



Tonga Office of the

Auditor General

Annual Report

2022 – 2023



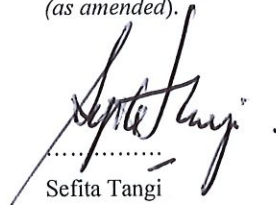
Our Reference: LC1052/384/24

Your Reference:

Date: 3rd April, 2024

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, 2023, in accordance with section 24 of the *Public Audit Act 2007* (as amended).


.....
Sefita Tangi
AUDITOR GENERAL



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 2022-23	9
2.2 Independent Audit Office that Lead by Example	9
2.3 Total Revenue and Expenditure between 2018-19 to 2022-23	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 2022-23 (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 2022-23.
2. The year has been marked by the *TOAG* continued delivering the audit services in accordance with our mandate under the *Public Audit Act 2007, as Amended*, and as detailed in our Complete Annual Plan 2022-23. 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 and uphold the Government public sector *integrity, accountability, and transparency*.

Overview

3. We completed the audit of the Financial Statements of Government for the year ended 30th June, 2023 and we issued our audit opinion on 29th February, 2024.
4. The audit conclusion was a qualified audit opinion based on the account areas of Property Plant and Equipment. The audit conclusion reached was similar with prior financial year's, 2021-22, audit conclusion.
5. In addition to the Government's financial statements mentioned above, we delivered the financial and compliance audits and advisory services as planned for the year 2022-23. During the year, 2022-23, we audited 112 audit units, (Ministries, Departments, and Agencies, (*MDAs*), Development Projects, Public Enterprises, Constituency Funds, both in Tongatapu and outer islands). We completed and issued; 95 audit management reports, 34 audit opinions, 53 audit certifications, and 17 constituency fund reports. In our audit reports, we raised and issued about 950 recommendations, the appropriate remedial measures for managements' considerations and actions.
6. The summaries of our financial and compliance audits during the year are reported in a special report, "Financial and Compliance Audit Report 2023", which will follow through this Annual Report.
7. For Performance Audit, *SAI* Tonga was selected from the *PASAI* members and have participated in a worldwide co-operative performance audit on the topic "Strong and Resilient National Public Health System". This performance audit had been completed and reported.
8. 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*

TOAG Staff: Training and Professional Development Programme

9. In December 2023, our Audit Manager for Performance Audit, Ms Cathreen Alma Mafi, completed the *CPA* professional program of the *CPA* Australia, thus obtaining the professional qualification of Certified Practicing Accountant, *CPA*. Consequently, as from January 2024, *CPA* Australia issued and authorized Ms Mafi to add the *CPA (Aust.)* after her name.
10. This is a milestone of the *TOAG*'s staff professional development program. It took Ms Mafi about five years of dedication and commitment and is the first officer to have taken and completed this professional qualification from Tonga, during the time of her working at the Audit Office.
11. *TOAG* also continued with its staff professional development programme, by encouraging and assisting staff pursuing the *CA* and *CPA* professional qualifications. *TOAG* is still the approved training institution of the Australia and New Zealand Institute of Chartered Accountants.

12. As reported last year, 2022, the *TOAG* joined the *INTOSAI* Development Initiatives, *IDI*, professional education course, “Professional Education for SAI-Auditors”, (PESA), which specifically for Audit Officers of SAIs. As of December 2023, three Audit Seniors completed the course and they obtained; (i) “IDI Certified SAI Compliance Auditors, (2); and (ii) IDI Certified SAI Financial Auditor, (1).

13. Moreover, during the year, one Auditor took part-time undergraduate course with the University of the South Pacific

14. 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.

15. *TOAG* is still looking for work attachment opportunity to Australia and New Zealand Audit Offices in the area of performance audit.

TOAG Financing 2022-23

16. Consistent with previous years, *TOAG*’s operation is financed through the Government’s budget, annually. The financial statements of the *TOAG* for the financial year ended 30th June 2023 have been prepared and audited by our external auditor, Grant Thornton New Zealand Audit Limited. The complete financial statements with auditor’s opinion are presented on item 4 of the Tongan version of this Annual Report.

17. Overall, the *TOAG* underspent its budgeted allocation by \$344,100. The unspent amount was mainly from vacancies at the executive management levels.

