

**COP 23 Presidency Trust Fund
Financial Report
For the period ended 20 December 2016 to
31 July 2017**

COP 23 Presidency Trust Fund

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COP 23 Presidency Trust Fund**Statement by Trustee and Permanent Secretary for Ministry of Economy**

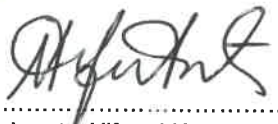
We certify that, to the best of our knowledge and belief:

- (a) the accompanying Statement of Receipts and Payments of the trust is drawn up so as to present fairly the results of the COP 23 Presidency Trust Fund for the period ended 20 December 2016 to 31 July 2017;
- (b) at the date of this statement there are reasonable grounds to believe that the amounts were fully and solely expended on the Trust for which approval had been given by the Trustees and the Permanent Secretary for Ministry of Economy; and
- (c) the COP23 Presidency Trust Fund, for the period ended 20 December 2016 to 31 July 2017, has complied with the Trust Fund Act, associated Financial Policy Guideline, the Procurement Regulations 2010 and with the applicable Conditions in the Funding Agreements with Donors.

Dated this 18th day of October 2018



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John Connor
Executive Director and Trustee



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Makereta Alifereti Konrote
The Permanent Secretary for Economy



Special Purpose Auditor's Report

To the Permanent Secretary for Economy and the Ministry of Economy

Report on the COP23 Presidency Trust Fund Financial Report

Opinion

We have audited the accompanying financial report of the COP 23 Presidency Trust Fund (the 'Fund'), which comprise the statement of financial position of the Fund as at 31 July 2017 and the statement of receipt and payments for the period 20 December 2016 to 31 July 2017 and notes to the financial report, including a summary of significant accounting policies.

In our opinion:

- the financial report presents fairly, in all material respects, the actual payments and donations received for the purpose of the Fund in accordance with the accounting policies set out in Note 2 to the financial report; and
- the Fund payments provided by Donors have, in all material aspects been used in compliance with the Act, the Guidelines, the Procurement Regulations 2010 and in conformity with the applicable conditions in the Funding Agreements with the Donors.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the ethical requirements of the International Ethics Standards Board for Accountant's Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial report in Fiji, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Emphasis of Matter - Basis of accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report is prepared in accordance with the accounting policies described in Note 2 to the financial report. Our opinion is not modified in respect to this matter.



Ministry of Economy's Responsibility for the financial report

The Ministry of Economy (the 'Ministry') is responsible for the preparation of the financial report in accordance with the accounting policies as described in Note 2 to the financial report, and for such internal control as the Ministry determine is necessary to enable the preparation of financial report that are free from material misstatement, whether due to fraud or error. In preparing the financial report, the Ministry is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Ministry either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Ministry is responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial report.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Ministry.
- Conclude on the appropriateness of Ministry's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.



We communicate with the Ministry regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Use

This report is made solely to the Permanent Secretary for Economy and the Ministry, as a body. Our work has been undertaken so that we might state to the Permanent Secretary for Economy and the Ministry, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Permanent Secretary for Economy and the Ministry, as a body, for our audit work, or for the opinions we have formed.

18 October 2018
Suva, Fiji


PricewaterhouseCoopers
Chartered Accountants

COP 23 Presidency Trust Fund
Statement of Receipts and Payments
For the period 20 December 2016 to 31 July 2017

	Note	2017 FJD
Receipts		
Donations	3	17,621,420
Interest		10,666
Total Receipts		17,632,086
Payments		
External Professional Services	4	5,027,289
Conference Cost	5	408,024
Cultural Intervention	6	17,105
Travel Related Costs	7	342,174
Bank charges		44
Total Payments		5,794,636
 Available funding		 11,837,450

COP 23 Presidency Trust Fund
Statement of Financial Position
As at 31 July 2017

	2017
	FJD
Current assets	
Cash at bank	<u>11,837,450</u>
Total current assets	<u>11,837,450</u>
Current liabilities	
Donor funds	<u>11,837,450</u>
Total current liabilities	<u>11,837,450</u>

COP 23 Presidency Trust Fund
Notes to the financial report
For the period 20 December 2016 to 31 July 2017

1. General Information

The COP 23 Presidency Trust Fund account was established for the funding of the Republic of Fiji ("government") in their role as President of Conference of Parties 23 and to assist the government to finance programmes, projects and activities that relate to the Paris Agreement and for related matters.

