



Tonga Office
of the
Auditor General

Annual Report
2021 - 2022

Nuku'alofa
March, 2023



Our Reference: LC1052/303/23

Your Reference:

Date: 29th March, 2023

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, 2022, in accordance with section 24 of the *Public Audit Act 2007* (as amended).


.....
Sefita Tangi
AUDITOR GENERAL

The official seal of the Office of the Auditor General, Tonga, is circular with a blue border. It features a central emblem of a crown and a shield, flanked by two blue laurel branches. The text 'OFFICE OF THE AUDITOR GENERAL' is written in blue around the inner edge of the circle, and 'TONGA' is written in blue at the bottom. Two blue stars are positioned on either side of the word 'TONGA'.

cc: Hon. Hu'akavameiliku
Prime Minister
Prime Minister's Office

TABLE OF CONTENTS

pages

AUDITOR GENERAL'S FOREWORD AND REVIEW	3
1. ROLES AND RESOURCES	6
1.1 Role	6
1.2 Core Functions of the Office	6
1.3 Organisational Structure	6
1.4 Financial Activities Summary	8
2. RESULTS ACHIEVED FOR THE YEAR	9
2.1 Summary of the Total Output by Unit in 2021-22	9
2.2 Independent Audit Office that Lead by Example	9
2.3 Total Revenue and Expenditure between 2017-18 to 2021-22	10
3. REPORT OF EACH UNIT	11
3.1 Corporate Management Unit	11
3.2 Financial Audit Unit	12
3.3 Performance Audit Unit	13
3.4 Compliance Audit Unit	14
4. TOAG FINANCIAL STATEMENTS FOR 2021-22 (shown in item 4 Tongan version.)	15

AUDITOR GENERAL'S FOREWORD AND OVERVIEW

1. I am pleased to hereby present the Annual Report of the Tonga Office of the Auditor General, (*TOAG*), for the year 2021-22.
2. The year has been marked by the volcanic eruptions of the Hunga-Tonga and Hunga-Ha'apai and the entry into Tonga of the pandemic COVID-19, which both impacted in all of Tonga. The TOAG continued delivering the audit services in accordance to its Complete Annual Plan 2021-22, taking on board the adverse effects on our working hours of the mentioned natural disaster and the pandemic. 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

3. The most significant achievement is the laying down of the independence of the Auditor General in the supreme law of the nation, the Constitution of Tonga. This was through the Constitution of Tonga (Amendment) Act 2021, which assented to by His Majesty Tupou VI on 29th July, 2021.
4. This is precept of the standard, INTOSAI-P1, (the Lima Declaration) that the independence of SAI and its members be laid down in the Constitution (with details in the legislation, (Public Audit Act)) to minimise the threat of legislative revisions. The laying down of independence in the Constitution of Tonga enriches the accomplishment of our tasks objectively and credibility knowing that the Constitution protects us from outside influence.
5. We completed the audit of the Financial Statements of Government for the year ended 30th June, 2022 and issued our audit opinion on 23rd February, 2023.
6. 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 audit conclusion reached was similar with prior financial year, 2020-21, financial statements.
7. Moreover, we delivered the financial and compliance audits and advisory services as planned for the year 2021-22. We completed the audits of 65 audit units, (in Line Ministries, Departments, and Agencies, *MDAs*, Tongatapu and outer islands), 33 financial statements audits, 17 Constituencies Fund, 54 audit certifications, and 2 audit advisory service. In our audit reports, we raised and issued 719 recommendations, the remedial actions for managements to consider and for appropriate action.
8. In addition to this annual report, the summaries of our financial and compliance audits during the year are reported in a special report, "Financial and Compliance Audit Report 2021-22", which will submit in due course.
9. For performance audit, SAI Tonga was selected from the PASAI members and is participated in worldwide co-operative performance audit topic "Strong and Resilient National Public Health System". This performance audit took up most of the time of the performance audit team and is currently at its reporting stage. We will submit the report as it is completed.
10. 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

11. During the year, the INTOSAI Development Initiatives, IDI, started a professional education course, “Professional Education for SAI-Auditors, (PESA), which specifically for Audit Officers of SAIs and a formal certificate will be issued to the audit officer who successfully passed the course. Five audit officers admitted and took the PESA; 2 Financial Auditors, 2 Compliance Auditors, and 1 Performance Auditor. Their progresses are encouraging and looking forward for the results of their exams. Importantly, this is a significant capacity building opportunities for our staff.