18. After the restrictions of travels by COVID-19, our external auditor, Grant Thornton New Zealand Audit Limited in February 2024, came and conducted the audit of the 3 financial years; 2020/21, 2021/22, and 2022/23. The auditor’s opinions for the financial statements of 2020/21 and 2021/22 are attached on *item 4* of the Tongan version. Please kindly noted that we did include the unaudited financial statements of 2020/21 and 2021/22 in respective Annual Reports of those two years.

New audit computer program, Team Mate+

19. 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 assists all audit officers, at all levels, with more efficiency and more focus audits.

20. We have obtained the TeamMate+ version with the assistance of *PASAI* and we are currently in progress with purchasing the servers’ hardware compatible with the updated version.

Challenges

21. 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*, and our professional development programme are all aimed at confronting this challenge.

22. 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 and overseas thus, our professional level staff left for better remunerations. We maintain and hold on to the professional training programs of our staff.

23. 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.

24. 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. In the beginning of every 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

25. The development of the *TOAG* is continuously an 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.

26. We are continuing with our professional training program. One (1) Audit Manager completed the *CPA* professional program, and two (2) officers are currently taking the *CA* and *CPA* programs and one (1) officer is taking the undergraduate courses part-time with the *USP* Campus. The Office is giving them all the assistance and encouragement that we could afford.

27. We have completed the project by *IDI* to fully adopt the *ISSAIs*, in conducting audits; financial, performance, and compliance. Thus, all our audits fully complied with *ISSAIs* and following the risk approach of audit. I wish to hereby acknowledge the assistance of *DFAT*, *MFAT*, *IDI*, and *PASAI*, which make this project possible. Thus, the *TOAG* auditing standards are the *ISSAIs* going into the future.

28. 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.

29. 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 financial management, (*PFM*).

30. We continue striving for our vision, "*Integrity, Accountability, and transparency*" and obviously it is starting with us and all our audits, reports and advice 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:

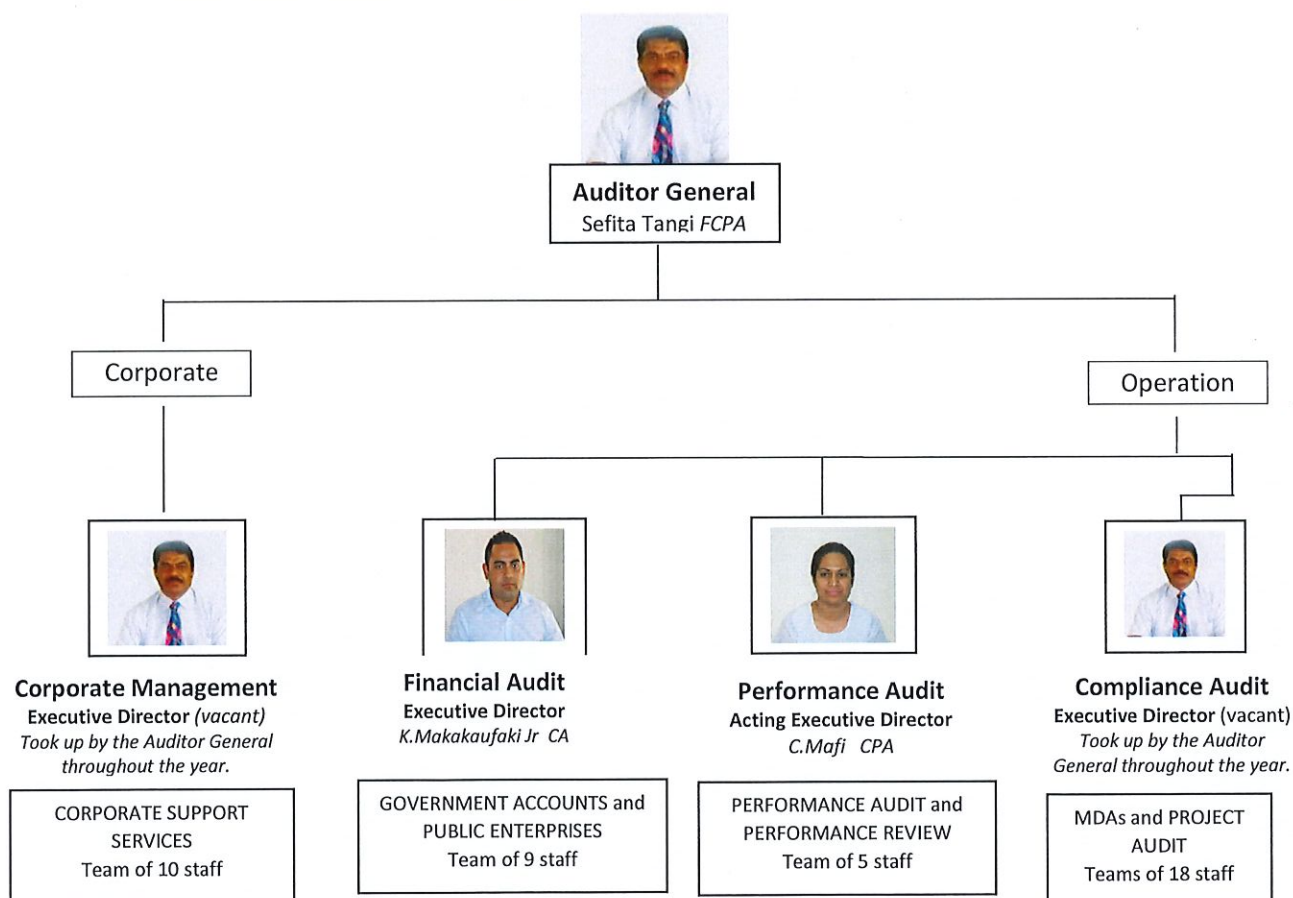
- Special Audits
- Financial Audits
- Performance Audits
- Compliance Audits

