



TONGA GOVERNMENT GAZETTE

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The Financial Statements For the Year Ended 30 June 2023

BY AUTHORITY:

Lotomo'ua Tu'ungafasi, General Manager, Tonga Post Ltd.
2024.

Government of the Kingdom of Tonga

STATEMENT OF RESPONSIBILITY

The Government of the Kingdom of Tonga Financial Statement for the year ended 30th of June 2023, together with the schedules and accompanying notes have been prepared in accordance with the reporting requirements under Part VI of the Public Finance Management Act (PFMA) and in accordance with the International Public Sector Accounting Standard (IPSAS) for Financial Reporting Under the Cash Basis of Accounting (IPSAS Cash).

The Government is on a pathway towards adoption of accrual accounting in accordance with IPSAS. In the meantime, the IPSAS Cash Standards are appropriate, as they provide mechanism for cash-based accounts to be supported by supplementary accrual information. Our approach is to produce cash-based financial statements in compliance with Part 1 of the IPSAS Cash and present these for audit.

We are supplementing the financial statements with supporting information, including presentations of accrual data prepared having consideration for the respective accrual IPSAS standards, as well as the requirements under PFMA.

I accept responsibility for the integrity of these financial statements, their contents, and their compliance with the above-mentioned mandates.

Therefore, in my opinion the accompanying financial statements, as submitted to Auditor General are in accordance with Section 35 (1) and Section 35 (5) of the PFMA, present a true and fair view of the Government's financial position and financial performance for the year ended 30th June 2023.


Tiofilusi Tu'etui, *FC*
Minister for Finance

29th February 2024

Government of the Kingdom of Tonga

STATEMENT OF RESPONSIBILITY

These financial statements have been prepared by the Ministry of Finance in accordance with the provisions of the Public Finance Management Act and the International Public Sector Accounting Standard for Financial Reporting Under the Cash Basis of Accounting.

The Ministry of Finance is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that the transactions recorded are complete and properly record the use of all public financial resources by the Government. The Ministry continues to review and improve on this system year by year. To the best of my knowledge, this system of internal control has operated adequately throughout the reporting period.



Kilisitina Tuamei'api
Chief Executive Officer for Finance

29th February 2024



INDEPENDENT REPORT OF THE AUDITOR GENERAL

To the Honorable Members of the Legislative Assembly

Qualified Audit Opinion

We have audited the accompanying Financial Statements of the Government of the Kingdom of Tonga for the year ended 30th June 2023, which is set out on pages 7 - 50 and comprised of the:

- Statement of Receipts and Payments;
- Consolidated Statement of Comparison of Actuals and Budget;
- Notes to the Financial Statements;
- Statement of Income and Expenditure;
- Statement of Assets and Liabilities;
- Statement of Loans;
- Statement of Investments;
- Statement of Revenue for the 5 proceeding years; and
- Statement of Expenditure for the 5 proceeding years;

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Government of Tonga as at 30th June, 2023 and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (*IPSAS Cash Basis of Accounting*) and the Public Finance Management Act 2002.

Basis for Qualified Opinion

Property, Plant & Equipment

The total value of Property, Plant and Equipment disclosed in the financial statements amounted to \$407,379,953 which is the accumulated amount of capital expenditures recorded to 30th June, 2023; referring to Note 7.3. The Ministry of Finance, (Ministry), is still in progress with working together with Government Ministries, Departments, and Agencies, (MDAs), in recording the total assets of Government to ensure property, plant and equipment are fully accounted for and be disclosed fairly in the financial statements. The total book value of assets compiled by the Ministry from MDAs which provided their fixed assets register for the year ended 30th June 2023, amounted to \$985,244,179. Until such time that all MDAs fixed assets are completely and properly accounted for, reported to the Ministry of Finance, and compiled into the financial statements, it will provide a value that fairly present all Government's property, plant and equipment. Accordingly, we are unable to determine what adjustment might be necessary to the total property, plant and equipment recorded on the financial statements.