12. *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.

13. The *IDI* and *PASAI*, are continued with capacity building and training programs to *TOAG* at different 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, and the Ministry for Foreign Affairs and Trade New Zealand Government, which made these trainings possible. It added value to the *TOAG*'s effort for enhanced quality of audits.

14. *TOAG* is still looking for work attachment opportunity to a more advance Audit Office in the area of performance audit.

Audit of the *TOAG* Financial Statements 2021-22

15. The financial statements of the *TOAG* for the financial year ended 30th June, 2022 similar to 2021, 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.

16. Overall, the *TOAG* underspent its budgeted allocation by \$461,437. The unspent amount was mainly from vacancies at the executive management levels.

New audit computer program, Team Mate+

17. Team Mate is an audit computer program that is widely used by audit offices. Currently, we are using it in our financial and compliance audits, it covers all stages of an audit from planning, conducting, review, to reporting stages. Overall, it very much help all audit officers, at all levels, with more efficiency and more focus audits.

18. We are currently in progress with updating to the current version of TeamMate and we sincerely thanks that *PASAI* Information Technology project covered the cost of this update to the current version, the Team Mate+.

Challenges

19. 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.

20. 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.

21. 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.

22. The challenge of timely completed of audits is always with us and the significant part of this challenge is the late submission and the quality of (draft) financial statements to be audited; public accounts and quarterly statements, public enterprises, and development projects. In the beginning of the new financial year, we always distribute to all auditees our timetables for each accounts' audit, the effort to manage this challenge. Also, the keeping and maintaining of complete financial records and information is always a part of it.

Looking ahead

23. 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.

24. We are continuing with our professional training program, currently three (3) officers are currently taking the *CA* and *CPA* programs and two (2) officers are taking the undergraduate courses part-time with the *USP* Campus here in Tonga as well as one (1) officers with Tonga Institute of Higher Education. The Office is giving them all the assistance and encouragement that we could afford.

25. 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, taking into account the restriction of travels re covid-19. I wish to hereby acknowledge the assistance of *DFAT*, *MFAT*, *IDI*, and *PASAI*, which make this project possible to pilot with us and will continue to other *SAIs*.

26. 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.

27. We are working closely with the Public Accounts Committee of Parliament, 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*).

28. We continue striving for our vision, “*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 *F CPA (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:

