



ACCOUNTABILITY IN THE PUBLIC SECTOR
THROUGH QUALITY AUDIT SERVICES

REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF THE FIJI ISLANDS

Volume 4 Audit Report on Government Ministries and Departments - 2009



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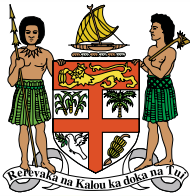
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Audit Report on Government
Ministries and Departments - 2009





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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

File: 102

30 September 2010

Commodore Josaia V. Bainimarama
Prime Minister & Minister for Finance
Office of the Prime Minister
Government Buildings
SUVA

Dear Commodore Bainimarama

**AUDIT REPORT ON GOVERNMENT MINISTRIES AND DEPARTMENTS 2009 –
VOLUME 4**

In accordance with section 7 (7) of the State Services Decree 2009, I am pleased to transmit to you Volume 4 of my audit report on government ministries and departments for 2009.

Tevita Bolanavanua
Auditor - General



FOREWORD

This is our report on the audit of the Whole of Government Financial Statements and Annual Appropriation Statement for 2009 and its 27 ministries and departments as provided in the Appropriation Promulgation.

The purposes of this report are to:

- report on the audit of the Whole of Government Financial Statements and Annual Appropriation Statement for 2009 covered under volume 1 of the report;
- report on the audit of financial statements of Government Ministries and Departments for 2009 covered under volumes 2-5 of the report;
- report on the results of, and matters arising from, our 2009 audits of Government Ministries and Departments also covered under volumes 2-5; and
- raise other matters that we believe warrant consideration by Cabinet.

The 2009 accounts were again prepared under the cash basis of accounting with the use of the FMIS software called SSA Global. FMIS covers the computerization of public expenditure, management process, especially procurement and accounting. As reported in 2008, the financial statements of government ministries and departments which are essential outputs of the system are still to be produced by the system as they were not included in the original scope of works in the development of the FMIS.

The preparation of the 2009 accounts was again affected by insufficient and lack of competent manpower and support from ministries and departments. The Ministry of Finance like all ministries and departments also continued to face high staff turnover and staff reshuffles which contributed to a lot of deficiencies in the preparation of the accounts. The Ministry of Transport, Works and Energy and the Ministry of Health continue to use their own software ACCPAC and EPICOR systems after which records are uploaded to the FMIS on a regular interval. However our audit has noted that when uploading to FMIS only the end-balances and not all the details are uploaded.

All ministries and departments submitted their 2009 accounts for audit. The Prisons and Corrections Department which was reported together with the Ministry of Justice in 2008 is reported separately in 2009.

There has been some improvement for the 2009 accounts submitted for audit compared to 2008 where all accounts were issued qualified audit opinions. Out of the 27 ministries and departments audited for 2009, 13 were issued qualified audit opinions while 14 were issued unqualified opinions. The qualifications include: financial statements were not presented in accordance with the Financial Management Act; there were significant variances noted between the general ledger balances and ministries and departments' records for Trading and Manufacturing Accounts, the failure to provide trust account statement of receipts and payments and the lack of reconciliations.

The issues qualified above were the same as those highlighted in 2008 but at a lesser extent as some ministries and departments had shown much improvement. There however remains a lot of work to improve the requirements of all stakeholders.

The report for each ministry and department has 2 parts. Part 1 discusses the audit of the financial statements and Part 2 reports on the results of and matters arising from our 2009 audits.



Tevita Bolanavanua
Auditor - General



EXECUTIVE SUMMARY

The Whole of Government Financial Statements and the Annual Appropriation Statement of the Government of the Republic of the Fiji Islands for the year ended 31 December 2009 has been audited in accordance with section 5 of the State Service Decree No. 6, sections 46 & 47 of the Financial Management Act (2004) and section 6 of the Audit Act.

The audit resulted in the issue of an unqualified audit report.

However, matters of concern raised are as follows:

- a) The correctness of operating revenue receipted through the Accounts Receivable module, totaling \$18.6 million, reflected in the Government of the Fiji Islands Consolidated Statement of Receipts and Payments could not be substantiated.
- b) The correctness of the tax revenues collected on behalf of the State, which comprise 77% of Government's total revenue in 2009, could not be substantiated. There is a variance of \$18.9 million between the Ministry of Finance's general ledger and Fiji Islands Revenue & Customs Authority's records.
- c) Revenue recoveries from Lending Fund Account totaling \$5 million was not reflected in the Financial Statement.
- d) Balances in the following accounts could not be substantiated as no supporting documentation was provided:
 - Revolving Fund Account (RFA) – Accounts Payable of \$1.2 million and Accrued Expenses & Deferred Income of \$1.9 million
 - Trading and Manufacturing Account (TMA) surplus and TMA Accumulated surplus totaling \$18 million
 - Credit balances in RFA totaling \$641,044 and Lending Fund account for the Scholarship Unit amounting to \$3.7 million despite the account being asset in nature
 - Revenue in Operating Fund Account totaling \$1.2 million
 - Lending Fund Account balance of \$3.8 million as a result of Mapping to the new accounting system.
- e) Inclusion of TMA credit sales of \$7.6 million in the RFA net receipts in the Statement of Receipts and Payments despite the reporting on cash-basis of accounting.
- f) Balances in the following accounts were not reflected in the Accounts and Finances:
 - RFA balances totaling \$33.6 million
 - TMA balances totaling \$41.6 million made up of Accounts Receivable \$4.4 million, Inventory \$8.1 million, Accounts Payable (\$0.6 million), Deposit & Retention Money (\$0.6 million), TMA appropriation (\$25.0 million) and TMA Accumulated Surplus of (\$29.2 million).
- g) Trial Balance in the respective funds were not balanced i.e. – Fund 4 – TMA by (\$174,681), Fund 1 – Operating Fund by (\$8 million) and Fund 9 Trust Fund by \$8.2 million with the an amount of \$2,671 for Whole of Government.

- h) The Cash at Bank balance of \$94,512,448 as at 31/12/09 has been misstated in view of the errors and omissions amounting \$11,984,331.
- i) An amount of \$2.2 million in respect of trust monies shown in Schedule 1 – Statement of Assets and Liabilities of the Whole of Government Financial Statement is not appropriately supported by cash at bank.
- j) Trust accounts with Ministries/Departments were overdrawn by \$9,123,708.
- k) Term deposit amounting to \$3 million with Colonial National Bank/Bank of South Pacific (CNB/BSP) disclosed in the General Ledger as investment in Economic Services is not reflected in the Accounts and Finances
- l) A prior period adjustment of \$528,793 in the Consolidated Fund Statement of Receipts and Payments could not be verified.
- m) Debt to Government is overstated by \$55.6 million as loan converted to grant are still being reflected in the Lending Fund Account with loan balances of Inoperative Entities amounting to \$1.7 million also being reflected.
- n) Overstatement of the Sinking Fund Account Statement of Assets and Liabilities by \$19.9m.
- o) Investment totaling \$8.6 million in Inoperative Entities recorded in the Consolidated Statement of Assets and Liabilities.
- p) Debts owed to Government totaling \$4.7 million was not recorded in the Lending Fund Account.

The following is a summary of the audit observations.

2009 Accounts and Finance

Cash at Bank

Unpresented cheques have increased significantly from \$59.6 million in 2008 to \$97.9 million in 2009. The increase in unpresented cheques at year end is primarily attributed to spending being concentrated towards the end of the year. However, \$14.3 million was shown as debit balance under drawings in statement of cash and bank balances

Cash balances in departments trust have increased significantly from \$13.7 million in 2008 to \$23 million in 2009. The continuing increase is mainly attributed to the opening of eight new trust fund accounts in 2009.

Domestic bank accounts having balance of \$4,777,660 were not supported with cash.

Investment

Government's total investments held in 31 companies in 2009 was \$441.9 million, an increase of \$1.7 million or 0.4% compared to 2008. Only 8 entities remitted dividends to government totalling \$20.8 million in 2009 compared to \$21.3 million in 2008. Five entities with total government investments of \$8.6 million are in-operative.

Term deposit amounting to \$3 million with Colonial National Bank/Bank of South Pacific (CNB/BSP) disclosed in the General Ledger as investment in Economic Services is not reflected in the Accounts and Finances.

The derivation of the percentage of Government shareholding could not be explained by the Ministry as this are carry forward figures from the previous Statement of Government Investments despite changes in shareholding percentages.

The acquirement sum of \$300,000 of Fiji Ships by Fiji Ports Corporation Limited could not be substantiated as there were no Cabinet decisions and documents obtained pertaining to the acquisition.

Trust Fund

Section 25 of the Financial Management Act (2004) states that trust money should be accounted for separately from public money and other money, and should be kept in a separate bank account. An amount of \$2.2 million in respect of trust monies shown in Schedule 1 – Statement of Assets and Liabilities of the Whole of Government Financial Statement is not appropriately supported by cash at bank.

16 Ministries/Departments had overdrawn their trust fund accounts totalling \$9.1 million as at 31/12/09.

Revenue

The correctness of operating revenue receipted through the Accounts Receivable module, totaling \$18.6 million, reflected in the Government of the Fiji Islands Consolidated Statement of Receipts and Payments could not be substantiated.

The correctness of the tax revenues collected on behalf of the State, which comprise 77% of Government's total revenue in 2009, could not be substantiated. There is a variance of \$18.9 million between the Ministry of Finance's general ledger and Fiji Islands Revenue & Customs Authority's records.

Revenue balances in Operating Fund Account amounting to \$1.2 could not be substantiated as no supporting documentation was provided.

Total income tax and VAT arrears owed by the Fiji Islands Revenue & Customs Authority as at 31/12/09 amounted to \$84.5 million which is 50% of total arrears owed to Government.

Expenditure

The total actual expenditures for 2009 amounting to \$1.9 billion had increased by \$230.9 million or 14% from 2008 and recorded an overall savings of \$133.5 million compared to a savings of \$100.2 million in 2008.

The overall savings arose from savings in established staff by \$2.8 million (0.5%), wage earners by \$0.4 million (0.6%) , travel & communications by \$1.9 million (9.3%), maintenance & operations by \$8.7 million (8.5%), purchase of goods and services by \$0.4 million (0.6%), operating grants & transfers by \$7.4 million (3.5%), special expenditures by \$17.2 million (26.9%), capital construction by \$15.7 million (8.8%), capital grants and transfers by \$7.9 million (5.6%), pensions and gratuities by \$1.5 million (4.1%), and charges on account on public debt by \$59.9 million (11.4%) and VAT by \$10.1 million (16.4%).

The Fiji Police Force, the Ministry of Health, Women & Social Welfare, Republic of Fiji Military Forces, the Ministry of Works & Transport and the Department of Information overspent their budgeted appropriation. The reasons for the over – expenditures were mainly due to the over – spending on salaries and allowances.

Borrowing

Public debt in 2009 totalled \$3.1 billion and comprised of domestic loans of \$2.5 billion or 80% of total debt; overseas loans of \$527.2 million or 17%; and Treasury Bills \$97.7 million or 3%.

In 2009, Government borrowings totalled \$503 million of which \$404.2 million or 80% was through domestic bonds, \$97.7 million or 19% treasury bills and \$1.1 million or 0.2% in overseas loans.

In addition, \$24.3 million of new overseas loans were capitalised to finance projects that were not in cash or did not come through the government central account.

This includes the \$15.7 million worth of in - kind (goods and services) loan in respect of the e-government project and \$1.45 million of interest capitalised in respect of the Suva/Nausori Water Supply project.

Also, \$7.1 million of loan were capitalized for the Fiji Road Upgrading Project III (FRUP) that were directly disbursed to the contractors of the project the Asian Development Bank (ADB).

Principal payments for 2009 on government borrowings totalled \$487.3 whilst interest payments amounted to \$191.7

Government in honouring its guarantor obligation paid a total of \$4.7 million on behalf of the Fiji Sports Council (FSC) and the Fiji Sugar Cane Growers Council (FSCGF) to its lenders, namely, the Fiji National Provident Fund (FNPF) and the Fiji Development Bank (FDB) accordingly.

The honour of this government guarantee payment has not been reflected in the Accounts and Finances as debt owed to government in the Lending Fund Account.

Lending

Loans made by Government and outstanding as at 31/12/09 totalled \$96.6 million, a decrease of \$9.3m or 10% compared to 2008. Repayments received in 2009 totalled \$26.3 million whilst additional loans granted and interest capitalised in 2009 was \$17.1 million.

Parliamentary resolutions between 2001 and 2004 and cabinet decisions in 2008 approved the conversion of loans to grant owed by the Fijian Affairs Board, the Fiji Sugar Corporation and the Rabi Council of Leaders. These conversions have not been executed to date.

Unauthorised postings to LFA natural account numbers whereby it has been noted that other ministries and departments are posting into the Lending Fund Account natural account numbers 61,62, and 63 without having any authority to do so. Due to the lack of controls and authorization provided by the Ministry of Finance, the lending fund natural account numbers are open to any user of the FMIS.

Mapping problem whereby certain Ministries are not able to identify whether certain accounts belong to them or not. This is due to the laxity on the part of Ministry of Finance in not undertaking a proper scrutiny on the mapping exercise done when the transfer was made from the old accounting system.

Private Students loan inactive for a considerable number of years but activities are still noted in this account.

There is no proper written instruction to adhere to when loan repayments are being made by these borrowing institutions.

The balance of \$2.3 million lent to Native Land Trust Board (in 1979), Timber Exporters (1983) and Production Loan to Farmers (1990) have remained dormant to date. There have been no additional advances made, nor interest capitalised or recoveries made under these accounts. The recovery of these loans is uncertain due to the lapse in time

Revolving Fund Account

A total of 696 IDC accounts were noted in the Financial Management Information System (FMIS) compared to 540 accounts in 2008, an increase of 156 accounts. Many of the Ministries and Departments were using more than one IDC account in contradiction to the Ministry of Finance requirements.

RFA – Miscellaneous has large outstanding balances for various ministries/departments totalling to \$66.95 million, an increase by 1% compared to 2008 which amounted to \$66.26 million.

The recovery of advances, dishonoured cheques and surcharges over the 5 year seemed to have slowed down compared to year 2005, while the unclaimed monies are yet to be cleared. While the surcharge balance has reduced by 47%, percentage change in unclaimed monies is below 10%. On the other hand, outstanding balance in the form of advances and dishonoured have increased compared to 2008.

Receipts and Payments reflected in the Accounts and Finance of Government from the operation of the Revolving Fund Account totalled \$2,178,371,162.76 and \$ 2,177,876,622.38 respectively. This receipts and payments total included all the debits and credits that have been made in the year to the account, irrespective of whether they are only adjustments to correct mispostings. In comparison, total government revenue totalled \$1,818,235,071 or 84% while government expenditure totalled \$1,911,402,449 or 88%.

Account balances totalling to \$34.2 million is not reflected in the Accounts and Finance as at 31/12/09. The Ministry could not provide explanation for the omission and the misposting of accounts in relation to the Revolving Fund Account balances.

A variance of \$30,273 was noted between the 2008 audited closing balances in the RFA for Ministry of National Planning to that of the 2009 opening balance of the 2009 Appendix submitted for audit. Moreover, the \$30,273 debtor account by nature should not have a credit balance. However, the reason for this credit balance could not explained by the Ministry of National Planning or the Ministry of Finance.

Audit of the RFA revealed Ministries/Departments with credit balances, such as Trade and Communication amounted to (\$148,300), Fiji Military Forces (424,606), Bureau of Statistics (4,267) and Department of Youth & Sports, (63,871) despite the nature of the account being an asset account. Explanation for the credit balances could not be provided by the respective ministry/department or the Ministry of Finance.

Audit could not substantiate TMA surplus and TMA accumulated surplus balance totalling to \$18 million appearing in the balance sheet and the General Ledger.

There were 22 Trading and Manufacturing Accounts (TMA's) that were either operating above/below their appropriated ceiling. Furthermore, the Public Works Department (PWD) Workshop Wages TMA is operating without any appropriation and therefore questions whether this is an authorized TMA.

Audit noted variance between the records of the Ministry of Health (EPICOR – accounting system) and the Financial Management Information System (FMIS) for the TMA receipts and payments of Ministry Health, the receipts variance totalled \$640,967 and the payments totalled \$531,170.

Despite the availability and operation of the TMA accounts on accrual basis, the presentation of TMA balances in the Accounts and Finance is restricted only to receipts and payments.

Balance sheet accounts such as Accounts Receivable, Inventory and Surplus/Deficit totalling \$41,637,294) are not disclosed in the Whole of Government accounts. In addition to this, credit sales of \$7.6 million have been taken as receipts in the Accounts and Finance despite reporting done on cash-basis of accounting.

Audit scrutiny of the TMA Fund Account (Fund 4) for the accounting of TMA balances revealed that debits totalled \$64,301,199 and credits totalled \$64,475,880, as such Fund 4 of TMA has a credit balance at end of year of \$174,681 which could not be explained by the Ministry.

Contingent Liabilities

The Fiji Hardwood Corporation Ltd (FHCL) has been defaulting on its loan agreement with FNPF and FDB since 2008. Discussions and resolutions of a joint meeting for the proposed debt restructure of FHCL on 10 September, 2009 agreed on the consolidation of FHCL debts in the FDB books and a two (2) year grace period has being granted for the company to facilitate and regroup itself and be in a better position to service its debts.

Total guarantee of FHCL loans as at 31/12/09 amounted to \$14.9 million compared to outstanding liability of \$16.9 million, a variance of \$2 million or 13%. The variance noted resulted from the accumulating accrued interest and principal loans outstanding yet to be settled by FHCL.

2009 Accounts of Ministries and Departments

Office of the President

Monthly reconciliations of the Operating Trust Fund and Revolving Fund accounts have not been carried out since 2005.

Office of the Prime Minister and Public Service Commission

Underline accounts reflected under the old account allocations were not included in the monthly reconciliations. A number of Trust Fund, Revolving Fund and Lending Fund accounts have remained dormant from 2006.

A variance of \$354,114 was noted between the Ministry of Finance's Appendix 3 and the Bank Statement balance as at 31 December 2009 of the Chinese Aid – Trust Fund.

VAT and FNFP reconciliations prepared during the audit revealed significant variances between the actual payments to the Authorities and the balances reflected in the general ledger and other related records. In addition, VAT was claimed on zero rated and exempted supplies.

The Rotuma Island Council did not provide acquittal reports to substantiate how government grants have been utilized by the Council.

A substantial amount of loans are still outstanding or have yet to be recovered from recipients of awards through Cost Sharing Scheme and the Student Loan Scheme.

PSC has not been able to claim maximum refunds from the Training and Productivity Authority of Fiji (TPAF) because the Training Division failed to comply with TPAF's assessment criteria.

Government corporations and bodies have made reviews to the salaries of Chief Executive Officers and other senior positions without consulting the Higher Salaries Commission.

Office of the Attorney General and Public Enterprise

VAT was claimed on zero rated and exempted supplies.

Government Companies and Commercial Statutory Authorities have not fully complied with the prescribed requirements of the Public Enterprise Act in regards to submission of plans and reports.

Ministry of Finance

Two virements amounting to \$2.8 million for Head 50 was approved by the Ministry after the closing dates which contradicted the directives of the Ministry's own Circular.

A number of surcharge cases spanning from 2003 to 2006 referred to in past Auditor General's Reports are still pending thus increasing the risk of becoming irrecoverable as responsible officers had either resigned, retired or terminated.

A total of 1,123 accident cases with repair costs totaling \$2,040,373 are yet to be resolved and awaiting Solicitor General's advice. Delays in implementing surcharge action could result in non-recovery of costs from these negligent officers.

Out of the 1,932 government vehicles, around 81% are over 6 years old and need to be replaced. A further 16% or 310 vehicle did not have sufficient information to determine their ages also need to be replaced.

A number of complaints were received by Ministry of Finance on the alleged misuse of vehicles across government; however the Ministry has yet to investigate many of these cases.

Ministry of National Planning

There is a variance of \$67,813 in the FNPF reconciliation undertaken during the audit.

The Department failed to carry out its 2009 annual Board of Survey as a result no Statement of Loss was produced.

A variance of \$18,559 was noted in the drawings account records between Ministry's record and the General Ledger.

The Ministry had not been monitoring the Northern Development Program closely as the release of funds (\$8.2 million) has not been acquitted quarterly.

Despite the payment of \$24.9 million for the Wairiki port development, the port is still not in operation.

Bureau of Statistics

The Department failed to carry out its 2009 annual Board of Survey as a result a Statement of Loss was not produced.

Government Printing and Stationery Department

The arrears of revenue for Government Printing and Stationery Department as at 31/12/09 amounted to \$175,562. This is an increase of \$95,206 or 118% compared to 2008.

A number of machines were under repair and had been out of service for prolonged periods of time.

Dishonored cheques amounting to \$12,133 dating back to 1999 are still to be cleared from the Revolving Fund Account.

The Department failed to carry out its 2009 annual Board of Survey thus could not produce the Statement of Loss.

Government Supplies Department

The Department failed to carry out its 2009 annual Board of Survey as a result a Statement of Loss was not produced.

Ministry of Provincial Development, Indigenous and Multi-Ethnic Affairs

Trust Fund accounts were overdrawn. Community contributions for capital projects have been accounted as government revenue instead of Trust Funds. Bank reconciliations for the Main Trust Fund were not provided for audit.

The absence of regular revenue reconciliations has resulted in the significant variance between the balances reflected in the general ledger (FMIS) and the Ministry's records.

Significant variances were noted between the actual payments of superannuation contributions to the relevant Authority and the balances reflected in the general ledger and other related records.

Internal controls and Standard Operating Procedures established for effective administration of capital projects are not always adhered to.

The risk for misappropriation of fixed assets is high due to inadequate controls over the custody of fixed assets owned by the Ministry.

The Standard Operating Procedure for Scholarship was not complied with in the awarding of scholarship.

Ministry of Defence, National Security and Immigration

VAT and FNFP reconciliations prepared during the audit revealed significant variances between the actual payments to the Authorities and the balances reflected in the general ledger and other related records.

Trust Fund accounts were overdrawn. A variance of \$976,380 was noted between the closing balance of the Trust Fund account reconciliation as at 31 December 2009 and the Ministry of Finance's Appendix 23A.

Revenue records have not been properly reconciled increasing the risk of mismanagement of revenue.

Illegal immigrants continued to live in Fiji without any action taken against them. Soccer professionals often travelled to Fiji on visitors' visa to participate in soccer tournaments for which they are paid, without work permit.

Ministry of Labour, Industrial Relations and Employment

Monthly bank reconciliations were not carried out for the two accounts maintained for Trust Funds.

VAT reconciliations prepared during the audit revealed significant variances between the actual payments to the relevant Authority and the balances reflected in the general ledger and other related records.

The risk for misappropriation of fixed assets is high due to inadequate controls over the custody of fixed assets owned by the Ministry.

Ministry of Foreign Affairs, International Co-operation and Civil Aviation

Operating Trust Fund accounts have been overdrawn with some accounts having balances that could not be explained by the Ministry.

Proper documentations to support the engagement of local staffs in various Fiji Missions overseas are not maintained with the Ministry. Checks and reviews carried out by the Accounts Sections on acquittals submitted by the Missions are questionable.

Provisions of the Public Service (Diplomatic and Consular Services) Regulations 2005 have not always been complied with by some Fiji Missions overseas.

Personal expenses met by public funds have yet to be refunded to government.

Elections Office

Operating Trust Fund accounts have been overdrawn by \$518,239 with most balances carried forward from previous years. Records to substantiate the overdrawn balances have been misplaced.

Judiciary

Two Main Trust Fund accounts were overdrawn. In addition, the preparations of reconciliations for Trust Fund accounts have not been carried out for more than 20 years.

There is a high risk of mismanagement of funds and overpayments with the current system of payments and record keeping for Maintenance.

Legislature

Operating Trust Fund accounts were overdrawn with balances carried forward from previous years.

Personal charges of telecommunication have not been properly monitored.

Office of the Director of Public Prosecutions

VAT and FNFP reconciliations prepared during the audit revealed significant variances between the actual payments to the Authorities and the balances reflected in the general ledger and other related records.

Operating Trust Fund accounts were overdrawn. Monthly Drawings accounts reconciliations were not properly checked as the opening balances of the subsequent months' reconciliations did not correspond to the closing balances of the preceding month.

Department of Justice

VAT reconciliations prepared during the audit revealed significant variances between the actual payments to the relevant Authority and the balances reflected in the general ledger and other related records. In addition, VAT was claimed on zero rated and exempted supplies and VAT on revenue had been debited to the wrong account allocation.

There is a high risk of fraud, theft or mismanagement of funds as large sums of cash are often maintained in the Office over night or over the weekend.

The risk for misappropriation of fixed assets is high due to inadequate controls over the custody of fixed assets owned by the Department

The Department breached Government procurement procedures by not issuing Local Purchase Orders and in some cases, payments were made to suppliers prior to the supply of goods and services to the Department.

Some companies have not lodged their Annual Returns with the Registrar of Companies.

Ministry of Information

VAT was claimed on zero rated and exempted supplies.

Terms and conditions of the Agreement between the Government and the Fiji Broadcasting Corporation Limited in relation to Public Service Broadcasting were not complied with.

Department of Prisons and Corrections Service

VAT and FNFP reconciliations prepared during the audit revealed significant variances between the actual payments to the Authorities and the balances reflected in the general ledger and other related records.

The risk for misappropriation of fixed assets is high due to inadequate controls over the custody of fixed asset as the Department has not maintained a Fixed Assets Register to records items purchased in 2009 and from previous years.

Capital projects undertaken by the PWD were not properly monitored by the Department.

Fiji Police Force

VAT and FNFP reconciliations prepared during the audit revealed significant variances between the actual payments to the relevant Authorities and the balances reflected in the general ledger and other related records. The Department had overpaid superannuation contributions totalling \$1,357,284 to the FNPF.

The Department had incurred over-expenditures totalling \$9,401,385 in 2009 and failed to seek necessary approval from the Ministry of Finance to regularise the over-expenditures.

Underline accounts were not properly reconciled resulting in significant variances noted between the balances reflected in the Department's reconciliation and the general ledger.

As in previous years, numerous Officers were overpaid salaries and allowances in 2009.

The Department did not comply with Government's procurement procedures for various purchases made in 2009.

Substantial negligence claims by members of the public were paid out for which budget was not provided.

High number of the Department's vehicles involved in road accidents.

Republic of the Fiji Military Forces

VAT and FNFP reconciliations prepared during the audit revealed significant variances between the actual payments to the relevant Authorities and the balances reflected in the general ledger and other related records. The RFMF has been making advance payments of superannuation contributions to the FNPF since the 1990s. The RFMF and the FNPF are working to determine the actual amounts of overpayments.

Accountable advances issued for official travels were not always cleared on time.

Operating Trust Fund Account was overdrawn by \$4,019,621 with balances carried forward from previous years.

The RFMF had incurred an over-expenditure of \$2,384,515 against its budgetary provision for 2009.

Leave records have not been properly maintained and administered resulting in overpayments of leave compensation, utilization of leave in excess of entitlement and excessive accumulation of leave.

Numerous Officers were overpaid ration allowances in December 2009.

Officers occupying official quarters were also receiving lodging allowances.

The relocation of the Nadi Camp to Votualevu (Black Rock Project) was not properly monitored. Expenditures incurred were in excess of the budget, proper records were not maintained and Government's procurement procedures were not complied with for purchases made in 2008 and 2009.

Ministry of Education, National Heritage, Culture and Arts

The Ministry has a total salary overpayment of \$528,180 as at 31/12/09 which is still to be recovered. In 2009, the salary overpayment amounted to \$210,583 of which \$76,742 or 36% was overpaid to staffs upon resignations, terminations and retirement.

The audit of the building grants records for primary and secondary noted that some of the grant recipients have not submitted completion certificates and acquittal reports to the Ministry.

Rules and Regulations for General Purpose Trust Fund, Caution Fee Trust Fund Account were not followed and approval was not obtained from Permanent Secretary for Education for use of trust funds by some government primary and secondary schools.

The audit noted the need for urgent maintenance of the dormitories, toilets and bathroom facilities, dining hall and kitchen at Natabua Secondary while the facilities at Ratu Kadavulevu School and Queen Victoria School have been upgraded in 2010.

The problem of overcrowding was evident at Nakoroboya Primary School where two classes were sharing the same room and only separated by curtains. At Lomawai Secondary School the hostel could not accommodate everyone resulting in a classroom doubling as a hostel after school hours while some students were billeted outside the school compound.

Ministry of Health, Women & Social Welfare

A Statement of Losses and Trust Account Statement of Receipts and Payments was not submitted to audit. The general ledger (FMIS) as at 31/12/09 shows that the Ministry of Health has Operating Trust Funds totaling \$10,052,390 of which \$7,495,121 or 75% represent FNPF. In addition, four Trust Fund Accounts showed debit balances totaling \$276,512 while the Department of Women and Social Welfare had overdrawn their FNPF Trust Fund Account by \$9,998.

The transactions from the Trading and Manufacturing Accounts for the operations of the Bulk Purchase Scheme were not being updated in the FMIS on a timely basis resulting in the overstatement of Assets by \$209,988, understatement of Liabilities by \$177,271, understatement of expenses by \$22,148, understatement of Revenue by \$140,347 and the overstatement of Equity by \$378,327 in the general ledger as at 31 December 2009.

The payments of FNPF contributions and VAT could not be reconciled to the accounts.

Audit noted that drugs worth \$564,945 maintained at the Fiji Pharmaceutical Services had expired at the end of 2009.

As at 31/12/09, a total of \$151,210 was recorded as overpayment of salary by the Ministry of which \$92,506 (62%) was overpayment upon resignation. This is a result of divisional officers failing to advise salaries section at Headquarters on time.

The Ministry has an old fleet of vehicles resulting in excessive maintenance costs of \$104,853 in 2009. Eleven vehicles are more than 7 years old. Three vehicles which are more than 10 years old and no longer in use are parked at the Labasa Hospital.

Department of Local Government, Urban Development and Housing

The department's Trust Fund Accounts need to be reconciled as seven accounts have been dormant and had not shown any movements during the last three years.

In addition, the department failed to prepare VAT reconciliations for 2009. A review of VAT Returns and supporting documents carried out during the audit revealed significant un-reconciled balances.

Department of Youth and Sports

The audit noted a number of sporting bodies that failed to submit their acquittals for the financial assistance provided by the Department and that the Department has not been effective in monitoring and following up acquittals with recipients. As a result the audit could not substantiate whether grants have been utilized for intended purposes.

Under the Vatukoula Rehabilitation Program, a total of 210 redundant miners were provided financial assistance amounting to \$422,482 of which the Department was to recover 50% (\$211,241) from the miners. The audit noted that the Department only managed to recover \$16,813 as at 19/11/09.

The Department through its National Youth Service Scheme (NYSS) provided financial assistance to 556 youths amounting to \$209,518 from 01/01/08 to 31/12/09 of which the Ministry was to recover 50% within the stipulated timeframe as per the respective recipient's memorandum of understanding. The audit noted that the Department has only recovered \$5,747.

Department of Agriculture

Arrears of revenue for the Department of Agriculture as at 31/12/09 totaled \$3,992,057; an increase by \$13,139 or 0.3% compared to 2008. \$3,390,720 or 85% of total arrears of revenue comprises of Cocoa Development.

A variance of \$237,010 was noted between the Department of Agriculture TMA cash at bank balance and the general ledger balance as at 31/12/09. Hence, audit could not substantiate the accuracy of cash at bank balance.

Audit noted that excessive compensation of annual and long service leave totaling \$620,476 were made in 2009 for employees who have retired, resigned, terminated and promoted.

Dr. Richard Beyer was overpaid by \$8,993 upon resignation from the Civil Service. A total of \$5,290 was deducted from his leave pay leaving an outstanding balance of \$3,703.

The Ministry engaged Narendras Transport Limited and Právinesh Singh's Bulldozing Company in 2009 for the drainage works in respect of the Sigatoka Valley Improvement Programme. A contract agreement was not drawn up and signed between the two companies. The companies were paid a total amount of \$61,550 for the work done.

Some of the projects approved and funded through the Rural and Outer Island Programme were not implemented satisfactorily. In some instances, the forecasted outputs stated in the project proposals were not achieved, agro inputs and planting materials were not supplied to the farming groups while there was a general lack of commitment from the executing groups.

Competitive quotations were not obtained in the engagement of Active Media Publication Limited for publication in the Turaga magazines. A total payment of \$55,687 was paid to Active Media Publication Limited in 2009. Local Purchase orders were issued after invoices were received.

Department of Forest

The Department did not account for overhead cost incurred such as electricity, water, and indirect labour when preparing its Trading and Manufacturing Account for 2009.

The Department's TMA had opening and closing stock of \$33,503 and \$48,726 respectively. The total amount of purchase made during the year was \$6,104. Audit noted that the closing stock value was \$9,119 more than the cost of stock available as at 31/12/09. The Department could not justify the inclusion of \$80,088 as equity in the TMA Balance Sheet as at 31/12/09

The Fiji Pine Trust accounts showed negative net assets of \$45,966 and \$103,511 for the years 2008 and 2007 respectively indicating that the Trust's total liabilities exceeded its total assets.

The trust has a liquidity problem which is evident in the Trust's current ratio of 0.55:1 in 2008 and 0.02:1 in 2007.

Department of Fisheries

The Department of Fisheries maintains a Trust Fund bank account with Westpac Banking Corporation with a credit balance of \$14,380. The Department did not provide any records and details of this bank account and the Trust Fund balance did not appear in the FMIS.

The Department of Fisheries failed to set up a feedback and monitoring system for those fishermen assisted under the Subsidy Assistance Scheme.

Department of Lands

The financial statements were not presented in accordance with the Financial Management Act. The Department of Lands did not provide the Statement of Losses contrary to Section 82(1) of the Financial Instruction 2005.

The arrears position of the Crown Land Lease has increased by \$7,811,070 or 84% compared to the arrears recorded in 2008.

Commercial activities were carried out on residential lots.

Crown Leases were mortgaged with the commercial bank; however development has not taken place on these leases as required by the Crown Lands Act.

Department of Mineral Resources

The Department operates a Mining Trust Fund Account for monies received from exploration, mining and borehole activities. However, the Department failed to include trust account statement of receipts and payments in its financial statements.

The Department failed to submit a Statement of Losses; therefore audit was unable to substantiate the losses incurred by the Department.

The Department operates a Mining Trust Account with Westpac Banking Corporation. Audit was unable to verify the variance of \$658,352 noted between the General Ledger and the Bank Statement balance as monthly bank reconciliation was not prepared.

While being appropriated a budget of \$3,000 to meet the expenditure for casual workers, audit noted that payments in respect of casual workers exceeded the budgetary allocation by \$59,572. In addition, \$37,775 was used to meet the casual worker's pay from other allocations such as Groundwater Assessment and Development and Geological Mapping.

Department of Environment

The Department maintains a Trust Fund Account with Westpac Banking Corporation for monies received from Naboro Landfill gate fees and from ODS fines. However, the Department failed to disclose the Trust Fund Account in the Agency Financial Statement.

A major variance of \$432,444 was noted between the general ledger and the bank statement for Environment Trust Account.

Department of Commerce

No supporting documents relating to payments made by Trade commission based in Los Angeles from the grant for 3rd and 4th quarter were available for audit review.

Since inception of Telecommunications promulgation 2008 which required establishment of Telecommunication Authority of Fiji significant non-renewal of license in Telecommunication service were noted. The Telecommunication Authority of Fiji is yet to be fully established.

Department of Tourism

The Department incurred expenditure totalling \$121,862 for period 01/01/08 to 30/10/09 to conduct the IVS survey. For the period 01/01/08 to 30/10/09 the Department only sold 10 copies of the IVS report at \$25 each generating total revenues of \$250.

The Department signed an Agreement with Stollznow Research Pty Ltd of Australia on 22/12/08 amounting to \$72,000 to carry out the data analysis for year 2009. Audit was not provided with documentary evidence to substantiate whether the contract was referred to the Solicitor General Office for vetting and legal clearance. In addition as of the date of audit (05/11/09), the contractor has not provided any analyzed report of data collected by the IVS staff for the year 2009.

Department of Cooperatives

Significant numbers of co-operative societies were being liquidated. Total loans outstanding from these liquidated co-operatives societies were noted to be \$92,580. The recovery of these balances seems to be very uncertain.

Mr. Gani filed a civil action against the Department of Co-operatives and Attorney General's office claiming damages for personal injuries and other consequential losses due to the accident and was awarded damages totaling \$87,531 in October 2005. Nine years has passed since payment of the damages however no surcharge action has been taken against the driver of the government vehicle who is still employed at the Department of Co-operatives.

Department of Works

Trading and Manufacturing Account Accumulated Surplus of \$3,115,127 and Surplus of \$2,043,315 reflected in the Balance Sheet could not be substantiated as supporting documents was not provided for audit.

The Department of Works has not been submitting arrears of revenue return to the Ministry of Finance since they do not have any records at Department's headquarters.

As at 31 December 2009, the Central/Eastern division incurred \$134,546 as cost of idle hours compared to \$154,546 and \$276,474 in 2008 and 2007 respectively.

Department Transport

The Department of Transport did not submit statement of losses and trust account statement of receipts and payments

The Department of GSS and FIMSA incurred VAT penalties amounting to \$9,297 for late lodgment and late payment of VAT.

Credit sales of Nautical charts totaling \$12,792 were not reflected in Trading and Manufacturing Account thus understating Government revenue.

The Department of GSS is being owed \$45,335 as drum deposits as at 31/12/09. The deposits are with Total Fiji Limited.

Department of National Roads

The Department of National Roads Western division failed to prepare and submit the TMA Drawings account reconciliations to Ministry of Finance.

Excess materials were purchased amounting to \$112,124 for the construction of Nokonoko and Naqali Bridge. These materials were not used and were stored at the Samabula Depot. Such practice locked up government funds.

The Department of National Roads made a payment on 29/12/09 amounting to \$223,620 to Humes Industries for which no materials were supplied at the time of the payment. This payment was for the materials for the construction of the Wainibuku Bridge. The construction of the bridge has not begun as at 30 September 2010.

Department of National Roads Western Division purchased concrete products from Humes Industry totaling \$256,112 without obtaining Major Tender Board Approval

Department of Public Utilities and Energy

The Department failed to submit the Trust Account Statement of Receipts and Payments to audit.

The payments of FNPF contributions and VAT could not be reconciled to the accounts of the Department of Water and Sewerage and audit noted that the three divisions are preparing and lodging their own VAT Returns.

Arrears of revenue for Water and Sewerage Rates as at 31/12/09 totaled \$36,755,411 an increase of \$4,399,619 or 14% compared to 2008.

Some capital projects in the Western Division have exceeded their estimated cost allocations and they need to be closely monitored.

Audit noted high rate of unaccounted water for the Suva/Nausori region where more than 50% of the water is unaccounted for in each month.

For the Department of Energy, the payments of FNPF contributions and VAT could not be reconciled to the accounts. In addition, audit noted that two Main Trust Fund Accounts for the Rural Electrification Unit were overdrawn by \$1,198,219 as at 31/12/09.

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Section 19 Ministry of Health, Women and Social Welfare

Role and Responsibilities

The Ministry of Health shall provide health services with the commitment that it is the right of everyone in the Republic of Fiji, irrespective of race, sex, colour, creed, financial circumstances or poverty to have a national health system which provides a high quality health service to the maximum extent possible within the available resources.

The delivery of health services is divided into two clear distinct divisions;

- the Primary Health Care Services and;
- the Curative (Hospital) Health Care Services.

The main objective of the Primary and Preventive Health Services is to enhance the promotion of health and well-being, protection of life and prevention of diseases, injury and substance abuse. The main objective of the Curative (Hospital) Health Care Services is to ensure that the standardised basic diagnostic and treatment facilities for common disease problems are readily available near to where people live, are responsive to patients' needs are affordable and that they are closely integrated with community rehabilitative services to ensure continuity of patient care.

Health services are expected to change significantly over the next few years.

- Firstly, a decentralisation of the management of health services will take place under the Fiji Health Management Reform Project.
- Secondly, financing options and arrangements which may include National Insurance Scheme, the revision of hospital fees, privatisation and contractualisation.

For 2009, the Ministry continued to concentrate its efforts in human resources management and development; reorganising/ reforming of the health services; standards and quality; performance/ output based financial management system and resource allocation; Health Management Information System; health financing and cost sharing; public relations strategies and facilities development .

The Department of Women and Social Welfare shall eradicate poverty through providing welfare support to the poor, empowerment of women and gender mainstreaming and coordination of services to the disabled. The Department has four output groups – Ministerial and Corporate Services, Social Welfare Services, Gender Development and Poverty Eradication Unit.

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PART 1 CONSOLIDATED FINANCIAL STATEMENT

19.1 Audit Opinion

The audit of the 2009 accounts of the Ministry of Health, Women and Social Welfare resulted in the issue of a qualified audit report.

The qualification is as follows:

The account balances reflected in the Trading and Manufacturing Account (TMA) for the Bulk Purchase Scheme under the Ministry of Health do not agree to the balances stated in the general ledger (FMIS).

The overall impact of these variances is an overstatement of Assets by \$209,988, understatement of Liabilities by \$177,271, understatement of Expenses by \$22,148, understatement of Revenue by \$140,347 and the overstatement of Equity by \$378,327 in the general ledger as at 31 December 2009.

19.2 Statement of Receipts and Expenditures

The Ministry collected revenue amounting to \$4,880,557 and incurred total expenditures of \$180,784,560 in 2009. Details are provided in Table 19.1 below.

TABLE 19.1: STATEMENT OF RECEIPTS AND EXPENDITURES FOR 2009

Description	2009 \$	2008 \$
RECEIPTS		
State Revenue		
Operating Revenue	3,292,242	2,190,599
Total State Revenue	3,292,242	2,190,599
Agency Revenue		
Hospital Fees	766,408	864,307
Fumigation & Quarantine	148,133	147,652

Description	2009 \$	2008 \$
Fiji School of Nursing	673,774	843,846
Total Agency Revenue	1,588,315	1,855,805
TOTAL REVENUE	4,880,557	4,046,404
EXPENDITURES		
Operating Expenditure		
Established Staff	72,009,535	66,347,318
Unestablished Staff	14,982,759	12,034,017
Travel & Communication	3,296,804	2,492,242
Maintenance & Operations	9,001,340	8,736,043
Purchase of Goods & Services	24,800,646	25,591,488
Operating Grants & Transfers	22,949,312	22,351,021
Special Expenditures	2,835,545	2,334,047
Total Operating Expenditure	149,875,941	139,886,176
Capital Expenditure		
Capital Construction	5,698,306	2,253,819
Capital Purchases	17,268,994	2,995,402
Capital Grants & Transfers	1,555,199	756,232
Total Capital Expenditure	24,522,499	6,005,453
Value Added Tax	6,386,120	16,449,829
TOTAL EXPENDITURE	180,784,560	162,341,458

The Ministry's revenue increased by \$834,153 or 21% in 2009 compared to 2008 mainly attributed to the adjustment made to stale cheques from the prior years by the Ministry of Health

The Operating Expenditure increased by \$9,989,765 or 7% in 2009 compared to 2008 due to the:

- Increase in the payment of on-call and environmental allowance to medical officers and increase in the number of acting positions for sisters and medical officers.
- Payment of overtime to pick up evening and midnight shift nurses and payment of allowances to labourers who were working at Tamavua Hospital. Their wages were backdated to 2006.
- Increase in the overseas medical evacuation and consultancy referrals, telecommunication charges, freight and cartage cost of the laboratory testing send overseas for analysis.
- Escalating increase in fuel cost, utility services charges and the general upkeep and supplies cost of the hospital and health centres.
- Increase in the provision of the Family Assistance Allowance and Care and Protection Allowance scheme in 2009.
- Increase in health outreach/awareness programs such as Family Planning, Teenage Pregnancy, Reproductive Health Research, Maternal Health, STI, HIV /AIDS, Men's Health and other non communicable Diseases at schools, tertiary institutes, communities and villages. Also, due to reactivation of the Poverty Eradication Programme.

The Capital Expenditure increased significantly by \$18,517,046 or 308% in 2009 due to:

- The maintenance work carried out at the Fiji School of Nursing, urban hospitals, sub- divisional hospitals, health centres and nursing stations.

- The purchase of replacement bio-medical equipments for urban hospitals, Purchase of X-Ray machines and new boiler for Lautoka Hospital, purchase of laundry machines for Ministry of Health Institutions, purchase of CT scanner for Labasa and Lautoka hospitals, and also the spare parts for the existing bio-medical equipments.