(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, 2023 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, 2023



1.3.1 Staff Profile

During 2022-23 financial year, the Office had 43 staff with thirteen (13) vacant posts. Twenty-eight (28) staff were female and fifteen (15) 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, 2023

Positions	30 th June 2023
Executive Director	4(3 vacant)
Audit Managers	6(2 vacant)
Audit Senior	12 (1 vacant)
Human Resource Manager	1
System Analyst	1
Auditor	24(6 vacant)
Personal Assistant	1
Accountant	1
Staff Progress Management Officer	1(1 vacant)
IT Support	
Communication Officer/Librarian	1
Receptionist/Filing	1
Driver/Groundsman/Messenger	2
Total number of posts	55

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. Pauline T. Tonutonu	Auditor	Audit Senior	01/07/22
2. Tevita Talifekau ki Mala'e'aloa Fotofili	Audit Assistant Gr I	Auditor	01/07/22
3. Makelesi Fetu'u Maile	Audit Assistant Gr I	Auditor	01/07/22
4. Semisi Hafoka Vaikona	Audit Assistant Gr II	Auditor	01/07/22
5. Malia Faustina Tauvaka	Audit Assistant Gr II	Auditor	01/07/22
6. Seini Mele Fakalolo	Auditor	Audit Senior	24/02/23
7. 'Elina Koloamatangi	Auditor	Audit Senior	24/02/23
8. Grace T. Filimoeala	Communication Officer/Librarian	Auditor	24/03/23

1.3.3 Staff Recruitments

During the year there were new staff recruitment namely:

Name	Post	Date
1. Jenniffer Oakland Faka'osi	Receptionist/Filing	13/02/23
2. 'Atelaite Ma'afu	Auditor	03/04/23
3. Loleto Falevai	Communication Officer/Librarian	13/04/23
4. Sulia Mafile'o Falasē	Auditor	17/04/23

1.3.4 Retirement

Audit Manager, Mrs Luseane Sikalu 'Aho retire on attaining the age of 60 years after 29 years of hard work and dedication to the Office. Her commencement date was effective on 14th September 2022.

1.3.5 Resignation

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

Name	Post	Date
1. Salome Manumu'a	Receptionist/Filing	04/01/23
2. Siupeli Afu Jr Hakaumotu	Auditor	10/05/23

1.3.6 Professional Development Program

The Office has made strong commitment to the professional development of staff through a number of key initiatives. Two (2) 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, one (1) junior 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 program conducted by the *PASAI*, *IDI*, and other capacity building institutions overseas. The areas covered were; Performance Audit of Sustainable Development Goals, *SDGs* Implementation; *PASAI* Leadership; *PASAI* Quality Assurance and Control Workshop; *IPSAS* & *IFRS* Virtual Workshop; Sub-Regional Consultations and Engagement Launch of the Vaka Pacifica Project Technical Assistance SAIs; Audit of Strong and Resilient National Public Health Systems (linked to *SDG* 3.d); Financial Manual; Human Resource Champions; Environmental Working Group Performance; *ADB* Project and Self-Assessment of Integrity (INTO-Saint) Workshop.