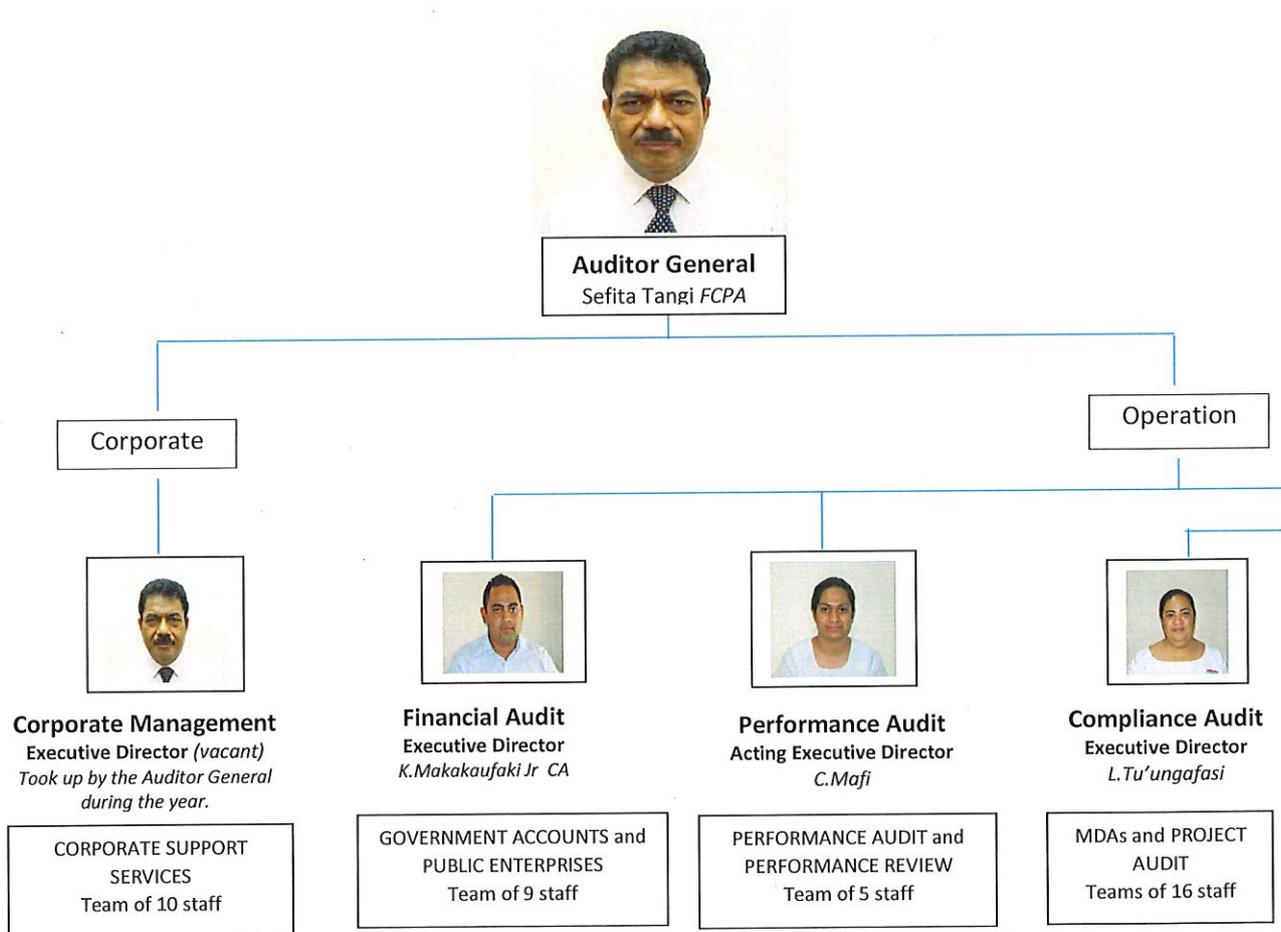
- Special Audits
- Financial Audits
- Performance Audits
- Compliance Audits

(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, 2022 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.

Figure 1: Management Structure as at 30th June, 2022



1.3.1 Staff Profile

During 2021-22 financial year, the Office had 41 staff with nine (9) vacant posts. Twenty-seven (27) staff were female and fourteen (14) 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, 2022

Positions	30 th June 2022
Executive Director	4(3 vacant)
Audit Managers	6(1 vacant)
Audit Senior	9 (1 vacant)
Human Resource Manager	1
System Analyst	1
Auditor	15(1 vacant)
Personal Assistant	1
Accountant	1
Communication Officer/Librarian	1
IT Support	1(1 vacant)
Receptionist/Filing	1
Audit Assistant Gr I	4 (2 vacant)
Audit Assistant Gr II	2
Driver/Messenger	2
Total number of posts	49

1.3.2 Promotion

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

Name	Post	Post promoted to	Date
1. Taiala Paea-'i-Funga Manono Fulivai	Auditor	Audit Senior	05/05/22
2. Lutimila S. Tafea	Audit Assistant Gr I	Auditor	05/05/22
3. 'Olive G. Finau	Audit Assistant Gr I	Auditor	16/06/22

1.3.3 Retirement

Audit Senior, Mr Sefita Toko retire on attaining the age of 60 years after 22nd years of hard work and dedication to the Office. His commencement date was effective on 1st November 2021.

1.3.4 Resignation

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

Name	Post	Date
1. Lotomo'ua F. Tu'ungafasi	Executive Director-CMU	17/05/22
2. Maletino Taumu'alelei 'i Loyola Mafi	Auditor	11/01/22

1.3.5 Professional Development Program

The Office has made strong commitment to the professional development of staff through a number of key initiatives. Three (3) 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. One (1) officer is currently on scholarship for a Master Degree in Auditing (MAUD) from Nanjing Audit University, Republic of China. Also, three (3) juniors took part time courses with the University of the South Pacific and the Tonga Institute of Higher Education here in Tonga.

During the year, the Audit Staff attended training through zoom program conducted by the *PASAI*, *IDI*, and other capacity building institutions overseas. The areas covered were; Auditing Waste Management, Performance Audit of Sustainable Development Goals, *SDGs* Implementation, and Audit of the Transparency, Accountability, Inclusiveness of COVID-19 programs and Strong & Resilient National Public Health System.