19.3 Statement of Output Costs

The Statement of Output Costs did not consolidate expenditures into the fifteen outputs prescribed in the Budget Estimates as required. These are detailed in *Appendix 19.1*.

19.4 Appropriation Statement

The Ministry of Health, Women and Social Welfare incurred expenditures totalling \$180,784,560 in 2009 against the budget of \$176,609,602 resulting in overexpenditure of \$4,174,958 or 2%. Details are provided in Table 19.2.

TABLE 19.2: APPROPRIATION STATEMENT FOR 2009

SEG	Item	Budget Estimate \$	Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry – Over \$	Lapsed Appropriation \$
1	Established Staff	76,386,500	(5,451,500)	70,935,000	72,009,536	0	(1,074,536)
2	Unestablished Staff	15,222,500	(481,140)	14,741,360	14,982,759	0	(241,399)
3	Travel & Communication	3,051,000	236,000	3,287,000	3,296,805	0	(9,805)
4	Maintenance & Operations	9,038,400	(310,125)	8,728,275	9,001,340	0	(273,065)
5	Purchase of Goods & Services	26,434,500	(5,004,482)	21,430,018	24,800,646	0	(3,370,628)
6	Operating Grants & Transfers	24,480,000	0	24,480,000	22,949,312	0	1,530,688
7	Special Expenditure	3,782,800	296,734	4,079,534	2,835,544	0	1,243,990
	Total Operating Costs	158,395,700	(10,714,513)	147,681,187	149,875,942	0	(2,194,755)
	Capital Expenditure						
8	Capital Construction	7,460,000	(1,924,597)	5,535,403	5,698,306	0	(162,903)
9	Capital Purchases	5,016,100	9,739,112	14,755,212	17,268,993	0	(2,513,781)
10	Capital Grants and Transfers	1,790,000	0	1,790,000	1,555,199	0	234,801
	Total Capital Expenditure	14,266,100	7,814,515	22,080,615	24,522,498	0	(2,441,883)
13	Value Added Tax	6,847,800	0	6,847,800	6,386,120	0	461,680
	TOTAL EXPENDITURE	179,509,600	(2,899,998)	176,609,602	180,784,560	0	(4,174,958)

19.5 Statement of Losses

There was no loss of fixed asset or money recorded for the year 2009. However, items worth \$490,305 were written off, following Ministry's board of survey conducted on 31 December 2009.

PART 2: AUDIT FINDINGS – MINISTRY OF HEALTH

FINANCIAL STATEMENT

19.6 Agency Financial Statement

The draft financial statements must be submitted to the Auditor General by 31 March in the following year, or within such other time as agreed to with the Auditor General.¹

In addition, each agency must include the following statements in its annual financial statements:

- (i) statements of output costs;
- (ii) a statement of assets and liabilities;
- (iii) notes to the statement of assets and liabilities;²

The financial statements submitted on 02/04/10 were not prepared in accordance with Section 82 of the Finance Instructions. The following discrepancies were noted:

- Even though the 2009 Budget prescribed ten outputs, the Ministry submitted only nine Statements of Output Costs.
- Audit could not substantiate the balances reflected in the Statements of Output Costs as the facility to allow the measurement and accounting of these costs is yet to be integrated in the Financial Management Information System (FMIS) of government.
- The Ministry's assets and liabilities are not reflected in the Agency Financial Statements.
- The stock take report for all cost centers for the year ended 31/12/09 was not made available for audit verification.

Prolong delay on the part of the Ministry and the Ministry of Finance not only defies the full compliance of Finance Instruction provision 81 and 82, but it also restricts valid information from being reflected in the Agency Financial Statement.

Recommendations

- The Ministry should ensure that the requirements of the Finance Instructions 81 & 82 are strictly followed when preparing the Agency Financial Statements.
- The Ministry should liaise with Ministry of Finance on the urgent need to promptly integrate the Ministry's activity based costing to the Output based Costing.
- The Ministry should commence the process of valuing its assets and liabilities and disclosing them in the Balance Sheet in accordance to the requirements of Finance Instruction 82.
- The Ministry should ensure that the Annual Stock take are carried out promptly.

Ministry's Comments

Output costing is a system generated report and the report is produced on the strength of the number of activity the department has and not on the strength of the output as highlighted in the annual budget estimate. The Audit in the report rightfully mentioned that the process is yet to be integrated into the FMIS system

¹ Section 81 (3) – Finance Instructions 2005

² Section 82 (1) – Finance Instructions 2005

by ministry of finance. Therefore unless the integration is fully completed by the FMIS team, report will be printed by activity level.

MOH had established our own Asset Management Unit beginning from this year 2010 that will be responsible for the control and maintenance of our asset data base and shall be able to provide figures to be reflected in our future Agency Financial Statement.

There was no provision for system generated reports for Liabilities in our Epicor system so was the reason for no Liabilities figures being provided in our AFS Report for 2009. Once we move to MOF FMIS we will be able to generate this report as required.

19.7 Excess Expenditure

Accounting officers who have been authorised to supervise and control expenditure allocations should closely monitor the expenditure to ensure that none of its allocation are exceeded or overspent against the budgetary allocations.

The Ministry had overspent some of its annual budget allocations as at 31/12/09. The table below shows those 'Programs', 'Allocation' and 'SEGS' where budgets have been busted by \$12,000 or more.

TABLE 19.3: DETAILS OF OVEREXPENDITURE IN 2009

P-A-S	Description	Revised Provision (\$)	Actual Expenditure (\$)	Over-Expenditure (\$)	Over-Expenditure (%)
1-1-2	Government Wage Earners	324,110	392,005.41	(67,895.41)	(20.95)
1-1-5	Purchase Of Goods & Services	1,394,800	1,613,633.95	(218,833.95)	(15.69)
1-2-4	Maintenance & Operations	41,000	62,877.75	(21,877.75)	(53.36)
2-1-1	Established Staff	38,851,900	40,942,746.37	(2,090,846.37)	(5.38)
2-1-3	Travel & Communications	912,400	1,005,411.11	(93,011.11)	(10.19)
2-1-4	Maintenance & Operations	3,057,000	3,281,135.94	(224,135.94)	(7.33)
2-1-5	Purchase Of Goods & Services	5,560,607	8,442,274.82	(2,881,667.82)	(51.82)
2-1-9	Capital Purchase	12,227,198	15,025,944.97	(2,798,746.97)	(22.89)
2-2-1	Established Staff	21,227,300	22,879,957.46	(1,652,657.46)	(7.79)
2-2-2	Government Wage Earners	3,163,279	3,871,094.46	(707,815.46)	(22.38)
2-2-4	Maintenance & Operations	1,564,000	1,739,830.18	(175,830.18)	(11.24)
2-2-8	Capital Construction	2,090,125	2,804,973.30	(714,848.30)	(34.20)
2-3-3	Travel & Communications	15,800	28,095.81	(12,295.81)	(77.82)
2-3-5	Purchase Of Goods & Services	1,296,200	1,378,385.60	(82,185.60)	(6.34)
2-3-7	Special Expenditure	817,000	1,119,213.98	(302,213.98)	(36.99)
2-4-1	Established Staff	620,600	660,555.33	(39,955.33)	(6.44)
2-4-2	Government Wage Earners	285,034	323,903.78	(38,869.78)	(13.64)
2-4-5	Purchase Of Goods & Services	11,285,800	11,816,700.46	(530,900.46)	(4.70)
2-4-13	VAT	1,438,300	2,280,309.03	(842,009.03)	(58.54)
3-1-2	Government Wage Earners	499,800	528,165.60	(28,365.60)	(5.68)
3-1-13	VAT	301,600	459,826.60	(158,226.60)	(52.46)
3-2-13	VAT	147,400	1,042,910.94	(895,510.94)	(607.54)
Total		102,121,253	121,699,952.85	(14,578,699.85)	(13.48)

Poor coordination, monitoring and control by management contributed to the above excess expenditure being incurred and this puts a strain on government's cash flow. Similar issues were highlighted in previous year's audit report; however, no improvement has been made by the Ministry.

Recommendations

- The Ministry should explain/justify the over expenditures noted above.
- The Ministry should regularly monitor and control its actual expenditure against the budgetary allocations to avoid excessive expenditure.
- The Ministry of Finance should place some sort of control in the FMIS whereby the system refuses to process a LPO/payment if the allocated funds have been exhausted.

Ministry's Comments***Program 1 Activity 2******Seg 3 Travel & Communication***

The National Virological Laboratory now known as the Fiji Centre for Communicable Disease and Control has the responsibility to conduct investigations, laboratory testing and conduct a research for all communicable diseases in Fiji. Since the late 2005 the centre has also been providing the same services to the Pacific Regional Member Countries particularly to those who do not have such facilities. A lot of telecommunication expenses is involved that is email services, internet services and obviously telephone calls.

The Ministry has introduced all cost cutting measures that brings about the expenditure control and prudent management of funds. Six lines was disconnected from the switch board confining to only 4 lines in 2010 and disconnected the internet services that was provided by Connect only confining to the Head of the Unit. Request to increase the budget in 2009 was not considered.

Seg 4 Maintenance & Operation

The vehicle usage in the total delivery of the various programs in the centre requires regular maintenance to effectively monitor and ensure MDA Programs ELF are completed well in advance. The vehicles are quite old and cost of fuel and spare parts are quite high.

Program 2 Activity 1 Urban Hospitals***Seg 1 Established Staff Allowances***

Provision for allowances covers the three major hospitals, Lautoka, Labasa and CWM and the two specialized hospitals Tamavua and St Giles. Allowances paid to doctors that work after hours at the rate of \$12.00 per call plus environmental allowance of 12.5% of the gross salary. The nurses' allowances include the shift allowance of \$10.00 for nurses doing night shifts from 10pm to 6am. On call allowance paid to theatre nurses, Duty allowance paid to senior staff nurses that performed the duties of night and weekend supervisor which was usually covered by a nursing staff.

Overtime

Overtime was paid to staff nurses, the medical technicians that work in x-ray and Laboratory that need to work after a normal shift due to shortage of staff in the shift. Overtime is paid on time and half for work continued after a normal shift and double time for call back on day off. The expenditure continued to increase every year due to resignation of nurses and staff in the paramedical field. Request for increase was submitted every year but was declined.

Seg 3 Travel & Communication

Cabinet Decision No 109 dated 2/7/09 on the subject of the Central Eastern Division Community Health Program whereby one of the important program included was the CWM out reach program to Sub-Divisions by the Medical, Pediatric, and surgical teams visit sub-divisional hospitals and operate on schedule patients while overseas visiting teams are in the main hospital. It cuts down on the need to refer patients to main hospitals and uses up theatre time and facilities. This program is also carried out in the Western and Northern Division. The

costs for this program involved meals, boat fare and accommodation that estimate cost is \$3,000 to nearby sub-divisional hospitals. No special budget was planned for this program and normal allocation on travel

Freight and Cartage

This allocation is shared by the 3 Urban Hospitals CWM, Lautoka and Labasa. There is an increase in Laboratory tests that was sent to Overseas Labs Plus (NZ). Request for increase was submitted but declined.

Telecommunication

The Ministry has been experiencing huge expenditures in previous years due to technology changes in processes such online processes, internet and emails. Cost cutting measures were implemented by reducing no of lines from the switch boards, restricting calls to locals only.

Seg 4 Maintenance and Operations

Fuel & Oil

In this seg the over expenditure incurred from Fuel and Oil due to the fluctuation of fuel and oil prices. Secondly the Ministry vehicles are old vehicles ranging from 7-10 years that consumed more than the expected fuel. Vehicles were utilized for pick up and drop off of nurses, the emergency ambulance runs in the major hospitals.

General Stores & Incidentals

Unclassified items that cannot be purchased from funds allocated under Seg4 & Seg 5 are purchased from this vote. Some examples are the cleaning detergents for hospitals soap, toilet paper and general stationery etc. The allocated budget is shared by the 3 major hospitals, CWM, Lautoka and Labasa and the two major specialist hospitals St. Giles and Tamavua/Twomey. It is also shared with the 3 Division head quarters that do not have a specific budgetary allocation on stationery, office equipment, general stores or incidentals for the day to day running of the operation. The demand of such items had greatly increased over the years due to the expansion of health infrastructure. The provision of this item has not been increased to match the growing demand.

Seg 5 Purchase of Goods and Services

Laboratory

The expenditure highlights a negative variance of \$2.6m. The over expenditure was to cover the projected laboratory service based on Laboratory returns (2008). The lab itself is in no position to reduce its service but to fulfill the requirements of clinicians. Reductions will come from the end users who are the clinical doctors. The overspent budget was an ongoing problem which our proposed budget for 2011 was to increase the budget to meet the services we are providing. The costs of shipping and reagents have increased over the years due to the devaluation of the Fiji dollars that does not help either.

Seg 9 Capital Purchases

The total virement of funds from various allocations to supplement the provision of \$2,996,100 in Seg 9 was \$7.02m and in total it was \$10.02m. The total expenditure is well justified through the purchase of Biomedical equipments for Urban Hospitals, phase 1 to 4 Purchase of X-ray and Laundry Machines for MOH Institutions. Purchase of CT scanner for Lautoka and Labasa and also the spare parts. Part of the 2008 indents were paid in 2009 that also contribute to the increase expenditure in this Seg.

Phase 1	\$1,898,056
Phase 2	\$ 1,999,066
Phase 3	\$ 1,996,336
Phase 4	\$ 2,940,740
Total	\$ 8,834,198

C T Scanner \$ 1.7m

Program 2 Activity 2 Sub-divisional Hospitals and Health Centres**Seg 1 Established Staff Allowances**

Budget was not sufficient to meet the expenditure due to the allowances paid to nurses working on night shifts, consolidated allowances for nurses at Health Centres and Nursing Stations, acting allowances for staff holding higher positions due to vacant positions created after the retirement of nurses and doctors over 55 years of age. Also the payment of on call and environmental allowances to doctors taking calls after 4.30pm.

Overtime

Expenditure in this allocation continued to increase due to the overtime payment to the nurses and health allied workers. A nurse is paid overtime when she/he is required to continue to work for the next shift if a colleague does not turn up for the shift. Or someone on day off is called to cover due to the shortage of nurses in the shift. Secondly overtime is paid to allied workers i.e. x-ray, laboratory technicians that attend to an emergency after hours.

Seg 2 Unestablished Staff

Overtime was paid to drivers who were engaged in the evenings to drop off and pick up nurses in the afternoon and night shifts that contributed to the over expenditure of the allocation.

Seg 4 Maintenance & Operations**Vehicle Fuel & Oil**

Over the past years there is no corresponding increase allowed in this budgetary provision. There has been a hike in the fuel prices as well. The Ministry's current vehicle fleet in sub-divisions comprises of old vehicles ranging from 6-9yrs of age that turns to consume more than expected fuel. The Ministry has been utilizing vehicles on daily basis to pick up and drop off nurses and on call staffs, frequent long runs to participate in meetings & workshops, maintain the emergency ambulance services in the Sub-divisional hospitals and its peripheral health centres and nursing stations and the daily administrative runs.

Vehicle Maintenance and Repairs

In view of the large number of fleet maintained by sub-divisions and the amount of runs made daily particularly considering most of the runs made in interior parts of the main island where the road conditions are very poor and not regularly maintained. Our vehicles are very extensively used causing frequent breakdowns, which are expensive to repair and restore. Moreover the spare parts are very expensive for these aged vehicles due to stocks not available that require air-freight of parts.

Power Supply

There has been a huge increase of electrical operated medical and office equipment in the sub-divisions. The steam-operated equipment is now slowly replaced with electrical ones in areas where constant power supply and all bio-medical equipment purchased is fully electrical rather than the battery operated previously. The budget is shared by all sub-divisional hospitals, health centres and nursing stations plus the health offices.

Program 2 Activity 3 Public Health**Seg 3 Travel & Communication****Subsistence & Hotel Expenses**

Due to extensive traveling to attend various Public Health Programs in the Major Hospitals, Divisions, Sub-divisions and down to the health centres and nursing stations expenditures in the Hotel and subsistence are seen here to contribute much to the over expenditure in the public Health Budget for 2009. There are various disease outbreaks like typhoid, Pandemic H1N1, Leptospirosis that occur in the year, whereby the officers are taking

extensive traveling to carry out assessment of the disease and report to the PSH for further verification and implementation of the cases.

Seg 7 Special Expenditure

(i) CRA Programs – This program needs to be further assessed in their activities to ensure development are being taken care in the individual sub-divisions and as they travel from village to another they are allowances etc travel and hotel expenses that contribute to the over expenditure.

(ii) Fiji Adolescent Reproductive Health Program – The four components of the programs include schools – Primary, secondary and tertiary, School Community and street kids, Faith Based Organizations including Civil Society and Medical. All these programs the peer educators are out there to talk to the students and communities to the other organizations in creating a high level of awareness to the people of Fiji hence payment of allowance are given to accommodate their traveling.

Program 2 Activity 4 Fiji Pharmaceutical Service

Seg 1 Established Staff

Allowances – The increase of expenditure in this Seg was the payment of allowances to officers appointed to act on higher positions as Chief Pharmacist, Principal Pharmacist, Warehouse manager, Supplies Officers. These positions were vacant due to resignation and transfer of officers on promotion or sideways transfers.

Seg 2 Government Wage Earners

Allowances – Over expenditure was due to payment of country and overtime allowances to Government Wages Earners who were engaged to deliver medical supplies to outer stations on weekly, fortnightly and monthly deliveries.

Program 3 Activity 1 Hospital Services

Seg 2 Government Wage Earners

The increase in Wages is due to the overtime with the Hospital service workers as boilers in the hospital that are subject to frequent breakdown and monitoring of all the hospitals Laundry Machines.

Program 3 Activity 2 Fiji School of Nursing

Seg 3 Travel and Communication

Travel, Subsistence and Hotel Expenses

The interview panelist travel to all the urban centres for selection and interview of students from Northern, Western and Central Divisions. The conducting of interview too 3 weeks with eight members composed of PSC, H/Q and FSN representatives. The traveling of this interview panelist automatically covers hotel accommodation and subsistence and the amount involved are catered from this allocation. Secondly tutors travel to outer stations with students for rural attachment that expenses are met from this allocation.

Telecommunication

FSN has expanded its telecommunication services by having additional telephone extensions to cater for the additional staff (tutors) after introducing new nursing programs such as the postgraduate certificates in mental health, midwifery and nurse practitioners programs. Every program is headed by a unit head which the school has extended its services of internet and email facilities to upgrade skills and knowledge with the changing world.

Program 4 Activity 1 Old Peoples Homes**Seg 4 Maintenance & Operations**

Fuel & Oil – Fluctuating increases in Fuel Costs and regular utilization of transport in the recreation of resident to travel out, walk visit other places and administrative and finance run of the office to collect rations and payments of bills increase the expenditure in this allocation.

In overall controls are put in place that manager finance in the Divisions monitor the expenditure trend and request H/Q to identify additional funds on areas where spending had increased.

19.8 Incorrect Posting of Revenue

Where revenue is collected on behalf of other agencies the accounts officer raising the journal vouchers for posting shall also prepare an advice form informing the other agency of the collections received on their behalf.³

Some of the Ministry's revenue was wrongly posted into incorrect revenue account codes which based on our investigations are restricted to Fiji Island Inland Revenue and Customs Authority's (FIRCA) use.

For instance, the Ministry had posted an amount of \$525,991.06 to the Miscellaneous Fees account since the intended accounts were not created in the FMIS system. Another \$686,612.94 which represented the deductions of PAYE for the government wage earners plus manual payments was wrongly posted to the Income Tax Personal account which is also a revenue account. The officers concerned assumed that the amount will be transferred directly to the FIRCA allocation as was the practice in previous years. Refer to table 19.4 for details.

TABLE 19.4: WRONG POSTING OF REVENUE

Revenue Description	Amount (\$)	Incorrect A/C used by Ministry	Correct Account	Audit Comment
Income Tax Personal	686,612.94	1-22101-22999-210205	1-22101-22999-861901	This amount represented PAYE deductions for GWE staffs plus manual payments.
Miscellaneous Fees/Receipts	525,991.06	1-22101-22999-229999	1-22101-22999-279903	This amount represented fees collected from licenses, registrations and building fees receipted at Sub divisional Hospitals.
			1-22101-22999-230399	
			1-22101-22999-230319	
			1-22101-22999-230701	
			1-22101-22999-230499	
			1-22101-22999-270203	
			1-22101-22999-279999	
			1-22101-22999-270301	
Total	1,212,604.00			

The Ministry was reminded on several occasions both previously and during the current audit conduct to take necessary steps to rectify and adjust the two accounts but this has proved futile.

The failure of the Ministry to properly monitor the accuracy of postings done has led to the misstatement of state revenue in the financial statements. Additionally, the laxity of the Accounts Officer is evident as he had not carried out the necessary adjustments when notified by audit.

³ Section 5.5.7 – Finance Manual 2005

Recommendations

- **The Ministry should monitor its revenue collections on a monthly basis to avoid any errors and omissions caused mostly through misposting.**
- **The Ministry should liaise with Ministry of Finance to rectify the above anomalies.**

Ministry's Comments

Revenue accounts noted by the audit had no matching account in the FMIS System which all was mapped to a revenue miscellaneous account in the FMIS System. This has been created since the Epicor System was implemented in 2003 and was never highlighted previously that adjustment can be made in the system.

Secondly PAYE deductions were also mapped to a revenue account on the assumption of officers in the MOH Accounts that MOF will pay the amounts to FIRCA. This was not previously picked up that the MOH continued to map all the PAYE deductions to revenue.

Adjustment being made in 2010 that direct payment to FIRCA is made for any PAYE deducted from the salary and wages of officers. Secondly MOH is switching to FMIS that all revenue accounts will be created in the FMIS System.

19.9 Drawings Account

All bank accounts shall be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other items and be signed and dated by the responsible officer.⁴

Chief Executive Officers and Accounting Heads must follow up closely with their various clients and suppliers to present their cheques within a reasonable period of time. Write off action should be taken once they become stale whereby those relating to the current year are charged against the appropriate expenditure allocation and those of previous years against the general revenue account.⁵

Audit could not ascertain the accuracy of the Drawings account balance appearing in the Financial Management Information System (FMIS) and Appendix 3 as the Ministry failed to prepare its monthly reconciliations. The last reconciliation prepared was for the month of February 2009.

Upon further investigations, it was revealed that the Ministry is in the process of re-performing its 2009 monthly reconciliations after its initial reconciliations did not reconcile with the FMIS system. However, as at 30/06/10, audit noted that the Ministry has not prepared its reconciliations for March to December 2009.

The above implies that responsible staffs and the Accounting Head in the Ministry have been ignorant and have failed miserably to perform a very important accounting function required of them. The impact is that the Ministry's records have not been updated over a very long period of time.

Recommendations

- **The Accounting Head should be held accountable together with the responsible Accounts Officer for not performing this very important accounting function. They should be reminded that the reconciliation of the Drawings account is a significant control mechanism for the Ministry.**

⁴ Finance Instruction Section 39(5) -2005

⁵ Finance Circular 21/2007 dated 12/11/07 section 7.4.2

- Henceforth, the Ministry should ensure that the monthly reconciliations are prepared in accordance with the requirement of the Finance Manual and any differences/variances noted are promptly communicated to the Ministry of Finance to facilitate adjustments.

Ministry's Comments

The team from Ministry of Finance, Director Akosita, Director FMIS Asinate Taukeinikoro, and FMIS desk Officer Melania met on Friday at 11am with the MOH Team Acting Principal Accountant Nina Filipe, Acting Senior Accountant, Salaries, Acting Assistant Accountant Ledgers and Payments.

The MOH team briefed the MOF team on the problems of the Epicor System which amounts were posted to different accounts in Epicor but match to one account in FMIS which offsets amounts and that resulted in less amounts uploaded to FMIS System.

Discussions were made and it was agreed that:

MOH update the current reconciliations for 2010 from January to August and adjust the variances in the two reports in this year's postings. Previous years balances will be adjusted by the MOF team once MOH roll over to the FMIS system.

MOF FMIS team to visit MOH to audit the processes in the Epicor System as they identified that there is a process problem in the Epicor system which cheque amounts were not directly posted to the FMIS Drawing Account. Also double postings were done to FMIS system from 2008 onwards on FNPF and union deductions that hugely increased the credits in the FMIS systems.

19.10 Trust Fund Account

Within 3 days of receiving the monthly general ledger reports from the Ministry of Finance, the Accounts Officer shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement. Any errors or misallocations must be immediately adjusted by way of journal vouchers.⁶

The following anomalies were noted in the trust fund reconciliations as at 31/12/09:

Audit could not ascertain the accuracy of the account balance provided in the general ledger (FMIS) and Appendix 23B when compared with the Ministry's record. The details are as follows:

TABLE 19.5: VARIANCES BETWEEN MINISTRIES/FMIS AND APPENDIX FIGURES

	Opening Balances (\$)	Receipts (\$)	Payments (\$)	Ending Balances (\$)
Ministry	(8,943,059.57)	9,427,776.82	8,092,763.27	(10,278,073.12)
General Ledger FMIS	(8,943,059.57)	9,481,029.95	8,092,763.27	(10,331,326.35)
Appendix 23B	(8,943,059.57)	9,481,029.95	8,092,763.27	(10,331,326.55)
Variance	0	(53,253.13)	0	(53,253.23)

Four Operating Trust Fund Accounts had debit balances as at 31/12/09 which means that overpayments have been made from these trust accounts. Refer to the table below for details:

⁶ Finance Manual 2005. Section 16.3.3 – 16.3.4
Ministry of Health, Women and Social Welfare

TABLE 19.6: OVERDRAWN TRUST FUND ACCOUNT

Account ID	Account Description	2007 (\$)	2008 (\$)	2009 (\$)
12210122999861202	241 PD CMLA	387.26	387.26	387.26
12210122999861521	312 PD SACRED HEART CU	125.45	125.45	125.45
12210122999861527	321 PD FIJI DENTAL ASSOCIATION	8,946.95	8,505.73	8,495.62
12210122999899988	MISCELLANEOUS FUND OPEN ITEM	81,202.50	139,669.76	267,503.28
Total		90,662.16	148,688.20	276,511.61

The Ministry was holding significant amount of the funds in the following Trust Fund Accounts as tabulated below.

TABLE 19.7: SIGNIFICANT BALANCES IN TRUST FUND ACCOUNT

Details	Account No	Balance 2007 (\$)	Balance 2008 (\$)	Balances 2009 (\$)	Remarks
289 PD Fiji REG Nurses Ass	12210122999861504	42,887	123,687	124,435	<ul style="list-style-type: none"> The fund balance had been carried forward since 2007. The detailed breakdown was not provided for audit scrutiny.
293 PD Society of Hosp Pham	12210122999861507	73	107,072	106,360	<ul style="list-style-type: none"> The fund balance increased significantly in 2008. The detailed breakdown was not provided for audit scrutiny.
304 PD Fiji Nursing & Ass CU	12210122999861514	435,631	1,091,848	1,094,617	<ul style="list-style-type: none"> The fund balance has increased significantly to \$1,094,616.70 in 2009. No satisfactory explanation could be obtained and no detailed breakdown was provided for audit scrutiny.
383 PD Sundries	12210122999861910	252,258	252,258	252,258	<ul style="list-style-type: none"> No movement since 2007. The detailed breakdown was not provided for audit scrutiny.
501 PD Employees FNPF	12210122999861920	6,828,218	7,495,121	8,474,720	<ul style="list-style-type: none"> The amount had increased over the years). The detailed breakdown was not provided for audit scrutiny.

Some miscellaneous funds were posted into Fund 1 without any clear definition. Refer table below 19.8 for details:

TABLE 19.8: DETAILS OF MISPOSTINGS

Account ID	Description	Balance as at 31/12/09 \$
1-22101-22999-899988	Miscellaneous Fund Open Item	267,50
1-22101-22999-899999	Miscellaneous Fund Others	(484)

The above anomalies signifies that the monthly Trust Fund Account reconciliations have not been thoroughly scrutinised and checked by the responsible officer(s) from the Ministry and the Ministry of Finance. Lack of co-ordination between the Ministry's Accounts Section and the Ministry of Finance also contributed to the non clearance of the long outstanding accounts.

Recommendations

- The Ministry should provide satisfactory explanations for the undue delay in rectifying the anomalies noted by audit in respect of Trust Fund Account identified above.
- The Ministry should carry out a comprehensive review/reconciliation of all its Trust accounts and carry out appropriate adjustments in consultation with the Ministry of Finance.

Ministry's Comments

Discussions with MOF were made and it was agreed that:

Trust Fund Account

Senior Accountant, Salaries Laisa will work with the Reconciliation Clerk in the Salaries Section to journalize the wrong postings in this month to reduce the balances.

A journal was raised to adjust the previous years' balances for FNPF, FRNA, and FRNCU by the Senior Accountant and awaiting the Chief Accountant approval to pass the journals to FMIS for adjustment. Once this journal is approved by the Chief Accountant it will reduce the balances in the trust fund.

Weekly updates will be sent to the Director FMIS and desk officer Melania by SAO, Salaries on the progress of this exercise.

19.11 FNPF Reconciliation

Every employer shall pay to the Fund in respect of each of his employees, in every month during which such employee by him and in the month following the termination of such employment, a contribution calculated upon the amount of wages payable to such employee by such employer for the preceding month at the appropriate rates.⁷

The current rate of contribution is 16 cents on each dollar earned, with the employer and employee each contributing 8 cents.

A variance of \$4,024,001 existed for the Ministry when comparing the total salaries and wages computed from the FNPF contributions in 2009 against the actual salaries and wages reported in the Financial Statements as tabulated below:

TABLE 19.9: UN-RECONCILED VARIANCE IN GROSS SALARIES/WAGES

Details	Salaries/Wages \$
Salaries and Wages computed from FNPF contributions in 2009:	
FNPF as per financial statement	5,977,955.21
Less: December 2008 FNPF paid in Jan 2009	1,046,217.70
	4,931,737.51
Add: December 2009 FNPF paid in Jan 2010	1,045,736.30
FNPF Contribution by Employer for 2009 (a)	5,977,473.81
Gross Pay based on FNPF contributions (\$5,977,473.81 / 0.08)	74,718,422.63
Salaries and Wages for 2009 subject to FNPF	

⁷ Chapter 219 – Fiji National Provident Fund – Section 13 (1)

Details	Salaries/Wages \$
Salaries, wages and allowances as per Expenditure Statement (FMIS)	78,812,366.37
Less: Salaries, wages and allowances for 2009 not subject to FNPf	69,942.75
Salaries and Wages subject to FNPf (b)	78,742,423.62
Un-reconciled Variance (a) – (b)	(4,024,000.99)

A variance of \$321,920 also existed when comparing the actual FNPf contributions paid against the FNPf computed from the gross salaries and wages paid in 2009 as tabulated below.

TABLE 19.10: UN-RECONCILED VARIANCE IN FNPf CONTRIBUTION

Details	Salaries/Wages \$
Salaries and Wages computed from FNPf contributions in 2009:	
FNPf as per financial statement	5,977,955.21
Less: December 2008 FNPf paid in Jan 2009	1,046,217.70
	4,931,737.51
Add: December 2009 FNPf paid in Jan 2010	1,045,736.30
FNPf Contribution by Employer for 2009 (a)	5,977,473.81
(b) Salaries and Wages for 2009 subject to FNPf	
Salaries, wages and allowances as per Expenditure Statement (FMIS)	78,812,366.37
Less: Salaries, wages and allowances for 2009 not subject to FNPf	69,942.75
	78,742,423.62
FNPf on Salaries & Wages (78,742,423.62 * 8%) (b)	6,299,393.89
Un-reconciled Variance (a) – (b)	(321,920.08)

No satisfactory explanation was provided by the Ministry for the variances noted above.

Recommendations

- The Ministry should ensure that proper FNPf reconciliation is carried out on a monthly basis to identify variances and take appropriate corrective actions.
- The Ministry should review its FNPf records and reconciliations and provide explanations for the variances noted above.

Ministry's Comments

Audit comments have been noted and corrective measures will be taken in future to eliminate any huge variances existing. The figures below have been extracted from our MOH Epicor Comm Enq GL for the year 2009.

FNPf figures from the MOH Epicor GL

Total credits for 2009.	FNPf	Gross Pay
Main Salary Payroll Figures 2009	4,414,152.80	
Main Wages Payroll Figures 2009	1,357,611.76	
Salary Manual Payment Figures 2009	188,838.45	
Wages Manual Payment Figures 2009	32,756.12	
Other sources 2009	8,424.15	
	6,001,783.28	75,022,291

Total debits for 2009.

Jan to Nov paid in 2009	-5,622,673.37
Refunds in 2009	- 19,605.57
Adj of misallocations 2009	- 4,565.64
Reversals 2009	7,984.12
Dec paid in 2010	- 522,868.15
	6,177,696.85

Variances	- 175,913.57
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There were more debits than credits in the variances which could have resulted in wrong postings that may have been done in the FNPF trust account. Our reconciliations will be more effective once we move to MOF FMIS.

19.12 VAT Reconciliation

Subject to the provision of the Vat Decree 1991, the tax shall be charged in accordance with the provisions of this Decree at the rate of twelve and a half percent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.⁸

Output VAT is payable to the Commissioner of Inland Revenue for the supply of all goods and services with the exception of zero rated and exempted supplies. Payments effected by government departments for goods and services are thus subjected to VAT.⁹

A review of VAT Returns and supporting documents carried out during the audit revealed an un-reconciled balance of \$5,606,762 between the taxable supplies as per VAT Return and the total income/expenditure as per the Statement of Receipts and Expenditure. Refer below for details:

TABLE 19.11: VARIANCE BETWEEN VAT RETURNS AND FINANCIALS

Details	Amount \$
Total expenditure/income as per Expenditure Statement	155,837,958
Less: Expenditure not subject to VAT – SEG 1,2, 6 and 10	87,511,108
Total expenditure/income subject to VAT	68,326,850
Less: Total taxable supplies as per VAT Returns	73,933,612
Un-reconciled variance	5,606,762

In addition, a difference of \$2,979,442 was noted between the actual VAT payments for the year and the balance disclosed in the general ledger as reflected in the table below.

TABLE 19.12: VARIANCE BETWEEN VAT PAYMENTS AND VAT AS PER FINANCIALS

Details	Amount \$
VAT payments (VAT payments to FIRCA and VAT Input) as per Statement of Receipts and Expenditure	6,293,157
VAT payments (VAT payments to FIRCA and VAT Input) as per VAT Returns for 2009	9,272,599

⁸ Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

⁹ Finance Circular No 9/95

Details	Amount \$
Un-reconciled variance	2,979,442

In the absence of proper reconciliations, the Ministry would not be in a position to determine its true VAT position and this could prove costly if the VAT Unit performs an audit of the Ministry's records.

Recommendations

- The Ministry should review its VAT records and provide explanations for the variances.
- The Ministry should ensure monthly reconciliations are promptly prepared and submitted to relevant authorities to avoid penalties being charged.
- Supervisory checks on the preparation of VAT Returns should be improved to ensure that balances reflected in the VAT Returns reconcile with the GL.

Ministry's Comments

The variance in Vat Payments is a result of certain programme and activity figures incorporated in the overall expenditure figure but are not subject to Vat for e.g. Seg 1 & 2. Our calculation is also based on system generated figures for vatable expenditures and all data are compiled in a worksheet which may vary with Vat return format.

Improvements

We have been submitting timely returns to FIRCA to avoid penalties. We had an in house Vat Training conducted by FIRCA this year to discuss issues pertaining to accurate and prompt compilation of Vat returns.

19.13 Unreconciled TMA Balance

The Accounting Heads are responsible for submitting, their monthly reconciliation statements within the stipulated time frame to the Ministry of Finance.¹⁰

Significant variances existed for the Bulk Purchase Scheme (BPS) between the Ministry's Epricor system records and the general ledger (FMIS) balances. Refer to table 19.13 for details:

TABLE 19.13: VARIANCES BETWEEN MINISTRIES/FMIS FIGURES

Account	MOH (BPS) Epricor System Balance \$	GL(FMIS) / Appendix Balance \$	Variance \$	Effect on Financial Statement
Balance sheet				
Assets				
Cash at bank	804,466	1,007,131	202,666	Overstated
Accounts Receivable Individuals	38,593	45,916	7,322	Overstated
Total	843,059	1,053,047	209,988	Overstated
Liabilities				
Accounts Payable	114,804	---	114,804	Understated
Vat Payable	53,535	(8,932)	62,467	Understated
Total	168,339	(8,932)	177,271	Understated

¹⁰ Ministry of Health, Finance Manual Section 17.3.1

Account	MOH (BPS) Epricor System Balance \$	GL(FMIS) / Appendix Balance \$	Variance \$	Effect on Financial Statement
Equity				
Net Loss for 2008	(15,224)	---	(15,224.22)	Overstated
Net Profit for 2009	189,944	---	189,944	Understated
TMA Revolving Fund	500,000	1,053,047	(553,047)	Overstated
Total	674,720	1,053,047	(378,327)	Overstated
Revenue				
Sales	712,720	71,753	640,967	Understated
Purchases	(500,620)	---	(500,620)	Understated
Gross Profit	212,100	71,753	140,347	Understated
Expenses				
Personal Emoluments	15,616	---	15,616	Understated
Stationery	709	8	701	Understated
Telecommunications	911	---	911	Understated
Cartage and Freight	4,664	---	4,664	Understated
Bank Charges	256	---	256	Understated
Total	22,156	8	22,148	Understated

As evident in the above table, the balances of all the accounts in the Trading and Manufacturing Account (TMA) for the Bulk Purchase Scheme under the Ministry of Health do not agree to the balances stated in the general ledger (FMIS). The overall impact of these variances on the general ledger as at 31/12/09 is as follows:

- an overstatement of Assets by \$209,988,
- understatement of Liabilities by \$177,271,
- understatement of Expenses by \$22,148
- and understatement of Revenue by \$140,347
- overstatement of TMA Revolving Fund by \$553,047 resulting in an overall overstatement of Equity by \$378,327.

The differences noted above were due to the Ministry not making regular postings to the general ledger (FMIS). Similar concerns were raised in previous years' audit report; however no improvement was noted.

Failure to update the general ledger (FMIS) and carry out the necessary reconciliations has resulted in misleading information being provided to stakeholders on the financial performance of the Bulk Purchasing Scheme as evident in the current years TMA submitted by the Ministry.

Recommendations

- The Senior Accounts Officer should liaise with Ministry of Finance and carry out necessary uploads of all transactions pertaining to 2009.
- Accounting Heads should ensure that all transactions from the Epricor system are loaded into the FMIS (general ledger) on a regular basis.
- Reconciliations should be performed on a monthly basis with comprehensive checks/reviews done by the Accounting Head to ensure of its accuracy.

Ministry's Comments

The access and mapping of Epicor Finance Data to FMIS is held and undertaken by the Ministry of Health Head Quarters. This process facilitates the updates and posting of BPS expenditures and revenues to the appropriate TMA Account numbers in FMIS designated to the BPS TMA.

BPS input into this process is to update the Epicor of all vouchers raised and receipts issued in an accounting period. BPS did not receive any feedback reports on the mapping process for 2009 to reconcile.

However the monthly reports for BPS submitted to Ministry of Health and forwarded to Finance; uses information from its bank statements, vouchers, invoices and receipts.

We acknowledge the importance of reconciliation in the maintenance of accurate financial data and corrective measures are being put in place to address this. As of today 2010 posting into Epicor for BPS are up to date.

19.14 Understated Salaries and Wages

Salary advices must be submitted promptly to the Ministry of Finance where there is any change to personnel emoluments or deduction such as appointments, promotions, transfers, acting allowances, dismissals and resignations, income tax allowances, housing deductions, or other charges or deductions.¹¹

Salaries and wages of the four staff employed by the Bulk Purchase Scheme (BPS) were paid from Ministry of Health SEG 1 and SEG 2.

Enquiries with the Accounts Officer established that at the end of each month, BPS prepares the transfer of the cost of wages for the four staff and refunds it to Fiji Pharmaceutical and Biomedical Services centre (FPBS).

However, audit noted that only \$15,616.12 was transferred to FPBS as at 31/12/09 and the same was disclosed in the TMA profit and loss account. Refer to the table below for details:

TABLE 19.14: UNDERSTATED SALARIES AND WAGES FIGURE POSTED IN TMA

Salaries and Wages Paid from SEG 2 and SEG 3 (\$)	Amount posted in TMA -Profit & Loss Statement (\$)	Understated
47,287	15,616	31,671

A detailed analysis was carried out on the salaries and wages paid during the year from SEG 1 and SEG 2 and this was compared to the amount posted in the Epicor System (TMA) used by BPS which reconfirms the understatement of salaries and wages in both the TMA and general ledger (FMIS)

Refer to the table below of the five staffs employed by BPS and the amount posted to TMA.

TABLE 19.15: DETAILS OF STAFFS PAID FROM TMA

EDP Number	Staff Name	Pay Period	Amount Paid from SEG 2 & 3 (\$)	Amount Posted to TMA (\$)	Understatement in TMA (\$)
Salary					
40937	Rahpeal Om Prakash	01/01/09 to 31/12/09	22,724	15,616	7,108
Total			22,724	15,616	7,108

¹¹ Finance Instructions Section 26 (1)

EDP Number	Staff Name	Pay Period	Amount Paid from SEG 2 & 3 (\$)	Amount Posted to TMA (\$)	Understatement in TMA (\$)
Wages					
HN569	Jone Vatukatakata	01/01/09 to 31/12/09	8,634	0	8,634
90030	Joseph Naibuka	01/01/09 to 31/12/09	8,325	0	8,325
H0070	Avneel Prakash	01/01/09 to 25/12/09	7,604	0	7,604
Total			24,563		24,563
Total Salaries & Wages			47,287	15,616	31,671

Hence the salaries and wages expense in the TMA profit and loss account as well as in the general ledger (FMIS) is understated by \$31,671.

Failure of the officer-in-charge to make regular payments has resulted in the understatement of salaries and wages and overstatement of net profit in the TMA profit and loss account.

Recommendations

- The Ministry should ensure that posting of salaries and wages are made in the Epicor system used by the Bulk Purchasing Scheme on a monthly basis.
- Transactions emanating from the Epicor system should be promptly updated/posted to the general ledger (FMIS) of the Ministry to ensure that both the systems disclose the same accurate/valid information for users.
- Reconciliations should be performed on a monthly basis with comprehensive checks/reviews done by the Accounting Head to ensure of its accuracy.

Ministry's Comments

The understated salaries and wages was part of the performance issue that prompted the disciplinary action taken against the officer responsible. The figures quoted here was for the first report that was submitted prior to the close of the 2009 Account and carried some anomalies such as the understated salary and wages and was brought to the knowledge of the Senior Accountant.

Adjustment to the TMA Report to include salary for all BPS Staff was done and the readjustment TMA Report resubmitted. Adjustment to the GL Accounts in FMIS could not be done as Finance had closed the posting of adjustments to the 2009 Account.

Improvement efforts currently underway at BPS through training and staff changes is aimed at enhancing staff performance to ensure that there is proper, regular and accurate update and posting of financial data into the Epicor and onward to FMIS.

The audit views have been acknowledged and we will be taking every effort to post all respective wages and salaries to FPS TMA and make necessary adjustments to our FMIS General Ledger.

We will reconcile this year's 2010 TMA figures with our FMIS GL figures and make necessary adjustments where appropriate.

19.15 Incorrect computation of VAT on TMA

Subject to the provision of the Vat Decree 1991, the tax shall be charged in accordance with the provisions of this Decree at the rate of twelve and a half percent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.¹²

Output VAT is payable to the Commissioner of Inland Revenue for the supply of all goods and services with the exception of zero rated and exempted supplies. Payments effected by government departments for goods and services are thus subjected to VAT.¹³

Upon investigations, it was revealed that the Ministry and the Bulk Purchase Scheme (BPS) have the same tax identification number (tin) but BPS lodges its own vat returns. Our audit of the Bulk Purchase Scheme (BPS) expenditure records revealed the following discrepancies:

- No VAT returns were lodged for the financial period ending 31/12/09 to the Fiji Inland Revenue and Customs Authority (FIRCA). Instead, a payment of \$53,535.18 was made to FIRCA via cheque number 1216 on 24/03/10.
- BPS had understated the sales figure they used to compute VAT paid to FIRCA. The sales figure used for VAT computation differed to the sales figure generated by the Epicor System used by BPS.