The purposes of the fund are:

- (a) to receive monies from donors, foundations and other States parties to the Convention to finance the performance of the State's role as President of COP23;
- (b) to disburse the monies received for the performance of the State's role as President of COP23;
- (c) to ensure the success of the State in its role as President of COP23, which includes but is not limited to the utilisation of the Fund for:
 - (i) hosting and attending events associated with COP23;
 - (ii) supporting international diplomacy by the Government to advance the priorities of the COP23 Presidency;
 - (iii) the training and development of the COP23 Presidency team and COP23 Presidency office staff; and
 - (iv) the provision of a COP23 Presidency office and specialist advisors to support the COP23 Presidency.
- (d) to provide funding to assist programmes, projects and activities associated with or arising out of the COP 23 Presidency and which may include addressing climate change mitigation and adaptation activities under the Paris Agreement; and
- (e) any other climate change relate purpose approved by the Minister.

2. Basis of accounting and summary of significant accounting policies

Set out hereunder are the basis of preparation and significant accounting policies adopted by the COP 23 Presidency Trust Fund in the preparation of this financial report of the Trust for the period ended 20 December 2016 to 31 July 2017. All amounts are stated in Fijian Dollars (FJD)

(a) Statement of compliance

The financial report has been drawn up for distribution, have been prepared on a historical cost basis, and do not take into account changing money values or current valuations of non-current assets.

The financial report has been prepared in accordance with instruction 58(4) of Finance Instructions 2010.

COP 23 Presidency Trust Fund
Notes to the financial report - continued
For the period 20 December 2016 to 31 July 2017

(b) Operating expenditure

Operating expenses are recorded on a cash basis when paid. The expenses recorded in the Statement of Receipts and Payments comprise only those expenditures of the Fund.

The Statement of Receipts and Payments do not include receipts from donors paid directly to other agencies and payments do not include payments made directly by donors or the other agencies.

(c) Functional and presentation currency

Transactions in foreign currencies are translated to the functional currency (FJD) at exchange rates at the date of transactions (typically on the dates of payment and receipts).

(d) Donor funds

A number of funding agreements between the donors and the Government of the Republic Fiji stipulate the manner in which the donor funds may be utilised. Additionally a number of the funding agreements stipulate that unexpended portion of the donor's financial contribution and interest earned on the financial contribution that is not expended on the program at the completion date or earlier termination of the agreement will be refunded to the donor.

3. Donations

Australia	9,361,835
India	2,025,932
New Zealand	1,893,580
Others	4,340,073
	<u>17,621,420</u>

4. External Professional Services

Baker McKenzie	4,974,853
Others	52,436
	<u>5,027,289</u>

Baker McKenzie has been engaged to advise the Government on Fiji's Presidency of COP23. Payments to Baker McKenzie from 29 December 2016 up until 31 July 2017 amounted to USD1,877,500 (which was provided by way of a deferred- at risk payment). The total contract value which covers advisory fees, secondment costs, sub-contractors and third party costs, secretarial fees, travel costs, accommodation and all expenses amounts to USD5,305,000.

5. Conference Cost

Climate Action Pacific Partnership Event	<u>408,024</u>
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6 Cultural Intervention

Climate Action Pacific Partnership Event	<u>17,105</u>
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COP 23 Presidency Trust Fund
Notes to the financial report - continued
For the period 20 December 2016 to 31 July 2017

7 Travel Related Costs

Bonn Intersessional (May 2017)	282,528
Climate Action Pacific Partnership Event	59,646
	<u>342,174</u>