Due to COVID-19 pandemic around the globe, the following meeting/conference throughout the year were attended by the Auditor General via virtual program commencing from August 2021 to June 2022: three (3) Forum Secretariat Audit and Risk Sub-Committee Meeting; Meeting with Mr Robert Gilfoyle of World Bank; 12th *PASAI* Annual General Meeting; 28th *PASAI* Governing Board; 3 *PASAI* Governing Board Meetings; and 2 *PASAI* Meeting. There were 44 meetings held in Nuku'alofa where the Auditor General also attended.

The experiences and knowledge obtained from the above training and development programs and meetings/conference 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.

1.4 Financial Activities Summary

Table 2 summarizes the *TOAG* operating result for 2021-22 showing estimates compared with actual amounts. The result is based on cash accounting.

Table 2: Summary of financial results

	Estimate 2021-22	Actual 2021-22	Actual 2020-21
Total revenue ¹	\$75,000	\$108,595	\$74,816
Total expenditure	\$1,967,700	\$1,506,263	\$1,492,108
Net cost of services	\$1,892,700	\$1,397,668	\$1,417,292

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

2. RESULTS ACHIEVED FOR THE YEAR

2.1 Summary of the total output by Units in 2021-22

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, 2022 are not included in this summary. They will be reported when they are completed and reported.

Table 3 Summary of the Total Output by Units in 2021-22

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)	6	8
Output 2: Financial Audits	Target	Actual
Audit Management Reports issued conveying the findings of audits	19	19
Audit Opinions	13	15
Reviews, approvals and Certificates	7	5
Output 3: Performance Audits	Target	Actual
Performance Audit Reports	2	-
Performance Reviews of <i>MDAs</i>	4	-
Output 4: Compliance Audits	Target	Actual
Audit Management Reports issued conveying the findings of audits	40	63
Audit Opinions	10	18
Audit Certificates issued on the financial statements of school and <i>TVET</i>		
Grant and Certifications on pensions	53	49

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

- Output 2*, Some of the Public Enterprises Reviews were not yet conducted.
- Output 3*, On-going cooperative audit which this Unit participated, alongside with Audit Offices around the world on the topic of Strong and Resilient National Public Health System.
- Output 4*, Some of the Grants to Non-Government Schools yet to submit for audit.

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 2022. As shown the chargeable products were the highest totalling \$986,792.50 or 66% of the total cost (\$1,506,262.68) of all activities carried out by the Office in 2021-22.

Table 4: Cost of activities at 30th June 2022

	Products	Cost(\$)	% of total
Indirect Labour:	1. Administration	44,897.50	3
	2. Staff Development	63,827.00	4
	3. Conference & Meeting	53,228.50	4
	4. Staff Leave	239,907.18	16
	5. Staff Social Welfare	31,531.00	2
	6. Volcano Eruption	11,403.00	0
	7. National Lockdown on COVID-19	74,676.00	5
Total Indirect Labour:		519,470.18	34
Direct Labour:	8. Chargeable	986,792.50	66
Total Labour		1,506,262.68	100

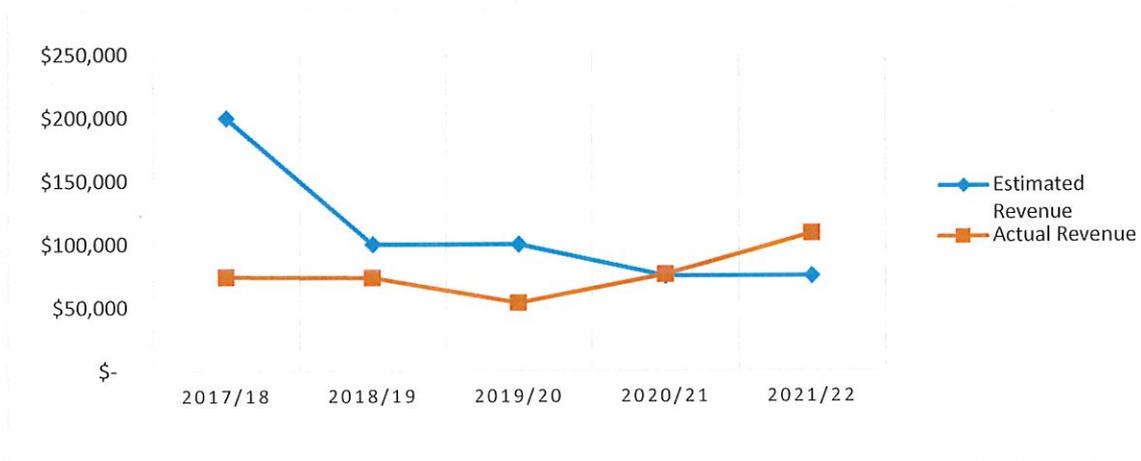
2.3 Total Revenue and Expenditure between 2017/18 - 2021/22