TABLE 19.16: VARIANCE NOTED IN VAT PAYMENTS TO FIRCA

Actual Sales figure (\$)	VAT to be paid @ 12.5%	Sales figure used by BPS	Vat Paid	Variance in VAT Paid
\$793,974	\$88,219	\$428,270	\$53,535	\$34,684

- We noted that deviating rates were used to compute VAT on items sold. VAT rates used ranged from 0.17% to 3.84%. Refer to the table below for examples:

TABLE 19.17: INCONSISTENT USAGE OF VAT RATES

Item Description	Total Sale Value (\$)	VAT rate as per Ministry (%)	VAT Amount as per Ministry (\$)	Correct Vat Amount (\$)	Variance (\$)
Ampicillin injection 500mg	29,516.62	0.55	163.52	3,279.62	(3,116.10)
Chloramphenicol Capsules 250mg	3,313.88	5.80	192.23	368.21	(175.98)
Chloramphenicol Injection 1g	1,111.41	5.12	56.94	123.49	(66.55)
Chloramphenicol eye drops 0.5%	1,667.61	10.75	179.24	185.29	(6.05)
Cotrimoxazole Suspension 240mg/5ml	1,255.32	7.70	96.67	139.48	(42.81)
Cloxacillin Injection 500mg	4,571.19	0.21	9.53	507.91	(498.38)
Codeine Phosphate tablets 30mg	114.79	6.12	7.03	12.75	(5.72)
Dexamethasone Injection 4mg/ml	836.85	30.84	258.11	92.98	165.13
Diazepam Injection 10mg/2ml	1,654.80	13.45	222.63	183.87	38.76
Econazole cream 1%	2,087.39	22.04	460.02	231.93	228.09
Econazole Pessary 150mg packet of 3	4,453.05	15.58	693.72	494.78	198.94

¹² Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

¹³ Finance Circular No 9/95

Item Description	Total Sale Value (\$)	VAT rate as per Ministry (%)	VAT Amount as per Ministry (\$)	Correct Vat Amount (\$)	Variance (\$)
Erythromycin tablets 250mg	5,076.32	4.94	250.83	564.04	(313.21)
Flucloxacillin suspension 125mg/5ml	28,401.88	0.17	48.21	3,155.76	(3,107.55)
Flucloxacillin Capsules 250mg	8,418.15	5.80	488.08	935.35	(447.27)

In the absence of VAT returns, audit could not substantiate the computation of the taxable supplies figure on which VAT was paid. This under payment of VAT could also result in penalties being imposed by FIRCA if they perform a VAT audit on the Ministry.

Recommendations

- The Ministry should ensure that VAT returns are lodged to FIRCA on a monthly basis.
- The Ministry should ensure that accurate rates are used to compute VAT to avoid misstatement in its financial statement.

Ministry's Comments

The use of the EPICOR generated worksheet detailing the VAT amount payable to FIRCA which is used by BPS to process this payment has been in place since EPICOR was established to be used by the Ministry of Health.

The vat component of 12.5% is inbuilt into the system and it is levied on all invoices generated by BPS except for sales to the small island states where VAT is not charged.

The system is not perfect and BPS has encountered system errors which along the way we have had to rectify and improve.

A VAT workshop conducted at FPBS by FIRCA officers this year was aimed at Improving our awareness, understanding and skill in the preparation of VAT Returns.

The issues raised here are noted and have been taken onboard.

AUDIT FINDINGS – MINISTRY OF HEALTH

HEADQUARTERS

19.16 Wages Reconciliation

The Accounting Head must ensure that payroll reconciliations are carried out fortnightly for salaries and weekly for wages and copies sent to the Ministry of Finance.¹⁴ Salaries and wages reconciliation should be prepared on a regular basis in order to detect and take appropriate actions on fraud/error immediately otherwise the recovery may not be possible if the officers resign or retire from the service.

Contrary to the above provision, the Ministry's Headquarters failed to prepare and submit their wages reconciliation since 2005. This issue had also been highlighted in the previous audit reports and reminders were sent from Ministry of Finance but no action had been taken by the Ministry.

¹⁴ Section 26 (7) – Finance Instructions 2005

Furthermore, as at 31/03/10 the following stations have failed to submit their respective wages reconciliations for 2009 to Health Headquarters:

TABLE 19.18: STATIONS NOT SUBMITTING WAGES RECONCILIATIONS

Station	Comments
CWM Hospital	Reconciliation for pays 23 – 52 not submitted
Tamavua Hospital	Reconciliation for pays 29 – 52 not submitted
OPH Samabula	Reconciliation for pays 17 – 52 not submitted
St Giles Hospital	No submissions in 2009
Vunidawa Hospital	Reconciliation for pays 14 – 26 not submitted.
Korovou Hospital	Reconciliation for pays 16 – 52 not submitted
Navua Hospital	Reconciliation for pays 50 – 52 not submitted
Suva Subdivision	Reconciliation for pays 30 – 52 not submitted
Rotuma Hospital	No submissions in 2009
Lakeba Hospital	No submissions in 2009
Lomaloma Hospital	Reconciliation for pays 29 – 52 not submitted
Headquarters	No submissions in 2009
FSN	Reconciliation for pays 50 – 52 not submitted
Virus Lab	No submissions in 2009
Lautoka Hospital	No submissions in 2009
Labasa Hospital	No submissions in 2009
Taveuni Hospital	No submissions in 2009

The above indicates that the Accounting Head failed to carry out her duties diligently. The failure of large stations like Headquarters, Labasa and Lautoka Hospitals to prepare and submit their reconciliation on time would set up a wrong precedent for other stations to pursue.

The absence of regular wages reconciliations may result in undetected errors, fraud and salary overpayments etc.

Recommendations

- **The Ministry should carry out all wages reconciliations in accordance with Finance Instruction 26 (7).**
- **Appropriate actions should be taken against the Officer(s) responsible for the delay in preparation of the wages reconciliations.**

Ministry's Comments

Wages is decentralized to the Divisions from 2006 and have their controlling officer which is their Manager Finance.

Staff Turnover has affected the wages reconciliations which were delayed from 2006. Numerous reminders was given to the Divisions and it was also highlighted in Accounts meeting chaired by late Senior Manager Finance for them to update their reconciliations.

The only possible way to update these reconciliations is for Manager Finance from each Division is for them to give explanations why reconciliations are not updated.

For HQ reconciliations 2009 have completed and for 2010 we are on the current pay. To discipline the present officer would be unfair as the previous officer, permanent staff was transfer to another unit of stations who was involve in wages reconciliations and it took awhile for a replacement hence this delay. The TRCO are given the task which requires time for them to understand the process.

19.17 Salary Overpayment

An officer, who has resigned, deemed to have resigned or terminated shall forfeit all the rights and privileges of his office from the date decided by the Commission.¹⁵ An officer who resigns without giving 30 consecutive days notice may be required to pay 30 days salary in lieu of notice.¹⁶

As at 31/12/09 a total of \$151,210 was recorded as salary overpayment by the Ministry of which \$92,506 (62%) related to overpayment upon resignation. This is a result of Divisional officers failing to advise the Salaries Section at Headquarters on time. Refer to the table 19.19 for an analysis:

TABLE 19.19: SUMMARY OF SALARY OVERPAYMENT

Overpayment On	Amount Overpaid \$
Retirement	3,834.62
Resigned	92,505.94
Deemed to resigned	23,449.70
Passed away	996.02
Suspension from Duties	702.93
Leave without pay	9,961.22
Did not resume duty	7,799.42
Missing from work	8,931.13
Study leave without pay	122.71
Secondment/Overseas Tour	2,906.61
Total	151,210.30

Refer to *Appendix 19.2* for a more detailed analysis of the above.

Similar concerns were raised in the previous years audit report, however no corrective action was taken by the Ministry to rectify this issue.

Audit follow up on the previous year's overpayment noted that in numerous cases, the recovery process is yet to be initiated. Refer to *Appendix 19.3 and 19.4* for examples:

Laxity by the station officials has resulted in the above overpayments being made.

Recommendations

- **Appropriate actions should be taken against officers responsible for the overpayment.**
- **The Ministry should implement an effective and efficient communication process between the various hospitals, stations and centers with Headquarters so that all correspondences relating to retirements, resignations, terminations, etc. are processed, on a timely manner to avoid overpayments.**
- **Concerted effort should be made to recover the overpayments.**

Ministry's Comments

This issue continues to occur due to the laxity in communicating appropriate information /correspondence to this office on time of cessations of salary payment. In most cases it is delayed from various stations in the Divisions.

¹⁵ General Orders Section 222(d)

¹⁶ General Orders Section 222(a)

A joint meeting with our staff in April this year and channel of communications were observed in relying of information to effect immediate actions in case of cessations of salary payment due to retirement , resignations, deemed resigned , LWOP etc.

Disciplinary actions will be instituted against the officer responsible for Overpayment.

We were given an OPR clerk to update and monitor overpayment and also the progress of recovery and mid last year decisions by personal to post the clerk to CWMH since the no vacant Post in salaries.

The overpayment rate for Health increase since there is no proper recovery method in places to recover the money from those who retired, resigned etc.

19.18 Failure to Initiate Disciplinary Actions

An employee must use Government resources and assets in a proper way.¹⁷ An employee must not make improper use of official information or of the employee's duties, status, power or authority in order to gain or seek to gain, a benefit or advantage for the employee or for anyone else.¹⁸ An employee must behave honestly and with integrity in the course of employment in the public services.¹⁹

A number of staffs were implicated in various disciplinary cases however; some staffs have yet to be disciplined by the Ministry, whilst others have been disciplined leniently.

Furthermore, some staffs implicated were either terminated or have left the Ministry without the misappropriated sum being recovered from them. Some of these cases were not reported to police whilst those reported are yet to be resolved.

Refer to *Appendix 19.5* for details.

Failure to take timely and appropriate action would allow others to follow the bad precedence already set. Also, prolong delay allows the offenders to escape without being disciplined.

Recommendations

- **The Ministry should investigate the cases highlighted by audit and take appropriate actions where necessary.**
- **The senior officers who failed to instigate disciplinary actions should be made to explain themselves and appropriately disciplined if necessary.**
- **The Ministry should make a concerted effort to recover the amounts misappropriated despite the employee being terminated or have resigned from service.**

Ministry's Comments

Alipate Drulidruli, Jitendra Lal & Misaele Tuinaqaidamu have been terminated by PSC on 29/7/08; however OAG comments on recovery of funds are noted for future misappropriation cases where effort must be made to recover government funds other than terminating officers.

Amelia Turagabeci – officer's request dated 27/7/10 that her overpayment of salary for 5-years study leave without pay to be waived and she serve the no. of years of study as Bond at FSM (FNU) as a lecturer since FNU is subsidiary to Ministry of Education. However PSH has approved that the case on Mrs Turagabeci's request be referred to PSC for a decision.

¹⁷ Public Services act – 1999, Section 8

¹⁸ Public Services Act – 1999, Section 10

¹⁹ Public Services Act – 1999, Part 2, Section 1

Naushad Buksh – officer has been suspended and case is now before the disciplinary tribunal which will set a hearing date.

Matai Matakitoga – officer was suspended, charged and reinstated by PSC. He is now with the Ministry of Agriculture.

Gyan Prakash – officer has retired, however we had written to him for an explanation.

Penina Cirikiyasawa – officer has been surcharged and Ministry have been advised by SG's office not to penalize her again because that will be double jeopardy.

Eneriko Tupou – Loss report and other documents forwarded to A/PAO for submission to MoF recommending surcharge for the officer.

Josaia Wadali – the officer has resigned from the service.

19.19 Non-Submission of Training Reports

An officer who undertakes a course of instruction, attachment or visit shall submit a report in duplicate to the Secretary for the Public Service Commission through his Head of Department. The Head of Department should examine the recommendations in the report and wherever possible, take appropriate action and advise the Secretary of the Public Service accordingly.²⁰

A number of officers failed to submit reports after attending workshops and conferences overseas within the required two weeks limit. Refer to **Appendix 19.6** for details.

The benefits to the Ministry for sending officers on overseas training will not be realised and effectively measured if training reports are not submitted and assessed.

Recommendation

The Ministry should ensure that officers prepare and submit their training reports within two weeks of their return to work.

Ministry's Comments

This is to inform that most of the reports mentioned in the Appendix 5 have been submitted to the Ministry of Health. However as for those reports that were not being able to be located, the Training Unit is now following up with officers that were supposed to be reporting.

Just wanted to highlight that all the said officers were given PSC approval before attending workshops, meeting, short attachments and etc abroad and locally. In every approval letters officers were reminded of the requirements in submitting their reports after 2 weeks of their returning.

As it is now an audit queries the Training Unit would like to assure all parties that submission of reports after returning will be strengthened and follow up will now a tool we will use to collect and collate Reports from officers involved. We have also produced data to help us in locating and identifying officers that have not been submitting reports.

²⁰ General Order Section 902

19.20 FNPF Contribution

The current rate of contribution (effective 1st July, 1999) is 16 cents on each dollar earned, with the employer and employee each contributing 8cents each. Contributions that are paid after the due date carry a surcharge at a rate of 2%. Failure to pay contributions on the due date is a serious and is a punishable offence.²¹

Our review of the Operating Trust Fund account (12210122999861920) revealed that superannuation contribution (FNPF) amounting to (\$8,474,720) has been carried forward for over five (5) years without being properly reconciled and cleared. Refer to the table below:

TABLE 19.24: SIGNIFICANT BALANCE HELD IN TRUST FUND ACCOUNT

Year	Balance \$
2009	8,474,720.01
2008	7,495,120.72
2007	6,828,218.40
2006	5,793,890.66
2005	2,044,548.73
2004	485,740.06

In addition, the Ministry has failed to maintain a detailed analysis of the amount owing and hence is facing difficulties in identifying the rightful recipients.

Further, audit verification with the Fiji National Provident Fund (FNPF) revealed that the Ministry's superannuation contributions amounting to \$83,180 which has been accumulating since 1999 is held in the unidentified suspense account with FNPF. The details are as follows:

TABLE 19.25: UNIDENTIFIED BALANCE HELD IN SUSPENSE ACCOUNT AT FNPF

Year	Amount (\$)
1999	4,557.54
2000	1,698.40
2001	5,312.16
2002	6,019.04
2003	5,285.64
2004	7,980.36
2005	9,437.46
2006	7,481.60
2007	4,060.08
2008	2,339.52
2009	11,204.96
2010	17,803.48
Total	83,180.24

The substantial unposted FNPF contributions tabulated above indicates lack of regular reconciliation by the Ministry with the Fiji National Provident Fund.

²¹ www.fnpf.com.fj –official web site address Fiji National Provident Fund

Failure to maintain proper records and make prompt superannuation contribution could result in FNPF imposing fines and penalties. It also restricts full benefits being passed down to the Ministry's employees.

Recommendations

- **The Ministry should ensure that FNPF reconciliation are carried out on a monthly basis.**
- **Prompt payment of contributions should be made to avoid unwarranted fines and penalties being imposed by FNPF.**
- **The Ministry should liaise with FNPF and provide necessary assistance in clearing the unidentified funds of \$83,180.24 held in its suspense account.**

Ministry's Comments

FNPF Trust Account

There had been some huge figures still lying unaccounted for in our MOH GL FNPF Trust Fund Accounts as at 31/12/09 and below is the GL FNPF Trust Account that we had checked and verified and found some irregularities in the ledger records that had been captured between our MOH Epicor System and the MOF FMIS GL.

<u>Years</u>	<u>MOF GL Trust Accounts</u>	<u>Descriptions</u>	<u>Amount Still Pending</u>
2003 – 2009	1-22101-22999-861920	FNPF	\$8,474,720.01 CR

Below were some of the reasons why these figures had not been accounted for in the MOF General Ledger Account.

- a) *Verification had been carried out on the two, the MOH Epicor System and the MOF GL System and found that they showed totally different balances which showed that some figures had not been matched and accounted for.*
- b) *It was also found that members' FNPF contributions had been credited in to the FNPF Trust Account and the Payments had been made to the Fund monthly.*
- c) *While processing some of these payments had been incorrectly posted elsewhere that had resulted in more credits still lying unaccounted for in the FNPF trust fund account.*
- d) *There was no regular monitoring and checking being carried out between the MOF General Ledger Reports with our MOH Epicor Ledger Reports by our ledger keeper so that any irregularities found had to be adjusted accordingly.*

These unaccounted figures had been accumulated from the previous years, 2003 to 2009, and necessary adjustments had to be made to other GL accounts but these could not be done because these GL accounts had been closed for these previous years.

We requested to Ministry of Finance that the total credit figures of \$8,474,720.01 still lying un-accounted for in the General Ledger Trust Accounts to be cleared and somehow be written off.

FNPF Suspense Account

The huge figure lying in the MOH FNPF Suspense Account is the result of engaging new employees without making it compulsory, as a very strict policy, for the new employees to provide their FNPF Number (FNPF Card) similar for them in providing their Birth Certificate and other necessary requirements on the first day of recruitment.

Our FNPF clerks have been receiving the FNPF Suspense Account listing from the Fund regularly and they have been correcting and updating those records that they can then forward it back to the Fund for Adjustments to their database records.

There were some long outstanding suspense figures that we could not locate the source references and these figures had been published in the media informing the public at large to come forward and put their claim with fund if it can be proven.

19.21 Negligence by Medical Staffs

The Office of the Solicitor General was responsible of meeting all payments arising out of claims against the state for negligent practices by civil servants until the end of 1997. From 1998, the Ministry started paying litigation cost due to medical negligence caused by medical officers.

Public funds totalling \$2,789,780 had been paid between 2002 and 2009 as negligence payments.

These funds could have been better utilised in other areas had the Ministry's Officers been more prudent in their work. Refer to the table below for details.

TABLE 19.22: MEDICAL NEGLIGENT PAYMENT OVER THE LAST 8 YEARS

Year	Amount Paid \$
2002	20,000
2003	305,226
2004	100,928
2005	146,670
2006	407,834
2007	642,999
2008	1,021,123
2009	145,000
Total	2,789,780

In 2009, the following medical negligence payments were made.

TABLE 19.23: DEATAILS OF NEGLIGENT PAYMENT IN 2009

Parties Involved	Particulars of Case	Amount \$
Suruj Narayan Vs Attorney General of Fiji & Ministry of Health	Medical negligence – the plaintiff injured his foot and was taken to Labasa Hospital for treatment. His foot was plastered without space for swelling. The bones in that area of the foot got damaged (necrotic death). The sum of \$25,000 is just an interim payment. The amount was paid by Departmental Warrant number MD 46/2009 dated 02/09/09	25,000
Sereana Vudi Vs Attorney General of Fiji, Medical Superintendent of CWM Hospital & Ministry of Health	Medical negligence – failing to clean the uterus tube of Liasiana Vucago, when she gave birth at CWM Hospital. As a result she lost her life. The case was brought up by her mother Sereana Vudi. The amount was paid by Departmental Warrant number MD 06/2009 dated 17/02/09	20,000
Peter Brian Howard Amey Vs Attorney General of Fiji, Dr Jitoko Cama & Ministry of Health	Medical Negligence – resulting in medical complication to the plaintiff. The amount was paid by Departmental Warrant number MD 17/2009 dated 20/04/09	45,000

Parties Involved	Particulars of Case	Amount \$
Mosese Biraki Vs Attorney General of Fiji & Permanent Secretary of Ministry of Health	Medical negligence which occurred at Lautoka Hospital. This amount was paid by Departmental Warrant number MD 09/2009 dated 25/02/09	55,000
Total		145,000

In 2010, a sum of \$175,000 was disbursed as 'out of court settlement' payment for a case brought up against the Ministry by Ram Chandra and Sarina Devi on 31/05/10

While there is a code of conduct for Medical Officers in the service, it is evident that this is not strictly followed. Innocent people become victims of negligence as evidenced in the above examples.

Extreme care and due diligence should be practised at all times by the Ministry, otherwise such incidences would continue to emerge affecting the patients health while at the same time government has to foot the extra bill as compensation payment.

Recommendations

- To safeguard public funds from waste and extravagance, the Ministry must urgently address the issue of unprofessional conduct of Medical Officers and other support staffs.
- Doctors implicated should be referred to the Fiji Medical Council or PSC for disciplinary actions.
- The Ministry should practice extreme care and due diligence in their service delivery to avoid and minimize such incidents.
- The Ministry should provide the necessary resources and equipments to assist them in making correct decisions while discharging their duties.

Ministry's Comments

Negligence issues are a fact of life in the medical world because of the imperfection of man. It is affected by a number of factors which include both internal and external factors.

New Fiji Medical and Dental Practitioners Decree requires continued professional development [CPD] as a requirement for a practicing license and is much tougher on professional misconduct.

Negotiations currently being done and is hoped to be completed in 2010 for all medical staff to pay indemnity insurance.

The MOH has increased its activities on quality improvement in the past 18 months and this includes: establishment of Risk Management Units in all division and main hospitals; establishment of Quality Improvement [QI] Committees in the divisions, main hospitals and a National QI Committee;

More training on Root Cause Analysis [RCA] awareness have been conducted.

The MOH has markedly increased its training of health staff both locally and overseas. The increase in support by PSC in terms of scholarships is acknowledged.

The MOH has also increased its disciplinary action against health staff including senior doctors [e.g. SDMO Taveuni, SDMO Nadi, Lautoka Hospital Orthopedic Surgeon and CWM locum O&G Specialist] to show its seriousness.

In 2009 and 2010 the Ministry has purchased a record amount of equipments to the tune of close to FJD\$11m.

19.22 Hyperbaric Treatment Revenue Not Claimed

On 27/03/01, the Ministry of Health entered into an agreement with Hyperbaric Health PTY Limited to jointly establish and operate the Hyperbaric Unit in Fiji. Upon installation and certification of the temporary Chamber, to be free from any defects or fault; the Ministry shall pay to Hyperbaric monthly, (Subject to tax deductions) a fee of AUD \$3,150 (three thousand one hundred and fifty dollars) paid in Fiji in the Fijian currency.²² Covered Patients shall be treated for a fee at a rate to be mutually determined from time to time by Hyperbaric and the Ministry. Subject to tax deductions, upon charging a Covered Patient the fee thereof shall be apportioned between Hyperbaric Health PTY Limited and the Ministry in the ratio 75:25.²³

The decompression hyperbaric chamber is a pressure vessel used to provide treatment for divers suffering from certain diving disorders such as decompression sickness. Some of these conditions also affect people who work in raised pressure environments out of water.

The following anomalies were noted from the audit:

- The Ministry had provided treatments to the following covered patients. However, they failed to deduct its 25 percent share of the fees collected. Refer to the table below for details:

TABLE 19.24: DETAILS OF FEES YET TO BE CLAIMED BY MINISTRY

Date	Patient	Amount USD \$	MoH –Share 25% USD \$
20/09/04	Catherine Dobie	6,250.00	1,562.50
07/03/05	Georgina Burtinshaw	7,250.00	1,812.50
18/03/05	Georgina Burtinshaw	4,000.00	1,000.00
22/03/05	Bakae Taumoe	4,000.00	1,000.00
29/09/07	Benedict Sakharani	17,000.00	4,250.00
29/04/08	Cyndi Anne Goeser	7,700.00	1,925.00
14/06/08	Manoe Silva	11,700.00	2,925.00
17/11/08	Carolyn Peterson	6,900.00	1,725.00
13/09/08	Anthony Quiroz	No fee collected	----
Total		64,800.00	16,200.00

- The Ministry failed to deduct the 15% withholding tax on the monthly fees of AUD \$3,150 paid to Hyperbaric Health PTY Limited and the fees derived from the covered patients. No satisfactory explanations or evidence of exemption from Fiji Inland Revenue and Custom Authority (FIRCA) was provided. Refer to the table below for details:

TABLE 19.25: WITHHOLDING TAX NOT DEDUCTED BY THE MINISTRY

Year	Amount AUD \$
2009	37,800
2008	37,800
2007	37,800
2006	37,800
2005	37,800
2004	37,800
2003	37,800

²² Agreement between the Ministry of Health and Hyperbaric Health PTY Limited Part 2 Section 5

²³ Agreement between the Ministry of Health and Hyperbaric Health PTY Limited Part 2 Section 7d

Year	Amount AUD \$
2002	37,800
Total	302,400

Laxity by the responsible officer(s) at the Ministry had resulted in loss of potential revenue to the Ministry and FIRCA. Additionally, the Ministry would be liable to a penalty under the Income Tax Act if they do not deduct the mandatory withholding tax from the amount paid to Hyperbaric Health PTY Limited.

Recommendations

- The Ministry should liaise with the Hyperbaric Health PTY Limited, regarding the reimbursement of the Ministry's portion of the fees.
- Henceforth, deductions of the Ministry's 25% share as well as the 15% withholding tax should be effected prior to disbursements being made.

Ministry's Comments

The Ministry had liaised with Mr Tim Snowden of Hyperbaric Health Australia and he had confirmed that the 25% of USD\$64,800 which belongs to MoH Fiji was USD \$16,200 (AUD \$19,950 at today's exchange rate – 21/7/09).

However, he further stated that:

Hyperbaric Health (HH) owes MoH Fiji AUD \$19,950

MoH owes HH AUD \$ 18,900 as monthly rental of the decompression chamber for the last 6 months of 2009 i.e. June – December 2009.

The balance available that HH owes MoH was AUD \$1,050 as at 31.12.09

It must be noted that payments for such services are done to Hyperbaric Health Australia for all tourist patients, as claims for treatment are made to their respective insurance companies and no fees/revenue is collected at CWM Hospital for treatment of overseas patients. Monthly rental payments for the chamber have been ceased last year.

19.23 Excessive Telecom Calls to Mobile Numbers

Each year, the Appropriation Act and Budget Estimates set out details of the appropriations that Parliament approves for spending by each agency. No officer may incur expenditure, which results in the agency's appropriation being exceeded without the authorisation of the Ministry of Finance, pending approval by Parliament.²⁴

A review of the telephone bills for September 2009 for the Fiji Pharmaceutical Services revealed that numerous unofficial calls were made to mobile phones from the landlines.

In September 2009, audit had analysed telephone calls which exceeded 30 minutes duration and these are tabulated below:

²⁴ Finance Manual 2005 Section 2.1.2

TABLE 19.26: DETAILS OF UNOFFICIAL CALLS MADE AFTER HOURS

Date	Start Time	Duration	Number Called	Call Charges \$
02/09/09	20:34:38	34:23	7341766	18.67
02/09/09	21:44:31	31:06	8470450	14.26
03/09/09	20:40:58	35:44	7238708	19.20
03/09/09	21:49:07	49:37	7211479	26.67
03/09/09	23:05:02	42:56	8645829	19.16
04/09/09	00:10:41	70:12	7211479	37.87
04/09/09	19:21:09	59:14	7211479	32.00
05/09/09	18:49:38	61:01	8420620	27.62
06/09/09	19:32:09	32:47	7238708	17.60
06/09/09	22:48:49	39:49	7113165	21.34
07/09/09	04:19:59	38:15	8722658	17.37
08/09/09	21:16:04	45:50	8722658	20.49
08/09/09	22:03:10	66:32	8722658	29.85
08/09/09	23:38:10	53:58	8726758	24.06
09/09/09	04:54:20	39:00	8722658	17.37
09/09/09	13:00:56	31:30	8696475	14.26
12/09/09	22:38:48	127:12	8722658	57.02
13/09/09	21:26:45	56:29	8722658	25.39
13/09/09	22:24:22	33:45	8722658	15.15
15/09/09	19:06:55	34:17	8477026	15.59
15/09/09	21:22:38	83:48	8722658	37.42
17/09/09	18:03:03	44:09	8722658	20.05
19/09/09	05:04:29	36:29	8722658	16.48
19/09/09	20:56:50	37:43	8722658	16.93
20/09/09	14:55:47	41:33	8420620	18.71
20/09/09	21:38:28	99:47	8722658	40.55
22/09/09	20:50:40	78:17	8645829	35.19
23/09/09	20:10:32	66:20	8678796	29.85
24/09/09	00:37:30	70:26	8678796	31.63
24/09/09	18:05:43	40:38	8678796	18.27
24/09/09	21:18:46	37:27	7403852	20.27

The following observations were made by audit based on the table above:

- Twenty two (22) calls lasted more than half an hour (30 minutes)
- Ten (10) calls lasted more than one hour
- Two calls made to mobile phone number 8722658 lasted more than two hours.
- In September 2009 alone, the total telephone cost incurred on calling this mobile number (8722658) was \$393.82. The total time spent on the phone was 14.74 hours which is almost equivalent to 2 whole working days engaged in a telephone conversation.

Audit has established that these calls were made after hours and during the weekends. Further details of such calls are shown as *Appendix 19.7 and 19.8*. However, audit could not identify who made the calls, as no such details were maintained in the telephone register.

Such abuse of resources if not controlled could lead to unnecessary increase in expenditure for the Ministry.

Recommendations

- **Management should bar mobile calls and only give access if they are for official purposes.**

- The above anomaly should be considered by management and appropriate actions should be taken to recoup the cost incurred.
- Staffs involved should be cautioned or warned not to abuse government resources for personal gain.

Ministry's Comments

The recommendation of the auditor's report is noted and shall be implemented while we shall try to identify the officer who has made the call and try to recover for the unofficial call charges.

19.24 Grant Agreement and Acquittals

For grants approved over \$5,000, a grant agreement must be prepared in accordance with Finance Instruction 25-(1) and signed by the CEO or Deputy CEO and an authorized representative of the recipient before payment is made.²⁵

The grant agreement shall outline terms and conditions under which the grant is given. The following minimum information must be provided in any agreement:²⁶

- purpose of the grant and performance to be achieved
- term of agreement
- responsibility of recipients in keeping proper records
- approved funding and payment conditions
- conditions for monitoring expenditure of the grant
- acquittal reporting requirements

All applications and grant agreements must be properly filed.²⁷ Where required under Finance Instruction 25-(8), the recipient shall prepare an acquittal report. The acquittal report shall provide the following information

- details of grant money expended and unexpended
- grant objectives and targets achieved
- financial statement (audited if practicable) for grants of \$20,000 or more.²⁸

The following anomalies in the disbursement of funds were noted:

TABLE 19.27: DETAILS OF GRANT ACQUITTAL REPORTS NOT RECEIVED

Date	Chq No.	Amount (\$)	Particulars	Audit Observations
01/09/09	198249	20,000	Paid to Mairie Stoppes International Pacific being project proposal for Sexual Reproductive Health Care Referral Centre.	<ul style="list-style-type: none"> • No agreement sighted. • As at 23/04/10, no acquittal or progress report had been received from Mairie Stoppes.
28/08/09	197982	140,000	Capital grant payment to Fiji School of Medicine to meet occupational health	<ul style="list-style-type: none"> • No agreement sighted. • As at 30/03/10, no acquittal or progress report had been received from FSM.

²⁵ Ministry of Health Finance Manual Section 3.1.5

²⁶ Ministry of Health Finance Manual Section 3.1.6

²⁷ Ministry of Health Finance Manual Section 3.1.7

²⁸ Ministry of Health Finance Manual Section 3.3.1

Date	Chq No.	Amount (\$)	Particulars	Audit Observations
			requirements.	

As at 31/12/09 a total grant of \$687,799 was received by the Ministry from the various donor agencies. However, no acquittal or progress reports were made available for audit by the respective programme coordinators. Refer to *Appendix 19.9* for details.

Furthermore, audit verification with the World Health Organisation (WHO) who is the major donor for the Ministry revealed that no acquittal or progress report was submitted by the Ministry of Health in 2009.

In the absence of acquittal and progress reports, audit verification process cannot be performed to determine whether funds were used for its intended purpose. Additionally, failure to scrutinise and promptly submit the acquittal reports to the donor agencies could affect the provision of future grants.

Recommendations

- The Ministry should ensure that all grant funds disbursed to NGO's are properly acquitted and acquittals reports are submitted on a timely basis.
- The Ministry should send reminders to the respective NGO's and recipients for the submission of acquittal reports.
- The Ministry should follow up with the responsible officers to explain the delay in submission of the acquittal reports
- Site visits should be made and any anomalies noted should be reported to the relevant authorities on time.

Ministry's Comments

Comments on Donor Agencies by SAO

The Ministry has adopted some procedures and processes (guidelines) for the obtaining release of donor funds from MoF wef January 2009. This was after MoF had a change in its policy that all donor funds are to be channelled to Consolidated Fund Account (CFA) and not held by recipient Ministries into Trust Accounts. However, the Ministry has implemented the guidelines. The submission of acquittals is a grey area which the Ministry is working with the line Directors and Program Managers and also the donor agencies to further streamline this process. The Ministry is hopeful to rationalize the delays and reorganize some process to make more efficient methods for submission of timely acquittals.

Project proposal for Sexual Reproductive Health Care

Comments not provided.

Capital grant payment to FSM to meet occupational health requirement

Comments not provided

19.25 Private Registration Number Plates

All vehicles under the control of Government Ministries are to have government number plates.

Some of the Ministry's vehicles do not carry official government number plates. Refer to the table below for details.

TABLE 19.28: DETAILS OF VEHICLES WITH PRIVATE REGISTRATION NUMBER PLATES

Vehicle Registration Number	Age of Vehicle	Location
DF 253	13	Unknown
DK 626	11	SDMO Taveuni
EH 451	6	OPH - Samabula
EM 866	5	CWM
FK 656	2	Northern Health

Upon further investigations, it was revealed that the Ministry had made no efforts to change the private number plates to government number plates.

Failure to register the above vehicle with official government number plates could be a catalyst to misuse and unofficial runs could be made without being detected.

Recommendations

- The Ministry should ensure that all vehicles in their fleet have official government number plates.
- The Ministry should liaise with the Ministry of Finance –Vehicle Monitoring Unit for assistance and advice on vehicle management issues.

Ministry's Comments

The transport officer is now currently working with the Ministry of Finance for the registration of remaining five vehicles.

19.26 Vehicles Accidents

In the event of an accident involving a government vehicle, the driver must immediately report the accident to the Police and inform the Supervisor of the Transport.²⁹ A driver involved in an accident may be surcharged if the surcharging authority believes the driver was at fault.³⁰ If a surcharge is imposed, the driver shall be informed in writing. The Solicitor General shall also be notified of the surcharge action.³¹

A number of the Ministry's vehicles were involved in accidents from 2008 to early 2010. The accidents were mostly caused by the carelessness and negligence of the drivers. As at 30/06/10, audit noted that no actions have been taken against these drivers and their cases are pending with the Ministry. Refer to the *Appendix 19.10* for details.

²⁹ MOH Finance Manual Section 12.1.6

³⁰ MOH – Finance Manual Section 12.6.6

³¹ MOH Finance Manual Section 12.6.8

The unwarranted accidents had resulted in substantial repair cost and the failure to take timely and appropriate recoveries from concerned drivers could result in the costs not being recovered on time.

Recommendations

- **Defensive driving courses should be regularly undertaken by drivers to prevent such accidents from occurring.**
- **Drivers who are found to be negligent should be appropriately disciplined after investigations are completed.**
- **Efforts should be taken to recover cost of damages to government vehicles from the responsible drivers.**
- **Rules and regulations governing the use of government vehicles should be promptly complied to at all times.**

Ministry's Comments

Arrangements had been made with LTA to train the drivers on defensive driving.

Tribunals had been set up in the Divisions to conduct investigation when there is an accident.

If the driver is found guilty, he will be charged as per Transport Rules and Regulations.

A meeting had been held with the drivers by reminding them on the Rules and regulation governing the use of government vehicle which should be complied at all times.

19.27 Excessive Vehicle Maintenance Cost

The proper management of expenditure is fundamental to ensure value for money in delivering services to the community. As well, cost effective internal controls within the purchasing and payments system plays an important part in ensuring that waste of funds, over expenditure and corruption do not occur.³²

Review of the motor vehicle records revealed that the Ministry had incurred excessive maintenance cost for the following vehicles in 2009:

TABLE 19.29: DETAILS OF EXCESSIVE VEHICLE MAINTENANCE COST

Vehicle No.	Age (Years old)	2009 (\$)
GN 068	4	16,517.98
GM 824	9	7,918.15
GM 519	9	4,439.04
GM 518	9	10,340.72
GN 332	2	5,502.59
GN 458	5	7,878.75
GN 074	7	5,746.10
EM 866	7	7,488.00
GM 297	13	15,207.95
GN 266	5	4,750.00
GM 494	13	3,166.91
GM 382	13	4,845.00

³² Finance Manual Part 2 Expenditure

Vehicle No.	Age (Years old)	2009 (\$)
GN 510	3	5,450.00
GN 172	6	5,601.40
Total		104,852.59

Upon investigations, no satisfactory explanation was provided by the Transport Officer (Tevita Qata) on possible reasons for incurring high maintenance cost.

The above extravagant maintenance cost indicates poor vehicle supervision by the responsible officers.

Recommendations

- **The Ministry should conduct its own investigation in the above matter and necessary action should be taken.**
- **It should also introduce strict vehicle policy to restrict unofficial usage/abuse.**
- **All accidents should be reported to Headquarters promptly.**

Ministry's Comments

The Ministry had taken note and had restricted on any unofficial usage/ abuse of the vehicles.

The Heads of the Divisions had been advised to inform Headquarters on any accidents and see that the report from the Tribunal is submitted to HQ within 3 weeks of the accident.

Surcharge had been recommended to Ministry of Finance as advised by Solicitor General's office.

19.28 Recruitment of Project Workers

Vacant posts will normally be advertised in the Fiji Public Service Official and the press if considered appropriate. When an officer applies for any vacancy, whether advertised or not, he should send his application through his Permanent Secretary or Head of Department. The project worker shall be required to sign the duplicate copy of the letter of his/her engagement³³.

Agencies must keep accurate and up-to-date records of all and other employees entitlement.³⁴ This appointment is governed by the provision of *Joint Industrial Council Agreement* (JICA) in as far as it affects you and amended from time to time. You may seek advice from this office on any matter regarding your employment.³⁵ 10 working days (Annual Leave) for employees up to ten years of service.³⁶

As at September 2009 the Ministry of Health employed 104 project workers as part of their maintenance team based at Headquarters.

The review of the personal files revealed the following anomalies:

- Ninety five (95) files were not provided for audit verifications.
- Jasvir Singh, the Clerical Officer at the Personnel Section advised that these 95 files could not be located.

³³ Conditions and Rules of Employment for Government Unestablished Employees 5 (a)

³⁴ Financial Instructions 2005 Section 62.

³⁵ Letter of Appointment Clause 3

³⁶ Leave Schedule –JICA

- These project posts were not advertised and the appointments were made on an ad-hoc basis. The officers involved in the recruiting process were Timoci Namotu and Isireli Mainavulea both Principal Administrative Officers and Filipe Ligamiri, Project Officer Planning Unit.
- This practice is not in accordance with standard recruitment procedures and it indicates blatant disregard by the staffs involved over the recruitment process.
- Leave schedules are not maintained for all the project workers.

In the absence of adequate records it is difficult to authenticate the skills and experience level of the maintenance workers who have been hired. Failure to advertise the vacant post could result in recruitment made on the basis of favouritism and nepotism. Non maintenance of adequate leave records may lead to workers taking leave in excess of their entitlement without being tracked.

Recommendations

- **The Ministry should ensure standard recruitment procedures are followed, while recruiting project workers.**
- **The Personnel Section should ensure that personal files are maintained for all Ministry employees including project officers; and ensure that leave schedules are maintained and regularly updated for each officer.**

Ministry's Comments

The project workers were the Ministry's maintenance team and appointment based on approval by the Permanent Secretary for Health under delegated powers. It appears there were some misunderstanding on the implementation of these delegated powers in 2006-2007 hence the appointment of the workers were done on ad hoc basis without any advertisements. The employees were paid from sub divisional allocation (maintenance of sub divisional quarters and clinic).

The Ministry is ensuring that the normal standard recruitment procedures are followed on future appointments and leave schedules are maintained for all employees appointed.

19.29 Stock Variances

Every Officer shall be personally responsible for public stores under his control and may be surcharged in respect of any loss of public stores resulting from his negligence.³⁷

Our review of stock cards maintained by the Maintenance Store Room at Headquarters revealed that the closing stock balance of 2008 for some items were not carried forward as the opening stock balance in 2009. Refer to the table below for details:

TABLE 19.30: DETAILS OF UNACCOUNTED STOCKS

Item	Closing Balance for 2008	Opening Balance for 2009 / Physical Count	Variance	Unit Cost (\$)	Total Cost (\$)
Black acrylic 4 Liters	15	0	15	61.50	922.50
Roof Enamel 4 Liters	18	0	18	41.00	738.00
Acrylic undercoat 10 Liters	6	0	6	40.50	243.00
Bus Green 4 Liters	9	0	9	51.00	459.00

³⁷ Supplies and Services Instructions 110.

Item	Closing Balance for 2008	Opening Balance for 2009 / Physical Count	Variance	Unit Cost (\$)	Total Cost (\$)
Alkyd undercoat 10 Liters	23	0	23	43.50	1,000.50
Semi Gloss 10 Liters	7	0	7	85.00	595.00
Total Cost					3,958.00

Upon further enquiries, no satisfactory explanation was provided by the Store man (Meli Talia).

The above finding implies that there is inadequate control, monitoring and custody over the Maintenance Unit's stocks and this could lead to theft and misappropriations occurring without being detected.

Recommendations

- Management should ensure that proper stock records are maintained and necessary remedial action should be taken to ensure compliance with the provisions of the Supplies and Service Instructions.
- The Ministry should instruct the responsible officers to explain why there is a difference in the stock records and appropriate action(s) taken if warranted.

Ministry's Comments

The Ministry has entered the stock records in a new inventory book and which will record all future stock received and dispatched in line with provisions of Supplies and Service Instructions.

The officer concerned for the variances is being instructed to provide an explanation and further actions taken against him if warranted.

CENTRAL EASTERN HEALTH SERVICES

19.30 Payments to University of the South Pacific

The proper management of expenditure is fundamental to ensuring value for money in delivering services to the community. As well, having cost effective internal controls within the purchasing and payments system plays an important part in ensuring that waste of funds, over-expenditures and corruption do not occur.³⁸

Audit noted that the Ministry paid \$99,201 to the University of the South Pacific (USP) in 2009 for laboratory testing of food and water samples and testing of the quality of fish prior to export.

Audit is of the view that with the establishment of the Food Health Unit, it has become necessary for the Ministry to set up its own laboratory to perform the necessary tests currently being contracted out to USP. A feasibility study should be carried out in this regard to see whether this option is viable.

Recommendation

The Ministry should carry out a feasibility study and determine whether it is financially viable to set up of its own food testing laboratory rather than contracting this task out to USP.

³⁸ Health Finance Manual 2005, Part 2 Introduction.

Ministry's Comments

The food unit as an authority for fish and fishery products is required to carry out monitoring and verification on all Fish processing establishments. Part of this responsibility is to collect sample and have it analysed by an accredited laboratory. The unit would be advised to get quotes or look for suppliers of the service.

19.31 Outdated Quarantine Fees

The schedule of charges for quarantine and port health services was amended by legal notice 192 of 1985³⁹.

The fees collected under the Quarantine Act Cap 112 were last amended in 1985. We are of the view that the fees charged are substantially low and there is an urgent need for the review of the fees structure as stipulated in the Act.

Prolong delay in the review of the fees structure would deprive the government of potential revenue.

Recommendation

The Ministry should consider reviewing the quarantine fees charged in line with the current market rates.

Ministry's Comments

The quarantine fees is revised and it actually approved by the cabinet. The revised fees are yet to be gazetted and once it gazetted it could be in force.

19.32 Quarantine charges not levied

The Authority shall have power, by rules, to fix charges for quarantine and port health services performed under the provisions of the Act or of regulations or rules made there under⁴⁰

The Health Inspectors are responsible for fumigating the aeroplanes upon arrival from overseas as well as during virus outbreaks. Conservatism therefore requires that any services performed by the Ministry should be charged accordingly so that cost incurred by the Ministry can be recovered from aircraft agents.

However, the Ministry has not been charging the aircraft agents for the quarantine services rendered in the fumigation of the aircrafts. Refer to the **Appendix 19.11**⁴¹ for details of estimated cost incurred by the Ministry in performing these tasks. We noted that no such provisions were made in the Quarantine Act 1985 and no action was taken by the Ministry facilitate charging of relevant fees.

On the other hand, the Ministry had been charging the shipping agents for similar quarantine services provided by them on visiting ships.

Failure to charge the relevant fees has resulted in the Ministry incurring additional costs and losing potential revenue since they could not recoup the cost from the aircraft companies.

39 Quarantine Act

40 Cap 112 Quarantine Act-Section 52.

41 Provided by Ministry of Health Quarantine unit

Recommendation

Submission should be made to Cabinet seeking their approval to charge the aircraft agents for the quarantine services provided by Health Inspectors at the airport.

Ministry's Comments

The air craft quarantine was currently not charged. Under the current review air craft will also be charged and it come in effect when the new quarantine fees is implemented

19.33 Unauthorised Sale of Corrugated Roofing Irons

An employee must use Government resources and assets in a proper way⁴².