During the year, the Auditor General attended meetings and development programs as follows: in November 2022, XXIV INCOSAI Congress, in Rio de Janeiro, Brazil; in March 2023, attended 24th *PASAI* Congress and 33rd Governing Board Meeting in Palau. The Auditor General also attended three (3) *PASAI* meeting via zoom.

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 a 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 until 2023 as well as member of the Audit and Risk Sub-Committee of the Pacific Islands Forum Secretariat from November 2015 until December 2022.

1.4 Financial Activities Summary

Table 2 summarizes the *TOAG* operating result for 2022-23 showing estimates compared with actual amounts. The result is based on cash accounting.

Table 2: Summary of financial results

	Estimate 2022-23	Actual 2022-23	Actual 2021-22
Total revenue ¹	\$130,000	\$167,000	\$108,595
Total expenditure	\$2,195,400	\$1,851,299	\$1,506,263
Net cost of services	\$2,065,400	\$1,684,299	\$1,397,668

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 2022-23

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, 2023 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 2022-23

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	7
Output 2: Financial Audits	Target	Actual
Audit Management Reports issued conveying the findings of audits	20	16
Audit Opinions	17	12
Reviews, approvals and Certificates	3	4
Output 3: Performance Audits	Target	Actual
Performance Audit Reports	2	1
Performance Reviews of MDAs	4	-
Output 4: Compliance Audits	Target	Actual
Audit Management Reports issued conveying the findings of audits	39	62
Audit Opinions	17	22
Audit Certificates issued on the financial statements of school and TVET	12	49
Grant and Certifications on Pensions:		
Audit of 17 Constituency Funds	-	17

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

1. *Output 2*, Some of the clients were delayed in submitting their financial statements to audit. Also, the information required for the audit is unavailable or not provided on a timely manner.
2. *Output 3*, Two (2) performance audits were conducted in the financial year. By the end of the financial year, one (1) report completed while the remaining is in its final stage and expected to be completed in the current financial year. Three (3) staff of the Unit joined the Compliance Audit Unit in its normal audit visit to the outer islands and the audit of the Constituency Funds.

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 2023. As shown the chargeable products were the highest totalling \$1,228,787 or 66% of the total cost (\$1,851,299.00) of all activities carried out by the Office in 2022-23.

Table 4: Cost of activities at 30th June 2023

	Products	Cost(\$)	% of total
Indirect Labour:	1. Administration	42,832.00	2
	2. Staff Development	110,850.00	6
	3. Conference & Meeting	125,178.50	7
	4. Staff Leave	308,939.00	16
	5. Staff Social Welfare	33,002.50	2
	6. COVID-19	1,710.00	0
Total Indirect Labour:		622,512.00	34
Direct Labour	7. Chargeable	1,228,787.00	66
Total Labour		1,851,299.00	100