Revenue

Total audit fees collected in 2021-22 were \$108,595 which was an excess of \$33,595 from the estimate, \$75,000. The excess was mainly on increasing of the Public Enterprises audited in this financial year however in past years 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.

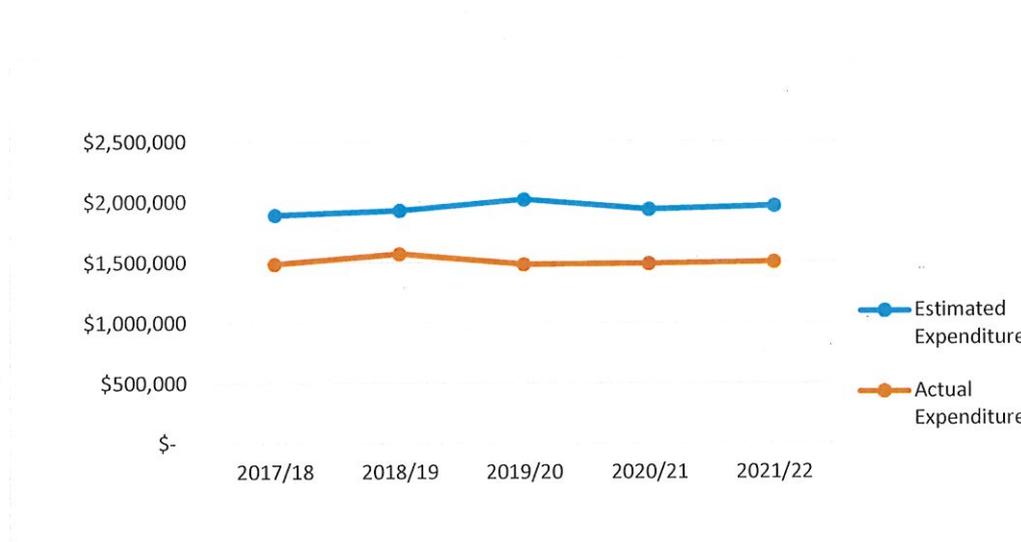
Figure 2: Provide the trend of budget revenue vs actual revenue for the last five (5) years.



Expenditure

The Office actual expenditure was \$1,506,263 which was below the estimate by \$461,437. The office expenditure between 2017/18 – 2021/22 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 2021-22. 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 consists of ten (10) staff altogether headed by an Executive Director which is yet to fill-in. Throughout the year this Unit was directly taken up by the Auditor General.

3.1.2 Team Output Summary

The Unit planned 14 outputs to perform during the year with a total budget hour of 11,418. At the end of the year, the Unit managed to achieve the budget outputs with a total chargeable hour of 11,610 with a total costing of \$172,381 which is more than the allocated budget hours assigned for the Unit. Fortunately, we were able to have obtained the extra hours, (192), from some of the staff of the Unit who deferred their annual leave as scheduled.

Shown in *Table 5* are the outputs achieved against the target established for this Unit during 2021-22

Table 5: Output 1 - Support and Parliamentary Services

Performance measures	Unit of measure	2021-22 Target	2021-22 Actual	2020-21 Actual	2019-20 Actual
Quantity					
Auditor-General's reports (a)	Number	6	6	6	6
Advisory Services (b)	Number	2	0	3	2
Support Services (c)	Number	6	8	6	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, 2022.

(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 the three (3) financial year 2019-20; 2020-21 and 2021-22 are yet to be audited due to COVID-19. The financial statements 2021-22 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 nine (9) staffs altogether under the supervision of the Executive Director-FAU, Mr Kelepi Tu'akilaumea Makakaufaki Jr.

3.2.2 Team Output Summary

Shown in *Table 6* below the Unit output comparison of actual vs budget for 2020-21. At year end, the total hours used up by the Unit for the audits was 9,574 which costed \$238,898.00.