Maintenance work amounting to \$77,000.00 was carried out by the Ministry's Planning Unit at the Nausori Health Centre from January to March 2010. Part of this maintenance work included changing of corrugated roofing irons. The following anomalies were noted:

- The replaced/used roofing irons which numbered 87 were sold to the hospital employees at \$1.00 each by Losalini Matatolu (Revenue Clerk). Audit raised issues about the same clerk in its 2008 audit report.
- No prior approval was sought from Headquarters or the Permanent Secretary to dispose off the items.
- Discussion with the Planning Team revealed that the used corrugated irons were supposed to be used to build sheds for the Ministry's maintenance workers. Additionally, they were not aware of how and why the roofing irons were disposed off.

The above indicates blatant disregards of the Ministry's rules and procedures. Failure to take necessary disciplinary action would set negative precedence for others to pursue.

Recommendations

- **The Ministry should verify how the items were sold and appropriate action should be taken against those responsible.**
- **The Planning Unit should ensure that proper records are maintained for all items under its care.**

Ministry's Comments

The Clerk at the Sub-divisional Medical Officer Rewa has to provide explanations for her actions. Failure to convince the auditors should be treated as a disciplinary issue.

19.34 Unaccounted Patient Beds

An employee must use Government resources and assets in a proper way⁴³.

A total of twenty (20) electronic patient beds were donated to the Wainibokasi Hospital in 2009 by a charity organisation based in Australia. Audit site visit revealed the following anomalies:

⁴² Public service code of conduct (8)

⁴³ PSC code of conduct (8)

- No documentary evidence was produced to verify the actual number of hospital beds donated to the hospital.
- Upon further investigations, the Sister in Charge at the Wainibokasi Hospital informed audit that the patient beds were taken to Nausori Health Centre.
- The Sister in Charge at the Nausori Health Centre confirmed that the beds were brought to Nausori Health Centre but she could not ascertain their exact location.

The lack of proper recording and control by management had resulted in the non accountability of the beds. The beds could have been better utilised or allocated to other hospitals and centers that had higher demands.

Recommendation

The Ministry should conduct an investigation on the above matter to ascertain the whereabouts of the electronic beds.

Ministry's Comments

The general service department of the Central eastern Health services is currently conducting the board of survey of all equipments and items in the division after a lapse of two years. The patient beds were transferred from Wainibokasi to Nausori trying to meet the demands in Nausori as there were some not working well for Nausori. Further documentations should have been in place to accept and receive the transfers. The beds received should be accounted and taken on charge as part of the board of survey. All damaged beds from Nausori have to replace after the approved board of survey.

19.35 Collection of Smoking Fines

A person must not smoke in any-

- amusement centre, theatre or sports stand at any time when such place is open to the public;
- hospital or clinic;
- lift;
- public transportation at any time when it is carrying fare-paying passengers, except in designated smoking sections on an aircraft during an international flight or on a ship;
- airport terminal building;
- prescribed smoke-free building or prescribed smoke-free area; or
- smoke-free zone in an eating-house.

A person who contravenes subsection (1) is liable upon conviction to a fine of \$500.

The parties recognize that price and tax measures are an effective and important means of reducing tobacco consumption by various segments of the population, in particular young persons.⁴⁴

The Tobacco Control Unit (TCU) which currently has a staff establishment of thirteen (13) was established in mid 2007 with the main objective of educating and enforcing the Tobacco Control Act. In order to attain its objectives, the unit imposed a fine of \$50 to the members of public for the following offences:

- Person caught smoking on non smoking zones.
- Person found smoking on public service vehicles.

- Vendors found guilty of selling cigarettes to minors.

The audit of the tobacco fine records revealed that a total of 393 individuals were fined during the period 2008-2009. Refer to the following table for details:

TABLE 19.31: DETAILS OF NUMBER OF OFFENDERS FINED IN 2008 AND 2009

Year	Northern	Western	Central	Total bookings	Expected Total revenue \$
2008	57	0	131	188	9,400
2009	41	46	118	205	10,250
Total	98	46	249	393	19,650

Audit was advised that the Ministry had an arrangement with the Land Transport Authority (LTA) to collect the fines on behalf of the Unit. However, the following anomalies were noted:

- Copy of the Memorandum of Understanding between the Ministry and LTA was not produced for audit verification.
- The Unit was unaware of the status and progress of the collections made by LTA.
- There was no evidence produced to authenticate that the revenue collected on behalf of the Unit was being remitted by LTA to the Ministry.

Furthermore, we noted that Fiji ratified the WHO Framework Convention on Tobacco Control in the meeting held in Geneva on 21/05/03. This came into effect in Fiji from 03/10/03. However, the current tobacco legislation does not require farmers, manufacturers and vendors of tobacco to have licences contrary to what has been practised in other member nations.

Prolong delays in following up with LTA on the fines /fees collected and the delay in licensing producers of tobacco would deprive the Ministry of potential revenue.

Recommendations

- The Ministry should ensure that the fees collected by the Land Transport Authority are remitted to them on a monthly basis.
- The Tobacco Control Unit staffs should be mobilised and empowered to carry out inspections and to impose on the spot fines to members of the public who are found guilty of smoking in restricted areas.
- The Ministry should consider reviewing its current tobacco legislation in line with WHO Framework Convention on Tobacco Control. If necessary, assistance should be sought from the WHO on the technicalities and legalities of the framework.

Ministry's Comments

The Ministry Of Health will ensure that all revenue collect by the Land Transport Authority is remitted to the Ministry Of Health and banked to the consolidated account and update audit before the next audit unless the wants its recommendations implemented but again man power becomes an issue.

FIJI PHARMACEUTICAL SERVICES

19.36 Non-advertisement of Vacant Posts

Vacant posts will normally be advertised in the Fiji Public Service Official Circular and the press if considered appropriate. When an Officer applies for any vacancy, whether advertised or not, he should send his application through his Permanent Secretary or head of Department.⁴⁵

Payroll records revealed that the following officers were appointed despite their post not being advertised.

TABLE 19.32: DETAILS OF APPOINTMENTS MADE WITHOUT THE POST BEING ADVERTISED

Names	Remarks
Leweni Musuka	<ul style="list-style-type: none"> Was appointed to the position of Senior Pharmacy Technician on the recommendation of the Director FPS. Previously served as a pharmacist at the RFMF Military hospital.
Apolosi Vosanibola.	<ul style="list-style-type: none"> Former employee of the FPS. 10 years of service. He resigned from the service on 27/03/09 after holding the position of Supervising Pharmacy Technician (PH03). Was re-appointed by the Permanent Secretary in the service on the recommendation of the Director FPS, with effect from 30/11/09.

Failure to advertise the above positions not only defies the government's recruitment policy but also denies the opportunities to other potential candidates. Further it could allow room for favouritism and nepotism.

Recommendations

- **Management should ensure that the provisions of General Orders (Section 205) is adhered to at all times**
- **The Ministry should be more transparent in its recruitment policy and ensure that proper recruitment and vetting procedures are followed for all applicants.**
- **The most appropriate candidate should be selected after going through a screening and interview process with other possible applicants.**

Ministry's Comments

The recommendation of the auditor's report is noted and the General Orders (Section 205) shall be complied with for future recruitment.

19.37 Review of Fees Charges

Fees collected under the Pharmacy and Poisons Act⁴⁶ was last amended in 1985. Audit is of the view that the fees charged are substantially low and there is an urgent need for the review of the fees structure as stipulated in the eleventh schedule of the Act.

⁴⁵ General Order Section 205

⁴⁶ Cap 115

The following revenues are collected by the FPS under the Pharmacy and Poisons Act:

TABLE 19.33: DETAILS OF OUTDATED FEES CHARGED

Particulars	Current Fees Charged (\$)	Legislated Amount ⁴⁷ (\$)	Audit Comments
Registration of Premises	11.00	10.00	<ul style="list-style-type: none"> FPS could not provide us the document legitimising the current fees charged of \$11. However, audit is of the view that the current fees charged needs to be reviewed
License to Sell Medicine	22.00	10.00	<ul style="list-style-type: none"> FPS could not provide us the document legitimising the current fees charged of \$22. However audit is of the view that the current fees charged needs to be reviewed
Wholesale License	220.00	200.00	<ul style="list-style-type: none"> FPS could not provide us the document legitimising the current fees charged of \$220. However audit is of the view that the current fees charged needs to be reviewed
Registration of the Pharmacist	33.00	33.00	<ul style="list-style-type: none"> The fees charges were last amended in the Poisons (Amendment) Regulations in 1997 from \$10 to \$33. However audit is of the view that the current fees charged needs to be reviewed

Prolong delay in the review of the fees structure would deprive the government of potential revenue as the prices of drugs have generally increased over the years.

Recommendation

The Ministry should consider reviewing its fees and charges in line with the current market rates.

Ministry's Comments

It is agreed that fees collected under Pharmacy and Poisons Act, Cap 115 is low and needs to be reviewed.

The Pharmacy and Poisons Act, Cap 115 is currently being reviewed and will culminate into the Pharmacy Profession Decree, and the Medicinal Products Decree, under these the fee are also being reviewed and adjusted to acceptable standards, these Decrees should come into effect by end of this year (2010) and will resolve this issue.

19.38 Bulk Purchase Scheme

A quarterly performance report shall be prepared and signed by the TMA Manager and submitted to the Accounting head for inclusion into the quarterly management report to the CEO. A copy of the report shall also be forwarded to the Ministry of Finance.⁴⁸

The TMA annual report shall be prepared by the TMA Manager for inclusion into the agency's annual report. The report shall include:

⁴⁷ Pharmacy and Poison Act (Cap 115) eleventh schedule –fees structure

⁴⁸ Health Finance Manual Section 6.5.1

- i. a copy of the audited TMA annual financial statements comprising profit & loss statement and balance sheet;
- ii. Actual performance compared to the business plan targets.⁴⁹

All increases in charges for goods and services for agency revenue must be approved by the Chief Executive Officer, unless the increase is more than five percent (5%) per item, in which case approval of the Ministry of Finance is required.⁵⁰

The following anomalies were noted from the review of the records maintained at the Bulk Purchase Scheme:

- No quarterly performance report and annual report was prepared for the year ended 31/12/09.
- Upon enquiry it was revealed that no such report was prepared for the previous years as well.
- Audit was informed by the officer in-charge that request for above reports have not been made from the headquarters.
- Prices for the quite a good number of drugs and consumables were increased without seeking the necessary approval from the Permanent Secretary or the Ministry of Finance. Refer *Appendix 19.12* for details.

In the absence of performance reports, it would be difficult to benchmark the performance of the Bulk Purchase Scheme and make sound management decisions on the future of the bulk purchase scheme and product pricing.

Recommendations

- **Management should ensure that the Ministry of Health Finance Manual 6.5.1 and 6.5.7 is adhered to at all times**
- **Officers responsible should be cautioned on the need to prepare quarterly and annual reports as it is an extremely important tool in assessing and bench marking the performance of the Bulk Purchase Scheme.**
- **The Ministry should obtain proper approvals if the need arises to increase the prices of the drugs and consumables sold at the Bulk store.**

Ministry's Comments

The recommendation of the auditor's report is noted. The quarterly report are now prepared and presented accordingly Bullets point one and two was noted by management and the responsible officer disciplined. These reports are now being submitted to Ministry of Health Head Quarters with a copy forwarded to Finance. BPS reports for 2010 are up to date.

The Epicor system prompts BPS officers when sale prices for items are below cost. Changes to prices of items are made after consultation with procurement to confirm the change of purchase price before a change in selling price is made. FPBS policy gives the authority to the SAO to approve such changes.

19.39 Expired Drugs

The Ministry of Health will strive to improve and standardize inventory control procedures at all levels of the public drug system. Minimum and maximum stock levels will be introduced, systematic stock

⁴⁹ Health Finance Manual Section 6.5.7

⁵⁰ Finance Instructions 2005 32 (7)

rotation ensured, dead stocks and expired stocks identified and either disposed off or, in the case of non-expired useable items, redistributed.⁵¹

Our audit revealed that \$564,945.20 worth of drugs had expired on 31/12/09. A comparison of expired drugs for the last seven years revealed the position has not improved much. Refer to the following table and *Appendix 19.13* for details:

TABLE 19.34: DETAILS OF EXPIRED DRUGS

Year	Total Value of the Expired Drugs \$
2003	243,552.86
2004	235,543.00
2005	518,389.30
2006	387,441.19
2007	671,645.67
2008	973,120.18
2009	564,945.20

Similar issues were raised in previous audit reports, but no improvement was noted. Moreover, audit noted from the Inventory Stock Expiry Report generated by the Warehouse Manager⁵² on 27/01/10 that a total of \$836,694.62 worth of drugs and consumables will be expiring prior to 30/06/10.

The above indicates poor stock management and rotation which has resulted in the significant loss and waste of public funds. It could also indicate that the stock takes are not carried out on regular basis.

Recommendations

- The Ministry should review its stock management policies and ensure stocks are maintained at the right levels.
- The stock records should be monitored on a regular basis to identify drugs nearing expiration and necessary action should be undertaken to dispose, sell or donate them.
- The Ministry after proper consultation with appropriate authorities should consider selling the excess drugs to other Pacific island nations to avoid wastage due to expiration.
- The Ministry should ensure that the stocks management system of *First in and First out* basis is used to counter the drugs expiration.

Ministry's Comments

The list of expired drugs was predominant in the slow moving items or Class C in the ABC Classification (Pareto Rule). The main characteristics of Class C drugs and their indication of use are; diseases that are not prevalent (common) or even seasonal. Stocks are maintained in case of surge of demand. Therefore these drugs cannot be used until are demanded/requested by the hospitals for use for such infrequent diseases.

Quantity to order for the Class C is based on consumption and disease predictions and these must be made available at all times due to the long lead time of the procurement process before a product can be received at FPBS Warehouse.

Stock Management procedures have been carried out regularly this year whereby Expiry Reports for the next 6 months are regularly to inform FPBS Management on the expiry status value and inform respective Divisional Hospital on the usage. Even though stock management procedures are strictly adhered by the warehouse (first in

⁵¹ National Drug Policy (1994)

⁵² Mr. Apolosi Vosanibola

- first out is driven by the Inventory Information Management System, Epicor), but if the demands (diseases) are not present, then stock will not be used either.

Strategy

FPBS have reviewed the critical level of the Class C drugs in consultation with the Clinical Heads which was undertaken during the Clinical Service Network Workshop in Suva.

Cyclic Count are conducted regularly for the Class A Drugs and this year 2 full stock count will be undertaken which is the Internal Mid-Year Stock Count and the Independent Annual Stock Count.

FPBS must work with the MoF to develop a workable Procurement Strategy of Class C whereby volumes kept in Fiji are minimum and turn-around-time of sourcing is within 5 days at least.

19.40 Out of Stock Drugs and Consumables

The aim of the National Drug Policy is to ensure the continued availability of sufficient quantities of the required essential drugs at all levels of the health system, through the accurate and systematic recording, monitoring and reporting of stock levels of all items.⁵³

The Contractor must notify FPBS and if there are any supply or delivery problems. If during the term of this document, the contractor is unable to supply the product at the agreed date/quantity and as a result is unable to meet the contracted delivery requirements, the contractor shall deliver a sufficient quantity of the goods by airfreight to meet FPBS's immediate needs as soon as the goods become available. In such events, you will seek "buyers" approval and cargo should be booked with our appointed forwarder, FPBS will only pay for sea freight equivalent to appointed forwarder.⁵⁴

The out of stock drugs and consumables report on 02/02/10 revealed that number of essential drugs and consumables have been out of stock for quite a considerable number of days. Refer to **Appendix 19.14** for details.

This implies lack of proper planning and controls over procurement of drugs and consumables to ensure the continuous availability and maintenance of sufficient level of drugs and consumables in stock to cater for the demands of the hospitals and health centres.

Similar concerns were raised in previous year's audit reports but no improvement was noted. It was also noted that the Ministry was not strictly complying with its contractual rights.

The absence of adequate supply of drugs when needed could compromise the service delivery and could also result in loss of life which could bring disrepute to the Ministry.

Recommendations

- **Levels of drugs and consumable items should be monitored on a regular basis and new orders should be placed before the stock reaches a critical level.**
- **The responsible officer should be cautioned for laxity in exercising his/her duties responsibly.**
- **The provision of contract condition section 4.6.1 should be adhered to all times.**

⁵³ National Drug Policy (7)

⁵⁴ Conditions of contract for Supply of Goods Section 4.6.1

Ministry's Comments

The report has accurately reported the Out of Stock incidences at FPBS warehouse which was the result of a very weak framework for strategic procurement planning, monitoring and evaluation of our suppliers' performances.

The out of stock report will indicate the non-availability of the stock at FPBS but not necessarily at the facility level.

The Ministry of Health through the Fiji Health Sector Improvement Program has acquired a consultant to assist FPBS in looking in the current system and process to make appropriate recommendations for improvement.

19.41 Stock Discrepancies

All practical and cost effective efforts shall be made to recover losses which are recoverable and to avoid future losses occurring from the same cause⁵⁵. Losses suspected to have been caused by theft or other breaches of the law should be reported immediately to the police and a copy of the report provided to the Public Service Commission, the Ministry of Finance and the Auditor General.⁵⁶

The Accounting Head must ensure that all officers of the agency who are responsible for particular controls are aware of their responsibilities, including the need for managers to regularly rotate duties between staff, where practical, to minimize and detect the possibility of fraud.⁵⁷ A surcharge may be imposed on an officer who is directly or indirectly responsible for the destruction, damage, theft or other loss of property.⁵⁸

Review of the stock take report carried out between 07/12/09 and 12/12/09 revealed the following discrepancies in respect of drugs and consumables:

TABLE 19.35: DETAILS OF STOCK TAKE VARIANCE AS PER STOCK COUNT AND RECORDS

Stock take date	Per Stock count \$	Per Stock records \$	Difference \$
07/12/09 - 12/12/09	3,757,237	2,686,298	1,070,938 (surplus)
	4,281,973	5,075,263	793,290 (shortfall)

The audit is concerned about the significant amount of stock discrepancies noted and this could imply that the stock management and control systems in place are inadequate and ineffective.

In the absence of effective stock control, the risk of misappropriation, theft and expiration of drugs could eventuate without being detected.

Recommendations

- **The Ministry should review its Stock Management and Controls policies to counter the above anomalies.**
- **The matter should be reported to the appropriate authorities after proper verification.**
- **The responsible officers should be disciplined.**
- **Regular stock take should be carried out due to the nature of the stock held.**

⁵⁵ Finance Instruction 2005 Section 66

⁵⁶ Finance Instruction 2005 Section 67

⁵⁷ Finance Instruction 2005 Section 72 (2)

⁵⁸ Finance Instruction 2005 Section 74

- **Refresher training should be provided to the staffs in charge of stocks.**

Ministry's Comments

The Annual Stock Count Report for 2009 has found that the 'Stock Reconciliation' of the Epicor Records and Stock Card Records, was not carried out before the stock count begins. The process was to reconcile supply records between Epicor and stock card record.

The reason for this activity to be undertaken is because the Epicor Record will be used to compare the Physical Records.

This was proved after the Internal Stock Count was undertaken in August whereby the 'stock record reconciliation' was deliberately left out; the discrepancy proportion reported in 2009 annual report was found again.

Standard Operating Procedures will be produced by the end of this year with one of the aim to supervise the Warehouse Process and its compliancy to ensure such results is minimized.

19.42 Purchases from Samabula Drug Store

The contractor must notify FPBS of any supply or delivery problems and if the goods are not delivered in accordance with the contract FPBS reserves the right to purchase the product from alternative source and the difference between the contract price and actual cost incurred by FPBS including freight must be reimbursed by the contractor.⁵⁹

An employee, when acting in the course of employment in the public service must comply with all applicable Acts and subordinate legislation.⁶⁰

An employee must disclose and take reasonable steps to avoid any conflict of interest (real or apparent) in connection with employment in the public service.⁶¹

We noted from our review of the payments records that drugs amounting \$31,318.54 were procured from the Samabula Drug stores. The following anomalies were noted from these transactions:

- The procurement was recommended and authorised by the former Consultant Director, Rohit Rambissessar.
- A company search carried out at the Registrar of Companies on 05/03/10 revealed that Rohit Rambissessar is the owner of Samabula Drugs Stores
- Competitive quotations were sought on some occasions. In other cases, three quotations were not obtained. Hand written notes stated that only Samabula Drug Stores was providing quotes.
- Audit verification of the approved suppliers listing dated 28/07/09 revealed that the Samabula Drugs Store was not the approved supplier of the drugs procured.
- It was also noted that Ministry incurred estimated additional cost of \$18,694.36 by procuring drugs from the Samabula Drugs Store instead of procuring it from the approved suppliers. Refer to **Appendix 19.15** for details.

⁵⁹ Conditions of Contract for Supply of Goods section 4.5.1 & 4.5.2

⁶⁰ Public Service Code of Conduct (4)

⁶¹ Public Service Code of Conduct (7)

While the need to procure drugs was necessary and urgent, it certainly does not require deviations from policies and guidelines governing the purchase of good and services. Failure to do so could result in unauthorised procurement and over expenditure as evident in the above cases.

Furthermore it indicates lack of coordination, monitoring and proper planning which resulted in the exhaustion of the drugs supply prior.

Recommendations

- **The Ministry should adhere to the policies and guidelines as stated in Finance Manual.**
- **Management should ensure that nominated contractors adheres to the conditions of contract for supply of goods.**
- **Officers failing to abide to procedures, guidelines, legislations and instructions implemented by the government should be disciplined.**
- **The above case should be investigated and if the need arise the matter should be reported to appropriate authorities through the Permanent Secretary.**

Ministry's Comments

The purchase from Samabula Drug store was made when other suppliers failed to provide quotation while Samabula Drug store did. In other case where quotation were supplied and whoever was cheap, purchase were then made from them and in this case it was Samabula Drug store. Necessary documents are attached for ease of reference.

19.43 Arrears of Revenue

For local sales, the credit period will be a maximum of 20 days from the issue of the sales invoice. For overseas sales, the credit officer may approve that the credit period will be extended to 40 days.⁶²

Within the first week of each month, the credit officer shall prepare a list of debts that are not yet due and that are overdue and also include recovery measures undertaken. The list must be forwarded to the Accounting Head.⁶³

The debtors listing for 2009 revealed that significant amount of revenues has been outstanding for quite sometime. Refer to the table below and *Appendix 19.16* for details:

TABLE 19.36: ARREARS OF REVENUE

Duration Outstanding	Balance (\$)
1 -2 yrs	16,264.90
2-5 yrs	22,328.43
Total	38,593.33

Delays and laxity in collection of revenue increases the likelihood of write-offs, thus depriving the government of potential revenue.

⁶² Health Finance Manual Section 6.4.7

⁶³ Health Finance Manual Section 9.2.2 & 9.2.3

Recommendations

- Management should make regular follow ups and reminders should be sent to customers so that outstanding amounts are recovered.
- For debtors owing less than \$5,000, management should consider the option of referring them to Small Claim Tribunal.
- Customers with outstanding arrears should be restricted from buying the drugs and consumables from FPS, until they have paid a portion of what they owe and they make a commitment to pay off the balance within a reasonable time.

Ministry's Comments

Written notices were issued to debtors that we could locate. We have not been able to do the same for those who have moved and could not be located. Control of the arrears was established by the banning of credit sales and this has had the effect of keeping the arrears to current amount owed and noted in this report. We are pursuing the recovery of the amounts owed and consideration will be duly given to the recommendations made in this report.

LABASA HOSPITAL**19.44 Anomalies in Stores**

Public tenders must be called for any procurement of goods, services or works valued at \$20,000 or more, unless a Tender Board has approved an exemption in accordance with Finance Instruction 12-(6).⁶⁴

All officers responsible for public stores shall at all times exercise proper economy with regard to public stores in order to avoid the unprofitable use of public moneys.

The supply of food items such as fish, meat, eggs, root crops, vegetables and dry rations was approved in the Northern Division Tender Board (NDTB) in 2007. Audit noted that the agreement expired on 31/12/08.

The audit of the payments made in 2009 revealed that foods continued to be procured from the same suppliers whose contract have expired on 31/12/08 without any formal extension of their contract or new tenders being called. The details are tabulated below:

TABLE 19.37: PROCUREMENT MADE WITHOUT SEEKING FOR TENDER BOARDS RENEWAL

Approved Tender	Particulars	Effective Date of Agreement	Expiry Date of Agreement	Approving Body	Total Procurements in 2009 ⁶⁵ (\$)
Singh's Shopping Ltd.	Supply vegetables, fruits and root crops	16/05/07	31/12/08	Northern Division Tender Board	58,672.26
Tabua Bakery	Supply bread	16/05/07	31/12/08	Northern Division Tender Board	12,249.26

⁶⁴ Ministry of Health Finance Manual 2005 (2.3.1)

⁶⁵ 25/11/09

Approved Tender	Particulars	Effective Date of Agreement	Expiry Date of Agreement	Approving Body	Total Procurements in 2009 ⁶⁵ (\$)
Labasa Butchery	Supply meat	16/05/07	31/12/08	Northern Division Tender Board	2,030
Vatumuniwaqa Youth Group	Supply vegetables, fruits and root crops.	15/05/07	31/12/08	Northern Division Tender Board	38,414.30
Total					111,365.82

In addition, rations amounting to \$64,254.57 were procured from R.B. Patel supermarket in 2009 without seeking tender board's prior approval.

Therefore, it is apparent that a total purchase of \$175,620.39 made by the hospital in 2009 was not approved by the NDTB.

Furthermore, audit inspection of stores revealed that some items bought from Government Supplies had expired and still awaiting approval for disposal. Refer to the table below for details:

TABLE 19.38: EXPIRED STOCKS

Items	Quantity	Unit Price (\$)	Total Price (\$)	Comments
Jelly	42 pkts	1.39	58.38	confirmed by storeman that items were when procured from COGS item has already expired
Peanut Butter (1kg)	14 bottles	8.99	125.86	confirmed by storeman that when procured from COGS item has already expired
Sunquick Cordial (840mls)	46 bottles	6.99	321.54	confirmed by storeman that when procured from COGS item has already expired
Cocoa	56 tin	4.69	262.64	confirmed by storeman that when procured from COGS item has already expired
Total			768.42	

Audit is of the view that even though the above procurement is a necessity; it does not mean that the hospital should divert from the standard government procurement procedures. This simply indicates lack of proper planning by the hospital management to call for fresh tenders prior to the expiry of the 2008 contract.

Failure to call for tender would restrict other potential suppliers who may be willing to supply at a lower cost. In addition, poor checking and monitoring techniques had resulted in the purchase of expired food items from government supplies.

Recommendations

- The Ministry should coordinate with the Northern Division Tender Board and ensure that fresh tenders are called before the expiry of existing contract agreements so that other potential suppliers can also be given an opportunity to quote.
- Contract agreement should be entered into with relevant suppliers to ensure prices are fixed and also to avoid suppliers dictating the terms and conditions by charging variable prices.

- **The Ministry should ensure that proper checks are carried out when purchased goods are received and any expired food items should be immediately returned to the suppliers for replacement or refund of funds.**

Ministry's Comments

This is in response to the audit report that has been received by the stores late yesterday afternoon (01/06/10).

The tenders that had been awarded to the companies as mentioned in the audit report expired on the 31st of December 2008. After that expiry no tenders were called as there were no tender boards in the Northern division. This has been confirmed by the Divisional Secretary; Mr. Josefa Rokonai. We had to continue purchasing the fruits, vegetables and the root crops from the exiting tender recipients as there were no other suppliers available.

One of the tender recipients; Gurbachan Singh and Company Limited had difficulties in supplying the dry ration and they confirmed to us in written that they can no longer supply the Labasa Hospital. We had to purchase from R.B. Patel Labasa as there was no other supplier which was willing to supply the dry ration to us. We called for quotation but no other company responded and upon enquiring they told us that they cannot supply to us so R B Patel was the only reliable source available.

*Furthermore we purchased some food items from Government Supplies Department that had **near expiry dates** but not already expired as mentioned in the report. These were Jelly, Peanut Butter and Sunquick concentrate. These items were supposed to be used up but unfortunately due to the fluctuating demands from the Main Kitchen and the Blood bank we could not use them all before their expiry date. We are not able to check the expiry dates of these items as these items are available in sealed cartons and they have their expiry dated on top of the bottle tops. They had been condemned by the Pure Food Inspectors already. The Cocoa was purchased from Gurbachan Singh and Company Limited. This item did not have the nutritional values written on their wrappers and the Dietitians refused to take them in the Main Kitchen. We advised the then Manager Hospital Administration and the then Hospital Administrator; Mr. Serevi Tabua and Mrs. Meliki Waqa but no response was given from them and this item was condemned by the Pure Food Inspectors as well.*

19.45 Trust Fund Account

Where the agency becomes responsible for managing trust money, an application shall be made to the Chief Accountant, Ministry of Finance seeking approval to open a separate trust bank account and detailing the nature of the trust and of any beneficiaries.⁶⁶ Names, signatures and designations of officers nominated to operate the bank account shall also be submitted with the application.⁶⁷

All payments from the trust account shall be adequately supported and made only for the purpose of the trust.⁶⁸ The accounts officer shall be responsible for raising payment vouchers for trust payments.⁶⁹

Within 5 days after each month, the trust officer shall prepare a trust reconciliation to reconcile trust account balances to the ledger total and the trust bank account.⁷⁰ The receipts and payments of trust money should be recorded in a separate cashbook or set of ledger accounts.⁷¹

The Labasa hospital maintains a trust fund account known as "Amenities Trust Fund". The following anomalies were noted from its operation:

- No operational guideline were prepared or made available for audit inspection.

⁶⁶ Ministry of Health Finance Manual Section 15.1.1

⁶⁷ Ministry of Health Finance Manual Section 15.1.2

⁶⁸ Ministry of Health Finance Manual Section 15.2.3

⁶⁹ Ministry of Health Finance Manual Section 15.4.1

⁷⁰ Ministry of Health Finance Manual Section 15.4.1

⁷¹ Finance Instructions 2005 Section 69 (2)

- No monthly reconciliations were prepared for the year ended 31 December 2009. The last reconciliation was prepared on 31/03/08.
- The hospital failed to raise payment vouchers to support payments made from the trust fund account.
- No bank statement was made available for audit purposes. The audit was advised by the Accountant Mr. Conaliku that the bank was reluctant to release the statements.
- Audit was also advised that no separate cash and revenue receipts books were maintained for the trust fund account.
- A list of authorised cheque signatories was not provided.

In the absence of adequate records, it is difficult to authenticate the transactions in the trust fund. As a result, it can not be established whether the trust funds are used for its intended purpose or are being abused and used for other purposes.

Recommendations

- **The monthly reconciliation should be prepared by the Trust Officer and scrutinized by the Divisional Accountant on a monthly basis.**
- **The bank statement copies should be obtained and made available for audit inspection.**
- **All lodgements should be scrutinised by the supervisor before and after banking. Separate receipt and cash books to be maintained.**
- **The above anomalies should be investigated and appropriate action should be instigated, against the officers responsible for maintaining the trust fund account.**

Ministry's Comments

Trust Account Operation Guideline

We will ensure that a draft operation guideline is prepared by the management through the assistance of our Principal Accountant before it is submitted to Permanent Secretary for endorsement.

Monthly Reconciliation

Reconciliation was not done because the bank failed to provide us with the statement and upon enquiry they advise us that they cannot release it without the trustee's consent.

Both the trustees were transferred to other Ministries in 2008 and a new list of trustees has been submitted to Finance through Head Office for endorsement.

Latest statement was received on 12/05/10 and it covers all transaction made from 22/12/08 to 01/04/10. From this statement we would be able to prepare our monthly reconciliation report and we will advise you of the progress before 10/06/10.

Raise Payment Voucher to Support Payment

Provision of payment voucher to support payment has been overlooked by us and from now on we will strictly comply with the content of the Finance Manual.

Separate cash and revenue receipts book

The above was not maintained because we have separate receipts provided to receipts all trust fund money and deposit book to record all money that are being deposited into the account.

We will now maintained a cash book to record all the above information with the deposit slip attach to it to prove that all money collected are being deposited.

Tender

The expired of 2008 tendered was followed by the removal of Northern Division Tender Board power which took place while we are still in the process of compiling our request to call for a new tender. For this reason, we were not able to obtain an approved tender until to date hence we thought of continue to purchase from the existing suppliers because they are more reliable and are consistence with their supplies. In addition to that, they still continue to charge us with the agreed rate that was previously approved despite the facts that the market prices have already been changed. Furthermore, the only contractor that is not consistence with their supplies is Gurbhachan and upon enquiry they confirmed that they cannot supply us on the same price anymore (copy of correspondence attached).

The above have left us with no other alternative but to call other bids that are available in the market and the only suppliers that respond to our request are R. B Patel for dry ration and Rosie Poultry for egg supplies, the two main suppliers that has replaced Gurbhachan.

Submission to call for new tenders was sent to the Controller of Government Supplies in Suva this year with the request for approval for us to continue with the existing suppliers while we are still waiting for the new award.

19.46 Unserviceable Vehicles

If a vehicle undergoing servicing or a “Road Worthiness Test” is found to be unroad-worthy and uneconomic to repair, it may be disposed off through trade-in. The EO/CCMA shall prepare a report on the unserviceable vehicle outlining the history of vehicle use, maintenance costs, results of the test or servicing and the estimated costs of replacing the vehicle.⁷²

The following vehicles which are no longer repairable have not been boarded by the Ministry:

TABLE 19.39: UNSERVICABLE VEHICLES PARKED AT HOSPITAL PREMISES WAITING FOR DISPOSAL

Vehicle Registration	Year Acquired	Age	Remarks
GL 445	1/1/1990	18	The vehicle is beyond economical repair and is parked at the Labasa Hospital for more than a year.
GM 285	1/1/1998	10	The vehicle is beyond economical repair and is parked at the Labasa Hospital for almost three years waiting to be boarded.
GM 148	1/1/1997	11	The vehicle is beyond economical repair and is parked at the Labasa Hospital for almost a year. The vehicle was involved in an accident.

In addition, audit noted that seven old engines which needs to be boarded are kept at the Labasa Hospital garage.

The condition of these vehicles and engines would deteriorate further if immediate actions are not taken to dispose them. Prolong delays could also allow room for cannibalism of motor vehicle parts which could lead to further losses.

Recommendation

The Ministry should comply with the Finance Manual provisions section 13.18.4 and 13.18.5 and make necessary arrangement for the above mentioned vehicles to be disposed off.

⁷² Finance Manual 2005 Section 13.18.4, 13.18.5.

Ministry's Comments

Comments not provided.

19.47 Non Maintenance of Stock Cards

When inventory items are purchased, the inventory bookkeeper shall record them in the inventory register.⁷³ The inventory bookkeeper shall maintain the inventory register to record incoming and outgoing inventories.⁷⁴ The inventory bookkeeper shall ensure that the register is kept up to date at all times.⁷⁵

Contrary to the above provisions, audit inspection at the Labasa Hospital pharmacy revealed that no stock cards were maintained.

Failure to maintain the stock cards could result in drugs and consumables being subjected to theft and misappropriation without being detected on a timely basis. Also, it indicates laxity on the part of management to implement the requirements of its Finance Manual 8.1.2.

Recommendations

- Management should ensure that the stock cards are maintained at the Pharmacy and movements in stocks are updated on a daily basis.
- Stock takes should be carried out at regular intervals especially for vital and expensive drugs.
- Management should consider purchasing an inventory management module to computerise its stock movements and record keeping.

Ministry's Comments

The use of the stock cards slowly phases out with the introduction of the computerized inventory module – epicor software in the year 2005. This took place with the belief that the software is fully operational throughout and will be able to provide necessary information as and when required for management decision-making. Unfortunately this was not achieved as the system often breakdown resulting in mismatch of physical and the computerized figures.

The management will undertake these measures to ensure the implementation of the stock cards is brought back into the department in accordance with the requirements of the Finance Manual 2005:

- Request for stock cards from Fiji Pharmaceutical and Biomedical Services to be used in the Pharmacy Department.
- Perform a stock take as soon as possible prior to the arrival of next supplies from the FPBS.
- Update the computerized epicor system to match the physical and stock card balance.
- Ensure cyclic stock take is carried out on a routine basis.

19.48 Expired Drugs

The Ministry of Health will strive to improve and standardize inventory control procedures at all levels of the public drug system. Minimum and maximum stock levels will be introduced, systematic stock

⁷³ MOH Finance Manual Section 8.1.2

⁷⁴ MOH Finance Manual Section 8.1.3

⁷⁵ MOH Finance Manual Section 8.1.4

rotation ensured, dead stocks and expired stocks identified and either disposed off or, in the case of non-expired useable items, redistributed.⁷⁶

Drugs valued at \$11,826.95 had expired as at 26/11/09 at Labasa Hospital. Details are as follows:

TABLE 19.40: DETAILS OF EXPIRED DRUGS

Month	Expired Drugs \$
January	3.62
February	571.27
March	1,708.89
April	44.28
May	1,486.08
June	3,578.06
July	263.43
August	1,858.15
September	349.63
October	433.54
November	1,530.00
Total	11,826.95

The above indicates poor stock management which has resulted in significant losses and wastage of public funds. It further indicates that stock takes are not carried out on a regular basis.

Recommendations

- **Management should review its stock management policies and ensure stocks are maintained at the right levels.**
- **The stock records should be monitored on a regular basis to identify drugs nearing their expiry dates and necessary action should be undertaken to restock.**
- **Management after proper consultation with appropriate authorities should consider selling the excess drugs to private pharmacies to avoid wastages/losses brought about as a result of their expiry.**

Ministry's Comments

The costing does not really indicate the value of drugs expiring in particular month because the months and dates alongside each entry refer to the date the drug was discovered to have expired and when the recording was actually done. For instance a drug that expired in January was entered in February or March. Some medicines in the 2009 audit have expired way back in 2006 – 2008, but only recorded last year, which means that they were already, expired when received or returned late to Pharmacy for replacements. Therefore the total value of medicines that actually expired would have been even lesser than the \$11, 826.95 that was reported. Most items on the list are slow moving and reaching expiry dates, without completely utilized is inevitable. Redirecting to other facilities is always not possible either, as they also have ample stocks on hand.

Being one of the 3 divisional hospitals in the country, FPBS relies on us on the utilization of short expiry drugs, usage rates is much faster than the smaller health facilities. Therefore we sometimes get medicines that expire within a few months from the receipt dates or we are even supplied far more than our ordered quantities. Likewise our Nursing Stations and Health Centers do the same. They bring us their short expiry items in exchange with longer expiry ones. This is done in our efforts to minimize wastages at all levels from FPBS down to nursing stations, or otherwise there would be unaccounted wastages in the smaller health facilities.

⁷⁶ National Drug Policy (1994)

19.49 Disciplinary Cases

An officer shall conduct himself at all times in such a manner that does not bring the Public Service into disrepute.⁷⁷ An employee must behave honestly and with integrity in the course of employment in the public service.⁷⁸

Audit scrutiny of the Complaints files records revealed that at 9.30p.m on Monday 24/09/09, Ratu Orisi Ramaisakea was rushed to Lekutu Health Centre because of acute asthma attack. Despite the patient profusely complaining of breathing problems, the on call doctor, Dr Om Prasad failed to diagnose the deceased promptly thus resulting in his death.

Audit is also of the view that there could be other disciplinary cases of similar nature which was not documented or brought to auditors' attention.

The failure of the Ministry to take proactive actions to curtail the disciplinary and negligence related issues could result in extravagant expenditure if litigation actions are filed against the Ministry.

Recommendations

- The Ministry should investigate the above case, take disciplinary actions if warranted against the officer concerned and report the matter to PSC for breach of PSC Service Act.
- The complaints file should be updated regularly to keep track of complains made against the medical professionals and other support staffs.
- The Ministry should consider providing refresher awareness trainings on the PSC Code of Conduct and Values.

Ministry's Comments

Dr Om vs Ratu Orisi Ramaisakea – this case happened in Lekutu Heath Centre and not in Labasa Hospital. Divisional Medical Officer should answer to that.

19.50 Demolition of Pillars—Labasa Hospital

In early 2007, the Ministry of Works had laid the foundation and build the pillars for the General Out Patient Department (GOPD) and the Records Department at the Labasa Hospital at total cost of approximately \$119,282⁷⁹.

A memorandum of agreement (MOU) was entered into on 26/07/07 between the Ministry of Health and the Korean International Cooperation Agency (KOICA) for the construction of the accident and emergency ward at the Labasa Hospital. The financial assistance provided by KOICA amounted to US \$1,325,000 and Dr Ami Chandra signed the MOU on behalf of the Ministry of Health in his capacity as Director Northern Health Services. The Solicitor General's office did not vet the MOU.

Following the signing of the MOU, the Director Northern Health Services – Doctor Ami Chandra instructed the Ministry of Work's on 03/08/07 to stop the construction works for GOPD and Records Department⁸⁰.

⁷⁷ Public Service Commission Regulations, 1990, Regulation 33

⁷⁸ Public Service Act 1999, Part 2, Section 1

⁷⁹ Approximate cost was provided by Ministry of Works

⁸⁰ Letter to the PS works from the Director.

In 2009, Doctor Ami Chandra who was now the Acting Permanent Secretary for Health instructed the contractor to demolish the pillars and the foundation for the GOPD and Records Department to allow for the construction of the accident and emergency ward on the same location/site. Refer to the following pictures:



Figure 1: Pillars of the GOPD & Records



Figure 2: Pillars that were being demolished

The demolition of the above pillars and foundation which had cost the government approximately \$119,282 indicates poor planning and coordination between the Ministry of Health and the Ministry of Works. The amount is also considered a nugatory expense.

While KOICA was fully financing the new project, consideration could have been made to develop a plan to accommodate the three units, namely the GOPD, the Records Department and the Accident & Emergency unit without the need to demolish and destroy what was already in place.

Recommendations

- **The Ministry should investigate the matter and take necessary action against those officers directly involved in the project.**
- **The Ministry's Planning Division should ensure that proper planning process and feasibility studies are carried out in order to avoid the recurrences of such incidence in future.**

Ministry's Comments

The Public Works Department has constructed the pillars of the A&E Department when the Korean Government decided to help when they found out that the government was taking almost 10 years to build the hospital.

KOICA moved in when Dr Ami Chandra signed the Memorandum of Understanding. KOICA wanted their own specifications in regards to the building.

All the other issues should be directed to the Planning Unit, Public Works Department and Dr Ami Chandra.

SAMABULA OLD PEOPLES HOME

19.51 Government Quarters

Officers occupying government quarters of whatsoever grade or type or self contained flats will be required to pay rent at the rate of 8% of basic salary.⁸¹ Officers occupying government quarters will be required to pay water, electricity, telephone and other charges unless their terms of service provide otherwise.⁸²

The following officers are occupying government quarters without paying any rental. Refer to the following table for details:

TABLE 19.41: STAFFS OCCUPAYING GOVERNMENT QUARTERS WITHOUT PAYING RENT

Staff	EDP No.	Qtrs No.	Date of Occupancy	Salary (\$)	Outstanding Amount as at 31/12/09 (\$)
Kelera suraru	SD780	12	29/09/07	3.75/ hour	1,534.50
Lusiana Latela	PX649	12	19/01/10	3.71/ hour	Nil
Liku O' Connor	MW980	12	30/12/97	3.75/ hour	8,236.80
Y.P.Sami	LV886	1	03/09/00	3.75/ hour	6,352.50
Arishma Kirtika Prasad	33955	2	15/05/09	13,847.00	646.19
Ruci Nakabea	33170	3	13/06/09	14,688.00	588.00
Luisa Finau	32658	Sup Quarters	15/05/09	16,931.00	790.11
Total outstanding Rent					18,148.10

In addition there is no separate water and electricity meter for the occupants at the quarters and they are not paying any of these charges. There is also no tenancy agreement or PSC approval exempting the above occupants from paying the rent and utility charges.

Non payment of quarters rent could result in loss of potential government revenues. Moreover failure of occupants to pay utility bills could result in extravagant expenses paid by the hospital.

Recommendations

- General orders 607 and 617 (a) should be adhered and the necessary recovery action should be instigated.
- Management should ensure that utility bills are paid by staffs occupying quarters at a reasonable rate.

Ministry's Comments

The occupation of quarters is directly dealt with the officer upon transfer and occupation of quarters. Upon receipt of transfer letter and occupation of quarters the salaries department starts deductions from the memorandum and correspondences. In case of above transfers were effected and no correspondences were sighted by us. Never the less the managements respect the advice from the auditors and would effect deductions accordingly.