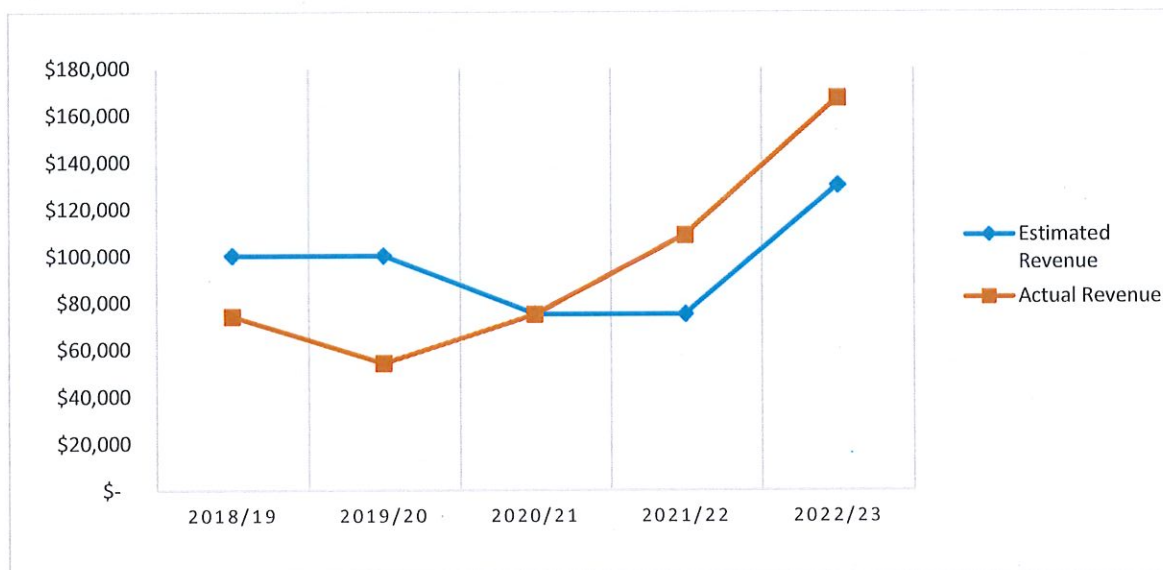
2.3 Total Revenue and Expenditure between 2018/19 - 2022/23

Revenue

Total audit fees collected in 2022-23 were \$167,000 which was an excess of \$37,000 from the estimate, \$130,000. 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.

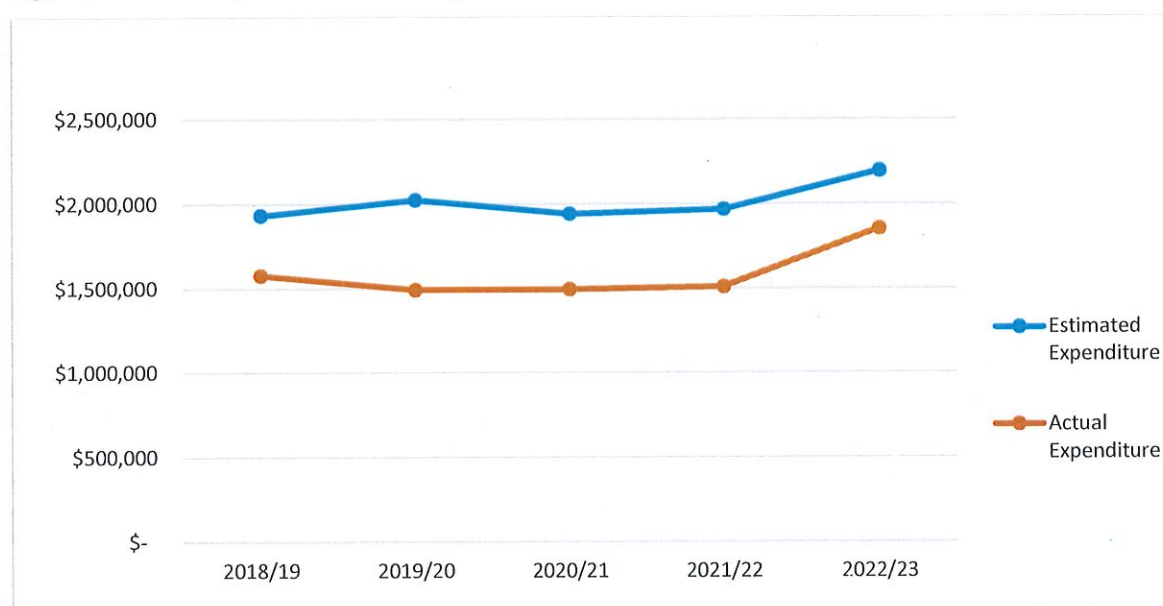
Figure 2: Provide the trend of budget revenue vs actual revenue for the last five (5) years.



Expenditure

The Office actual expenditure was \$1,851,299 which was below the estimate by \$344,101. The office expenditure between 2018/19 – 2022/23 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 2022-23. 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 11,348. At the end of the year, the Unit managed to achieve the budget outputs with a total chargeable hour of 12,365 with a total costing of \$187,195 which is more than the allocated budget hours assigned for the Unit. Fortunately, we were able to have obtained the extra hours, (1,017), 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 2022-23

Table 5: Output 1 - Support and Parliamentary Services

Performance measures	Unit of measure	2022-23 Target	2022-23 Actual	2021-22 Actual	2020-21 Actual
Quantity					
Auditor-General's reports (a)	Number	6	6	6	6
Advisory Services (b)	Number	2	2	0	3
Support Services (c)	Number	6	7	8	6

(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, 2023.