Table 6: Output 2 – Financial Audits

Performance measures	Unit of measure	2021-22 target	2021-22 actual	2020-21 actual	2019-20 actual
Quantity					
Audit management reports (a)	Number	19	19	16	16
Audit Opinions (b)	Number	13	15	13	11
Reviews, approvals and certificates (c)	Number	7	5	3	7
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 nineteen (19) management reports to be issued on audits and reviews completed for the year. As at 30th June, 2022, nineteen (19) management reports were issued.

b) Audit Opinion

The total budget for audit opinion was 13 which comprise of the public accounts, public enterprises and non-government agencies. As at the 30th June 2022, the Unit has completed and issued a total audit of 15 opinions on 15 financial statements. Two additional audits were completed but which were requested during the year and were not in the original annual plan.

c) Review

The total planned reviews and certificates for the year were seven (7) which includes quarterly statements and public enterprise audited by private firms, in accordance with *section 10(2) of the Public Audit Act 2007 as amended*. As at 30th June 2022, the division issued 5 certificates for the quarterly financial statements and the public enterprise reviews were not yet conducted.

d) Special

No special audit requests were received during the year.

3.3 Performance Audit Unit

3.3.1 Background Information

The Unit carries out 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. The Executive Director post is yet to be filled and supervision by Audit Manager, Ms. Cathreen Mafi.

3.3.2 Team Output Summary

Shown in *Table 7* below, the Units output comparison of actual vs budget for 2021-22. At the end of the financial year, the total hours used by the Unit for the audit was 4,562 which costed \$101,826.50.

Table 7: Output 3 - Performance Audits

Performance measures	Unit of measure	2021-22 target	2021-22 actual	2020-21 actual	2019-20 actual
Quantity					
Performance Audit Reports (a)	Number	2	-	1	1
Performance Review (b)	Number	4	-	-	-

(a) Performance audit reports

Tonga was selected from the PASAI region to participate in a cooperative audit, alongside Audit Offices from around the world, on the topic of *Strong and Resilient National Public Health System*. The Unit completed the draft report for this audit which enabled the supervisor of the Unit to be invited to the reporting meeting for this audit held in Tunisia. For finalization of report, feedback is to be obtained from audited clients of the audit after which report will be finalized and submitted to Parliament in the following financial year. Audit was also carried out on management of waste and the report will be completed in the next financial year. Opportunities for development of skills and methodologies in performance audit are continually sought.

(b) Performance information reviews

Preliminary studies have been completed for all MDAs, in relation to reviews of performance information, and expect to complete all reports in the following financial year.

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 sixteen (16) staff altogether headed by the Executive Director-CAU, Mrs Lotomo'ua Tu'ungafasi who resigned in 17th May 2022. She took up the position of Chief Executive Officer of Tonga Post & Fast Print Limited. The Unit is divided into two Divisions, both headed by an Audit Manager's. Division 1, responsible for auditing of all the MDAs and Division 2, responsible for auditing of the Development Projects.

3.1.2 Team Output Summary

Shown in Table 8 below the Units output comparison of actual vs budget for 2021-22. At the end of the financial year, the total hours used up by the Unit for the audits was 19,025, amounted to \$380,125.

Table 8: Output 4 – Compliance Audits

Performance measures	Unit of measure	2020-21 Target	2020-21 Actual	2020-21 Actual	2019-20 Actual
Quantity					
Audit Management Reports issued conveying the findings of audits (a)	Number	40	63	61	54
Audit Opinions (b)	Number	10	18	12	12
Audit Certificates issued on the financial statements of agencies (c)	Number	53	49	56	99
Audit Specials	Number				

(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*

The team targeted output in terms of management letter and audit opinions were achieved. The team managed to update the audit visit to the outer islands in Vava'u, Ha'apai, Eua, Niuatoputapu and Niuafu'ou during this financial year and that is why there was a big increase in management reports.

During the year, the team noted that new development projects financial statements were submitted on time in which the audit did not planned for. The team prioritise these projects to complete in order to meet the deadlines as stated on those grant and loan agreement although audit was not advised beforehand.

The compliance audit unit still need to improve its coverage of the Ministries, Department and Agencies in terms of their compliance with rules and policies and that is our main focus on the years to come.

4. TOAG Financial Statements for 2021-22

The financial statements for the financial year 2021-22 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 – 26)