⁸¹ General Orders Section 607

⁸² General Orders Section 617 (a)

FIJI SCHOOL OF NURSING**19.52 Arrears of Revenue**

Chief Accounting Officers are personally responsible for the prompt collection of all revenue under their control and for the prompt submission of bills in respect of services rendered by the Government. The credit officer must promptly follow up accounts that fall due. If recovery is unsuccessful after one month, the following actions shall be taken:

- No further credit shall be extended to the debtor
- A demand notice for payment shall be sent to the debtor after his/her debt has been overdue for more than one month
- If the account still remains unpaid after the first demand notice was issued, a final notice shall be issued demanding payment within fourteen days.⁸³

If a final notice had been issued to one of the debtors listed, the Accounting Head may approve that the case be referred to the Solicitor General or the Small Claims Tribunal, after considering the cost implications and the probability of recovery.⁸⁴

Our audit of revenue records revealed that the FSN's debt recovery procedures have been ineffective; resulting in accumulation of arrears of revenue amounting to \$107,498 as at 31/12/09.

TABLE 19.42: ARREARS OF REVENUE

Year	Arrears of Revenue (\$)	Percentage (%)
2007	7,820	7.27%
2008	16,556	15.40%
2009	83,122	77.32%
Total	107,498	100%

The delay in collection of revenue increases the likelihood of write-offs, thus depriving the government of potential revenue.

Recommendation

Management should follow up with the debtors to collect the above arrears.

Ministry's Comments

Comments not provided.

19.53 Student Nurses Intake

The following criteria shall be met by applicants wanting to undertake Diploma of Nursing Programme:

- Must pass Biology and English and other two science subject excluding agricultural science.

⁸³ Ministry of Health Finance Manual Section 9.2.1

⁸⁴ Ministry of Health Finance Manual Section 9.2.4

- Must have FSLC exam marks of 250 and above
- Applicants must be between 18 and 25 years of Age⁸⁵

Audit examination of the 2009 student nurses intake records revealed that the following students were selected despite not meeting the selection criteria:

TABLE 19.43: ANOMALIES NOTED IN STUDENT INTAKE

ID No.	Name	Remarks
TN0994	Rajni Lata	<ul style="list-style-type: none"> • The student was not called for an interview. Her name also did not appear in the final intake list. • Scored 287/400 in FSLC (Form 6 examination) • Discussions with the selection panel's secretary⁸⁶ revealed that the final selection listing was done by the former Director of Nursing⁸⁷.
TN09120	Isikeli Rodney Tavola	<ul style="list-style-type: none"> • Scored 257/400 in FSLC (Form 6 examination) • The candidate was not called for an interview and his name also did not appear in the final intake list. • Discussions with the selection panel's secretary revealed that the final listing was done by the former Director of Nursing.
TN0999	Lusila Nateba	<ul style="list-style-type: none"> • Scored 221/400 in FSLC • The student was terminated from the school in 1998 for breaching the condition of her scholarship by being pregnant during the course of her studies. • The student was re-enrolled despite her poor academic and past records and also did not meet the admission age requirement which should be between 18 to 25 years. • The candidate was not called for an interview and her name also did not appear in the final intake list. • It could not be ascertained who authorised her intake. However, audit was informed that former Director Nursing Mrs. Taukei authorised the intake.
TN09117	Varanisese Baleivalagi	<ul style="list-style-type: none"> • Scored 242/400 in FSLC • The student was terminated from the school in 1999 for breaching the condition of her scholarship as she got pregnant during the course of her studies. • The student was re-enrolled despite her poor academic and past records and also did not meet the admission age requirement which should be between 18 to 25years. • The student was 30years old when she re-enrolled. • The candidate was not called for an interview and her name also did not appear in the final intake list. • It could not be ascertained who authorised her intake. However, audit was informed that former Director Nursing Mrs. Taukei authorised the intake.

Apart from the above anomalies, audit noted that the following candidates who were unsuccessful in the interview process were selected to commence with the 2009 Diploma in Nursing programme despite their names not appearing in the final or reserve listings.

⁸⁵ Criteria for Admission to Diploma of Nursing Programme

⁸⁶ Mrs. Pene Mita

⁸⁷ Mrs Rusieli Taukei

TABLE 19.44: STUDENTS SELECTED DESPITE BEING UNSUCCESSFUL IN INTERVIEW PROCESS

Name of Student	Comments
Adi Aluesi Bukalidi	<ul style="list-style-type: none"> Scored 284/400 in FSLC but was unsuccessful in the interview. The student's name did not appear in the final intake list or in the reserve list.
Asenaca Tinaitama	<ul style="list-style-type: none"> The student is currently suspended due to poor academic performance. Audit cannot vouch the student's file as it is with the Disciplinary committee. The student's name did not appear in the final intake list or in the reserve list.
Ilisapeci Talei	<ul style="list-style-type: none"> Scored 255/400 in FSLC but was unsuccessful in the interview. Students academic records not attached in file. The student's name did not appear in the final intake list or in the reserve list.
Kritika Malini	<ul style="list-style-type: none"> Scored 287/400 in FSLC but was unsuccessful in the interview. The student's name did not appear in the final intake list or in the reserve list.
Ratu Samisoni Radoko	<ul style="list-style-type: none"> Scored 251/400 in FSLC but was unsuccessful in the interview. The student's name did not appear in the final intake list or in the reserve list.
Sitiveni L Rusaqoli	<ul style="list-style-type: none"> Audit cannot, vouch the students file as the file is with disciplinary committee. The student's name did not appear in the final intake list or in the reserve list.
Tevita Kalawa Qica	<ul style="list-style-type: none"> Audit cannot, vouch the students file as the file is with disciplinary committee. The student's name did not appear in the final intake list or in the reserve list.
Shanil Sanjay Prakash	<ul style="list-style-type: none"> Scored 317/400 in FSLC. The candidate attained good marks however was unsuccessful in the interview. The student's name did not appear in the final intake list or in the reserve list.

Absence of strict compliance to the standard selection policy indicates the ignorance of the selection committee in ensuring that only the best candidates are awarded the scholarship. Failure to do so denies the opportunities to other deserving students and would also affect the quality of future service delivery.

Recommendation

Management should explain the basis of selection of above students and advice what actions would be taken on those staff responsible in the selection process.

Ministry's Comments

Comments not provided.

SAINT GILES HOSPITAL

19.54 Shortage of Staffs

PSC Circular 52/2000 paragraph (6.2) - (6.3) clearly specifies the need for overtime payment. Where funds are specifically provided in the Budget Estimates, overtime may be paid only when it is not practicable to grant time-off in lieu. Overtime payment should only be remunerated if the nature of work is essential, unavoidable and worked on a regular basis.⁸⁸

Heads of Departments and Supervisors are urged to ensure that work targets are met by individual officers in accordance with the Individual Work Plans, Business Plans and Ministry/Department's

⁸⁸ PSC Circular No. 13/09 (2.0)

Corporate Plans, in order to avoid or to minimize unnecessary overtime and its associated expenditures.⁸⁹

To provide quality health services for the people of Fiji through a strengthened divisional health structures.⁹⁰

As at the date of the audit⁹¹, the Hospital had 41 vacant positions. The vacant positions ranged from medical officers to other support officers. Refer to the table below for details:

TABLE 19.45: DETAILS OF VACANT POSITIONS

Posts	No. Approved	No. Filled	No. vacant
Principal Medical Officer	1	0	1
Senior Medical Officer	2	0	2
Medical Officer	5	4	1
Senior Matron	1	0	1
Senior Sister	2	1	1
Sister	7	4	3
Charge Orderly	6	1	5
Orderly	59	33	26
Senior Domestic Assistant	1	0	1
Total	84	43	41

We noted that the hospital had overspent its overtime budgetary allocations. The details are as follows:

TABLE 19.46: EXCESSIVE OVERTIME EXPENDITURE

Approved Budget	Actual Expenditure	Difference
\$	\$	\$
129,991.00	291,121.75	161,130.75

Audit is of the view that prolonged delays in filling the vacancies could compromise the quality of the service delivered and also burdens the existing medical staffs with the increased workload. On the contrary the excessive overtime payments could be utilised in filling the vacant positions.

Recommendations

- The Ministry should fill the vacant positions based on their needs analysis.
- Management should ensure that stringent measures and proper scrutiny of overtime is made to avoid overspending of budgetary allocations.
- Management should ensure that proper planning and control is carried out for the shift roster to avoid unnecessary overtime claims.

Ministry's Comments

Overtime & Shift Roster

Unit heads have been notified that overtime performed is to be justified, and they will be taken to task if they do not adhere to directive. Shift roster have been adjusted to minimise disruption to services.

⁸⁹ PSC Circular No. 13/09 (5.0)

⁹⁰ Ministry of Health's Mission Statement.

⁹¹ 24/02/10

COLONIAL WAR MEMORIAL HOSPITAL**19.55 Arrears of Revenue**

The credit officer must promptly follow up accounts that fall due. If recovery is unsuccessful after one month, the following actions shall be taken:

- No further credit shall be extended to the debtor
- A demand notice for payment shall be sent to the debtor after his/her debt has been overdue for more than one month
- If the account still remains unpaid after the first demand notice was issued, a final notice shall be issued demanding payment within fourteen days.⁹²

If a final notice had been issued to one of the debtors listed, the Accounting Head may approve that the case be referred to the Solicitor General or the Small Claims Tribunal, after considering the cost implications and the probability of recovery.⁹³

Audit noted that total arrears of revenue as at 31/12/09 amounted to \$51,536.67. Refer table below:

TABLE 19.47: ARREARS OF REVENUE

Year	Arrears (\$)
2000	133.80
2001	4,028.28
2002	3,251.70
2003	4,537.80
2004	5,007.48
2005	1,753.70
2006	5,042.70
2007	7,739.90
2008	4,480.30
2009	15,561.01
Total	51,536.67

Delays and laxity in collection of revenue increases the likelihood of write-offs thus depriving the government of potential revenue.

Recommendation

The Management should make resolute efforts to collect the above arrears.

Ministry's Comments

The Audit Team's recommendation is acknowledged.

The following points need to be highlighted:-

⁹² Ministry of Health Finance Manual Section 9.2.1

⁹³ Ministry of Health Finance Manual Section 9.2.4

From 2000-2005 all respective debtors including, individual patients and companies, were invoiced and were reminded of their unpaid bills. The Invoicing Clerk at that time also referred claims up to the Small Claims Tribunal.

Most patients when contacted are no longer at the given address and are untraceable.

For Tuvalu patients, reminders have been sent to the Tuvalu Embassy. The Embassy was also approached but excuse given was that, they have to await response from the mainland/ Ministry of Health in Tuvalu. So far no further payments have been made.

For patients who claimed to be covered under insurance, the Insurance Companies concerned, on receipt of invoices, could not meet payment and the normal response received was that, patients concerned are covered under other types of medical cover and not for admissions. For that reasons, the rule applied now is that all patients must pay cash up front.

For information the arrears of revenue as of now is \$37,946.76 and effort to clear the arrears is still continuing together with the process of writing off some long-outstanding arrears subject to Ministry of Finance approval.

The actions outlined by the Audit Team on clearance of arrears of revenue have been noted and would be implemented accordingly to assist in the prompt clearance of outstanding revenue.

19.56 Over- Expenditure in Telecommunication Vote

The proper management of expenditure is fundamental to ensuring value for money in delivering services to the community. Having cost effective internal controls within the purchasing and payments system plays an important part in ensuring that wastage of funds, over-expenditures and corruption do not occur.⁹⁴ Ministries and departments are expected to institute strict expenditure controls on daily operational expenses such as fuel and oil, travel, stationary, telecommunication, incidentals etc⁹⁵.

Audit analysis of the expenditure statement for the year ended 2009 revealed that the CWM had exceeded its budgetary allocation for telecommunication vote by \$61,546. In addition audit noted significant amount of calls being made to mobile phones which have not been scrutinised.

The lack of proper controls and monitoring mechanism has resulted in the excessive expenditure. The issue was highlighted in previous years audit report, but improvement has not been forthcoming.

Recommendations

- **Management should bar mobile calls and only give access if they are for official purposes.**
- **Management should implement a user pay system for all unofficial calls made.**

Ministry's Comments

The Audit Team recommendations are being noted and it is confirmed that mobile telephone calls is one of the major reasons why our hospital monthly telephone bills are high which eventually increased our expenditure.

A Cab System has been installed to record all telephone calls so that all unauthorised calls can be on user pay basis. This exercise is difficult to control as telephones within the hospital are not specifically assigned to an individual at all times or kept under safe lock and key. Users do change within shifts and unauthorised telephone users are not therefore easy to detect.

⁹⁴ Health Finance Manual 2005, Part 2 Introduction.

⁹⁵ Finance circular 07/2009 section 1.4

19.57 Loss of Assets/Inventories

An employee must use government resources and assets in a proper way.⁹⁶ All practical and cost effective efforts shall be made to recover losses which are recoverable and to avoid future losses occurring from the same course.⁹⁷ In addition, any loss arising from theft or fraud shall be reported immediately to the Police and a copy of the report should also be provided to the Public Service Commission, Ministry of Finance & National Planning and Auditor General.⁹⁸

Our audit of the 2009 loss report file revealed that following items went missing from the hospital premises without any recovery action being undertaken. Refer to the table below for details:

TABLE 19.48: DETAILS OF LOSS OF ASSETS/INVENTORIES

Missing Items	Audit Observation
Projector	<ul style="list-style-type: none"> - Went missing from the auditorium on Friday 30th Nov 2009 - Loss report and Police Report not sighted or provided to audit - Cost of the Projector was not provided on request.
Laptop	<ul style="list-style-type: none"> - Went missing from Medical Superintendent's⁹⁹ room in 2009 - No loss report sighted - No Police Report sighted - Cost of the Laptop was not provided on request.
Cartons containing Suture	<ul style="list-style-type: none"> - No loss report sighted - No Police Report sighted - Mr Sugu Daunibau was appointed on 11/11/09 to investigate the loss and to provide a report by 18/11/09. - As at date of audit (18/02/10) no investigation report had been furnished by Mr. Daunibau.
Pot Plant	<ul style="list-style-type: none"> - 12 ceramic pots were donated to A & E at CWMH by Vinod Patel on 13/10/09. On inspection Sister in charge discovered that one of the ceramic pot was missing. - No loss report sighted.
Fiji Flag	<ul style="list-style-type: none"> - Went missing from the garage after it was brought down by Mr. Levi the driver on 25/09/09. - No loss report sighted

The above findings indicate negligence by the responsible staffs/departments in taking care of government resources assigned to them. Prolonged delays in initiating disciplinary action could eventually lead to non recovery of surcharge if the officers concerned leave the service through resignations or retirement.

Recommendation

Management should consistently follow up on the above cases and ensure that responsible officers are made to reimburse the losses through appropriate means.

Ministry's Comments

The recommendation of the Audit Team has been noted.

No immediate recovery action was taken on the loss of Projector, Laptop and flag as the matter was not reported until later when it was realised that they were missing.

However, loss reports of all these items are now being prepared and to be submitted to the Ministry of Finance

⁹⁶ PSC Code of Conduct (8)

⁹⁷ Section 67 – Finance Instructions 2005

⁹⁸ Section 67 (2)

⁹⁹ Mr. Iferemi Waqanibete

Loss report on the small ceramic pots donated by Vinod Patel was not done because only 11 were reported to be received and not 12.

The Investigation Report was submitted on 17/12/09 by Fauzia Fazana and Sugu Daunibau who were appointed by the PSH to carry out the investigation.

Due to the negligence of the officers in the Stores responsible for the missing sutures, the MOH Staff Board decided that they be severely warned and reprimanded and any repetition of such irresponsible behaviour in the future would be dealt with more severely and may result in their services being terminated.

The case was also reported by the MOH to the Police for future investigation. This has not happened.

19.58 Procurement made at Exorbitant Prices

The proper management of expenditure is fundamental to ensuring value for money in delivering services to the community. As well, having cost effective internal controls within the purchasing and payments system plays an important part in ensuring that waste of funds, over-expenditures and corruption do not occur.¹⁰⁰

The hospital has been procuring dry food rations, vegetables and root crops from Joes Farm and Fresh'et at off-seasonal price through out the year. Review of a sample of items purchased revealed the following:

TABLE 19.49: PROCUREMENT MADE AT EXORBITANT PRICES

Product name	Supplier	Price Seasonal kg	Price off – seasonal kg	Price charged	Variance	Qty ¹⁰¹ per week	Qty per year	Total extra paid per year \$	Season ¹⁰²
Cassava	Joes Farm	\$1.35	\$1.50	\$1.50	\$0.15	650	33,800	5,070.00	All year around
Dalo	Joes Farm	\$1.50	\$1.80	\$1.80	\$0.30	100	5,200	1,560.00	All year around
Garlic	Joes Farm	\$1.40	\$1.90	\$3.00	\$1.10	5	260	286.00	Imported
Onions	Joes Farm	\$1.50	\$1.80	\$1.80	\$0.30	40	2,080	624.00	Imported
Carrots	Joes Farm	\$2.25	\$2.75	\$2.75	\$0.50	20	1,040	520.00	Imported
Eggplants	Joes Farm	\$1.00	\$1.60	\$1.60	\$0.60	200	10,400	6,240.00	All year around
Watermelon	Joes Farm	\$1.50	\$3.00	\$3.00	\$1.50	50	2,600	3,900.00	All year around
Potatoes	Fresh'et	\$1.50	\$1.65	\$1.65	\$0.15	500	26,000	3,900.00	imported
Tomatoes	Joes Farm	\$1.20	\$4.00	\$4.00	\$2.80	50	1,350	3,780.00	May-October
Tubuya (Chauriya)	Joes Farm	\$1.15	\$1.30	\$1.30	\$0.15	100	5,200	780.00	All year around
Total								26,660.00	

The dieticians and the Accounts Officers based at the CWM hospital are not aware when the on season or off season prices are applicable. The hospital had been quoting the off season prices whenever they placed new orders and to make matters worse, their suppliers were also turning a blind eye and charging the off season prices when invoicing them.

Another issue worth noting is that in 2010 Freshet increased the price of the potatoes to \$1.80/kg without advising the hospital or seeking the necessary approval from the MJTB.

¹⁰⁰ Finance Manual 2005, Part 2 Introduction.

¹⁰¹ Average quantity procured per week – Confirmed by Dietician

¹⁰² Source: Ministry of Agriculture.

As a consequence overpayments have been made to suppliers.

Recommendations

- **The Ministry should rectify the problem, by verifying the prices charged for all food items and request the suppliers to reimburse the amount overpaid.**
- **The matter should be reported to the Major Tender Board (MTB) and necessary recovery action from the suppliers should be initiated.**
- **The Ministry should liaise with MTB to provide the seasonal and off seasonal months for all the farm produce.**

Ministry's Comments

The Audit team recommendations are being noted.

A difficult area to ascertain in this purchasing process is the determination of seasonal and off-seasonal prices by the CWM Hospital Accounts Section and Kitchen. The MTB has set the prices limit on all items concerned but when to apply the particular limit is not clarified

When clarification is sought from the MTB, the advice given is to pay suppliers non-seasonal prices due to high charges set by farmers due to natural disasters and devaluation of the Fiji Currency..

It has to be noted that all payments for sales by contracted companies, are usually made on the price limit set by MTB except on this particular case because of the non-availability of appropriate information to determine when to apply off-seasonal and seasonal prices.

AUDIT FINDINGS – DEPARTMENT OF WOMEN AND SOCIAL WELFARE

FINANCIAL STATEMENT

19.59 Agency Financial Statement

The draft financial statements must be submitted to the Auditor General by 31 March in the following year, or within such other time as agreed to with the Auditor General.¹⁰³

In addition, each agency must include the following statements in its annual financial statements:

- (iv) statements of output costs;
- (v) a statement of assets and liabilities;
- (vi) notes to the statement of assets and liabilities;¹⁰⁴

The financial statements submitted on 02/04/10, were not prepared in accordance with Section 82 of the Finance Instructions. The following discrepancies were noted:

- Even though the 2009 Budget prescribed seven outputs, the Ministry submitted only five Statements of Output Costs.

¹⁰³ Section 81 (3) – Finance Instructions 2005

¹⁰⁴ Section 82 (1) – Finance Instructions 2005

- Audit could not substantiate the balances reflected in the Statements of Output Costs as the facility to allow the measurement and accounting of these costs is yet to be integrated in the Financial Management Information System (FMIS) of government.
- The Ministry's assets and liabilities are not reflected in the Agency Financial Statements.
- The Stock Take report for all cost centers for the year ended 31/12/09 was not made available for audit verification.

Non adherence on the part of the Ministry and the Ministry of Finance not only defies the full compliance of Finance Instruction provision 81 and 82, but it also restricts valid information from being reflected in the Agency Financial Statement.

Recommendations

- **The Ministry should ensure that the requirements of the Finance Instructions 81 & 82 are strictly followed when preparing the Agency Financial Statements.**
- **The Ministry should liaise with Ministry of Finance on the urgent need to promptly integrate the Ministry's activity based costing to the Output based Costing.**
- **The Ministry should commence the process of valuing its assets and liabilities and disclosing them in the Balance Sheet in accordance to the requirements of Finance Instruction 82.**
- **The Ministry should ensure that the Annual Stock take are carried out promptly.**

Ministry's Comments

The budget estimate is not aligned in accordingly, therefore it was rather difficult to reflect activity based costing to output based costing, for instance the output "Portfolio Leadership policy Advice and Secretariat Support" spread across borders of all individual activities.

A Guide to prepare agency financial report was developed in the year 2006; however this guide was never distributed to any one of the Accountants until to date. Furthermore USP was suppose to conduct 4 days workshop on compiling of financial statement in November 2006 when workshop never eventuated

19.60 Wrong Posting

Each accounting head should ensure that:

- a) Revenue is recorded against the correct account;
- b) The recording of revenue is reconciled monthly with the Ministry of Finance;
- c) The Ministry of Finance is advised of any errors or discrepancies within 10 working days after the end of each month; and
- d) VAT is correctly accounted for and remitted as required.¹⁰⁵

The Ministry has six miscellaneous revenue accounts. However, one of these accounts disclosed a debit balance of \$42,599. Refer to the table below for details.

¹⁰⁵ Finance Instructions 2005 section 30 (1)

TABLE 19.50: DETAILS OF MISCELLANEOUS REVENUE ACCOUNTS

Account ID	Account Description	Amount (Credit)/Debit (\$)
Credit Balance		
1-22501-24999-230399	FEES-MISC (PUB TRSUTEE, ETC)	(10.00)
1-22501-24999-270301	COMMISSION	(404.74)
1-22701-75999-270301	COMMISSION	(8.13)
1-22701-75999-279999	MISCELLANEOUS REVENUE	(306.20)
1-22501-24999-270202	RENTAL FOR OFFICIAL QUARTERS	(69.25)
TOTAL		(798.32)
Debit Balance		
1-22701-75999-279999	MISCELLANEOUS REVENUE	42,599.06

Efforts made by audit to rectify the anomaly proved futile as the Ministry failed to provide corrective journal vouchers in order for Ministry of Finance to carry out the adjustments.

Failure to rectify the anomaly has resulted in the understatement of agency revenue (miscellaneous revenue).

Recommendation

The Ministry should ensure that proper reconciliations are performed monthly and adequate supervisory checks are implemented to prevent such wrong postings.

Ministry's Comments

Attached hereto is Journal Inquiry by Account detail Print which clearly shows \$306.20 credit balance reflected in the account for the period no. 14 of the year 2009.

19.61 `Revolving Fund Account (RFA) - Miscellaneous

A ledger shall be maintained for advances and revolving fund accounts¹⁰⁶. With 3 days of receiving the monthly general ledger reports from the Ministry of Finance, the Accounts Supervisor shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement.¹⁰⁷

The Ministry operated under Head 24 in 2007 but in 2008 it was merged with Ministry of Health under Head 22. Two RFA's still had outstanding balances carried forward from Head 24 in 2007 and these 2 accounts were not reconciled and the Ministry did not consider them when providing the reconciliations for RFA –Miscellaneous in 2009.

This resulted in a variance of \$46,470 between Ministry's records and the FMIS/Appendix. Refer to the table below for details:

¹⁰⁶ Finance Manual 2005 Section 16.3.1

¹⁰⁷ Finance Manual 2005 Section 16.3.3

TABLE 19.51: VARIANCE BETWEEN DEPARTMENT/FMIS FIGURES

Account ID	Head	Ministry (Social Welfare) (\$)	FMIS (\$)	Appendix (\$)	Variance (\$)
1-22501-24999-560201	22	1,432,400.75	1,432,400.75	1,478,870.97	46,470.22
1-22501-24999-570101	22	No Reconciliations were prepared	108.00		
1-24101-24999-570101	24		46,362.22		
Total		1,432,400.75	1,478,870.97	1,478,870.97	46,470.22

Audit could not ascertain the correctness of the RFA Miscellaneous balance appearing in the Financial Management Information System and Appendix as the Ministry failed to prepare its monthly reconciliations.

Recommendations

- The Ministry should ensure that monthly reconciliation is prepared in accordance with the requirement of the Finance Manual and any differences should be adjusted accordingly.
- The Accounts Officer should liaise with Ministry of Finance to transfer the amounts appearing under Head 24 to Head 22 and delete the accounts from the system.

Ministry's Comments

The difference can never be adjusted or deleted; however any write off in excess of \$1000 should be carried out after obtaining approval of PS Finance as stipulated in Part 8 of Finance Instruction. In fact the balance was 2.9m which was reduced to 1.4m in the year 2009 as per attached approval.

19.62 Drawings Account

All bank accounts shall be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other items and be signed and dated by the responsible officer.¹⁰⁸

Chief Executive Officers and Accounting Heads must follow up closely with their various clients and suppliers to present their cheques with in reasonable period of time. Write off action should be taken once they become stale whereby those relating to the current year is charged against the appropriate expenditure allocation and those of previous years against the general revenue account.¹⁰⁹

Audit could not ascertain the correctness and accuracy of the account balance provided in the Financial Management Information System (FMIS) and Appendix 3 when compared with the Ministry's record. Refer to the table below for details:

TABLE 19.52: VARIANCE BETWEEN DEPARTMENT/FMIS FIGURES

	Ministry (Social Welfare) (\$)	FMIS (\$)	Appendix (\$)	Variance (\$)
Social Welfare	1,088,268.87	1,004,503.33	1,004,503.33	(83,765.54)

¹⁰⁸ Finance Instruction Section 39(5) -2005

¹⁰⁹ Finance Circular 21/2007 dated 12/11/07 section 7.4.2

The above anomalies imply that the monthly Drawings Account reconciliations may not have been thoroughly scrutinised and checked by the responsible officer(s) from the Ministry and the Ministry of Finance.

Recommendations

- The Ministry should establish what the amount of \$83,765.54 represents and should rectify their records.
- The Ministry should ensure that monthly reconciliations are prepared in accordance with the requirement of the Finance Manual and any differences noted should be promptly communicated to the Ministry of Finance to facilitate the preparation of appropriate adjustments.

Ministry's Comments

The difference in drawings had been carried forward from the year 2006 as per copy of Drawings a/c reconciliation statement attached hereto.

In the 2006, Department of Women Officials were assigned the responsibility to regularly reconcile Drawing a/c, however the officials did not carry out their responsibilities intentionally when their ulterior motive was to conceal fraudulent activities in which they were involved. The matter had been before court which will decide their fate. It is worth noting that Drawings Reconciliations from year 2006 to 2009 were prepared during the 2009.

19.63 Trust Fund Account

Within 3 days of receiving the monthly general ledger reports from the Ministry of Finance, the Accounts Officer shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement. Any errors or misallocations must be immediately adjusted by way of journal vouchers.¹¹⁰

Social Welfare

The following anomalies were noted from the review of the trust fund reconciliations as at 31/12/09:

- As per the Ministry's reconciliation, PD Employees FNPF account had an overdrawn (debit) balance of \$9,998 carried forward from 2008. The details are as follows:

TABLE 19.53: DETAILS OF OVERDRAWN TRUST FUND ACCOUNT

Account ID	Account Description	2008 (\$)	2009 (\$)
1-22501-24999-861920	501 PD EMPLOYEES FNPF	11,512.52	9,998.18

- There were variances in the trust fund account where the amount shown by the Ministry did not reconcile with the general ledger (FMIS) and Appendix 23. Refer to the next table for details:

¹¹⁰ Finance Manual 2005. Section 16.3.3 – 16.3.4

TABLE 19.54: VARIANCE BETWEEN DEPARTMENT/FMIS AND APPENDIX FIGURES

	Opening Balance (\$)	Receipts (\$)	Payments (\$)	Closing Balance (\$)
Ministry (Social Welfare)	14,278.95	219,780.18	212,320.93	6,819.70
Appendix	31,007.08	191,379.61	184,596.87	24,224.34
General Ledger FMIS	32,058.92	219,499.34	211,664.76	24,224.34

- The Ministry operated under Head 24 in 2007 but in 2008 it was merged with Ministry of Health under Head 22. However, the balance of the funds was not carried over. Also, as at 31/12/09 no reconciliations were prepared for the 27 accounts sitting in Head 24 resulting in a variance of \$17,186.53 while the overall variance was \$17,305.64. Refer to the table for details:

TABLE 19.55: VARIANCE BETWEEN DEPARTMENT/GENERAL LEDGER (FMIS) FIGURES

Head	Ministry (Social Welfare) (\$)	General Ledger (FMIS) (\$)	Difference (\$)	Audit Comments
22	6,918.70	7,037.81	119.11	Unexplained variance in the reconciliations submitted by the Ministry when compared against the FMIS balance.
24	No Reconciliation was prepared.	17,186.53	17,186.53	Department failed to prepare its reconciliation for accounts appearing under its Head 24. Similar concerns were raised last year but no improvement has been noted
Total	6,918.70	24,224.34	17,305.64	

- Out of the twenty seven (27) accounts, eleven (11) of these had overdrawn balances, most of which have been carried forward from 2007.

Refer to the table below for details:

TABLE 19.56: DETAILS OF OVERDRAWN TRUST FUND ACCOUNT

	Account ID	Account Description	2007 (\$)	2008 (\$)	2009 (\$)
1	12410124999861104	208 PD RENT H/A UNEST	14.10	14.10	14.10
2	12410124999861105	267 PD RENT PUBLIC RENTAL BRD	1,947.40	1,947.40	1,947.40
3	12410124999861204	244 PD-LICI	324.23	324.23	324.23
4	12410124999861306	263 PD HOUSING AUTHORITY	128.83	128.83	128.83
5	12410124999861501	286 PD FIJI PUBLIC SERVICE ASS	1,785.99	1,785.99	1,785.99
6	12420224999861532	YYY PD PUBLIC EMPLOYEE UNION	10.00	10.00	10.00
7	12410124999861533	WESRAM FINANCE	24.00	24.00	24.00
8	12420224999861599	XXX PD OTHERS	74.40	74.40	74.40
9	12410124999861920	501 P D EMPLOYEES FNPF	57,514.35	51,612.11	51,612.11
10	12420224999861920	501 P D EMPLOYEES FNPF	21.12	21.12	21.12
11	12410124999899988	MISCELLANEOUS FUND OPEN ITEM	592.09	592.09	592.09
	Total		62,436.51	56,534.27	56,534.27

- The remaining sixteen (16) trust fund accounts had outstanding balances, most of which have been carried forward since 2007. Refer to the table below for details:

TABLE 19.57: DETAILS OF ACCOUNT WITH LONG OUTSTANDING BALANCES

	Account ID	Account Description	2007 (\$)	2008 (\$)	2009 (\$)
1	12410124999861101	202 PD OPR CURRENT YEAR	(2,395.65)	(2,395.65)	(2,395.65)
2	12410124999861102	384 PD OPR PREVIOUS YEAR	(2,298.00)	(2,298.00)	(2,298.00)
3	12410124999861106	390 PD GOV WATER RATES CHRGS	(192.97)	(192.97)	(192.97)
4	12410124999861202	241 PD CMLA	(2,605.96)	(2,605.96)	(2,605.96)
5	12410124999861206	246 PD MARSH & MCLENNAN	(103.24)	(103.24)	(103.24)
6	12410124999861209	249 PD MARSH & MCLENNAN (HTH/P	(51.55)	(51.55)	(51.55)
7	12410124999861525	316 PD SERVICE WORKER CU	(25.00)	(25.00)	(25.00)
8	12410124999861532	YYY PD PUBLIC EMPLOYEE UNION	(617.58)	(617.58)	(617.58)
9	12410124999861599	XXX PD OTHERS	(8,552.45)	(8,552.45)	(8,552.45)
10	12410224999861599	XXX PD OTHERS	(74.40)	(74.40)	(74.40)
11	12410124999861802	411 PD RENT GRADE I & II	(38.46)	(38.46)	(38.46)
12	12410124999861901	201 PD TAX ARREARS / PAYE	(22,283)	(22,349)	(22,349)
13	12410124999861915	400 PD FINES & TREASURY	(5.00)	(5.00)	(5.00)
14	12420291011861920	501 P D EMPLOYEES FNPF	(17.68)	(17.68)	(17.68)
15	12420292031861920	501 P D EMPLOYEES FNPF	(10.56)	(10.56)	(10.56)
16	12420291011861532	YYY PD PUBLIC EMPLOYEE UNION	(10.00)	(10.00)	(10.00)
	Total		(39,281)	(39,348)	(39,348)

Women Affairs

The Ministry operated under Head 24 in 2007 but in 2008 it was merged with Ministry of Health under Head 22. However, the balance of the funds was not carried over from Head 24 to Head 22, thus resulting in a variance of \$10,875.48. Refer to the table below for details:

TABLE 19.58: OPERATING TRUST FUND ACCOUNT BALANCE

Head	Ministry (Women) (\$)	FMIS Figure (\$)	Difference (\$)
22	(1,125.82)	(1,125.82)	-
24	No Reconciliation was prepared.	10,875.48	10,875.48
Total	(1,125.82)	9,749.66	10,875.48

Also, audit could not ascertain the correctness and accuracy of the Trust Fund balance appearing under Head 24 provided in the general ledger (FMIS) as the Ministry failed to prepare its monthly reconciliations.

The Operating Trust Fund Account should always have a credit balance at the end of each month however, audit noted that of the twenty-two (22) accounts, eight (8) accounts had an overdrawn balance, most of which had been carried forward since 2006. Refer to the table below for details:

TABLE 19.59: OVERDRAWN TRUST FUND ACCOUNTS

Account ID	Account Description	2006 (\$)	2007 (\$)	2008 (\$)	2009 (\$)
12430175999861901	201 PD TAX ARREARS / PAYE	(1,989.42)	(1,549.31)	(1,549.31)	(1,549.31)
12430175999861911	385 PD SPORTS & SOCIAL	(1.84)	(26.68)	(26.68)	(26.68)
12430175999861101	202 PD OPR CURRENT YEAR	0.00	(70.47)	(70.47)	(70.47)
1-22701-75999-861101	202 PD OPR CURRENT YEAR	0.00	0.00	(425.00)	(425.00)
1-22701-75999-861204	244 PD-LICI	0.00	0.00	37.93	(16.65)
1-22701-75999-861532	YYY PD PUBLIC EMPLOYEE UNION	0.00	0.00	(115.00)	(115.00)

Account ID	Account Description	2006 (\$)	2007 (\$)	2008 (\$)	2009 (\$)
1-22701-75999-861914	389 PD-COURT BANKRUPTCY ORD	0.00	0.00	0.00	(500.00)
1-22701-75999-861920	501 PD EMPLOYEES FNPF	0.00	0.00	(16.81)	(555.05)
Total		(1,991.26)	(1,646.46)	(2,165.34)	(3,258.16)

Moreover, the remaining fourteen (14) Trust Fund accounts had outstanding balances, most of which had been carried forward from 2007. Refer to the next table for details:

TABLE 19.60: DETAILS OF ACCOUNT WITH LONG OUTSTANDING BALANCES

Account ID	Account Description	2007 (\$)	2008 (\$)	2009 (\$)
12430175999861920	501 P D EMPLOYEES FNPF	482.46	482.46	482.46
12430175999861910	383 PD SUNDRIES	9,227.18	9,227.18	9,227.18
12430175999861105	267 PD RENT PUBLIC RENTAL BRD	3.00	3.00	3.00
12430175999861202	241 PD CMLA	221.24	221.24	221.24
12430175999861204	244 PD-LICI	1,084.95	1,084.95	1,084.95
12430175999861206	246 PD MARSH & MCLENNAN	97.66	97.66	97.66
12430175999861306	263 PD HOUSING AUTHORITY	457.15	457.15	457.15
12430175999861501	286 PD FIJI PUBLIC SERVICE ASS	6.00	6.00	6.00
12430175999861504	289 PD FIJI REG NURSES ASS	32.30	32.30	32.30
12430175999861532	YYY PD PUBLIC EMPLOYEE UNION	370.00	370.00	370.00
12430175999861599	XXX PD OTHERS	540.00	540.00	540.00
1-22701-75999-861306	263 PD HOUSING AUTHORITY	0.00	480.00	446.40
1-22701-75999-861599	XXX PD OTHERS0	0.00	19.00	19.00
1-22701-75999-861901	201 PD TAX ARREARS / PAYE	0.00	137.45	20.48
Total		12,521.94	13,158.39	13,007.82

The issue on non preparation of reconciliations for the accounts under Head 24 was raised last year by audit, however as evident above; the Ministry has failed to take any action.

The above anomalies imply that there is lack of co-ordination between the Ministry's Accountant and Ministry of Finance.

In the absence of proper records and reconciliations, audit could not substantiate the accuracy of the balances of the Trust Fund Account reflected in the FMIS.

Recommendations

- The Senior Accounts Officer should liaise with Ministry of Finance and find ways to rectify the above anomalies.
- The Ministry should ensure that the Trust Fund Account reconciliation are prepared on a monthly basis and is verified or reconciled with the records provided in the Financial Management Information System
- The Ministry should investigate and provide explanation for the long outstanding and overdrawn (debit) trust fund accounts.

Ministry's Comments

FMIS was implemented in 2006, the carried forward balances from the manual system were not keyed into the FMIS system as brought forward balances, thereafter the balances appeared under head 24 until to date.

As for 2009 figures mention herein were concealed when Ministries head changed from 24 to 22, however at the beginning of 2010 Ministry head once again changed from 22 to 24 when the hidden figures appeared again.

Therefore subject to Finance approval the figures will be written off during balance day adjustment which will take place in period 14 of this year.

19.64 VAT Reconciliation

Subject to the provision of the Vat Decree 1991, the tax shall be charged in accordance with the provisions of this Decree at the rate of twelve and a half percent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.¹¹¹

Output VAT is payable to the Commissioner of Inland Revenue for the supply of all goods and services with the exception of zero rated and exempted supplies. Payments effected by government departments for goods and services are thus subjected to VAT.¹¹²

A review of VAT Returns and supporting documents carried out during the audit revealed an un-reconciled balance of \$104,353.90 between the taxable supplies as per VAT Return and the total income/expenditure as per the Statement of Receipts and Expenditure. Refer to the table below for details:

TABLE 19.61: VARIANCE BETWEEN VAT RETURNS AND INCOME/EXPENDITURE AS PER FINANCIALS

Details	Amount \$
Total expenditure/income as per Expenditure Statement (FMIS)	24,946,601.96
Less: Expenditure not subject to VAT – SEG 1,2, 6 and 10	23,985,967.66
Total expenditure/income subject to VAT (a)	960,634.30
Total taxable supplies as per VAT Returns (b)	856,280.40
Un-reconciled variance (a) – (b)	104,353.90

In addition, a difference of (\$10,973.29) was noted between the actual VAT payments for the year 2009 and the balance disclosed in the general ledger (FMIS) as reflected in the table below.

TABLE 19.62: VARIANCE BETWEEN VAT RETURNS AND INCOME/EXPENDITURE AS PER FINANCIALS

Details	Amount \$
VAT payments (VAT payments to FIRCA and VAT Input) as per Statement of Receipts and Expenditure (FMIS)	92,963.05
VAT payments (VAT payments to FIRCA and VAT Input) as per VAT Returns for 2009	103,936.34
Un-reconciled variance	(10,973.29)

The above variances were the results of improper reconciliation undertaken by the Ministry.

¹¹¹ Value Added Tax Decree 1991 4th edition revised to 30/04/04 – Section 15 (1)

¹¹² Finance Circular No 9/95

Recommendations

- The Ministry should review its VAT records and provide explanations for the variances.
- The Ministry should ensure monthly reconciliations are promptly prepared and submitted to relevant authorities to avoid penalties being charged.
- Supervisory checks on the preparation of VAT Returns should be improved to ensure that balances reflected in the VAT Returns reconcile with the GL (FMIS).

Ministry's Comments

VAT returns were submitted to FIRCA after thorough VAT reconciliation. According to our records total VAT paid was \$89,100, we noted that your auditors have not taken into consideration the VAT refunds.

19.65 FNPF Reconciliation

Every employer shall pay to the Fund in respect of each of his employees, in every month during which such employee is employed by him and in the month following the termination of such employment, a contribution calculated upon the amount of wages payable to such employee by such employer for the preceding month at the appropriate rates.¹¹³

The current rate of contribution is 16 cents on each dollar earned, with the employer and employee each contributing 8 cents.

A variance of \$124,051 existed between the total salaries and wages computed from the FNPF contributions in 2009 against the actual salaries and wages reported in the Financial Statements as tabulated below:

TABLE 19.63: UN-RECONCILED VARIANCE IN GROSS SALARIES/WAGES

Details	Amount (\$)
Salaries and Wages computed from FNPF contributions in 2009:	
FNPF as per financial statement	194,321.49
Less: December 2008 FNPF paid in Jan 2009	29,024.80
	165,296.69
Add: December 2009 FNPF paid in Jan 2010	31,529.76
FNPF Contribution by Employer for 2009	196,826.45
Gross Pay based on FNPF contributions (\$196,826.45 / 0.08) (a)	2,460,330.63
Salaries and Wages for 2009 subject to FNPF	
Salaries, wages and allowances as per Expenditure Statement (FMIS)	2,589,784.11
Less: Salaries, wages and allowances for 2009 not subject to FNPF	5,402.19
Salaries and Wages subject to FNPF (b)	2,584,381.92
Un-reconciled Variance (a) – (b)	(124,051.29)

A variance of \$9,924 existed between actual FNPF contributions paid against the FNPF computed from the gross salaries and wages paid in 2009 as tabulated below.

¹¹³ Chapter 219 – Fiji National Provident Fund – Section 13 (1)

TABLE 19.64: UN-RECONCILED VARIANCE IN FNPF CONTRIBUTION

Details	Amount (\$)
Salaries and Wages computed from FNPF contributions in 2009:	
FNPF as per financial statement	194,321.49
Less: December 2008 FNPF paid in Jan 2009	29,024.80
	165,296.69
Add: December 2009 FNPF paid in Jan 2010	31,529.76
FNPF Contribution by Employer for 2009 (a)	196,826.45
(b) Salaries and Wages for 2009 subject to FNPF	
Salaries, wages and allowances as per Expenditure Statement (FMIS)	2,589,784.11
Less: Salaries, wages and allowances for 2009 not subject to FNPF	5,402.19
	2,584,381.92
FNPF on Salaries & Wages (\$2,584,381.92 * 8%) (b)	206,750.55
Un-reconciled Variance (a – b)	(9,924.10)

No explanation was provided by the Ministry for the variances however, audit is of the view that the variances above could be attributed to some staffs or project officers being paid from other SEGs other than SEG 1 and SEG 2; or wrong posting being made to the FNPF allocation

Recommendations

- The Ministry should ensure that proper FNPF reconciliations are carried out on a monthly basis to identify variances and appropriate corrective actions taken where necessary.
- The Ministry should review its FNPF records and reconciliations and provide explanations for the variances noted above.

Ministry's Comments

Attached hereto is a list that shows salary & wages of project officers were paid from SEG 6. of Field program & Seg 7 of Poverty

AUDIT FINDINGS – DEPARTMENT OF WOMEN AND SOCIAL WELFARE

19.66 Unauthorised Absence of Viliame Tuivanuakula

If, within 7 days of the beginning of the absence, the employee does not tell the Commission the reason for the absence and the expected date of his or her return to duty, the employee is taken to have resigned from the public service and forfeits all rights and entitlements in relation to the employee's public service employment.¹¹⁴

The audit of payroll records revealed that Welfare Officer -Viliame Tuivanuakula has been habitually absenting himself from work without prior leave notification and approval. Refer to the table below for details.

