs conducted by the *PASAI*, *IDI*, and other capacity building institutions overseas. The areas covered were; effective communication, effective audit of public assets, strengthening the oversight functions of public finance management, cooperative audit on procurement, and preparedness for the implementation of the Sustainable Development Goals, *SDGs*.

During the year, the Auditor General and senior staff attended meetings and development programs as follows: In July 2019 the Auditor General with Audit Manager, Cathreen Mafi attended the meeting of Supreme Audit Institution (SAI) Leadership and Stakeholders on “Supreme Institutions making a difference: Auditing the implementation of the Sustainable Development Goals”, in the UN Head Quarters, in the United States of America. In August 2019, the Auditor General with Executive Director, Lotomo’ua Tu’ungafasi attended the 21st *PASAI* Congress, in Nadi, Fiji. In September 2019, the Auditor General attended the XXXIII *INCOSAI* Congress, in Moscow, Russia; and in October 2019 attended the Forum Secretariat Audit and Risk Sub-Committee Meeting, in Suva, Fiji. In November 2019 the Auditor General with Executive Director, Sisilia F. Lutui attended the *PASAI*-UNDP Pacific Public Accounts Committees and SAIs on the oversight of Public Finance Workshop, in Auckland, New Zealand. And in February 2020, the Auditor General attended the 22nd *PASAI* Governing Board Meeting, in Auckland, New Zealand.

The experiences and knowledge obtained from the above training and development programs and meetings very much assisted with the capacity building programs of the *TOAG*.

The Auditor General is member of the Public Accounts Committee of Parliament and the Audit Oversight Committee of Cabinet. He is also member of the Governing Board of *PASAI* as Representative of Polynesia from August 2016 as well as member of the Audit and Risk Sub-Committee of the Pacific Islands Forum Secretariat from November 2015.

Figure 1: Management Structure as at 30th June, 2020



1.4 Financial Activities Summary

Table 2 summarizes the TOAG operating result for 2019-20 showing estimates compared with actual amounts. The result is based on cash accounting.

Table 2: Summary of financial results

	Estimate 2019-20	Actual 2019-20	Actual 2018-19
Total revenue ¹	\$100,000	\$54,000	\$74,000
Total expenditure	\$2,023,800	\$1,488,797	\$1,574,884
Net cost of services	\$1,923,800	\$1,434,797	\$1,500,884

¹ Audits of Ministries, Departments, and Agencies are free of charge

2. RESULTS ACHIEVED FOR THE YEAR

2.1 Summary of the output in 2019-20

The summary of the total output achieved during the year is shown *Table 3* below. The actuals are the completed audits, which indicated by the issuing of the audit opinion, management report, and audit certificate. Those audits which were still in progress as of 30th June, 2020 are not included in this summary. They will be reported when they are completed and reported.

Table 3 Summary of the Total Output by Divisions in 2019–20

Output 1: Support and Parliamentary Services	Target	Actual
Auditor General's Reports	6	6
Advisory Services	2	2
Support Services (Capacity Building & Professional Development programs)	9	9
Output 2: Financial Audits	Target	Actual
Audit Management Reports issued conveying the findings of audits	18	16
Audit Opinions	9	11
Reviews, approvals and Certificates	10	7
Output 3: Performance Audits	Target	Actual
Performance Audit Reports	2	1
Performance Reviews of MDAs	6	
Output 4: Compliance Audits	Target	Actual
Audit Management Reports issued conveying the findings of audits	35	54
Audit Opinions	10	12
Audit Certificates issued on the financial statements of school and TVET		
Grant and Certifications on pensions	50	99

The explanations for the outputs that were not achieved against the target are as follows:

1. *Output 2*, Some of the public enterprises did not submit their accounts for audit but were budgeted for.
2. *Output 3*, One performance audit reports and review of MDAs performance were yet to be fully executed due to staff turnover.

2.2 Independent Audit Office that Lead by example

In improving our management processes, the corporate support services unit continued to manage cost as a priority. The key strategies were to:

- Practice good corporate governance
- Create and maintain efficient and effective business managerial processes
- Manage TOAG resources effectively

Table 4 below shows the labour cost of major products at 30th June 2020. As shown the chargeable products were the highest totalling \$839,150.00 or 56% of the total cost (\$1,488,797) of all activities carried out by the Office in 2019-20.