(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 audit of TOAG financial statements for the three (3) financial year 2020-21; 2021-22 and 2022-23 has been completed in March 2024. The financial statement for 2022-23 together with the external auditor's audit opinion is in *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 2022-23. At year end, the total hours used up by the Unit for the audits was 8,925 which costed \$215,953.

Table 6: Output 2 – Financial Audits

Performance measures	Unit of measure	2022-23 target	2022-23 actual	2021-22 actual	2020-21 actual
Quantity					
Audit management reports (a)	Number	20	16	19	16
Audit Opinions (b)	Number	17	12	15	13
Reviews, approvals and certificates (c)	Number	3	4	5	3
Audit Special (d)	Number				1

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

- There were four (4) clients delay in submitting their Financial Statements to audit and some information required was unavailable or not provided on a timely manner.
- One (1) of the certificates was still in-progress in the last financial year (2021-22), which completed in this financial year.
- There were no special audit requests during this financial year.

3.3 Performance Audit Unit

3.3.1 Background Information

The Unit carries out performance audit of selected topics and reviews of the performance information framework of each Government Ministries, Departments and Agencies (MDAs).

This Unit initially consisted of five (5) staff under the supervision of the Acting Executive Director, Miss Cathreen Mafi. One (1) staff later resigned and only four (4) staff remained in the Unit.

3.3.2 Team Output Summary

Shown in *Table 7* below, the Units output comparison of actual vs budget for 2022-23. At the end of the financial year, the total hours used by the Unit for the audit was 4,256 which costed \$106,189.

Table 7: Output 3 - Performance Audits

Performance measures	Unit of measure	2022-23 target	2022-23 actual	2021-22 actual	2020-21 actual
Quantity					
Performance Audit Reports (a)	Number	2	1	-	1
Performance Review (b)	Number	4	-	-	-

Due to staff turnover, by the end of the financial year, only two (2) staff were left to carry out performance audits and two (1) staff to carry out reviews of performance information.

(a) Performance audit reports

Two (2) performance audits were conducted in the financial year. By the end of the financial year, one (1) report completed while the remaining is in its final stage and expected to be completed in the current financial year.

(b) Performance information reviews

The team prepared a summary of findings during the preliminary assessment of each ministry. The next stage is the fieldwork stage, which is carried out in the current financial year.

(c) Compliance audits

Three (3) staff of the Unit joined the Compliance Audit Unit in its normal audit visit to the outer islands and the audit of the Constituency Funds. They covered eight (8) ministries.

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 eighteen (18) staff altogether headed by the Executive Director-CAU, however, the position is yet to be filled and the supervision is with the Auditor General. 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.

3.4.2 Team Output Summary

Shown in Table 8 below the Units output comparison of actual vs budget for 2022-23. At the end of the financial year, the total hours used up by the Unit for the audits was 20,136 amounted to \$403,004.

Table 8: Output 4 – Compliance Audits

Performance measures	Unit of measure	2022-23 Target	2022-23 Actual	2021-22 Actual	2020-21 Actual
Quantity					
Audit Management Reports issued conveying the findings of audits (a)	Number	39	62	63	61
Audit Opinions (b)	Number	17	22	18	12
Audit Certificates issued on the financial statements of agencies (c)	Number	12	49	49	56
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 Unit targeted output in terms of management letter and audit opinions were achieved. The Unit managed to update the audit visit to the outer islands in Vava'u, Ha'apai and Eua during this financial year and that is why there was a big increase in management reports. In addition, the Unit complete the audit of the Constituency Fund which was not planned to audit in this financial year.

During the year, the Unit noted that new development projects financial statements were submitted on time in which the audit did not plan for. The Unit 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 2022-23

The financial statements for the last three (3) financial years: 2020-21; 2021-22; and 2022-23 has been audited by the external auditor, Grant Thornton New Zealand Audit Limited.

(Please refer to item 4 of the Tongan Version of this report, pages 16 – 34)