¹¹⁴ Section 20 (3) of the Public Service (General) regulations, 1999

TABLE 19.65: DETAILS OF UNAUTHORISED ABSENCE

Unauthorised Absence	Comments
9/11/09 -11/11/09	No application for leave sighted. Salary was not deducted.
13/11/09	No application for leave sighted. Salary was not deducted
17/11/09-18/11/09	No application for leave sighted. Salary was not deducted
20/11/09	No application of leave sighted. Salary not deducted
23/11/09-24/11/09	No application of leave sighted. Salary not deducted
30/11/09 -31/12/09	<ul style="list-style-type: none"> On 02/12/09 the officer forwarded a letter to the Department requesting for leave from 30/11/09 to 08/12/09. Although this was declined, the officer failed to report to work. He continued receiving the full salary until his pay was terminated with effect from 01/01/10.

Even though audit noted that the officer failed to report to work for a continuous 32 days (30/11/09 - 31/12/09) management failed to take this up as a “deemed to resign case.” Consequently his pay was not terminated promptly resulting in the overpayment of salary amounting to \$2,167.21.

This implies laxity by the Department in discharging its duties responsibly.

Recommendations

The medium of internal communication needs to be strengthened to avoid any overpayments of salaries in future.

Ministry’s Comments

The Team Leader of each unit have been timely advised to report to the Corporate and Accounts Unit of the Ministry immediately of officers under their supervision absent without leave or away from office without any valid reason.

As in case of Mr. Viliame Tuivanukula, he has been counselled by his immediate supervisor on numerous occasions for his attendance but he has taken advantage of his position as second in seniority in a divisional office.

19.67 Same Client Reference Number

Each voucher should have the unique identifier of the client’s reference number prefixed with their Cost centre and suffixed with the month and year that the voucher is valid for.¹¹⁵

Audit scrutiny of ANZ and CNB Bank Mode Listings for the year 2009 revealed that some recipients had the same reference numbers even though it had different names and bank account numbers. Refer to table below for details.

TABLE 19.66: EXAMPLES OF CLIENT WITH SAME REFERENCE NUMBER

Details	Recipient 1	Recipient 2
Name	Salote Vakayavu	Grace Morell
Reference Number	101-107099	101-107099

¹¹⁵ Interim Government Cabinet Paper (07) 26 Date 13/02/07.
Ministry of Health, Women and Social Welfare

Details	Recipient 1	Recipient 2
Bank	ANZ	ANZ
Account	09195885	09270911
Amount per month	60.00	74.00

Details	Recipient 1	Recipient 2
Name	Venina Nairabelevu	Amenatave Vokula
Reference Number	101-105139	101-105139
Bank	ANZ	ANZ
Account	09017142	9381123
Amount per month	60.00	60.00

Details	Recipient 1	Recipient 2
Name	Sera Vula	Sera Vula
Reference Number	101-108084	101-108084
Bank	ANZ	CNB
Account	08067310	4885422
Amount per month	60.00	60.00

Details	Recipient 1	Recipient 2
Name	Andrea Namalo	Andrea Namalo
Reference Number	101-105318	101-105318
Bank	ANZ	CNB
Account	5577674	5577674
Amount per month	60.00	100.00

Supervisory check on the work done by Divisional Clerks is lacking. Also duplication of reference numbers could lead to double payments.

Recommendations

- The officers responsible for making such entries should be more vigilant and appropriate measures should be taken to correct the anomalies noted above.
- The Ministry should nominate someone to carry out a 100% check on the reference numbers allocated and where necessary corrective actions should be taken.
- The Ministry should ensure that all individuals receiving financial assistance should only have one (1) bank account.

Ministry's Comments

The audit findings have been forwarded to the Divisional Manager responsible for immediate action and rectification. The issue of double entry has been stressed and officers have been reminded to be more vigilant when allocating reference numbers and listings for payments. The present review underway should assist with the clean up of the database.

For the first three cases, two different recipients had same reference numbers which resulted from typing error as list was manually prepared.

For the last case, Account number was valid for CNB so only one account was updated while the other amount deposited for ANZ was returned due to unaccepted account number.

19.68 Assistance not terminated

The volume of a commitment for Family Assistance is to remain with the current policy limits of minimum \$60 and maximum \$100¹¹⁶.

Any changes in the approved amount given out as assistance should only be done after a thorough review is carried out to ascertain that changes in circumstance really warrants an increase or decrease in the rate of assistance.

Audit noted that Atelini Ranadi's family assistance was supposed to be terminated with effect from August 2007 when her husband was released from prison following a review conducted on 30/06/07. However audit scrutiny of the bank mode listing revealed that her name continued to appear in the listings as at 31/12/09. .

The above indicates laxity by responsible officer in not terminating the recipient's name promptly resulting in loss of income of \$2,700 to the Ministry.

Recommendations

- **The family assistance payable to Atelini Ranadi should be terminated from the system immediately and efforts should be made to recover the amount.**
- **The Ministry should explain why this recipient's assistance was not terminated from the system on time.**
- **The Ministry should introduce systems and control to ensure that such anomalies are not repeated in future.**

Ministry's Comments

The audit findings have been forwarded to the Divisional Manager for a response. The senior management will make a decision once the report has been received on the case.

No official confirmation was received from Prison Department that this Atelina Ranadi Husband has been released from the Prison until to-date. However her assistance has been temporarily suspended until we are able to confirm that her husband has been released from Prison.

19.69 Recipients Name Not Terminated

The volume of a commitment for Family Assistance is to remain with the current policy limits of minimum \$60 and maximum \$100¹¹⁷. Any change in the approved amount for assistance should be done after a through review to ascertain that some changes in circumstance really warrants an increase or decrease in the rate of assistance.

¹¹⁶ Finance Manual 2005 Section 4.1.9

¹¹⁷ Finance Manual 2005 Section 4.1.9

Our audit noted that some individuals continued to be provided with the family assistance although reviews conducted by the Ministry established that they no longer qualified. Refer to the table below for details:

TABLE 19.67: EXAMPLES OF RECIPIENTS ASSISTANCE NOT TERMINATED

Recipient	Reference Number	Remarks on E-Welfare System.	Overpaid Amount As at 31/12/09 (\$)
Sahida Bi	Could not ascertain.	The review was conducted on 07/11/07 The recipient assistance was to be terminated since the children are independent and working. Her allowance was increased from \$72 to \$75 on 11/06/08 without any reasons being provided.	1,875.00
Kamta Prasad	301-101146	The review was conducted on 29/08/07 The recipient assistance was to be terminated since the children are independent and working.	1,988.00
Total			3,863.00

The above indicates laxity by responsible officers in not promptly terminating the recipients' names thus resulting in the overpayments.

Recommendations

- The above recipients name should be terminated from the system immediately and efforts should be made to recover the amounts from their children.
- The Ministry should investigate why this recipient's assistance was not terminated from the system promptly.
- The Ministry should implement systems and controls to ensure that such anomalies are not repeated in future.

Ministry's Comments

The files for the recipients have now been closed and allowances therefore terminated.

Investigation report has been received from Divisional Manager Northern. This will be forwarded to Senior Management for a decision.

It is anticipated that the e-gov system will resolve some of the control issues in relation to the Family Assistance Program

Sahida Bi – The case was tampered through database and the welfare officer concerned is been expected to provide written explanation to the disciplinary committee which will than be submitted to PSC for their further decision.

The SWO and the clerk are strictly accessible to the database only and this strict measure has been monitored too.

Kamta Prasad – The case is now terminated from the e welfare with effect 01/04/10 after there was confirmation from welfare officer that the case was still active in the database.

19.70 Non Submission of Acquittals

All projects must be completed within 6 months of the receipt of the grant unless otherwise agreed upon.¹¹⁸ Where required under Finance Instruction 25 (8), the recipients NGO shall prepare an acquittal report. The acquittal report shall provide the following information; details of PAP money expended and unexpended, PAP objectives and targets achieved and financial statement (audited if practicable) for grants of \$20,000 or more (NGOs with multiple projects).¹¹⁹ All acquittal reports must be signed by both the recipients and NGO and where relevant, bear the company seal or stamp of the organization.¹²⁰

Audit noted that for projects undertaken in 2009, no progress report, completion certificates, photographs and the acquittal reports were submitted to the Ministry by the respective NGO's and the recipients. Details for 2009 are tabulated below while the 2008 project which were not acquitted are disclosed as *Appendix 19.17*.

TABLE 19.68: 2009 ACQUITTAL REPORTS NOT SUBMITTED

Division	Date Cheque Issued	Name of Recipient	NGO/Individual	Project Type	Amount \$	Time lapsed since the due date
Central	10/01/2009	Karalaini Vakalalabure	Society of St.Vincent De Paul	House	2,500	12 months
Central	09/09/2009	Josefa Rusaqoli	Ex-prisoner	Income Generating	1,500	7 months
Northern	10/01/2009	Sera Tabuaqiri	Wailevu Women's Methodist	House	2,000	12 months

The non-submission of acquittal report together with relevant details makes it difficult to authenticate whether the grants have been used for its intended purposes

Recommendations

- The Ministry should ensure that acquittals are submitted on a timely basis and is adequately supported with appropriate and valid documents.
- The Ministry should consistently follow up and send reminders to the respective NGO's and recipients.
- Site visits should be conducted and any anomalies noted should be reported to the respective authorities on time.

Management Comments

The Ministry for many years has faced difficulties in pursuing acquittals for projects funded under the Poverty Alleviation Program due to capacity issue and lack o technical expertise in the area of housing. Taking this into account the Ministry has been relinquished of its responsibilities in funding for housing projects. All housing funds are now consolidated under the Rural Housing Scheme given their capacity and technical expertise on the ground.

¹¹⁸ Finance Manual 2005 Section 3.2.17

¹¹⁹ Finance Manual 2005 Section 3.2.21.

¹²⁰ Finance Manual 2005 Section 3.2.22

The Ministry however fully agrees with the recommendation and every effort is being made to receive a feedback on projects that were funded.

This has been discussed with Divisional Managers who are directly responsible for project implementation at district and divisional level

19.71 Non Review of Family Assistance Recipients

Audit has established that regular reviews are not conducted to ensure that only valid and deserving individuals are given family assistance from the Ministry.

In the absence of a review, the Ministry may not know if the recipient has passed away and consequently family members/relatives could be illegally accessing the assistance.

In addition, the recipient's children could have found employment and thus would be in a position to support the family.

The table below gives an indication of those recipients that may need to be reviewed by the Ministry on their eligibility status:

TABLE 19.69: EXAMPLES OF INADEQUATE RECORDS MAINTAINED AT THE RECIPIENTS FILE

Recipient	Reference Number	Date of Last Review	Remarks
Pushpa Wati	SU/BS/35/02	20/07/05	Advisory Councillor letter was not attached. Review Form attached dated 20/07/05.
Shyam Ali	SU/303/97	Not stated	Birth Certificate and Advisory Councillor letter was not attached.
Pauliasi Tukuca	SU/1381/00	Not stated	Birth Certificate was not attached.
Shainash Ali	101-107161	Not stated	ID photo was not attached.
Sikiti Ligamate	101-100698	Not stated	Birth Certificate was not attached.
Prem Wati	101-101412	Not stated	Birth Certificate was not attached. Birth Certificate attached did not match Prem Wati's name. The name was Daya Wati.
Sunita Devi	101-101655	Not stated	Relevant details were attached.
Manju Lata	101-101243	Not stated	Relevant details were attached.
Litiana Vukea	101-100433	Not stated	Relevant details were attached.

Recommendation

The Ministry should carry out an annual review of the recipients including field/house visits to determine whether they are still eligible for assistance.

Ministry's Comments

Annual Review of the Family Assistance Scheme commenced in November 2009 and will conclude in May 2010. Through this exercise the Ministry anticipates that the eligibility of those receiving FA allowance will be confirmed and whether the person should have the allowance continued or ceased.

A review was conducted in December 2009 to April 2010 to determine the continuation of allowance for those who deserve and for those whose allowance to be terminated with effect from 1/7/10. Further to this there was a cabinet approval early this year on which those who were receiving under the category of death of breadwinner, single parents, prisoner's dependant and deserted spouse were to be transferred to Care and Protection

Allowance. The criteria for C&P would include only children who were under the age of 17 years and those that were over the age, their allowance will be terminated with effect from 1/07/10.

19.72 Review of Care and Protection Allowance

Cabinet had approved via Decision No.121 on 14/7/09 that all children even if they are over the age of 17 years but are still in school to continue with the Care and Protection Allowance until they leave school. However, controls need to be in place to ensure that the right recipient continues to receive the funds under the Care and Protection Allowance.

A review of Care and Protection Allowance recipients is not conducted regularly and the Ministry may not know if a recipient still qualifies for allowance. Funds may continue to be paid out to these individuals even if they are no longer attending school. Refer to the table below for examples.

TABLE 19.79: EXAMPLES OF CASES WHICH NEEDS TO BE REVIEWED

Recipients	Reference Number	Date of Last Last Review
Nanise Kamarusi	NU/TG/44/01	1-Jul-01
Raj Kumari	NU/RP/37/02	29-Jul-02
Manisa Singh f/n Shiu Karan	NU/TG/559/95	26-Sep-02
Vasiti Adimaira	NU/TG/13/04	1-Aug-04
Mereani Drauvaki	NU/TG/72/04	1-Nov-04
Raijeli Raceva	NU/AT/283/94	31-Jan-05
Abdul Latif	NU/TG/03/04	31-Jan-05
Vitinia Nakuru	NU/TM/27/01	8-Jul-05
Lidia Kaikaivonu	NU/TG/73/03	20-Jul-05
Vilivo Tuinukumoto	NU/CD/438/99	27-Jul-05
Alusio Tawakevou	NU/TG/258/97	28-Jul-05
Nanise Tiko	NU/CG/TG/RM/100/02	28-Jul-05
Ilaitia Satui	NU/TG/15/04	11-Aug-05
Lusiana Maimanuku	NU/TG/39/01	12-Aug-05
Sevuloni Laqekoro	NU/TG/152/02	31-Aug-05
Epi Vosawai	NU/TM/71/06	19-Oct-06
Vasenai Sarasa	NU/TG/32/08	25-Oct-05
Akuila Nabete	NU/TG/58/05	7-Nov-05
Makario Liganivai	NU/TM/11/06	27-Jan-06
Maca Koro	NU/TM/65/06	13-Sep-06
Suka Leto	NU/TM/66/06	26-Sep-06
Maraia Raluve	NU/LN/13/07	26-Feb-07
Merewai Bola	NU/TM/39/06	6-Jul-07

There are no checks or controls in place where the Department can detect whether a recipient is under the age of 17 or still dependent and require care and protection allowance. There is no work program available where Welfare Officers could visit the various recipients to determine whether they still need care and protection allowance.

Recommendation

The Ministry should carry out an annual review of the care and protection recipients to determine whether they still qualify for assistance.

Ministry's Comments

The new e-gov system will flag cases for children who have reached 18years prompting the caseworker to carry out the review. In addition welfare officers are required to carry out annual reviews and school letters are to be submitted by the recipient annually to indicate child is in school.

Recommendation to carry out annual review of C&P cases is noted for improvement.

19.73 Motor Vehicle Accidents

The Deputy Secretary (DS) shall authorise an officer to drive government vehicles under the care of the agency by issuing them a letter of authority.¹²¹ Under no circumstances shall the Executive Officer (EO) permit unauthorised persons to drive any vehicle.¹²²

Also the vehicles must only be used for official purposes unless approved in writing by the DS or permitted under an officer's term of employment.¹²³

Furthermore, in the event of an accident involving a government vehicle, the driver must immediately report the accident to the Police and inform the EO.¹²⁴ In addition, the driver must within 24 hours after the accident prepare an accident report and submit it to the DS who shall forward copies to the CEO, Ministry of Finance and the Solicitor General.¹²⁵

The review of the motor vehicle records revealed that the following vehicles were involved in accidents in 2009.

TABLE 19.71: DETAILS OF VEHICLES INVOLVED IN ACCIDENTS

Vehicle No	Anomalies Noted
GN 699	<ul style="list-style-type: none"> • The vehicle was driven by Mr. Viliame Tuivanukula, Welfare Officer II, without authorisation on 02/10/08. ▪ The purpose of the journey could not be ascertained. ▪ The vehicle sustained damages amounting to \$2,152.53. The Ministry is yet to instigate any action to recover this cost from the officer concerned. ▪ No police report was availed for audit verification. <ul style="list-style-type: none"> ▪ The same vehicle was involved in an accident on 17/02/09. The accident happened at Navulokani junction, near Vunidawa: <ul style="list-style-type: none"> ▪ The vehicle was driven by Mr. Semi Bukarau, Welfare Officer I, ▪ The vehicle sustained damages amounting to \$4,069.52. The Ministry is yet to instigate any action to recover this cost from the officer concerned. ▪ No police report was availed for audit verification.
GM 957	<ul style="list-style-type: none"> ▪ The vehicle was driven by Inoke. L. Dokonivalu, A/Assistant Director on 23/07/09. ▪ The vehicle sustained damage amounting to \$280.00. The Ministry is yet to instigate any action to recover this cost from the officer concerned. ▪ No police report was availed for audit verification.

¹²¹ Section 13.15.1 – Finance Manual 2005

¹²² Section 13.15.2 – Finance Manual 2005

¹²³ Section 13.16.1 – Finance Manual 2005

¹²⁴ Section 13.19.1 – Finance Manual 2005

¹²⁵ Section 13.19.4 & 13.19.6 – Finance Manual 2005

The above indicates the Ministry's blatant disregard in maintaining discipline and complying with the standing government transport rules and instructions. As a result no recovery action has been taken.

Recommendations

- **The Ministry should follow up with the Ministry of Finance and the Solicitor General's Office regarding the accident to vehicles GN 699 and GM 957.**
- **Relevant documents such as Police Report, Accident Report and Drivers Authority Letters should be properly maintained and produced to audit upon request.**

Ministry's Comments

Ministry will take appropriate actions and measures to avoid miss use of government vehicles and monitor driver's performance as per their duty statement.

Drivers have been briefed on Transport Regulations 1994 and their job description. Transport Officer is been tasked to supervise and approve runs in the future in absent of the supervising manager or the officer in charge.

Follow up with Solicitor General and Ministry of Finance will be pursued further on accidents that occurred to GN669 and GM957.

Mr. Inoke has been advice to provide accident report to the management for his justification

19.74 Unserviceable Vehicles

If a vehicle undergoing servicing or a "Road Worthiness Test" is found to be unroad-worthy and uneconomic to repair, it may be disposed of through trade-in. The EO/CCMA shall prepare a report on the unserviceable vehicle outlining the history of vehicle use, maintenance costs, results of the test or servicing and the estimated costs of replacing the vehicle.¹²⁶

The following vehicles which are not operational have not been boarded by the Ministry:

TABLE 19.71: DETAILS OF UNSERVICABLE VEHICLES TO BE DISPOSED

Vehicle Registration	Remarks
GM 445	<ul style="list-style-type: none"> • Ministry of Finance advised for the vehicle to be boarded in 2007. • At the date¹²⁷ of audit the vehicle was still parked at the Ministry's premises in Labasa.
GM 441	<ul style="list-style-type: none"> • The vehicle is beyond economical repair and is parked at the Headquarters for more than a year.
GN 649	<ul style="list-style-type: none"> • The vehicle is beyond economical repair and is parked at the Civic Tower Office for more than a year.

The conditions of these vehicles would deteriorate further if immediate actions are not taken to dispose them. Prolong delays could also allow room for cannibalism of motor vehicle parts and this could lead to further losses.

Recommendation

The Ministry should comply with the Finance Manual provisions section 13.18.4/13.18.5 and make necessary arrangement for the above mentioned vehicles to be disposed off.

¹²⁶ Finance Manual 2005 Section 13.18.4, 13.18.5.

¹²⁷ 30/11/09

Ministry's Comments

The officer in charge in Labasa has been instructed to carryout Board of Survey for the vehicle No GM445 and if the vehicle is handed over to PWD.

For vehicle in Suva, Ministry is liaising with Ministry of Finance to either repair or hand over to PWD for auctioning.

APPENDICES

Appendix 19.1: Statement of Output Costs

Statement of Output Costs for 2009 – General Administration

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	2,124,597	2,708,548
Unestablished Staff	392,005	339,031
Travel & Communication	1,337,488	777,167
Maintenance & Operations	1,132,243	833,272
Purchase of Goods & Services	1,613,634	1,003,300
Operating Grants & Transfers	2,672,231	2,938,160
Special Expenditures	1,341,758	1,556,112
Total Operating Costs	10,613,956	10,155,590
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	642,368	79,600
Capital Grants & Transfers	140,000	---
Total Capital Expenditures	782,368	79,600
Value Added Tax	691,994	674,687
TOTAL EXPENDITURE	12,088,318	10,909,877

Research 2009

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	180,938	166,765
Unestablished Staff	112,333	103,388
Travel & Communication	16,017	19,485
Maintenance & Operations	62,878	42,219
Purchase of Goods & Services	146,535	61,781
Operating Grants & Transfers	---	---
Special Expenditures	54,724	43,599
Total Operating Costs	573,425	437,237
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	16,335	236,677
TOTAL EXPENDITURE	589,760	673,914

Urban Hospitals 2009

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	40,942,746	36,717,095
Unestablished Staff	8,457,207	6,812,811
Travel & Communication	1,005,411	856,757
Maintenance & Operations	3,281,136	3,105,587
Purchase of Goods & Services	8,442,275	6,855,921
Operating Grants & Transfers	---	---
Special Expenditures	---	---
Total Operating Costs	62,128,775	54,348,171
Capital Expenditures		
Capital Construction	2,546,550	1,381,762
Capital Purchases	15,025,945	1,401,784
Capital Grants & Transfers	---	---
Total Capital Expenditures	17,572,495	2,783,546
Value Added Tax	1,087,743	5,749,400
TOTAL EXPENDITURE	80,789,013	62,881,117

Sub – Division Hospitals, Health Centres and Nursing Stations 2009

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	22,879,957	20,880,922
Unestablished Staff	3,871,095	2,990,728
Travel & Communication	684,088	567,220
Maintenance & Operations	1,739,830	1,770,404
Purchase of Goods & Services	813,986	827,305
Operating Grants & Transfers	---	---
Special Expenditures	86,994	71,259
Total Operating Costs	30,075,950	27,107,838
Capital Expenditures		
Capital Construction	2,804,973	831,060
Capital Purchases	1,532,339	1,116,019
Capital Grants & Transfers	---	---
Total Capital Expenditures	4,337,312	1,947,079
Value Added Tax	502,593	5,363,590
TOTAL EXPENDITURE	34,915,855	34,418,507

Public Health Services 2009

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	1,264,879	1,377,728
Unestablished Staff	-	12,779
Travel & Communication	28,096	22,451
Maintenance & Operations	22,847	35,366
Purchase of Goods & Services	1,378,385	1,045,948
Operating Grants & Transfers	454,380	515,050
Special Expenditures	1,119,214	610,455
Total Operating Costs	4,267,801	3,619,777
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	192,447	1,348,961
TOTAL EXPENDITURE	4,460,248	4,968,738

Drugs and Medical Supplies 2009

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	660,555	597,036
Unestablished Staff	323,904	288,719
Travel & Communication	51,655	51,607
Maintenance & Operations	143,316	135,767
Purchase of Goods & Services	11,816,700	15,297,672
Operating Grants & Transfers	---	---
Special Expenditures	---	---
Total Operating Costs	12,996,130	16,370,801
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	2,280,309	1,494,145
TOTAL EXPENDITURE	15,276,439	17,864,946

Hospital and Support Services 2009

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	260	---
Unestablished Staff	528,166	344,539
Travel & Communication	4,051	2,970
Maintenance & Operations	2,090,508	2,356,329
Purchase of Goods & Services	3,653	7,254
Operating Grants & Transfers	---	---
Special Expenditures	---	---
Total Operating Costs	2,626,638	2,711,092
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	459,827	591,312
TOTAL EXPENDITURE	3,086,465	3,302,404

Fiji School of Nursing 2009

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	1,439,646	1,071,630
Unestablished Staff	510,881	454,770
Travel & Communication	31,159	38,596
Maintenance & Operations	270,003	209,569
Purchase of Goods & Services	367,383	334,361
Operating Grants & Transfers	---	---
Special Expenditures	60,539	39,577
Total Operating Costs	2,679,611	2,148,503
Capital Expenditures		
Capital Construction	222,085	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	222,085	---
Value Added Tax	1,042,911	689,615
TOTAL EXPENDITURE	3,944,607	2,838,118

Old Peoples Home 2009

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	75,449	128,839
Unestablished Staff	479,879	364,873
Travel & Communication	3,318	4,240
Maintenance & Operations	59,098	50,725
Purchase of Goods & Services	50,511	57,917
Operating Grants & Transfers	---	---
Special Expenditures	---	---
Total Operating Costs	668,255	606,594
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	18,999	240,291
TOTAL EXPENDITURE	687,254	846,885

Department of Women and Social Welfare**General Administration 2009**

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	225,059	702,741
Unestablished Staff	9,104	90,303
Travel & Communication	31,996	37,098
Maintenance & Operations	79,067	61,279
Purchase of Goods & Services	18,731	44,917
Operating Grants & Transfers	279,000	259,000
Special Expenditures	---	---
Total Operating Costs	642,957	1,195,338
Capital Expenditures		
Capital Construction	124,698	40,998
Capital Purchases	68,342	398,000
Capital Grants & Transfers	1,340,094	756,232
Total Capital Expenditures	1,533,134	1,195,230
Value Added Tax	44,549	24,705
TOTAL EXPENDITURE	2,220,640	2,415,273

Poverty and Eradication Unit 2009

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	78,272	104,285
Unestablished Staff	3,651	1,444
Travel & Communication	13,531	5,197
Maintenance & Operations	10,023	7,293
Purchase of Goods & Services	40,114	674
Operating Grants & Transfers	(7,236)	---
Special Expenditures	164,577	---
Total Operating Costs	302,932	118,893
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	7,291	1,399
TOTAL EXPENDITURE	310,223	120,292

Institutional Services 2009

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	462,947	239,428
Unestablished Staff	146,816	99,162
Travel & Communication	2,584	3,087
Maintenance & Operations	22,922	24,459
Purchase of Goods & Services	12,597	11,426
Operating Grants & Transfers	---	---
Special Expenditures	---	---
Total Operating Costs	647,866	377,562
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	4,720	3,959
TOTAL EXPENDITURE	652,586	381,521

Field Services 2009

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	1,030,877	1,041,108
Unestablished Staff	90,509	101,220
Travel & Communication	44,565	52,608
Maintenance & Operations	50,869	57,833
Purchase of Goods & Services	81,376	35,085
Operating Grants & Transfers	19,256,967	18,424,436
Special Expenditures	7,739	13,045
Total Operating Costs	20,562,902	19,725,335
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditures	---	---
Value Added Tax	24,279	19,186
TOTAL EXPENDITURE	20,587,181	19,744,521

Women and Gender Development – General 2009

Description	2009 \$	2008 \$
EXPENDITURE		
Operating Costs		
Established Staff	643,353	611,193
Unestablished Staff	57,209	30,250
Travel & Communication	42,845	53,759
Maintenance & Operations	36,600	45,940
Purchase of Goods & Services	14,766	7,928
Operating Grants & Transfers	293,970	214,375
Special Expenditures	---	---
Total Operating Costs	1,088,743	963,445
Capital Expenditures		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	75,105	---
Total Capital Expenditures	75,105	---
Value Added Tax	12,123	11,902
TOTAL EXPENDITURE	1,175,971	975,347

Appendix 19.2: Overpayment of Salary – 2009

Name	EDP#	Division	Amount (\$)	Audit Comments
Dhirendra Kumar	19191	DMO Western	1,307.85	No recovery made as of Pay 26, 2009
Kasanita Qiluseivalu	31353	CWM Hospital	939.09	No recovery made as of Pay 26, 2009
Salote Salayawaki savusavu	32455	Lakeba Hosp/H/Centre	1,404.06	No recovery made as of Pay 26, 2009
Makereta Tamanivallu	32722	Lautoka Hospital	1,488.44	No recovery made as of Pay 26, 2009
Vasenai Baxter	32954	Nuffield Health Centre	155.71	No recovery made as of Pay 26, 2009
Temalesi Reade	33473	Tamavua Hospital	909.67	No recovery made as of Pay 26, 2009
Payal P Kumar	33921	Lautoka Hospital	1,255.36	No recovery made as of Pay 26, 2009
Imtiaz Ali Hussain	33985	Lautoka Hospital	4,720.77	No recovery made as of Pay 26, 2009
Jenish Artika Pillay	33988	Lautoka Hospital	1,327.52	No recovery made as of Pay 26, 2009
Nur Ali	40261	Headquarters	1,288.37	No recovery made as of Pay 26, 2009
Pushpa Wati Nusair	46060	CWM Hospital	4,428.87	No recovery made as of Pay 26, 2009
Filipo Samunaka	58842	Lautoka Hospital	125.81	No recovery made as of Pay 26, 2009
Osea Dukuno	59353	Nadi Hosp/H/Centre	379.09	No recovery made as of Pay 26, 2009
Litea NK Narawa	60604	Fiji School Of Nursing	774.89	No recovery made as of Pay 26, 2009
Kesaia Rogoyawa Catanasiga	60649	Government Pharmacy	475.74	No recovery made as of Pay 26, 2009
Jainesh Ram	60794	Study Leave Officers	1,059.21	No recovery made as of Pay 26, 2009
Abhinesh Chand	60840	Lautoka Hospital	1,029.82	No recovery made as of Pay 26, 2009
Romulo Tawalo	62061	Lautoka Hospital	670.79	No recovery made as of Pay 26, 2009
Sherlyne Swastika Prasad	62094	Labasa Hospital	1,585.01	No recovery made as of Pay 26, 2009
Saula Volavola	63224	Headquarters	1,508.36	No recovery made as of Pay 26, 2009
Inosi Ravuvu	64112	Sigatoka Hosp/H/Centre	2,413.33	No recovery made as of Pay 26, 2009
Lavenia Cagi	64331	CWM Hospital	6,900.50	No recovery made as of Pay 26, 2009
Shaleen Lata Rao	64419	Tavua Hosp/Health Centre	4,973.94	No recovery made as of Pay 26, 2009
Kanna Gounder	64827	Lautoka Hospital	10,186.51	No recovery made as of Pay 26, 2009
Vinal Avikash Sharma	64856	Tavua Hosp/Health Centre	23,757.75	No recovery made as of Pay 26, 2009
Mousheema Khan	64874	Nadi Hosp/H/Centre	531.75	No recovery made as of Pay 26, 2009
Komal Ram	90298	Ba Mission Hospital	12,468.45	No recovery made as of Pay 26, 2009
Azlia farisha begum	90521	CWM Hospital	3,256.57	No recovery made as of Pay 26, 2009
Tobau T Malakai	61692	Lautoka Hospital	992.50	No recovery made as of Pay 26, 2009
Pio Tuwai	33412	Nadi Hosp/H/Centre	190.21	No recovery made as of Pay 26, 2009
Total			92,505.94	

(2) Retirement

Name	EDP#	Division	Amount (\$)	Audit Comments
Vika Varea	19011	SDMO Lautoka/Yasawa	54.83	No recovery made as of Pay 26, 2009
Mereoni Kaitani	30806	CWM Hospital	253.65	No recovery made as of Pay 26, 2009
Savaira Baravilala Kama	31083	CWM Hospital	2,366.95	No recovery made as of Pay 26, 2009
Balekiwai S T	31223	St. Giles Hospital	635.32	No recovery made as of Pay 26, 2009
Kamla Prasad	31261	Lautoka Hospital	523.87	No recovery made as of Pay 26, 2009
Total			3,834.62	

(3) Deemed to Resign

Name	EDP#	Division	Amount (\$)	Audit Comments
Fane Volau Buinimasi	32649	CWM Hospital	1,162.84	No recovery made as of Pay 26, 2009
Ranjita Devi	33159	CWM Hospital	2,017.61	No recovery made as of Pay 26, 2009
Ro Sainimere Momo	33167	Tavua Hosp/Health Centre	685.98	No recovery made as of Pay 26, 2009

Name	EDP#	Division	Amount (\$)	Audit Comments
Miriam Violet Doughty	33402	CWM Hospital	2,639.86	No recovery made as of Pay 26, 2009
Ethel Tabuasogosoqo	33511	CWM Hospital	4,019.74	No recovery made as of Pay 26, 2009
Melaia Cakautabu	33687	CWM Hospital	722.78	No recovery made as of Pay 26, 2009
Satendra Sharma	34074	Labasa Hospital	933.65	No recovery made as of Pay 26, 2009
Luisa Yalimaiwai	34189	Lautoka Hospital	609.94	No recovery made as of Pay 26, 2009
Amrita Sweta Lal	34208	Ba Mission Hospital	980.49	No recovery made as of Pay 26, 2009
Prasad Singh CR	59283	Lautoka Hospital	2,377.06	No recovery made as of Pay 26, 2009
Seema S Kumar	62050	Ba Hosp/Health Centre	3,536.59	No recovery made as of Pay 26, 2009
Pritika Prakash	64414	CWM Hospital	1,227.12	No recovery made as of Pay 26, 2009
Jaswin Pratap	64923	CWM Hospital	1,145.31	No recovery made as of Pay 26, 2009
Jennifer Khalik	91086	Lautoka Hospital	1,390.73	No recovery made as of Pay 26, 2009
Total			23,449.70	

(4) Passed Away

Name	EDP#	Division	Amount (\$)	Audit Comments
Alisi Manulevu	31354	Fiji School Of Nursing	996.02	No recovery made as of Pay 26, 2009
Total			996.02	

(5) Leave without Pay

Name	EDP#	Division	Amount (\$)	Audit Comments
Umesh Kumar	32848	St. Giles Hospital	114.12	No recovery made as of Pay 26, 2009
Mele Tubuna	33278	CWM Hospital	665.33	No recovery made as of Pay 26, 2009
Jyotika Kant	33994	Lautoka Hospital	717.58	No recovery made as of Pay 26, 2009
Vinita Devi	34199	Lautoka Hospital	3,246.04	No recovery made as of Pay 26, 2009
Neelesh Chand	63679	CWM Hospital	1,762.15	No recovery made as of Pay 26, 2009
Eseta Lewakula Bainivalu	32350	Lautoka Hospital	2,244.65	No recovery made as of Pay 26, 2009
Radolo Makarina	32338	Lautoka Hospital	723.38	No recovery made as of Pay 26, 2009
Shammi Prasad	31968	CWM Hospital	487.97	No recovery made as of Pay 26, 2009
Total			9,961.22	

(6) Did not resume Duties

Name	EDP#	Division	Amount (\$)	Audit Comments
Railala Vakaloloma Nakabea	61677	Study Leave Officers	3868.38	No recovery made as of Pay 26, 2009
Tinaiseru Senata	63674	Nasau Health Centre	3931.04	No recovery made as of Pay 26, 2009
Total			7,799.42	

(7) Missing from Work

Name	EDP#	Division	Amount (\$)	Audit Comments
Taraivini Rabosea	31086	CWM Hospital	1,935.48	No recovery made as of Pay 26, 2009
Elemeci Tabua	33241	Raiwaqa Health Centre	2,141.67	No recovery made as of Pay 26, 2009
Litiana Lesu	47522	CWM Hospital	521.56	No recovery made as of Pay 26, 2009
Shiraz Nusair	90312	CWM Hospital	3,703.56	No recovery made as of Pay 26, 2009
Naomi Ligaiviu	33695	Savusavu Hosp/H/Centre	628.86	No recovery made as of Pay 26, 2009
Total			8,931.13	

(8) Study Leave without Pay

Name	EDP#	Division	Amount (\$)	Audit Comments
Waqairapoa Tikoisuva	90388	Eastern Public Health	122.71	No recovery made as of Pay 26, 2009
Total			122.71	

(9) Suspension from Duties

Name	EDP#	Division	Amount (\$)	Audit Comments
Mataiasi Cakacaka	32857	P.J. Twomey Hospital	77.78	No recovery made as of Pay 26, 2009
Jiuta Vateitei	33477	P.J. Twomey Hospital	625.15	No recovery made as of Pay 26, 2009
Total			702.93	

(10) Secondment and Overseas Tour

Name	EDP#	Division	Amount (\$)	Audit Comments
Vishal Harak	34172	CWM Hospital	1,614.56	No recovery made as of Pay 26, 2009
Alvina K Deo	62696	Fiji School Of Nursing	122.71	No recovery made as of Pay 26, 2009
Kitone Waqanisau	90523	Nausori Hosp/H/Centre	1,169.34	No recovery made as of Pay 26, 2009
Total			2,906.61	

Appendix 19.3: Overpayment of Salary (2008)**(1) Resignations - 2008**

Name	EDP No.	Amount \$	Amount Recovered \$
Siteri Rasiga	30791	14,470.54	-
Nirmala Kumar	31365	4,677.34	-
Ilisapeci Vosikata	31447	890.07	-
Elna Movono	31588	242.49	-
Akeneta Rekitilako	32334	31.54	-
Sereana Dauveiqaravi	32690	1,562.79	-
Shaleen K Chand	32812	1,710.11	-
Purnima Sharma	32921	1,479.62	-
Ateca Ravula	33110	232.43	-
Fulori Daunibau	33132	39.55	-
Losena Finau	33135	658.56	-
Agnes Rose Rounds	33227	1,168.61	-
Durga Durgeshi Naidu	33240	1,174.12	-
Reshmi D Narayan	33567	146.08	-
Nilam Naidu	33699	5,782.42	-
Josefa Cokanauto	33709	2,728.76	-
Ulamila Masirewa	33751	1,416.64	-
Brijesh Singh	33806	1,255.76	-
Shyamil Veeran	33957	1,156.48	-
Artika Ben	33957	4,032.24	-
Ireen Deo	34248	140.65	-
Isireli Lewanavanua	61041	971.88	-
Rupa Rao	61323	2,440.48	-

Name	EDP No.	Amount \$	Amount Recovered \$
Adriu Sepeti	62836	5.35	-
Josese Vereti	62481	171.15	-
Ramesh C Ram	63531	2,577.41	-
Ledua Siga	63787	845.20	-
Meli Vakacabegoli	64894	2,348.90	-
Madhukar Marvin Kumar	90309	14,503.15	-
Lovobalavu Adeia	63668	2,765.46	-
Parikshath C Naidu	63993	1,680.20	-
Loata Serau	59705	1,672.96	-
Total		74,978.94	

(2) Retirement - 2008

Name	EDP No.	Amount \$	Amount Recovered \$
Merewairita Laudola	30600	1,057.53	-
Suruj J Chand	30897	442.09	-
Salusalu L. T	31022	90.74	-
Sereima R	31136	408.45	-
Litia Levulevu	58104	74.39	-
Total		2,073.20	

(3) Deemed to Resign - 2008

Name	EDP No.	Amount \$	Amount Recovered \$
Maria V Biu	33276	745.60	-
Susan Pratika Lal	33745	1,084.20	-
Rashni Ranjani Lal	33845	1,369.48	-
Sherad Sharma	34086	3,401.92	-
Narend Chand	59893	618.96	-
Total		7,220.16	

(4) Passed Away - 2008

Name	EDP No.	Amount \$	Amount Recovered \$
Seruwaia Nawaibalavu	30904	243.61	-
Ateca Masi	32041	779.43	-
Ikimawa T A	32132	673.62	-
Keasi Tokacau	32361	795.64	-
Kalesi Bau	32532	412.64	-
EroniTuibuca	49222	283.48	-
Total		3,188.42	

(5) Termination - 2008

Name	EDP No.	Amount \$	Amount Recovered \$
Unaisi Sukanivalu	32822	516.13	-
Maraia Ulalia	33683	1,115.70	-
Peter Zinck	53660	46,716.94	-
Total		48,348.77	

(6) Leave without Pay - 2008

Name	EDP No.	Amount \$	Amount Recovered \$
Nabuli Raijijeli	32385	61.73	-
Ana Mataika	32741	1,331.13	-
Temanibwebwe Arouea	33079	591.85	-
Dineshni Lata	33114	1,781.99	-
Agnes McKay	33481	547.79	-
Ravinesh Kumar	33710	53.81	-
Sulueti Vuki	33742	1,059.06	-
Nawadra V	58905	1,009.10	-
Anaseini Cakaunitabua	60669	953.10	-
Sireli Vaka dravuyaca	61520	465.55	-
Jeremaia Mataika	62501	470.67	-
Mireta Noere	63149	6,462.13	-
William Koong	63961	38.85	-
Pauline Prabha	64851	39.27	-
Total		14,866.03	

(7) Did not resume Duties - 2008

Name	EDP No.	Amount \$	Amount Recovered \$
Selina Kosoituku	32573	3,584.31	-
Lusiana Tudravu	34298	7,844.45	-
Brij Beo	53867	319.48	-
William May	59261	4,109.50	-
Renata Ram	90405	304.37	-
Total		16,162.11	

(8) Missing from Work - 2008

Name	EDP No.	Amount \$	Amount Recovered \$
Mereoni Binitabua	33336	3,692.68	-
Amelia Turagabeci	61322	663.17	-
Total		4,355.85	

(9) Study Leave without Pay - 2008

Name	EDP No.	Amount \$	Amount Recovered \$
Lavenia Tukana	32201	3,255.27	-
Total		3,255.27	

(10) Suspension from Duties - 2008

Name	EDP No.	Amount \$	Amount Recovered \$
Alipate Gonerogo	18258	2,198.62	-
Vitalina Radinisiwa	33207	309.91	-
Wakesa Davetanivalu	49132	268.40	-
Mere Tora	59022	171.30	-
Total		2,948.23	

Appendix 19.4: Overpayment of Salary (2006 – 2007)

EDP No.	Officer's Name	Total Overpayment \$	Amount Recovered \$
15387	Nainoca A Naarecoko	768.25	---
18899	Ligabalavu Railala	654.41	---
19014	Seruwaia Young	790.91	---
31058	Lanieta Koyamaibole	2,587.49	---
31075	Mereani Saumi	569.23	---
31523	Mereseini Simpson	5,874.26	---
31231	Apiuta Waitui	2,258.44	---
31395	Saini M L	634.56	---
31542	Ravasakula M	2,570.47	---
31764	Racolo S	3,475.40	---
32609	Salaciel Lotawa	578.48	---
32940	Priya Frances	2,141.38	---
33026	Maria Nora	1,547.89	---
33381	Laxshmi Devika Rama	2,710.51	---
33438	Shirlvindar Kaur	840.25	---
33598	Tazneem Razia	460.78	---
33677	Losana Bise	2,002.56	---
33959	Asena Marawa	1,077.82	---
40271	Premilla Sharan	525.00	---
45642	Josaia Maka	4,282.40	---
45652	Sau J	3,980.84	---
60832	Aminiasi Tavui	548.75	---
64438	Poasa T	544.04	---
64488	Mereseini N	798.28	---
60330	Zheng D	1,720.30	---
33564	Ravina Kumar	1,015.80	---
33252	Jonetani Rokona	69.75	---
32852	Meena Prasad	673.10	---
33628	Viliame T	6,237.56	---
33767	Aketa Tiaon	1,264.63	---

EDP No.	Officer's Name	Total Overpayment \$	Amount Recovered \$
64555	John Morris	5,888.24	---
Total		59,091.78	---

Appendix 19.5: Disciplinary Cases Details

EDP #/ LPO	Name	Substantive Post	Irregularities	Action taken	Audit Comment
64359	Naushad Buksh	Clerical Officer at Health -HQ	Forging quotations and fraudulently assisting associate companies with \$38,442 worth of procurements	Officer reassigned from FPS to HQ	No recovery made for losses. The officer was suspended with no pay with effect from 05/10/09 to allow the investigation However with effect from 01/01/10 the officer suspension was regarded to 50% of the base salary. The progress of the case is unknown to the Ministry. The officer has been terminated on the 29/07/08.
17242	Alipate Drulidruli	Terminated	Alleged to have misappropriated funds totalling more than \$7,000.00 in the procurement of goods and services in Northern Health Services	Recommended that the officer be charged and surcharged for the amount misappropriated.	Nothing has been recovered from him as at the date of audit.
UK 742	Misaele Tuinaqaidamu	Terminated	Alleged to have misappropriated funds totalling \$1,145 between November and December of 2007 whilst working as a recorder at the A&E department	The officer had submitted his explanation to Mr. Matalau at CWM Hospital. Termination letter dated 18/03/08	No indication whether the matter was to the police or not. Terminated on the 29/07/08. Nothing recovered from him. The matter was not reported to the police.
59802	Jitendra Lal	Terminated	Alleged to have misappropriated funds totalling more than \$7,000 in the procurement of goods and services in the Northern Health Services.	Recommended that the officer be charged and surcharged for the amount misappropriated.	Not surcharged but officer was terminated on 29/07/08. The matter was not reported to the police.
61322	Amelia Turagabeci	Resigned	Alleged to have gone on unauthorized study leave with pay for four years with effect from October 2003 to October 2007 undetected. Thus resulting into overpayment amounting \$65,302.92.	Officer's salary for four years to be deducted from her salary.	As at the date of audit nothing has been recovered. The officer resigned from the service with effect from 26/02/08. As at the date of report the officer is employed at Fiji School of Medicine. The matter is not reported to police

45858	Matai Matakotoga	Principal Accountant – Ministry of Agriculture	<p>Authorised \$54,661 payment to J.J Roedan Ace and \$4,000, to SDA youths without any authority.</p> <p>Alleged to have authorised the repair of a Dental Caravan Registration Number GM 385 at Marine Motors for \$11,890.00 without a Local Purchase Order (LPO) being issued by the Divisional Dental Officer who had no authority to engage the above service.</p>	<p>Surcharge was recommended</p> <p>The case was highlighted in the 2007 Audit Report.</p> <p>The Disciplinary Committee had agreed that the officer be surcharged for his misconduct.</p> <p>The officer appealed Finance's decision to surcharge him over \$9000. The appeal is still pending with the SG's office.</p>	<p>The Officer was cleared by the PSC and was reinstated into the service.</p> <p>No Appropriate action such as surcharge was taken against the officer.</p>
14623	Gyan Prakash (officer authorized the repairs at Jeral Auto Service	Senior Health Inspector	<p>Three 3 Leco (mosquito spraying) machines used by Health Officers were taken to Jeral Auto Services on 2/11/06 for repairs. The company was paid \$2,700 on 20/12/06 but it was revealed that none of the three machines have been repaired to date. Jeral Auto Services ceased operations in early 2007. (LPO number 51716)</p>	<p>Your comments are noted. The Ministry's Disciplinary Committee has examined the issues raised with a view of taking Appropriate action against the officers responsible.</p>	<p>No action was taken.</p> <p>The officer retired from the service with effect from 01/03/10</p>
18901	Penina Cirikeyasawa	Deputy Secretary – Ministry of Agriculture	<p>Failed to enter into a contract with Falekau South Pacific Limited.</p> <p>Advance payments of \$100,000 were made with the first \$60,000 on 13/01/05 and \$40,000 on 27/09/05.</p>	<p>The officer was surcharged \$18,385.50 with effect from pay 19/09.</p>	<p>The matter was not reported to the police in an effort to recover the sum paid in advance from the Falekau South Pacific Limited.</p>

	Tamavua Garage Mechanics	<p>As reported in the 2006 audit report, some vehicles parts had gone missing whilst taken for repairs at private garages, refer below for details:</p> <p>GN132 was repaired at Shika Motors where it was discovered that \$4,414.75 worth parts were missing.</p> <p>GL064 was parked at Marine Motors and upon dismantling at the Tamavua garage it was discovered that parts were missing.</p> <p>CO362 had parts missing when take to Shika Motors for repairs.</p>	<p>Your comments are noted. This will be covered under the full investigation to be conducted. Officers found negligent and who were responsible for the "losses" will be disciplined.</p>	No action taken to date of audit
	Tamavua Garage Mechanics	<p>The 2006 audit report highlighted cases of cannibalizations of vehicle parts.</p>	<p>Your comments are noted. This will be covered under the full investigation to be conducted. Officers found responsible for the alleged cannibalization of motor parts will be disciplined.</p>	No action taken to date of audit
		<p>Audit noted that \$9,079.00 worth of tools and machines were missing from the Garage.</p>	<p>Your comments are noted. We will keep your office updated once a Board of Survey is completed and appropriate action taken on all missing tools mentioned.</p>	No evidence of any recovery or appropriate action being taken.
32275	Eneriko Tupou	<p>Staff Nurse, Valelevu Health Centre</p> <p>Alleged to have taken the CENT/EAST digital camera to one of his training at Lomaloma without returning it to Cent/East.</p> <p>The Committee agreed that explanation need to be obtained from the SDMO Vunidawa before a decision is made.</p>	<p>Awaiting explanation from Dr Kaleli SDMO Vunidawa.</p>	To date no action was taken.