Table 4: Cost of activities at 30th June 2020

	Products	Cost(\$)	% of total
Indirect Labour:	1. Administration	49,229.50	3
	2. Corporate Services	60,976.25	4
	3. Staff Development	117,796.25	9
	4. Conference & Meeting	63,926.00	4
	5. Staff Leave	316,671.00	21
	6. Staff Social Welfare	41,048.00	3
Total Indirect Labour:		649,647.00	44
Direct Labour:	7. Chargeable	839,150.00	56
Total Labour		1,488,797.00	100

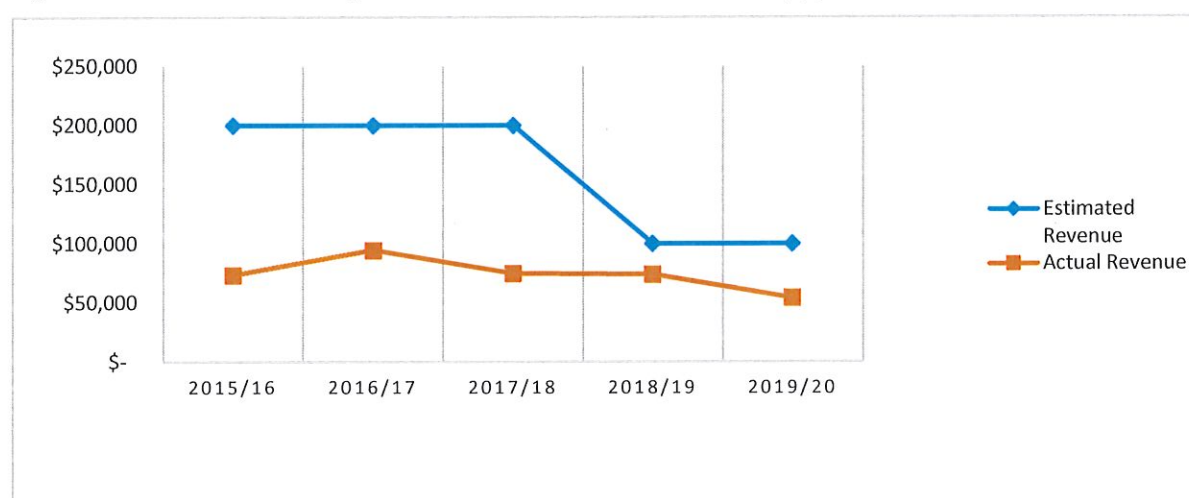
2.3 Total Revenue and Expenditure between 2015/16 - 2019/20

Revenue

Total audit fees collected in 2019-20 were \$54,000 which was \$46,000 below the estimate of \$100,000. The estimated revenue is certainly overstated since most of the audit of Government entities and development projects are free. The audit of Government Ministries is free of charge as are the audits of foreign aid donor's projects, the TOAG services are treated as part of the Government's contributions towards the projects.

TOAG cannot control the number of public enterprises who present their annual accounts to audit or review during the year.

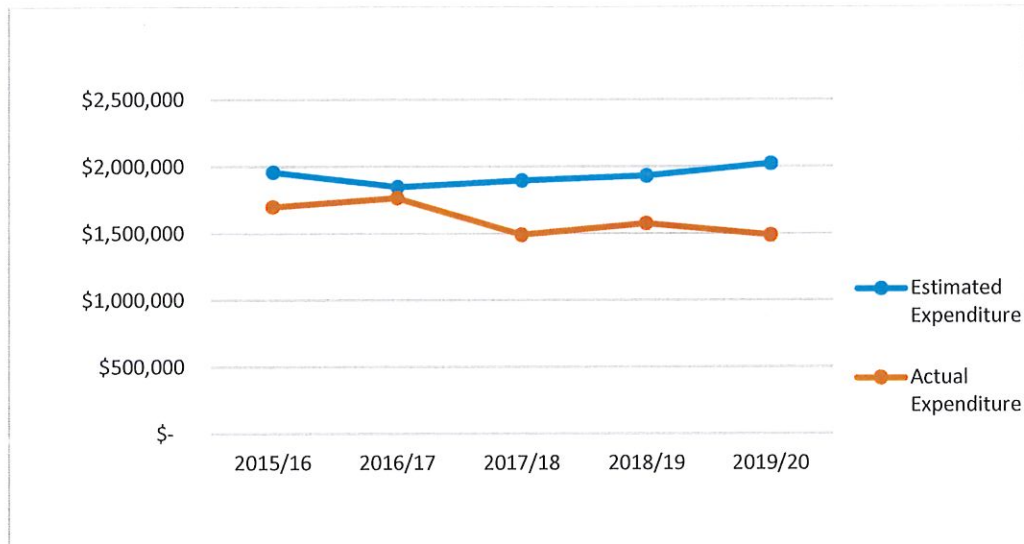
Figure 2: Provide the trend of budget revenue vs actual revenue for the last five (5) years.