47675	Tevita Qata	Clerical Officer, Lautoka Hospital	<p>Alleged to have very high absenteeism records since 2003 as tabled in the attached summary.</p> <p>Also alleged to have reported to work under the influence of liquor in 2007.</p> <p>He was also alleged to have been under the influence of liquor when he reported to the hospital garage on Saturday 11/07/09 and requested the driver (Amit) to drop him and his friend at his home.</p>	To be discussed.	<p>Issued with 1st & 2nd warning</p> <p>No warning letter issued as date of audit conduct.</p>
56084	Josaia Wadali	ESU, HQ	<p>Alleged to have taken an outboard engine for testing and he claimed it fell at the Suva Point Harbour.</p>	The investigation was carried out by the internal audit team.	<p>The Police have concluded that there was no case to answer and therefore the case is closed.</p> <p>However the solicitor general opinion was not sought on the possible surcharge action to be initiated.</p>

Appendix 19.6: Non Submission of Training Reports.

Name	Program	
Dr Rajeiv Patel (Surgical Registrar)	Clinical Course in Acute Care Medicine, Australia	15/01 - 18/01/09
Dr Edward Ricketts (Medical Registrar)	Clinical Course in Acute Care Medicine, Australia	15/01 - 18/01/10
Dr Paula Nakabea (Consultant)	Visit the Various Major Hospitals, Melbourne, Australia	08/02 - 11/02/09
Mr Channan Singh (Radiologist)	Visit the Various Major Hospitals, Melbourne, Australia	08/02 - 11/02/09
Dr Amanda Noovao (SMO)	Pre-Elcampia Integrated Risk Study (PIERs) Conference, Milan, Italy	02/03 - 06/03/09
Seini Ravea (EPI Coordinator)	The Vaccine Management Training, Thailand	22/03 - 28/03/09
Dr Pablo Romakin (SMO)	1 st Asia Pacific Dengue Workshop, Singapore	10/03 - 19/03/09
Vani Raluve Rasaqa (S/N)	A course on Prevention and Management in Traumatic Injury: A Nursing Perspective, Thailand	16/03 - 27/03/09
Paula Laqere (HI)	The International Climate Change Adaptation Initiative Workshop, Australia	07/03 - 20/3/09
Dr Amelia Andrews (MO)	The Regional Technical Consultation on the Global Strategy to Reduce the Harmful use of Alcohol, New Zealand	24/03 - 26/03/09
Dr Taito Rigamoto (Consultant-Pediatrician/Lika Hosp)	An Instruction Course on Advanced Pediatrics Life Support (APLS) Australia	19/04 - 04/05/09
Dr Josaia Samuela (DSPH)	HIV/Aids Estimate and Projection	22/04 - 24/04/09
Vimal Deo (SAHI)	Regional Training Course on Risk Communication in Health Emergencies, Kuala Lumpur Malaysia	27/04 - 01/05/09
Mereia Saurotu (SAO, HO)	Review of the Strategy on Health Care Financing in the Western Pacific Region, Manila Philippines	27/04 - 28/04/09
Manasa Rayasidamu (HI-Korovou)	Comprehensive Solid Waste Management Training, Japan	12/05 - 01/07/09
Amelia Nasetava (Health Sr)	The 1st Symposium on Human Papillomavirus Vaccination in the Asia-Pacific & Middle East Regions, Korea	01/06 - 02/06/09
Litiana Volavola (Health Sr)	The 1st Symposium on Human Papillomavirus Vaccination in the Asia-Pacific & Middle East Regions, Korea	01/06 - 02/06/09

Name	Program	
Titilia Dakuliga (Health Sr)	The 1st Symposium on Human Papillomavirus Vaccination in the Asia-Pacific & Middle East Regions, Korea	01/06 - 02/06/09
Lisi Tikoduadua (Consultant/CWMH)	5th Pacific Immunization Programme Strengthening Workshop, Nagasaki, Japan	11/05 - 15/05/09
Sr Silina Waqa (DNS)	62nd World Health Assembly, Geneva	01/05 - 18/05/09
Unaishi Bera (A/SHI)	Executive Course in Disaster Management, Singapore	26/05 - 05/06/09
Dr Mohammed Ishaque (SDMO)	Epidemiological Intelligence and Management Program, Malaysia	01/06 - 19/06/09
Josifini Salabuco (Physio/CWMH)	WHO Fellowship Training on Neonatal Nursing, Malaysia	01/06 - 26/06/09
Dr Sakiusa Mainawalala (TB Control Officer)	Workshop for Leprosy Programme Staff in the Western Pacific Region, Shanghai, China	03/06 - 06/06/09
Dr Eric Rafai (PMO)	PACE Alumni Meeting, Apia, Samoa	04/05 - 05/06/09
Milika Narogo (Senior Sister)	Strengthening Nursing & Midwifery Leadership in the South-Pacific Program, Australia	15/06-16/06/09
Talatoka Tamani (SDHS)	Strengthening Nursing & Midwifery Leadership in the South-Pacific Program, Australia	15/06-16/06/09
Raymond St John	Strengthening Nursing & Midwifery Leadership in the South-Pacific Program, Australia	15/06-16/06/09
Idrish Khan (SAO)	Regional Meeting on National Health Accounts Workshop, Korea	15/06 - 18/06/09
Dr Temalesi McCaig (MO)	Consultation on the Regional Reproductive Health Strategy and a Framework for Accelerating Progress in Making Pregnancy Safer, KL, Malaysia	24/06 - 26/06/09
Dr Susana Nakalevu (SDMO-Rewa)	6th Training Course on Social Health Insurance, Seoul, Korea	16/06 - 26/06/09
Ronil Anand (A/Ass Accounts)	6th Training Course on Social Health Insurance, Seoul, Korea	16/06 - 26/06/09
Filomena Dokoni (Tutor Sister)	Clinical Attachment of Integrated Management of Childhood Illness for Pre-Service Training, Manila, Philippines	Jul-09
Dr Ifereimi Waqainabete (MS-CWMH)	2009 Pasifika Medical Association Conference, Rarotonga, Cook Islands	01-03/07/09
Dr Odille Chang (CMO-St Giles Hosp)	2009 Pasifika Medical Association Conference, Rarotonga, Cook Islands	01-03/07/09
Dr Kusitino Tiko (SDMO-Navua)	HealthCare Personnel Training Program, Taiwan	08/07 - 25/09/09

Name	Program	
Dr Josala Samuela (DSPH)	8th Meeting of Ministers for Health for the Pacific Island Countries, Papua New Guinea	07/07 - 09/07/09
Muniamma Gounder (A/Chief Pharmacist)	1st Technical Working Group Meeting on Harmonization of Medicine Supply Management, Australia	18/07 - 19/07/09
Muniamma Gounder (A/Chief Pharmacist)	Improving Medicine Supply Management for Pacific Island Countries, Australia	20/07 - 25/07/09
Walusio Butava (Store Officer)	Improving Medicine Supply Management for Pacific Island Countries, Australia	20/07 - 25/07/09
Dr Josala Samuela (DSPH)	Workshop on Linking HIV/STI/RH/AHD/MCH, Phnom, Penh, Cambodia	20/07 - 24/07/09
Dr James Fong (Consultant)	Workshop on Linking HIV/STI/RH/AHD/MCH, Phnom, Penh, Cambodia	20/07 - 24/07/09
Aravela O'Brien	Physiotherapist Clinical Skill Training, Japan	26/07 - 03/09/09
Dr Sala Saketa (PSH)	HMN/WHO Inter country Workshop on HIS Strategic Planning for SEARO and WPRO Countries, Bangkok, Thailand	27/07 - 29/07/09
Torika Naisau	Midwifery Conference, Australia	27/07 - 07/08/09
Akisi Tinai	Midwifery Conference, Australia	27/07 - 07/08/09
Merewairita Natavi	Midwifery Conference, Australia	27/07 - 07/08/09
Tavaita Suraki	Midwifery Conference, Australia	27/07 - 07/08/09
Mita Pene	Midwifery Conference, Australia	27/07 - 07/08/09
Dr Isimeli Tukana (NA-NCD)	Regional Meeting on the Prevention and Control of NCD, Saitama, Japan	03/08 - 07/08/09
Peceli Vosanibola	Study Attachment on Air-Port & Sea Boarder Control, Hong Kong	08/08 - 05/09/09
Dr Filimoni Raikanikoda (MO)	Scale-Up of TB-HIV Collaborative Activities in Asia/Pacific Meeting, Bali, Indonesia	08/08 - 09/08/09
Dr Jo Koroivueta (MS/Twoomey)	Scale-Up of TB-HIV Collaborative Activities in Asia/Pacific Meeting, Bali, Indonesia	08/08 - 09/08/09
Dr Mikaele Mua (CMO)	Scale-Up of TB-HIV Collaborative Activities in Asia/Pacific Meeting, Bali, Indonesia	08/08 - 09/08/09
Dr Sakiusa Mainawalala (TB Control Officer)	Scale-Up of TB-HIV Collaborative Activities in Asia/Pacific Meeting, Bali, Indonesia	08/08 - 09/08/09

Name	Program	
Dr Filimoni Raikanikoda (MO)	9th International Congress on Aids in the Pacific, Bali, Indonesia	09/08 - 13/08/09
Dr Samuela Korovou (DMO-North)	3rd Meeting of National Influenza Centre in the Western Pacific Region, Beijing, China	18/08 - 22/08/09
Dr Viema Kunabuli	3rd Meeting of National Influenza Centre in the Western Pacific Region, Beijing, China	18/08 - 22/08/09
Lusiana Boseiwaqa	3rd Meeting of National Influenza Centre in the Western Pacific Region, Beijing, China	18/08 - 22/08/09
Dr Tharid Ali (DMO-W)	9th Inter-Regional Training Course on Public Health and Emergency Management in Asia and the Pacific (PHEMAP), Bangkok	24/08 - 04/09/09
Albert Rosa (Dir HR)	The Meeting on Strategy and Initiatives on Human Resource for Health, Manila, Philippines	24/08 - 26/08/09
Nandika Prasad (Tech Officer)	26th NRL Workshop on Serology, New Zealand	25/08 - 28/08/09
Dr Pablo Romakin (SMO)	Attachment on HIV Medicine, Australia	31/08 - 25/09/09
Kesaia Bakani (S/N)	Attachment on HIV Medicine, Australia	31/08 - 25/09/09
Dr Mikaele Mua (CMO)	International Tuberculosis Course, Vietnam	31/08 - 18/09/09
Mosesse Kotobalavu (Orthofist)	Prosthetic and Orthotic Technique, Japan	01/09 - 04/12/09
Laita Cavu (DIP)	Consultation on the Support for the Development of National Health Accounts (NHA), Nadi	01/09 - 03/09/09
Idrish Khan (SAO)	Consultation on the Support for the Development of National Health Accounts (NHA), Nadi	01/09 - 03/09/09
Anaisi Veigaravi (Lab Tech)	The 2009 Regional HIV Laboratory & The 21st Annual Australian Society of HIV Medicine (ASHM) Seminar, Australia	07/09 - 12/09/09
Dr Filimoni Raikanikoda (MO)	The East-Asia and the Pacific Regional Meeting for Grant Recipient Countries, Mongolia	03/09 - 05/09/09
Dr Josaia Samuela (NA-FH)	The East-Asia and the Pacific Regional Meeting for Grant Recipient Countries, Mongolia	03/09 - 05/09/09
Vasiti Taylor (PO)	The East-Asia and the Pacific Regional Meeting for Grant Recipient Countries, Mongolia	03/09 - 05/09/09
Sulueti Duvaga (PO-ARH)	The Parliamentary Group in Population & Development, New Zealand	19/09 - 21/09/09
Dr Kiran Galkward	Improving Identification and Management of Mood Disorder, Australia	21/09 - 02/10/09

Name	Program	
Dr Isimeli Tukana (NA-NCD)	60th Session of the WHO Regional Committee for the Western Pacific, Hong Kong	21/09 - 25/09/09
Dr Kaleli Buiimasi (SDMO)	Meeting of Pacific International Health Regulations National Focal Points, Cook Islands	21/09 - 02/10/09
Dr Eric Rafai (NA-CD)	Meeting of Pacific International Health Regulations National Focal Points, Cook Islands	21/09 - 02/10/09
Loloma Nofaga (S/N)	TOT Workshop on Alcohol Smoking and Substance Involvement Screening Test (ASSIST) Linked to Brief Intervention (BI), Natadola, Nadi	21/09 / 23/09/09
Dr Lilita Narube (SMO)	UN-Asia Pacific Regional Task Force Meeting on Prevention of Mother to Child (PMTCT) of HIV, India	22/09 - 24/09/09
Luisa V Lotawa (Sr)	Hyperbaric Nursing Course, Australia	23/09 - 04/10/09
Fonmanu Manuelli	PSA Conference, Port Villa, Vanuatu	28/09 - 02/10/09
Akuila Naqasima	PSA Conference, Port Villa, Vanuatu	28/09 - 02/10/09
Apaitia Goneyali	PSA Conference, Port Villa, Vanuatu	28/09 - 02/10/09
Teresa Lum	PSA Conference, Port Villa, Vanuatu	28/09 - 02/10/09
Kenton Biribo	PSA Conference, Port Villa, Vanuatu	28/09 - 02/10/09
Lisepea Tabaka	PSA Conference, Port Villa, Vanuatu	28/09 - 02/10/09
Luke Nasedra	PSA Conference, Port Villa, Vanuatu	28/09 - 02/10/09
Ieli Fakraufon	PSA Conference, Port Villa, Vanuatu	28/09 - 02/10/09
Jocelyn Christopher	PSA Conference, Port Villa, Vanuatu	28/09 - 02/10/09
Sr Siliina Waqa (DNS)	The Asia Pacific Emergency & Disaster Nursing Network Meeting & Capacity Building Workshop, Australia	28/09 - 30/09/09
Loloma Nofaga (S/N)	Clinical Placement, Australia	02/10 - 15/11/09
Merewalesi Salu (S/N)	Clinical Placement, Australia	02/10 - 15/11/09
Ateca Kama (Snr Nutritionist)	19th International Congress of Nutrition (ICN 2009), Thailand	04/10 - 09/10/09

Name	Program	
Chandra Kanta (A/Sr)	The Advanced Pediatric Life Support, Australia	06/10 - 16/10/09
Sr Akisi Ravono (Tutor)	20th Anniversary Celebration Dinner, Australia	08/10 - 12/10/09
Sr Navuta (Tutor)	20th Anniversary Celebration Dinner, Australia	08/10 - 12/10/09
Dr Kiran Galkward	Improving Identification and Management of Mood Disorder, Australia	12/10 - 31/01/2010
Melania V Louey (SDHS-Ba)	Lifestyle Related diseases prevention in the Community Health Setting in the Pacific Region, Japan	12/10 - 15/11/09
Mereseini Kamunaga (IST Coordinator)	Lifestyle Related diseases prevention in the Community Health Setting in the Pacific Region, Japan	12/10 - 15/11/09
Ritambhara	The Annual Roche Diagnostic User Group Scientific Meeting, New Zealand	14/10 - 21/10/09
Nazeem Ifrana Dean	The Annual Roche Diagnostic User Group Scientific Meeting, New Zealand	14/10 - 21/10/09
Camilla K Pillay	The Annual Roche Diagnostic User Group Scientific Meeting, New Zealand	14/10 - 21/10/09
Joana M Maravou	The Annual Roche Diagnostic User Group Scientific Meeting, New Zealand	14/10 - 21/10/09
Ashis Vikash Chand	The Annual Roche Diagnostic User Group Scientific Meeting, New Zealand	14/10 - 21/10/09
Nanise T Malupo	The Annual Roche Diagnostic User Group Scientific Meeting, New Zealand	14/10 - 21/10/09
Makelesi Seniakbuta (S/N)	The Midwives Clinical Attachment, New Zealand	19/10 - 27/11/09
Malti Devi (S/N)	The Midwives Clinical Attachment, New Zealand	19/10 - 27/11/09
Uraia Rabuatoka (Research Lab Off)	Hands on Training on the Laboratory Diagnosis of Measles and Rubella, China	27/10 - 31/10/09
Albert Rosa (Director HR)	The Annual Pacific Senior Health Officials, Australia	29/10 - 30/10/09
Dr Joan Lai (NA-OH)	The Annual Pacific Senior Health Officials, Australia	29/10 - 30/10/09
Dr Dave V Whippy (SDMO)	The Workshop on Modified Field Epidemiology Training Programmes & 5th Tephinet South East Asia and the Western Pacific Bi-Regional Scientific Conference, Korea	02/11 - 06/11/09
Dr Viema L Biakula	The Workshop on Modified Field Epidemiology Training Programmes & 5th Tephinet South East Asia and the Western Pacific Bi-Regional Scientific Conference, Korea	02/11 - 06/11/09

Name	Program	
Joviso K Mara (DPBS)	The Technical Workshop on the TRIPS Agreement & Public Health, Geneva	03/11 - 05/11/09
Dr Shareen Ali (Research Off)	The 2nd Joint Meeting of Asia Pacific Association of Medical Journal Editors (APAME) The Western Pacific Region Index Medicos (WPRIM), Singapore	04/11 - 05/11/09
Tociro Katsuki (BioMed Tech)	The Biomedical Engineering Training, New Zealand	09/11 - 20/11/09
Easi Tawake (BioMed Tech)	The Biomedical Engineering Training, New Zealand	09/11 - 20/11/09
Ravinesh Chetty (Filarisis Coordinator)	The 1st Workshop on Lymphatic Filaris and Hlinthiasis for Pacific Programme Managers, PNG	09/11 - 12/11/09
Joviso Mara (DPBS)	The Seminar on Chemical Weapons Convention and Chemical Process Safety Management for State Parties in the South East Asia Region, Japan	11/11 - 12/11/09
Dr Temalesi McCaig (MO)	Fiji White Ribbon Safe Motherhood AGM, Tanzania	12/11 - 14/11/09
James Nagan	Community System to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated (IUU) Fishing, New Caledonia	12/11 - 13/11/09
Dr Jacji Vulibeci (MS)	The Hospital Management Course, Singapore	13/11 - 19/11/09
Vasiti Taylor	Procurement and Supply Management Workshop, Malaysia	18/11 - 20/11/09
Maopa Raikabula	Procurement and Supply Management Workshop, Malaysia	18/11 - 20/11/09
Simione Turaganiwai	Procurement and Supply Management Workshop, Malaysia	18/11 - 20/11/09
Mr Albert McLaren	The 3rd Meeting of the Whole Expert group on Increasing Access to Health Workers in remote and rural areas through improve retention, Vietnam	23/11 - 25/11/09
Sr Rosini Ravono	The 3rd Meeting of the Whole Expert group on Increasing Access to Health Workers in remote and rural areas through improve retention, Vietnam	23/11 - 25/11/09
Simione Radakua (SHI)	The 2nd Regional Dengue Programme Managers Meeting in the Western Pacific, Vietnam	24/11 - 27/11/09
Nemani Kavuru (SAHI)	Training Course on Food Inspection Technology for Developing Countries, China	24/11/09 - 18/01/2010
Alipate Momoka (SAHI)	Training Course on Food Inspection Technology for Developing Countries, China	24/11/09 - 18/01/2010
Dr Saiasi Cagindaveta (MO)	Seminar on Aids Prevention and Control for Developing Countries, China	24/11 - 14/12/09
Dr Josese Yuki (PMO)	6th National Injury Prevention Forum & Session on Child Injury Prevention, Korea	24/11 - 26/11/09

Name	Program	
Dr Joseph Kado (Consultant)	Workshop on Maximizing Synergies between the Global Health Initiatives and Health System, Philippines	25/11 - 26/11/09
Dr Praveena Ali (SDMO)	Workshop on Maximizing Synergies between the Global Health Initiatives and Health System, Philippines	25/11 - 26/11/09
Sr Penina Druavesi (Sister)	Workshop on Maximizing Synergies between the Global Health Initiatives and Health System, Philippines	25/11 - 26/11/09
Sr Vasil Yara Natobe (Matron)	Training Course on Clinical Nursing, China	27/11/09 - 26/05/2010
Dr Praneet Sundar	Training Program for Young Leaders for South Pacific Countries/Community Based Health Operation and Management Course, Japan	30/11 - 17/12/09
Manor Mani	Training Program for Young Leaders for South Pacific Countries/Community Based Health Operation and Management Course, Japan	30/11 - 17/12/09
Saula Matarawa	Training Program for Young Leaders for South Pacific Countries/Community Based Health Operation and Management Course, Japan	30/11 - 17/12/09
Dr Reapi Mataika	Training Program for Young Leaders for South Pacific Countries/Community Based Health Operation and Management Course, Japan	30/11 - 17/12/09
Dr Akuila Tabuavou	Training Program for Young Leaders for South Pacific Countries/Community Based Health Operation and Management Course, Japan	30/11 - 17/12/09
Josephine Tuliga	Training Program for Young Leaders for South Pacific Countries/Community Based Health Operation and Management Course, Japan	30/11 - 17/12/09
Laisenia Vuniivi	Training Program for Young Leaders for South Pacific Countries/Community Based Health Operation and Management Course, Japan	30/11 - 17/12/09
Padayachii Pushpanjali	Training Program for Young Leaders for South Pacific Countries/Community Based Health Operation and Management Course, Japan	30/11 - 17/12/09
Mr Sunjitt Parkash (Lab Tech)	Point Care User Group Meeting, NZ	02/12 - 03/12/09
Dr Eloni Toru (DSHS)	International Conference on Safe Hospital and Philippine National Convention on Health Emergency Management, Manila, Philippines	02/12 - 04/12/09
Virendra Singh	Visit and Survey the Advance Hospitals and Train for Medical Equipment, Korea	04/12 - 14/12/09
Ravindra Prasad	Visit and Survey the Advance Hospitals and Train for Medical Equipment, Korea	04/12 - 14/12/09
Dr Eloni Toru (DSHS)	Visit and Survey the Advance Hospitals and Train for Medical Equipment, Korea	07/12 - 14/12/09
Dr Filimoni Raikanikoda (MO)	Workshop for Most At Risk Young People [MARYPI] & Adolescent Health & Development [AHD] Annual Review & Planning Meeting, Novotel Hotel, Nadi	26/11 - 04/12/09

Name	Program	
Sr Titilia Dakuliga (SDHS)	Workshop for Most At Risk Young People [MARYP] & Adolescent Health & Development [AHD] Annual Review & Planning Meeting, Novotel Hotel, Nadi	26/11 - 04/12/09
Mr Albert McLaren	Workshop for Most At Risk Young People [MARYP] & Adolescent Health & Development [AHD] Annual Review & Planning Meeting, Novotel Hotel, Nadi	26/11 - 04/12/09
Akisi Sailo	Workshop for Most At Risk Young People [MARYP] & Adolescent Health & Development [AHD] Annual Review & Planning Meeting, Novotel Hotel, Nadi	26/11 - 04/12/09
Maria Naiyasa	Workshop for Most At Risk Young People [MARYP] & Adolescent Health & Development [AHD] Annual Review & Planning Meeting, Novotel Hotel, Nadi	26/11 - 04/12/09
Sulueti Duvaga (PO-ARH)	Workshop for Most At Risk Young People [MARYP] & Adolescent Health & Development [AHD] Annual Review & Planning Meeting, Novotel Hotel, Nadi	26/11 - 04/12/09
Laite Cavu (DIP)	The Meeting on Strengthening Monitoring the Health Sector Responses to HIV/Aids in the Western Pacific Region, Manila, Philippines	02/12 / 04/12/09
Maca Racule	The Meeting on Strengthening Monitoring the Health Sector Responses to HIV/Aids in the Western Pacific Region, Manila, Philippines	02/12 / 04/12/09
Dr Geremais Caguiguin	TB Control Programme Planning, Budgeting and Management, Yogyakarta, Indonesia	08/12 - 12/12/09
Dr Isimeli Tukana (NA-NCD)	Special Consultation on NCD Programme, Noumea, New Caledonia	01/12 - 04/12/09

Appendix 19.7: Unofficial Calls made after hours and weekends

Date	Day	Amount (\$)	Audit Comments
31/08/09	Monday	18.22	Value of unofficial calls made after hours. That is 4.30 pm to 8.00 am (Morning)
01/09/09	Tuesday	49.56	
02/09/09	Wednesday	98.11	
03/09/09	Thursday	160.21	
04/09/09	Friday	60.03	
05/09/09	Saturday	5.25	Value of unofficial calls made during the weekend.
06/09/09	Sunday	150.07	
07/09/09	Monday	51.34	Value of unofficial calls made after hours. That is 4.30 pm to 8.00 am (Morning)
08/09/09	Tuesday	114.67	
09/09/09	Wednesday	53.76	
10/09/09	Thursday	56.02	
11/09/09	Friday	21.29	
12/09/09	Saturday	166.63	Value of unofficial calls made during the weekend.
13/09/09	Sunday	115.34	
14/09/09	Monday	11.89	Value of unofficial calls made after hours. That is 4.30 pm to 8.00 am (Morning)
15/09/09	Tuesday	108.10	
16/09/09	Wednesday	70.88	
17/09/09	Thursday	33.43	
18/09/09	Friday	58.27	
19/09/09	Saturday	182.77	Value of unofficial calls made during the weekend.
20/09/09	Sunday	195.22	
21/09/09	Monday	53.50	Value of unofficial calls made after hours. That is 4.30 pm to 8.00 am (Morning)
22/09/09	Tuesday	101.55	
23/09/09	Wednesday	123.48	
24/09/09	Thursday	137.31	
25/09/09	Friday	39.64	
26/09/09	Saturday	93.21	Value of unofficial calls made during the weekend.
27/09/09	Sunday	145.89	
28/09/09	Monday	91.51	Value of unofficial calls made after hours. That is 4.30 pm to 8.00 am (Morning)
29/09/09	Tuesday	33.80	
30/09/09	Wednesday	104.67	
Total		2,705.62	

Appendix 19.8: Details of Unofficial Calls Made in September 2009

Date	Start Time	Duration	Number Called	Call Charges \$
02/09/09	20:34:38	34:23	7341766	18.67
02/09/09	21:44:31	31:06	8470450	14.26
03/09/09	20:40:58	35:44	7238708	19.20
03/09/09	21:49:07	49:37	7211479	26.67
03/09/09	23:05:02	42:56	8645829	19.16
04/09/09	00:10:41	70:12	7211479	37.87
04/09/09	19:21:09	59:14	7211479	32.00
05/09/09	18:49:38	61:01	8420620	27.62
06/09/09	19:32:09	32:47	7238708	17.60
06/09/09	22:48:49	39:49	7113165	21.34
07/09/09	04:19:59	38:15	8722658	17.37
08/09/09	21:16:04	45:50	8722658	20.49
08/09/09	22:03:10	66:32	8722658	29.85
08/09/09	23:38:10	53:58	8726758	24.06
09/09/09	04:54:20	39:00	8722658	17.37
09/09/09	13:00:56	31:30	8696475	14.26
12/09/09	22:38:48	127:12	8722658	57.02
13/09/09	21:26:45	56:29	8722658	25.39
13/09/09	22:24:22	33:45	8722658	15.15
15/09/09	19:06:55	34:17	8477026	15.59
15/09/09	21:22:38	83:48	8722658	37.42
17/09/09	18:03:03	44:09	8722658	20.05
19/09/09	05:04:29	36:29	8722658	16.48
19/09/09	20:56:50	37:43	8722658	16.93
20/09/09	14:55:47	41:33	8420620	18.71
20/09/09	21:38:28	99:47	8722658	40.55
22/09/09	20:50:40	78:17	8645829	35.19
23/09/09	20:10:32	66:20	8678796	29.85
24/09/09	00:37:30	70:26	8678796	31.63
24/09/09	18:05:43	40:38	8678796	18.27
24/09/09	21:18:46	37:27	7403852	20.27
24/09/09	22:56:53	124:38	8722658	55.69

Appendix 19.9: Grants from Donor Agencies

Donor Agency	Programme Description	Amount \$	Programme Manager	Date DW Received by MOH
WHO	Funds to Support the Serological and Virological Analysis of Blood Specimen to Patients with Rubella/Measles and other Specimen relevant to the Measles Elimination Programme	2,217.79	Dr Eric Rafai NA (FCCD)	08/06/09
WHO	Capacity Building Workshop for Oral Health Staff	4,410.00	Dr Joan Lal NA (OH)	14/07/09
WHO	Development of the NCD Strategic Plan	8,760.00	Ms Luisa Vodonaivalu PO (NCD)	14/07/09
WHO	Review and Implementation of the Fiji Eye Care Strategic Plan and Strategic Plan for Eye Injury Prevention	8,960.00	Ms Luisa Vodonaivalu PO (NCD)	14/07/09
WHO	Funds for Health Research Workshop from 25/06/09 to 26/06/2009	13,886.00	Dr Shareen Ali PO(HRO)	22/06/09
WHO	Funds for World Blood Donor Day 2009	15,330.00	Mr. Josaia Bolaqace PO (NBC)	22/06/09
WHO	Funds to Conduct of Global Youth Tobacco Survey/Global School Personnel Survey	10,230.00	Sr Sulueti Du'vaga PO (ARH)	22/06/09
WHO	Review and Develop the National W/Shop on HIV/TB Policy on 22nd July 2009	5,050.00	Ms. Luisa Vodonaivalu RHPO	08/04/09
WHO	Review the estimation and projection on HIV Aids.	6,900.00	Ms. Luisa Vodonaivalu RHPO	08/04/09
WHO	Funding for training of Nurses & Pharmacists.	10,000.00	Ms. Vasiti Taylor Actg Chief Pharmacist	19/08/09
WHO	Funds for National Mass Drug Administration of anti filarial tablets	41,800.00	Dr. Eric Rafai NACD	15/09/09
WHO	Funds to cater for Global Health Professional Student Survey in Fiji 2009	4,278.00	DMO Western	28/08/09
WHO	Development and Evaluation of all Award System for HP Settings	4,380.00	Mr. Iliesa Tora A/NA-HP	28/08/09
WHO	Funds to conduct Community Awareness Training on Health Effects of Tobacco Use	12,000.00	Mr. Ifereimi Corerega Officer In Charge Tobacco Control	30/09/09
WHO	Funds to conduct World No Tobacco Day Celebration Programme 2009	3,285.00	Mr. Ifereimi Corerega Officer In Charge Tobacco Control	30/09/09
WHO	Funds to conduct the surgery on Fiji LF Hydrocelectomy	85,000.00	Dr. Eric Rafai NACD	30/09/09
WHO	Funding for External Review of Leprosy Program and Workshop	6,985.46	Dr. M.A. Hamid A/MS Tamavua HOD Dermatology/Leprosy Unit	30/09/09
WHO	Funding for review of the draft HIV Policy and Guidelines Task 9.2 Work plan WPFJ0801626	5,508.00	Dr Josaia Samuela	23/10/09
WHO	Funding on drafting SRH Policy including linkages between STI, RH, AHD and MCH	10,025.00	Dr Josaia Samuela	23/10/09
WHO	Funding on review of the draft HIV Prevention Promulgation. Task 9.4 Work plan WPFJ0801626	5,508.00	Dr Josaia Samuela	23/10/09

Donor Agency	Programme Description	Amount \$	Programme Manager	Date DW Received by MOH
WHO	Funding for Performance of Work (APW)- Global Youth Tobacco Survey	10,230.00	Mr. Ifereimi Corerega Officer In Charge Tobacco Control	23/10/09
WHO	Funding on using the new database for TB and TB-HIV surveillance in Fiji	7,055.00	Dr Joe Koroivueta	23/10/09
WHO	Funding for Provision of services to improve the defaulter/contract tracing in Labasa, Lautoka and Rabi Island	8,000.00	Dr Joe Koroivueta	04/11/09
WHO	Funds to Review of The IMCI Roll Out to the Sub-Divisions in Fiji	9,800.00	Dr. Josaia Samuela NA in FH	23/10/09
WHO	Development of Competencies for Midwifery Practices with Consultations	14,850.00	Dr Albert McLaren	23/11/09
WHO	Development of Food Safety Emergency Response Programme and HACCP for Activity 16.1 and 16.2	24,060.00	Waisale Delai CHI	23/11/09
WHO	Development of the National Dengue Strategic Plan (NDSP) (2010-2015)	11,070.00	Waisale Delai CHI	23/11/09
WHO	Test and Treat Strategy for Lymphatic Filariasis in Fiji 2009-2010, Nov 2009 - April 2011	39,600.00	Dr. Eric Rafai NACD	26/11/09
SPC	Funds to Support the activities of Adolescent Health Program by meeting the cost of allowance for seven (7) Peer Educators in 2009	43,935.00	Sr Sulueti Du'vaga PO (ARH)	22/05/09
SPC	Funds to conduct Training for Peer Educators to facilitate during Hibiscus Festival	4,878.74	Dr. Josaia Samuela NA in FH	28/08/09
SPC	Funding for Multi-Country Programme to Fight and treatment of HIV/AIDS/STI	20,149.99	Ms. Muniamma Gounder A/CP	30/09/09
SPC	Funding for Hospital Food Gardens	14,116.82	Dr. Tharid Ali DMO Western	30/09/09
UNFPA	Funding to assist the activities of 2009 AWP for the ARH from June 2009 to June 2010	165,540.00	Mrs Luisa Vodonaivalu PO(ARH)	07/10/09
Chinese Govt Grant- PM's Office	Funding for extension of existing Mortuary House at Wainibokasi Hospital	50,000.00	Mr Sisa Otealagi A/MHPI	13/07/09
Total		687,798.80		

Appendix 19.10: Pending Motor Vehicle Accident Cases

Date of Incident	Registration Number	Age (Years)	Name of Driver	Amount \$	Audit Comments
10/4/08	GN 267	4	Surend	380.00	<ul style="list-style-type: none"> The accident happened in front of Labasa Hospital garage at Siberia Road. The vehicle rolled and hit the garage. The accident was reported to the Ministry of Finance, which in turn had sought opinion from the Solicitor General's Office via letter dated 20/11/08. As at 30/06/10 no action was taken.
19/8/08	GN 660	N/A	Akariya Rokolwerika	5,630.00	<ul style="list-style-type: none"> The driver was carrying his son and nephew when the vehicle got involved in an accident at Nakorotogu along Penninusla road near Saqani. The accident was reported to the Ministry of Finance, which in turn had sought opinion from the Solicitor General's Office. As at 30/06/10 no action taken.
28/8/08	GM 963	8	Rateshwar Chandra	846.00	<ul style="list-style-type: none"> The vehicle (ambulance) got involved in an accident at Wainikoro. The vehicle hit a post. The accident was reported to the Ministry of Finance, which in turn had sought opinion from the Solicitor General's Office letter via dated 20/11/08. As at 30/06/10 no action was taken.
29/08/08	GN 084	7	Sania Kailutu	15,000.00	<ul style="list-style-type: none"> This vehicle is beyond economical repairs as reported by PWD. This accident happened at Naqere Housing junction involving a private vehicle, which came from the wrong side of the road and bumped the MoH vehicle. The accident was reported to the Ministry of Finance, which in turn had sought opinion from the Solicitor General's Office via letter dated 21/10/08. As at 30/06/10 no action was taken.
17/06/09	GN 647	N/A	Dhiraj Lal	Not Stated	<ul style="list-style-type: none"> The accident was caused by a private vehicle (ES 975) at 8 miles, Nasinu. The accident was reported to Ministry of Finance, which in turn had sought opinion from Solicitor General's Office letter dated 26/08/09. The cost of the damage was not provided to audit upon request. As at 30/06/10 no recovery action was taken.
08/04/09	GN 266	5	Josi Katia	4,750.00	<ul style="list-style-type: none"> The accident happened due to the driver's negligence. The driver lost control and hit a tree and was charged by Police for careless driving. The accident was reported to the Ministry of Finance, which in turn had sought opinion from the Solicitor General's Office letter dated 18/11/09. As at 30/06/10 no action was taken.
5/03/09	GN 648	4	Ratu Meli	12,903.30	<ul style="list-style-type: none"> The vehicle was filled with contaminated fuel resulting in damages done to the fuel pump and

Date of Incident	Registration Number	Age (Years)	Name of Driver	Amount \$	Audit Comments
					injector pump. <ul style="list-style-type: none"> No recovery had been made and matter is not reported to the Ministry of Finance and the Solicitor Generals Office.
16/03/09	GN 678	2	Lasaro Tavoka	335.00	<ul style="list-style-type: none"> The accident happened near Nalawa, Rakiraki. The vehicle veered off the road into a bus shelter. The accident was reported to the Ministry of Finance, which in turn had sought opinions from Solicitor Generals Office letter dated 19/04/10. As at 30/06/10 no action was taken.
03/04/09	GN 080	7	Naiqama Ritova	821.28	<ul style="list-style-type: none"> The accident was caused due to the driver's negligence. The accident happened opposite Ragg Avenue junction when the ministry's vehicle bumped into a taxi parked at a bus stop. The accident was reported to the Ministry of Finance, which in turn had sought opinions from Solicitor Generals Office on 23/04/09. As at 30/06/10 no action was taken.
04/05/09	GN 712	N/A	Levani Navatuvoka	632.81	<ul style="list-style-type: none"> No accident report or Police report sighted by audit. The accident happened in front of Namosi House when DMO C/E was reversing. However, the accident was reported to the Ministry of Finance, which in turn had sought opinions from the Solicitor Generals Office letter dated 31/12/09. As at 30/06/10 no action was taken.
14/06/09	GM 776	10	Inia Jitoko	503.00	<ul style="list-style-type: none"> The accident happened due to driver's negligence. The incident happened on the boat ramp of MV Sofi, where the rope of the ferry damaged the beacon light overhead. The accident was reported to the Ministry of Finance, which in turn had sought opinion from the Solicitor General's Office letter dated 31/12/09. As at 30/06/10 no action was taken.
01/07/09	GN 132	6	Saimoni Nawavoli	1,183.50	<ul style="list-style-type: none"> The accident happened at Delaivavesi. The accident was reported to the Ministry of Finance, which in turn had sought opinions from Solicitor General's Office. As at 30/06/10 no action was taken.
12/03/10	GM 944	8	Malakai Gukirewa	1,800.00	<ul style="list-style-type: none"> The driver was charged for careless driving, the accident happened at Tagoqe village. The vehicle fell in a drain due to driver's negligence. The accident was reported to Ministry of Finance, which in turn had sought opinion from the Solicitor General's Office letter dated 04/06/10. As at 30/06/10 no action was taken.
05/03/10	GN 822	1	Sairusi Rakoso	2,268.90	<ul style="list-style-type: none"> Government leased vehicle. The accident happened near Labasa. The vehicle hit a stray cow on the road. The accident was reported to the Ministry of Finance, which in turn had sought opinion from the Solicitor General's Office letter dated 04/06/10. As at 30/06/10 no action was taken.