Expenditure

The Office actual expenditure was \$1,488,797 which was below the estimate by \$535,003. The office expenditure between 2015/16 – 2019/20 are shown in *Figure 3* below:

Figure 3: Estimated Expenditure vs Actual Expenditure



3. REPORT OF EACH UNIT

The undermentioned reports from each Unit summaries the overall total of the work completed during this financial year 2019-20. The details are reported in a separate report of the results of all the financial and compliance audits that have been carried out and completed during the financial year.

3.1 Corporate Management Unit

3.1.1 Background Information

The Corporate Management Unit provides all the appropriate support services such as receptionist, files maintenance, information technology (IT), human resource services, accounts and budget, mail and messenger, library, office supplies and equipment, accommodation, personal policies etc. They are also responsible for *Output 1: Support and Parliamentary Services*.

The Unit consisted of ten (10) staff altogether headed by the Executive Director, Mrs Lotomo'ua Tu'ungafasi. The Accounting Officer complete his studying for his Bachelor of Commerce in November 2020, New Zealand.

3.1.2 Team Output Summary

The Unit planned 17 outputs to perform during the year with a total budget hour of 10,004. At the end of the year, the Unit managed to achieve the budget outputs with a total chargeable hour of 10,198 with a total costing of \$162,186.00 which is more than the allocated budget hours assigned for the Unit. Fortunately, we were able to have obtained the extra hours, (194), from some of the staff of the Unit who deferred their annual leave as scheduled plus new recruitments.

Table 5 below are the outputs achieved against the target established for this Unit during 2019-20

Table 5: Output 1 - Support and Parliamentary Services

Performance measures	Unit of measure	2019-20 Target	2019-20 Actual	2018-19 Actual	2017-18 Actual
Quantity					
Auditor-General's reports (a)	Number	6	6	6	5
Advisory Services (b)	Number	2	2	2	3
Support Services (c)	Number	9	9	17	9

(a) Reports include Corporate Plan, Annual Plan, Annual Budget, Annual Reports, Financial & Compliance Audit Report, and Annual Financial Statements for the financial year ended 30th June, 2020.

(b) Advisory Services: Request from Stakeholders, Parliamentary Committees through the Honourable Speaker in particular.

(c) Support services such as staff trainings and developments.

3.1.3 Auditor General's report

The TOAG financial statements for financial year 2019-20 are yet to be audited due to COVID-19. The financial statements is at Item 4 of the Tongan Version of this Annual Report.

3.2 Financial Audit Unit

3.2.1 Background information

The Financial Audit Unit is responsible for the audit of the government's wholly owned public enterprises, the whole of government financial statements, quarterly statements and special requests from Parliament or Cabinets. The Unit is also responsible for reviewing and approval of audited accounts that has been audited by private firm and audits of private sector entities which includes non-government organization, civil societies and private companies.

The Unit consisted of six (6) staffs altogether under the supervision of the Executive Director-FAU, Mr Kelepi T. Makakaufaki Jr.

3.2.2 Team Output Summary

Shown in *Table 6* below the Unit output comparison of actual vs budget for 2019-20. At year end, the total hours used up by the Unit for the audits was 7,239 which costed \$146,337.00.

Table 6: Output 2 – Financial Audits

Performance measures	Unit of measure	2019-20 target	2019-20 actual	2018-19 actual	2017-18 actual
Quantity					
Audit management reports (a)	Number	18	16	16	11
Audit Opinions (b)	Number	9	11	9	10
Reviews, approvals and certificates (c)	Number	10	7	7	4
Audit Special (d)	Number				1

The following explanation are provided in respect of budget vs actual.

a) Management Report

The total budgeted outputs was for eighteen (18) management reports to be issued on audits and reviews to be completed during the year. During the year two (2) management letters were not issued which relates to one audit reviews of public enterprise and one audit whose management letter was still in progress.

b) Audit Opinion

The total budgeted audits which resulted in an audit opinion for the year were nine (9). At the end of the year, the division has completed and issued a total audit opinion on eleven financial statements. The variance of two is the result of an additional request to audit the financial statements of the Tonga Cable Limited which was not budgeted for in the annual plan. The audit of the Civil Society Forum Tonga was also completed which was carried forward from previous year.

c) Review

The total planned reviews for the year were for seven (7) reviews of all public enterprises who are not audited by the Auditor General and three (3) certificates of quarterly summary, in accordance with *section 10(2) of the Public Audit Act 2007 as amended*. During the year, TOAG completed four (4) reviews plus 3 certificates.

3.3 Performance Audit Unit

3.3.1 Background Information

The Unit carryout performance audit of selected topics and review for performance information framework of each Government Ministries, Departments and Agencies (MDAs).

This Unit consisted of five (5) staff headed by the Executive Director, Mrs Fatafehi Taumoha'apai. During the year Mrs Taumoha'apai resigned from work and the Auditor General took over the supervision of this Unit.

3.3.2 Team Output Summary

Shown in Table 7 below, the Units output comparison of actual vs budget for 2019-20. At the end of the financial year, the total hours used by the Unit for the audits was 4,482 which costed \$96,527.00.

Table 7: Output 3 - Performance Audits

Performance measures	Unit of measure	2019-20 target	2019-20 actual	2018-19 actual	2017-18 actual
Quantity					
Performance Audit Reports (a)	Number	2	1	2	-
Performance Review (b)	Number	6	-	1	-

(a) Auditor General's reports cover only the performance audit reports

(b) Auditor General's report cover performance information review reports

The two (2) Performance Audits targeted for 2019-20 financial year, one (1) has been completed. The six (6) performance review are currently underway and expected to report in the next financial year. This is due to staff turnover during the financial year.

We submitted the complete performance audit report to Parliament; Administration of Public Procurements.

3.4 Compliance Audit Unit

3.4.1 Background Information

Compliance Audit Unit (CAU) carried out the audit of the Government Ministries, Departments and Agencies (MDAs) as well as Development Projects.

This Unit consisted of twenty (20) staff headed by the Executive Director, Mrs Sisilia F. Lutui. The 20 staff are allocated into two (2) Divisions; Division 1 responsible for auditing of all the MDAs and Division 2 responsible for auditing of the Development Project.

3.1.2 Team Output Summary

Shown in Table 8 below the Units output comparison of actual vs budget for 2019-20. At the end of the financial year, the total hours used up by the Unit for the audits was 19,579 which costed \$373,823.

Table 8: Output 4 – Compliance Audits

Performance measures	Unit of measure	2019-20 Target	2019-20 Actual	2018-19 Actual	2017-18 Actual
Quantity					
Audit Management Reports issued conveying the findings of audits (a)	Number	35	54	48	23
Audit Opinions (b)	Number	10	12	12	13
Audit Certificates issued on the financial statements of agencies (c)	Number	50	99	197	132
Audit Specials	Number			1	

(a) Audit Management Reports on the audit of Government Ministries, Departments and Agents (MDAs) and Development Projects.

(b) Audit Opinions of Development Projects.

(c) Audit Certificates cover certificates on school grants, pension, and transfer values

Audit visit to the outer islands, Vava'u, Ha'apai, and 'Eua, was carried out in March and April 2019. This indicated by the increased management letters in comparison to the budget of this year. Also, completing of the audit of grants to Non-Government Schools for 2014 to 2017 were completed as well.

The Compliance Audit Unit continued to use Teammate in its audit work and there is continuous capacity development activities involved. It is acknowledged that technology comes with new frontiers of skills, knowledge and competencies, that staff has to be coached and monitored regularly. The Compliance Audit Unit will continue to learn and apply new skills in an effort to improve the quality of its output.

4. TOAG Financial Statements for 2019-20

The financial statements for the financial year 2019-20 are yet to be audited due to the travel restrictions of the TOAG external auditor, Grant Thornton New Zealand, referring to COVID-19.

(Please refer to item 4 of the Tongan Version of this report, pages 17 – 27)