Date of Incident	Registration Number	Age (Years)	Name of Driver	Amount \$	Audit Comments
26/03/10	GN 660	N/A	Ane Virikanavula	9,895.56	<ul style="list-style-type: none"> The vehicle veered off the driveway at Saqani Health Centre and tumbled down the slope. The accident was reported to the Ministry of Finance, which in turn had sought opinion from the Solicitor General's Office letter dated 21/06/10. As at 30/06/10 no action was taken.
09/04/10	FP 884	N/A	Finau Cavuilati	1,083.00	<ul style="list-style-type: none"> Government leased vehicle. The vehicle sustained damages to left rear side. The accident was reported to the Ministry of Finance, which in turn had sought opinion from the Solicitor General's Office. As at 30/06/10 no action was taken.
07/05/10	GN 457	4	Fero Tabakisuva	Not Stated	<ul style="list-style-type: none"> The accident happened at near Total Service Station at Laucala Bay Road. The vehicle bumped into a parked private car. The accident was reported to the Ministry of Finance, which in turn had sought opinion from the Solicitor General's Office letter dated 04/06/10. As at 30/06/10 no action was taken.
Total				58,032.35	

Appendix 19.11: Estimated Cost of Quarantine Services

MONTH	SERVICES RENDERED	Approximate Cost (\$)	JUSTIFICATIONS
1. SCHEDULED AIRCRAFTS			
	a. Medical Inspection of Aircrafts from any International Ports as per Empty weight (net weight)- these are aircrafts coming from healthy ports		
	(i) Aircrafts not exceeding 50,000kg	30.00	<ul style="list-style-type: none"> Inspections of Food Storage (hot/cold)/ Temperature Supervision of Solid Waste Disposal from source to disposal Supervision of Sewage from source to disposal Inspections for vector specimens [Rats/ mosquitoes/ insects] Verify the health status of passengers /crew Carry out insecticidal spraying of aircrafts using WHO insecticides formulation
	(iv) Aircrafts exceeding 150,001kg but not exceeding 200,000kg	60.00	
	(v) Aircraft exceeding 200,001kg but not exceeding 250,000kg	70.00	
	(vi) Aircrafts exceeding 251,000kg	100.00	
	b. Malarial Inspection of aircrafts from malarial ports [aircrafts coming from malarial endemic areas]		
	(i) Aircrafts not exceeding 50,000kg	50.00	
	(ii) Aircrafts exceeding 50,001kg but not exceeding 100,000kg	60.00	<ul style="list-style-type: none"> Inspections of Food Storage (hot/cold)/ Temperature Supervision of Solid Waste Disposal from source to disposal Supervision of Sewage from source to disposal Inspections for vector specimens [Rats/ mosquitoes/ insects] Verify the health status of passengers /crew Carry out insecticidal spraying of aircrafts using WHO insecticides formulation
	(iii) Aircrafts exceeding 100,001kg but not exceeding 150,000kg	70.00	
	(iv) Aircrafts exceeding 150,001kg but not exceeding 200,000kg	80.00	
	(v) Aircraft exceeding 200,001kg but not exceeding 250,000kg	90.00	
	(vi) Aircrafts exceeding 251,000kg	150.00	
	c. Insecticidal Spraying of Aircrafts from Malarial Ports		
	Second schedule (Rule 19) 3 (1) (b)		
	Disinfection for mosquito only (that use aerosol		

MONTH	SERVICES RENDERED	Approximate Cost (\$)	JUSTIFICATIONS
	insecticides WHO formulation)		
	(i) for first 50m ³ of space	50.00	
	(ii) for 51 m ³ to 100 m ³ of space	70.00	
	(iii) for 101 m ³ to 150 m ³ of space	90.00	
	(iv) for 151 m ³ to 200 m ³ of space	150.00	
	(v) for 201m ³ of space and above	200.00	
	d. Insecticidal of Aircrafts from Non- Malarial Ports (without RC)		
	(i) for first 50m ³ of space	50.00	
	(ii) for 51 m ³ to 100 m ³ of space	70.00	
	(iii) for 101 m ³ to 150 m ³ of space	90.00	
	(iv) for 151 m ³ to 200 m ³ of space	150.00	
	(v) for 201m ³ of space and above	200.00	

2. NON-SCHEDULED AIRCRAFTS- These are aircrafts that are NOT scheduled to arrive within the month. These are mainly private jets and evacuation flights that may inform the ground handling crew within 30mins (minimum) of landing due to technical faults or fuel stop. This type of activity may require extra officers for the shift as it will cause disturbance to the staff currently on shift. This will incur overtime.

a. Medical Inspection of Aircrafts from any International Ports as per Empty weight (net weight) these are aircrafts coming from healthy ports	RATE (\$)	JUSTIFICATIONS
(i) Aircrafts not exceeding 50,000kg	60.00	
b. Malarial Inspections of aircrafts from malarial ports [aircrafts coming from malarial endemic areas]		
(i) Aircrafts not exceeding 50,000kg	70.00	
(ii) Aircrafts exceeding 50,001kg but not exceeding 100,000kg	80.00	
(iii) Aircrafts exceeding 100,001kg but not exceeding 150,000kg	90.00	
(iv) Aircrafts exceeding 150,001kg but not exceeding 200,000kg	100.00	
(v) Aircraft exceeding 200,001kg but not exceeding 250,000kg	110.00	
(vi) Aircrafts exceeding 251,000kg	250.00	
c. Insecticidal Spraying of Aircrafts from Malarial Ports		
Second schedule (Rule 19) 3 (1) (b)		
(i) for first 50m ³ of space	100.00	
(ii) for 51 m ³ to 100 m ³ of space	120.00	
(iii) for 101 m ³ to 150 m ³ of space	150.00	
(iv) for 151 m ³ to 200 m ³ of space	200.00	
(v) for 201m ³ of space and above	300.00	
d. Insecticidal of Aircrafts from Non- Malarial Ports (without RC)		
(i) for first 50m ³ of space	100.00	
(ii) for 51 m ³ to 100 m ³ of space	120.00	
(iii) for 101 m ³ to 150 m ³ of space	150.00	
(iv) for 151 m ³ to 200 m ³ of space	200.00	
(v) for 201m ³ of space and above	300.00	

- Inspections of Food Storage (hot/cold)/ Temperature
 - Supervision of Solid Waste Disposal
- From Source to Disposal
- Supervision of Sewage from Source to Disposal
 - Inspections of vector specimens [Rats/ mosquitoes/ insects]
 - Verify the health status of passengers /crew
 - Carry out insecticidal spraying of aircrafts using WHO insecticides formulation

3. AIRCRAFTS OUTSIDE PORT OF CALLS – These are internationally inbound flights that request to land and be cleared at any Fiji airport apart from the Designated Port of Call. For example, flights from Darwin, Australia that wishes to go directly to Laucala Island... (for any appointments made to attend to this type of activity) - \$1,000.00			
a. Medical Inspection of Aircrafts from any International Ports as per Empty weight (net weight) these are aircrafts coming from healthy ports		RATE (\$)	JUSTIFICATIONS
	(i) Aircrafts not exceeding 50,000kg	80.00	<ul style="list-style-type: none">• Transportation/accommodation of officers• Safety of officers• Inspections of Food Storage(hot/cold)/Temperature• Supervision of Solid Waste Disposal• From Source to Disposal• Supervision of Sewage from Source to Disposal• Inspections of vector specimens [Rats/ mosquitoes/ insects]• Verify the health status of passengers /crew
	(ii) Aircrafts exceeding 50,001kg but not exceeding 100,000kg	100.00	
	(iii) Aircrafts exceeding 100,001kg but not exceeding 150,000kg	120.00	
	(iv) Aircrafts exceeding 150,001kg but not exceeding 200,000kg	140.00	
	(v) Aircraft exceeding 200,001kg but not exceeding 250,000kg	200.00	
	(vi) Aircrafts exceeding 251,000kg	300.00	
b. Malarial Inspections of aircrafts from malarial Ports [aircrafts coming from malarial endemic areas]			
	(i) Aircrafts not exceeding 50,000kg	90.00	
	(ii) Aircrafts exceeding 50,001kg but not exceeding 100,000kg	110.00	
	(iii) Aircrafts exceeding 100,001kg but not exceeding 150,000kg	150.00	
	(iv) Aircrafts exceeding 150,001kg but not exceeding 200,000kg	170.00	
	(v) Aircraft exceeding 200,001kg but not exceeding 250,000kg	230.00	
	(vi) Aircrafts exceeding 251,000kg	350.00	
c. Insecticidal Spraying of Aircrafts from Malarial ports			
	Second schedule (Rule 19) 3 (1) (b)		
	Disinfection for mosquito only (that use aerosol insecticides WHO formulation)		
	(i) for first 50m³ of space	150.00	
	(ii) for 51 m³ to 100 m³ of space	170.00	
	(iii) for 101 m³ to 150 m³ of space	190.00	
	(iv) for 151 m³ to 200 m³ of space	250.00	
	(v) for 201m³ of space and above	350.00	
d. Insecticidal Spraying of Aircrafts from Non- Malarial Ports (without RC)			
	(i) for first 50m³ of space	150.00	
	(ii) for 51 m³ to 100 m³ of space	170.00	
	(iii) for 101 m³ to 150 m³ of space	190.00	

4. OTHER SERVICES		
a. Residual Dis-insectization of Aircrafts	RATE (\$)	JUSTIFICATIONS
(i) Aircrafts not exceeding 50,000kg	70.00	<ul style="list-style-type: none"> • Supervises the Dis-insectization of aircrafts • Approval for uplifting done by CBH • Clearance/Verification of documents at airports by Quarantine Officers (QO) • Burial Supervision of Deaths caused by quarantine disease/
(ii) Aircrafts exceeding 50,001kg but not exceeding 100,000kg	90.00	
(iii) Aircrafts exceeding 100,001kg but not exceeding 150,000kg	120.00	
(iv) Aircrafts exceeding 150,001kg but not exceeding 200,000kg	150.00	
(v) Aircraft exceeding 200,001kg but not exceeding 250,000kg	200.00	

	(vi) Aircrafts exceeding 251,000kg	300.00	infectious disease (HIV) (Risk for Community/ QO) • Inspections of water quality using (H2S) (Biological) • Cost of water analysis at USP Laboratory (Chemical/Heavy metals) • Supervision of fumigation of second hand clothing • Human remains service is also applicable to Sea Vessels
b. Human Remains			
	1. Approval Fee for uplifting human remain from abroad	50.00	
	2. Clearance of human remains with Notifications	100.00	
	3. Clearance of human remains without Notifications	200.00	
	4. Human remains requiring Health Supervision (e.g. Cause Of Death infectious diseases)	300.00	
c. Holy Water			
	1. Inspection of certificates & documentation	30.00	
	2. Analysis of quality (micro-organisms, chemical, physical)	100.00	
d. Second-hand Clothing (Part II; Section 8(a) – Quarantine Act, Cap 112)			
	1. Inspection of certificate & documentation	30.00	
	2. Supervisions of fumigation	200.00	

Appendix 19.12: Increase in drug prices without prior approval

Code	Item Description	FPS Unit Issue Price in EPICOR (\$)	New Unit Price List (\$)
00169	Lithium for Advantage Meter	4.482	4.67
02460	Blood Glucose Monitoring Strips 50 (ADVANTAGE)	33.390829	42.00
02479	Blood Glucose Monitoring Meter – Advantage	18.298574	21.95
01048	Blood Glucose Monitoring Meter – Braun	18.298574	25.80
00888	Blood Lancets, auto injectable	0.09436	0.12
00448	Cotton Absorbent BP 500g	2.533659	3.2576
00492	Dextrose 50% inj. 500ml bag	2.335338	3.4643
00112	Erythromycin Tablets 250mg	0.058483	0.0786
00121	Fentanyl Inj. 100mcg/2ml	1.182103	1.243
00459	Gauze Absorbent swabs(dental use only) BP 7.5cmx7.5cm 8ply Pack of 100	1.648876	1.7845
00723	Gloves Disposable Examination, Latex, Amidextrous, Large box of 100	4.674052	6.10
00724	Gloves Disposable Examination, Latex, Amidextrous, Medium box of 100	4.714014	6.00
00725	Gloves Disposable Examination, Latex, Amidextrous, Small box of 100	4.674052	5.80
00881	Hartmanns Solution Inj. 100ml Bag	1.730872	2.1705
00151	Hydrallazine Inj. 20mg/ml	13.424948	7.13
00384	Ibuprofen Tablets 400mg	0.00676	0.0233
1-0002	Non-pyrogenic	0.62987	0.8292
00179	Lignocainewith Adrenaline Inj. 2%/:80000 (dental) box of 50	41.6475	53.113
00449	Lint Absorbent 500g	5.771363	10.545
00203	Morphine Sulphate Inj. 10mg/ml	0.435314	0.6559
00382	Morphine Sulphate Tablets 10mg	0.266384	0.4381
32582	Morphine Sulphate Tablets SR 30mg	0.266384	1.0215

Code	Item Description	FPS Unit Issue Price in EPICOR (\$)	New Unit Price List (\$)
00739	Needle Disposable Sterile 19G x 32mm Packet of 100	4.198777	5.5329
00997	Needle Disposable Sterile 21G x 40mm Box of 100	4.28334	5.958
00740	Needle Disposable Sterile 23G x 32mm Packet of 100	4.214452	5.9028
00741	Needle Disposable Sterile 25G x 16mm Packet of 100	4.214448	5.7422
00223	Paracetamol Tablets 500mg	0.00876	0.0135
00229	Penicillin Bezathine Inj. 2.4 megaunit	1.288908	1.4093
00234	Pethidine Injection 100mg/2ml	0.500628	1.1466
00233	Pethidine Injection 50mg/ml	0.539039	1.2708
01818	Sodium Chloride 0.3% with Dextrose 3%Inj. 1000ml Bag	1.992881	2.458709
00966	Spatula Wooden Box of 100	1.97616	2.8763
00811	Syringe Disposable 10ml Box of 100	15.164469	15.884
00806	Syringe Disposable 1ml Box of 100	7.866118	8.5245
00809	Syringe Disposable 3ml Box of 100	6.565579	7.1165
00810	Syringe Disposable 5ml Box of 100	8.750812	9.4971
00333	Whitfields Lotion Strong 100ml	2.152542	2.7175

Appendix 19.13: Expired Drugs And Consumables

	Expired Drugs at FPBS Particulars	Date Expired	Cost (\$)
00111	Ergometrine/Oxytocin Inj. 500mcg/5iu	30.06.08	40.00
00279	Quinine Dihydrochloride Inj. 600 mg/10ml	31.07.08	88.28
00097	Droperidol inj. 5mg/2ml	30.09.08	106.80
00159	Insuline Isophane inj. 1000u/10ml	30.09.08	54,773.40
00215	Glycerine Trinitrate Tablets 600mcg	30.11.08	26,388.00
00062	Chloramphenicol Eye Drops 0.5%	31.12.08	203.36
00185	Magnesium Trilicate Mixture	30.01.09	35.64
00922	Glycerine Inj. 1.5% 3000ml bag	30.01.09	2,803.64
00128	Fludrocortisone Tablets 100mcg	30.01.09	84.00
00007	Acyclovir Eye Ointment 30mg/g	30.01.09	1,515.36
00150	Hyaluronidase Inj. 1500iu	30.01.09	3,329.20
00192	Methotrexate Inj. 50mg/2ml	30.01.09	52.06
00044	Calcium Chloride Inj. 10% 10ml	30.01.09	1,118.00
00118	Ethosumide Capsules 250mg	28.02.09	362.83
00207	Mydracaine No. 2 eye drops	28.02.09	371.68
00285	Rifampicin/Isoniazid Capsules	28.02.09	569.96
00347	Cefaclor SR Tabs 375mg	28.02.09	1,625.68
00386	Rifampicin/Isoniazid Tabs	28.02.09	120.00
00248	Polyantibiotics eye drops	28.02.09	15.68
00347	Cefaclor SR Tabs 375mg	28.02.09	72.00
01162	Dental plaster of Paris	30.03.09	974.57
00134	Fruzemide Tabs 500mg	30.03.09	293.47
00022	Atracurium inj. 25mg/205ml	30.03.09	741.71
00324	Vecuronium inj. 10mg	30.03.09	17,595.63
00297	Sodium Valproate Tabs 200mg	30.04.09	19,494.00
00004	Acetylchlorine Chloride inj.	30.04.09	1,628.34
00039	Busulphan tabs 2mg	30.04.09	912.00
00117	Ethinylloestradiol tabs 50mcg	30.04.09	17,514.00
00110	Ephedrine Nasal Drops 0.5%	30.04.09	6,614.12
02097	Bleomycin inj 15IU	30.04.09	10,480.86

	Expired Drugs at FPBS Particulars	Date Expired	Cost (\$)
00039	Busulphan tabs 2mg	30.04.09	144.00
00117	Ethinylestradiol tabs 50mcg	30.04.09	1,180.20
00161	Insulin Neutral inj. 1000u/10ml	30.05.09	39,699.39
00127	Fluorescein eye drops 2%	30.05.09	532.75
00159	Insuli isophane inj. 1000u/10ml	30.05.09	23,668.96
00241	Phenytoin sodium chewable tabs 50mg	30.05.09	40.00
00107	Edrophonium chloride inj. 10mg/ml	30.05.09	3,757.60
02342	Fusidic acid tabs 250mg	30.05.09	1,522.80
01294	Oral polio vaccines 10 dose	30.05.09	24,031.20
00127	Fluorescein eye drops 2%	30.06.09	5,614.20
00201	Miconazole nitrate vagina cream 2%	30.06.09	674.70
00211	Pyridostigmine tabs 60mg	30.06.09	774.18
01391	Noristerat Enantahte 200mg inj.	30.06.09	20,664.79
02511	Indomethacin inj.	30.06.09	823.53
00106	Econazole pessary 150mg packet of 3	30.06.09	1,164.35
02349	Chlorhexidine gluconate cream 1% 100g	30.07.09	3,552.64
00049	Carbimazole tabs 5mg	30.07.09	1,000
00140	Glutaraldehyde solution 2% 5L	30.07.09	166.30
00155	Hydrocortisone sodium succinate inj 100mg	30.07.09	547.68
00052	Cephalothin inj. 1g	30.07.09	5,792.50
00352	Arabinocide inj. 100mg	30.07.09	7,794.62
00022	Atracurium inj. 25mg/2.5ml	30.07.09	9,971.00
00411	Betamethasone scalp lotion 0.1%	30.07.09	86.00
00212	Neostigmine inj. 2.5mg/ml	30.07.09	11.40
00236	Phenobarbitone sodium inj. 200mg/ml	30.07.09	375.39
00241	Phenytoine sodium chewable tabs 50mg	30.07.09	280.00
01289	HBV Infant Inj. 10mcg	30.03.08	245.44
00039	Busulphan tabs 2mg	30.04.09	48.00
00431	Bandag elastic adhesive BP 5cm x 5m	30.05.07	6,293.40
00432	Bandag elastic adhesive BP 7.5cm x 5m	30.01.07	2,429.05
00354	5-Fluorouracil inj. 500mg	30.05.09	214.40
00231	Pencillin V tabs 250mg	30.06.09	500.00
00394	Baclofen tabs 10mg	30.06.09	4.20
02519	Rifampicin oral suspension 10mg/5ml	30.06.09	99.72
00236	Phenobarbitone sodium inj. 200mg/ml	30.07.09	30.10
00049	Carbimazole tabs 5mg	30.07.09	140.00
00188	Melphalan tabs 2mg	30.07.09	406.25
00307	Theophylline 80mg/15ml elixir	30.08.09	533.36
00395	Oxybutinin HC1 tabs 5mg	30.08.09	100.00
01881	Chloral Hydrate Syrup 100mg/ml	30.08.09	1,627.22
00413	Paracetamol suppository 500mg	30.08.09	330.62
00081	Cyclophosphamide inj. 1g	30.09.09	5,255.67
00109	Ephedrine inj. 30mg/1ml	30.09.09	15.40
00131	Folinic acid inj. 15mg/2ml	30.09.09	1,722.72
00236	Phenobarbitone sodium inj. 200mg/ml	30.09.09	467.64
00321	Tropicamide eye drops 1%	30.09.09	415.83
00343	Quinine sulphate tabs 300mg	30.09.09	20.00
00413	Paracetamol suppository 500mg	30.09.09	1,335.38
02506	Desmopressin inj. 4 mg/ml	30.09.09	1,596.20
00141	Glyceril Trinitrate ointment 2%	31.10.09	1,232.16
00097	Droperidol inj. 5mg/2ml	31.10.09	32.04
00133	Fruzemide tabs 40mg	31.10.09	80.00
00167	Isoprenaline inj. 2mg/2ml	31.10.09	9,801.72
00222	Pancuronium bromide inj. 4mg/2ml	31.10.09	13,905.40

	Expired Drugs at FPBS Particulars	Date Expired	Cost (\$)
00342	Pyrimethamine/sulphadoxine tabs.	31.10.09	805.00
00351	L-asparaginase inj. 10000iu	31.10.09	25,197.38
00133	Frusemide tabs 40mg	31.10.09	40,450.00
00517	Peritoneal dialysis solution 4.25% inj.2	31.10.09	32,590.25
00128	Fludrocortisone tabs 100mcg	30.11.09	91.00
00265	Procarbazine HC1 capsules 50mg	30.11.09	17,400.00
00351	L-asparaginase inj. 10000iu	30.11.09	262.84
02242	Fluconazole capsules 200mg	30.11.09	4,608.50
00013	Amtripryline tabs 25mg	30.11.09	2,096.00
00145	Haloperidol tabs 5mg	30.11.09	4,980.00
00296	Sodium valproate elixir 200mg/5ml	30.11.09	997.10
00514	Peritoneal dialysis solution	30.11.09	32,637.44
00205	Multivitamin tabs vitamin A 2500 IU	30.11.09	11,880.00
00353	Daunorubicin inj. 20mg	31.12.09	3,651
00079	Cyclophosphamide inj.200mg	31.12.09	5.72
00167	Isoprenaline inj. 2mg/2ml	31.12.09	14,616.60
TOTAL			564,945.20

Appendix 19.14: Out of stock drugs

Item No.	Item Description	Minimum Stock	Maximum Stock	Qty in Stock as at 02/02/10	Qty on Order	Days Lapse (awaiting order)
00242	Nifedipine tabs MR 20mg	288,123	864,370	0	865,000	131
00073	Cloxacillin Inj. 500mg	149,324	447,971	0	560,000	126
00134	Frusemide Tabs 500mg	4,892	14,675	0	7,000	121
00049	Carbimazole tabs 5mg	98,943	296,830	0	470,000	113
00273	Propranolol tabs 10mg	109,900	329,701	0	600,000	208
00125	Flucloxacillin Capsules 250mg	367,775	1,103,325	-34,900	2,000,000	105
00282	Ranitidine inj. 50mg/2ml	2,962	8,885	0	4,000	183
00288	Salbutamol inhaler 100mcg	14,556	43,668	0	72,000	130
00319	Trifluoperazine HC1 Tabs 1mg	1,929	5,786	0	5,000	104
00267	Prochlorperazine 12.5mg/ml	5,241	15,772	0	12,000	105
00253	Povidone Iodine Alcoholic solution 10%	339	677	0	600	123
00238	Phenobarbitone tabs 15mg	13,832	41,497	0	290,000	150
00410	Olanzapine Tabs 10mg	26,333	79,000	0	120,300	122
00385	Medium Chain Triglyceride Oil 500ml	32	63	0	16	143
00050	Ceftriazone inj. 250mg	1,834	5,503	0	10,100	112
00067	Chlorpromazine Tabs 50mg	22,983	68,950	0	35,000	122
01172	Soda lime granules 4.5kg	28	57	0	500	105
01192	Sodium Hypochloride 1% 1L	408	817	0	200	184

Item No.	Item Description	Minimum Stock	Maximum Stock	Qty in Stock as at 02/02/10	Qty on Order	Days Lapse (awaiting order)
00098	Dithranol Ointment	8	16	0	16	144
00402	Bottle plastic for dispensing 250ml	4,893	14,680	0	20,000	258
32580	Konica films 15x30 X-ray	6	13	0	20	109
32497	Endotracheal tubes	63	125	0	100	116
00431	Bandage elastic adhesive 5cmx5m	2,026	6,077	0	4,992	116
01356	Green film 18x24cm	159	317317	0	320	109
01358	Green film 24x30cm	330	659	0	600	109
01360	Green film 30x40cm	209	409	0	350	109
01373	Green film 35x35cm	232	464	0	200	109
01378	Green film 35x43cm	207	415	0	245	109
01386	x-ray cassette with screens 24x30cm	2	4	0	15	117
00812	Syringe disposable 20ml box of 50	141	282	0	13,200	103
00991	Endotracheal tube size 7.0	315	630	0	200	116

Appendix 19.15: Procurements from Samabula drug store

Chq/PO No.	Item No.	Item	Contract Price (Unit CNF)	SDS Price \$	Variance (CNF-SDS) \$	Qty	Total (SDS Price * Qty) \$	Excess Amount Paid (Variance*QTY) \$	Audit Observation
198064	00303	Suxamethonium Chloride Injection 100ml/2ml Pack of 50	41.05	174.17	133.12	40	6,966.80	5,324.80	<ul style="list-style-type: none"> Approved tender on 28/7/09 awarded to City Pharmacy Drugs procured on 29/07/09 from Samabula Drugs Store (SDS). Three quotations called only 2 quotes received.
198064	00380	Haloperidol Decanoate Injection 10mg/ml pack of 5	80.88	39.32	(41.56)	60	2,359.20	-	<ul style="list-style-type: none"> Approved tender on 28/7/09 awarded to City Pharmacy Drugs procured on 29/07/09 from SDS. Three quotations called only 2 quotes received.
098084	02097	Bleomycin Injection 15IU 1 vial	77.80	198.03	120.23	10	1,980.30	1,202.30	<ul style="list-style-type: none"> Approved tender 28/7/09 awarded to South Austral Drugs procured from SDS on 14/08/09. Three quotations called but only 2 quotes received.
MD091778	00022	Atracurium Injection 25mg/2.5ml pack of 5	16.81	50.12	33.31	20	1,002.40	666.20	<ul style="list-style-type: none"> Approved tender on 28/7/09 awarded to Multichem Export Ltd Drugs procured from SDS on 29/07/09. Three quotations called but only 2 quotes received.
MD091778	00222	Pancuronium Bromide Injection 4mg/2ml pack of 50	54.25	407.87	353.62	10	4,078.70	3,536.20	<ul style="list-style-type: none"> Approved tender on 28/7/09 awarded to City Pharmacy Drugs procured from SDS on 29/07/09. 3 quotations called only 2 quotes received.
MD091768	02097	Bleomycin Injection 15IU 1 vial	77.81	198.03	120.23	20	3,960.60	2,404.60	<ul style="list-style-type: none"> Approved tender on 28/7/09 awarded to South Austral. Drugs procured from

Chq/PO No.	Item No.	Item	Contract Price (Unit CNF)	SDS Price \$	Variance (CNF-SDS) \$	Qty	Total (SDS Price * Qty) \$	Excess Amount Paid (Variance*QTY) \$	Audit Observation
									SDS on 29/07/09. • 5 Quotations called but only received quotes from SDS.
MD091768	00129	Fluphenazine Deconate Injection 25mg/ml pack of 5	3.65	38.77	35.12	60	2,326.20	2,107.20	<ul style="list-style-type: none"> • Approved tender on 28/7/09 awarded to Ronvig Australia Pty Ltd • Procured from SDS on 29/07/09. • 5 Quotations called but only received quotes from SDS.
MD091768	00145	Haloperidol Tablets 5mg pack of 50	0.89	8.02	7.13	100	802	713.00	<ul style="list-style-type: none"> • Approved tender on 28/7/09 awarded to Multichem Export Ltd, NZ • Drugs Procured from SDS on 29/07/09. • 5 Quotations called but only SDS quoted.
MD091768	00144	Haloperidol tablets 1.5mg pack of 100	1.43	7.97	6.54	30	239.10	196.20	<ul style="list-style-type: none"> • Approved tender on 28/7/09 awarded to Baroko SDN BHD • Drugs procured from SDS on 29/07/09. • 5 Quotations called but only SDS quoted
MD091768	00127	Fluorescein eye drops 2% pack of 20	48.23	110.54	62.31	6	663.24	373.86	<ul style="list-style-type: none"> • Approved tender on 28/7/09 awarded to Multichem Export Ltd • Procured from SDS on 29/07/09. • 5 Quotations called but only SDS quoted.
208420	00293	Sodium Bicarbonate injection 8.4% 10ml vial pack of 10amps	9.54	13.88	4.34	500	6,940	2,170.00	<ul style="list-style-type: none"> • Approved tender on 28/7/09 awarded to Ronvig Australia Pty Ltd • Procured from SDS on 21/08/09. • Quotations called but only SDS quoted.
TOTAL							31,318.54	18,694.36	

Appendix 19.16: Debtors Aged Listings

Debtor	1-2 Years (\$)	2-5 Years (\$)	Balance (\$)
ADB 0021 Project	2,261.05		2,261.05
Angco P. Ltd	-	1,641.12	1,641.12
Belau Medical Clinic	-	3,391.25	3,391.25
Boulevard Central Pharmacy	-	242.20	242.20
Chandulal's Pharmacy	-	216.31	216.31
Cook Is. Govt Hosp	889.44	146.21	1,035.65
DMO Northern	1,905.44		1,905.44
Education Dept	-	1,891.53	1,891.53
Fiji Health Sector Improvement Program	375.09	1,908.45	2,283.54
Flagstaff Pharmacy	-	967.52	967.52
FSC	-	430.72	430.72
Grace Pharmaceuticals Supplies Ltd	-	2,189.49	2,189.49
Grish Jamnadas	-	43.64	43.64
Health Dept	-	206.91	206.91
Island Pharmacy	340.47	-	340.47
Kiribati Government Hospital	4,563.39	-	4,563.39
Louise Danford	18.20	-	18.20
Madison Pharmacy	-	563.32	563.32
Makans Drugs	638.12	1,150.12	1,788.24
Marine Department	-	600.18	600.18
Medichem Pharmacy Ltd	-	491.40	491.40
Medpharm	55.76	-	55.76
Mohammed Yunus	403.38	-	403.38
Namaka Medical Center	180.52	-	180.52
Namaka Medisure Pharmacy	100.42	-	100.42
Nasea Drud Store Ltd	66.42	-	66.42
Niue Health Department	-	157.72	157.72
Patel Pharmacy	55.43	-	55.43
Peter Zinck	112.22	-	112.22
Commissioner of Police	-	953.12	953.12
Prisons Department	-	105.60	105.60
Rajesh Chandra	-	100.81	100.81
Rewa Pharmacy	46.90	-	46.90
Roveena Khan Medical Centre	1.58	-	1.58
Sachida Mudaliar	-	81.42	81.42
Siddarth K Naidu	49.12	-	49.12
St Philomena Medical Clinic	50.06	186.42	236.48
Thakurlals Pharmacy Nadi	405.28	-	405.28
The Siloh Peoples Clinic	-	33.03	33.03
Tuvalu Govt Hospital	2,699.46	-	2,699.46
Uma Dutt Sharma	520.97	-	520.97
Vet Care	315.92	-	315.92
Wahid Khan	93.87	-	93.87
Waisake Radrod ro	-	1,600.32	1,600.32
Western Health Service	0.09	1,939.23	1,939.32
Yasawa Island Resort	-	1,090.39	1,090.39
Total	16,148.60	22,328.43	38,477.03

Appendix 19.17: Non Submission of Acquittals – 2008

Name of Recipient	NGO	Address	Amount	Category	Project Type
Sitiveni Osonara	Women's Fellowship	Waidracia Rara Naitasiri	\$3,000.00	Ex-Prisoner	Income Generating
Isoa Salabiau	Buretu Methodist Church	Waikete Nakelo Tailevu	\$3,500.00	Ex-Servicemen	Housing
Sevanaia Naulu	St Vincent De Paul	Nabukadrau Noco Rewa	\$5,000.00	Ex-Servicemen	Housing
Isikeli Ravonowale	St Vincent De Paul	Vunivaivai Nakelo Tailevu	\$5,000.00	Ex-Servicemen	Housing
Kitione Lemoya	St Vincent De Paul	Naqarani village Noco Rewa	\$3,500.00	Ex-Servicemen	Housing
Manasa Radotini	St Vincent De Paul	Vuci Tokatoka village Tailevu	\$3,500.00	Ex-Servicemen	Housing
Saula Gaga	St Vincent De Paul	Kiuvu Bau Tailevu	\$5,000.00	FA Recipient	Housing
Joana A Tito	St Vincent De Paul-Nausori	Nadoi Rewa	\$5,000.00	FA Recipient	Housing
Sekaia Druma	Lomanisau Church Vakatawa Fund	Lomanisau Tokatoka village Tailevu	\$5,000.00	FA Recipient	Housing
Mohammed Hassan	Fiji Muslim League Rewa Branch	Manoca Nausori Rewa	\$5,000.00	FA Recipient	Housing
Tadeo Vuniwai	St Vincent De Paul	Vatulili	\$5,000.00	FA Recipient	Housing
Ilisapeci Dabenaïse	St Vincent De Paul	Nabukaluka	\$5,000.00	FA Recipient	Housing
Tomasi Dabenaïse	St Vincent De Paul	Waitolu	\$5,000.00	FA Recipient	Housing
Rt Serevi Nakutaoro	Naitasiri Provincial Youth Council	Wainimala	\$3,500.00	FA Recipient	Housing
Ganga Prasad	St Vincent De Paul	Lakena Noz Hill	\$5,000.00	FA Recipient	Housing
Inoke Sukulu	Fire Victim	Nasese Wainibuku	\$2,000.00	FA Recipient	Housing
Vani Rabo	Naitasiri Provincial Youth	Naivucini	\$5,000.00	FA Recipient	Housing
Kaminieli Tamanivalu	St Vincent De Paul	Vunisei Toga	\$3,500.00	FA Recipient	Housing
Maria Nalevulevu	Natovi Catholic Mission	Dakuinuku Sawakasa Tailevu	\$5,000.00	FA Recipient	Housing
Asilika Raganivatu	Soroptimist International Rakiraki	Namara Ra	\$5,000.00	FA Recipient	Housing
Meli Tunidau	Nadarivatu AOG Youth Group	Nadala Nadarivatu	\$5,000.00	FA Recipient	Housing
Emele Adiuqe	Nabukadra Women's Club	Nabukadra Nakorotubu Ra	\$5,000.00	FA Recipient	Housing

Name of Recipient	NGO	Address	Amount	Category	Project Type
Asivorosi Raikali	Northern Prison Fellowship	Nubu Macuata	\$3,000.00	Ex Prisoner	Income generating
Inosi Kasanabuli	Northern Prison Fellowship	Delaivone Taveuni	\$3,000.00	Ex Prisoner	Income generating
Seru Maitoga	Northern Prison Fellowship	Delaivone Labasa	\$3,000.00	Ex Prisoner	Income generating
Ledua Vakaloloma	Northern Prison Fellowship	Vuo Labasa	\$3,000.00	Ex-Prisoner	Income Generating
Anasa Vuatalevu	Northern Prison Fellowship	Vatia Labasa	\$3,000.00	Ex-Prisoner	Income Generating
Vilimaina Dikutu	Korotasere Youth	Nakarobo Vaturova	\$5,000.00	FA Recipient	Housing
Samisoni Rokoua	Mataqali na Vulisere	Navave Vuya Bua	\$5,000.00	FA Recipient	Housing
Isoa Masi	United District Rural Council	Nabila Nadi	\$3,000.00	FA Recipient	Income generating
Makarita Namoce	Nasaqa Youth Club	Wailevu	\$5,000.00	FA Recipient	Housing
Gulab Ali	Wailevu Women's Methodist	Tabicola Labasa	\$3,500.00	FA Recipient	Income generating
Peni Vedewaqa	Galoa Assemblies of God	Galoa Lekutu Bua	\$3,000.00	FA Recipient	Income generating
Malanivosa Colati	Peceli Methodist Church Men's Fellowship	Waiyavi Lautoka	\$5,000.00	FA Recipient	Housing
Hem Raj	Bal Vikash Ramayan Bhajan Mandali	Naikabula Lautoka	\$5,000.00	FA Recipient	Housing
Manueli Sovau	Believer's Christian Fellowship	Vunato Lautoka	\$5,000.00	FA Recipient	Housing
Victor Hoyt	Seventh Day Adventist	Nadonumai Lami	\$3,500.00	Ex Prisoner	Housing
Ilaitia Titoko	Waimaro Soloira Circuit	Qalikarua Matuku	\$3,000.00	Ex Prisoner	Housing
Ram Lingham	Emmanuel Assembly of God	Wainividio Navua	\$3,000.00	Ex Prisoner	Income generating
Isireli Matanitobua	Jehovahs Witness	Sakoca Tacirua	\$3,000.00	Ex Prisoner	Housing
Osea Navuku	Seventh Day Adventist	Namuaimada	\$5,000.00	Ex Prisoner	Housing
Samuela Ralovo	Qalisau Development Project	Nairai	\$3,000.00	Ex Prisoner	Income generating
Samuela Lovalabu	St Marks Anglican Church	Balekula Wainibuku	\$3,500.00	Ex Prisoner	Housing

Name of Recipient	NGO	Address	Amount	Category	Project Type
Taniela Bati Raini ma	Taiperia Settlement	Taiperia Settlement	\$3,000.00	Ex Prisoner	Income Generating
Marika Taufu	Calvary Temple AOG Church	Tamavu Princess Rd	\$3,000.00	Ex Prisoner	Income Generating
Viliame Satini Lomaloma	St Vincent De Paul	Malolo Island	\$3,000.00	Ex Serviceman	Income generating
Sakeasi Sauleqaraki	Breakers Youth Club	Yadua Gau Island Lomaiviti	\$3,000.00	Ex-Prisoner	Income Generating
Sakiusa Tukana	Pacific Youth Correctional Ministries	Waqaroi Village Oneata Lau	\$3,000.00	Ex-Prisoner	Income Generating
Rosalia Koroi	Natokalau Youth Club	Tokou Nasinu Ovalau	\$3,500.00	Ex-Servicemen	Housing
Samisoni Tuibale	Fire Victim	44 Chang Place Raiwai	\$2,000.00	FA Recipient	Housing
Govind Sami	HART Nakasi	HART Nakasi	\$5,000.00	FA Recipient	Housing
Bob Kumar Leleuvia	All Nation's Christian Fellowship	Delainavesi Lami	\$5,000.00	FA Recipient	Housing
Selina Susana	Seventh Day Adventist Church	Patteson Settlement Wailoku	\$5,000.00	FA Recipient	Housing
Livai Veilawa	Deravuni Youth Club	Dravuni Ono Kadavu	\$3,000.00	FA Recipient	Income Generating
Ilivani Pita	Namaqumaqua Assemblies of God	Namaqumaqua Serua	\$5,000.00	FA Recipient	Housing
Kelera Tavuki	Christian Mission Fellowship of Fiji	Wainivula Lami	\$5,000.00	FA Recipient	Housing
Kamla Wati	Housing Assistance Relief Trust Fund	Waila 3B	\$5,000.00	FA Recipient	Housing
Kaliamma f/n Mun Sami	Shree Sanatan Dharam Shiv Mandir	Rewa St Samabula	\$5,000.00	FA Recipient	Housing
Alisi Tuinakelo Sela	Calvary Temple AOG	Tacirua	\$3,500.00	FA Recipient	Housing
Paula Cokanasiga	Levuka i -Gau Youth Club	Levuka i -Gau Lomaiviti	\$3,000.00	FA Recipient	Income Generating
Viliame Nabiti	Seventh Day Adventist Church	Wainadoi Village Rewa	\$5,000.00	FA Recipient	Housing
Kinisena Rasowaqa	Nalagi Youth Club	Nawaka Nadi	\$5,000.00	FA Recipient	Housing
Samuela Saubale	Nasoqo Assemblies of God	Gunu Naviti Yasawa	\$5,000.00	FA Recipient	Housing

Name of Recipient	NGO	Address	Amount	Category	Project Type
Jai Pal Singh	Jyoti Ramayan Mandali	Korovuto Ba	\$5,000.00	FA Recipient	Housing
Alivani Ravutu	Namaka Women's Fellowship	Nawaka Nadi	\$5,000.00	FA Recipient	Housing
Zareena Begum	Habitat for Humanity	Waila 3B Sub Division	\$5,000.00	FA Recipient	Housing
Tavaita Adiqorica	World Christain Fellowship	Veikoba Settlement Tacirua	\$5,000.00	FA Recipient	Housing
Kusum Lata	Anugrah Assembly of God	Batiri Sigatoka	\$5,000.00	FA Recipient	Housing
Elenoa Liku Kedraika	Fiji Christian Assemblies	Lovoni Settlement Tamavua	\$5,000.00	FA Recipient	Housing
Taniela Matai	Daliconi Youth Club	Daliconi village Vanuabalabu	\$3,000.00	FA Recipient	Income Generating

Section 20 Ministry of Local Government, Urban Development and Housing

Role and Responsibilities

The Ministry of Local Government, Urban Development and Housing is responsible for the formulation and implementation of local government and urban planning policies. It also has responsibilities for National Fire services. The Ministries functions are categorised into the following programme areas: General Administration Section, Local Government and Department of Town and Country Planning.

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PART 1: FINANCIAL STATEMENT

20.1 Audit Opinion

The audit of the 2009 accounts of the Ministry of Local Government, Urban Development and Housing resulted in the issue of an unqualified audit report.

20.2 Statement of Receipts and Expenditures

The Ministry collected revenue amounting to \$118,122 and incurred a total expenditure of \$6,883,740 in 2009. Details are provided in Table 20.1.

TABLE 20.1: STATEMENT OF RECEIPTS AND EXPENDITURES FOR 2009

Description	2009 \$	2008 \$
RECEIPTS		
State Revenue		

Description	2009 \$	2008 \$
Operating Revenue	106,303	403,897
Total State Revenue	106,303	403,897
Agency Revenue		
Miscellaneous Revenue	11,819	1,350
Total Agency Revenue	11,819	1,350
TOTAL REVENUE	118,122	405,247
EXPENDITURES		
Operating Expenditure		
Established Staff	1,138,182	994,888
Unestablished Staff	77,026	86,281
Travel & Communication	102,486	101,434
Maintenance & Operations	123,622	168,816
Purchase of Goods & Services	64,221	61,473
Operating Grants & Transfers	2,350,000	2,600,000
Special Expenditures	---	---
Total Operating Expenditure	3,855,537	4,012,892
Capital Expenditure		
Capital Construction	1,235,346	2,272,285
Capital Purchases	28,016	17,000
Capital Grants & Transfers	1,573,710	1,104,750
Total Capital Expenditure	2,837,072	3,394,035
Value Added Tax	191,131	325,349
TOTAL EXPENDITURE	6,883,740	7,732,276

Total expenditure declined by 11% as a result of delays in the implementation of certain phases of construction works due the late achievement of specific requirements/guidelines of agencies such as Ministry of Works, Department of Lands and Municipal Councils.

20.3 Statement of Output Costs

Audit could not determine the accuracy of the expenditures in each of the Statement of Output Costs. The statements are detailed in **Appendix 20.1**.

20.4 Appropriation Statement

The Ministry incurred expenditures totalling \$6,883,740 in 2009 against the budget of \$8,323,200 resulting in a savings of \$1,439,460 or 17 %.

Details of expenditures against the budget estimates are provided in Table 20.2.

TABLE 20.2: APPROPRIATION STATEMENT FOR 2008

SEG	Item	Budget Estimate \$	Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry – Over \$	Lapsed Appropriation \$
1	Established Staff	1,270,400	0	1,270,400	1,138,182	0	132,218
2	Unestablished Staff	105,900	0	105,900	77,026	0	28,874
3	Travel & Communication	150,400	0	150,400	102,486	0	47,914
4	Maintenance & Operations	185,000	0	185,000	123,622	0	61,378
5	Purchase of Goods & Services	71,800	0	71,800	64,221	0	7,579
6	Operating Grants & Transfers	2,605,000	0	2,605,000	2,350,000	0	255,000
7	Special Expenditure	0	0	0	0	0	0
	Total Operating Costs	4,388,500	0	4,388,500	3,855,537	0	532,963
	Capital Expenditure						
8	Capital Construction	2,000,000	0	2,000,000	1,235,346	0	764,654
9	Capital Purchases	30,000	0	30,000	28,016	0	1,984
10	Capital Grants and Transfers	1,600,000	0	1,600,000	1,573,710	0	26,290
	Total Capital Expenditure	3,630,000	0	3,630,000	2,837,072	0	792,928
13	Value Added Tax	304,700	0	304,700	191,131	0	113,569
	TOTAL EXPENDITURE	8,323,200	0	8,323,200	6,883,740	0	1,439,460

20.5 Statement of Losses

There was no loss of fixed asset and money recorded for the year 2009.

20.6 VAT Reconciliation

Subject to the provision of the Vat Decree 1991, the tax shall be charged in accordance with the provisions of this Decree at the rate of twelve and a half percent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.¹

Output VAT is payable to the Commissioner of Inland Revenue for the supply of all goods and services with the exception of zero rated and exempted supplies. Payments effected by government departments for goods and services are thus subjected to VAT.²

A review of VAT Returns and supporting documents carried out during the audit revealed an un-reconciled balance of \$74,229 between the taxable supplies as per VAT Return and the total income/expenditure as per the Statement of Receipts and Expenditure. Refer to the table below for details:

¹ Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

² Finance Circular No 9/95

TABLE 20.8: VARIANCE BETWEEN VAT RETURNS AND INCOME/EXPENDITURE AS PER FINANCIALS

Details	Amount (\$)
Total Expenditure/Income as per Expenditure Statement	6,883,740.00
Less: Expenditure not subject to VAT – SEG 1,2, 6 and 10	5,138,917.88
Total Expenditure/Income subject to VAT	1,744,822.12
Total taxable supplies as per VAT Returns	1,670,593.03
Un-reconciled variance	74,229.09

The above variance implies that VAT has either been underpaid or some expenditures/payments from other SEG's are exempted from VAT.

Recommendations

- **The Ministry should ensure monthly VAT reconciliations are promptly prepared and submitted to the VAT Unit to avoid penalties being charged.**
- **Supervisory checks on the preparation of VAT Returns should be improved to ensure that balances reflected in the VAT Returns reconcile with the GL.**

Management Comments

The Ministry has detected an error in the VAT calculation from previous years and has taken corrective action. We are now processing based on the formula provided by Finance. As such, there should not be any major variance this year.

PART 2: AUDIT FINDINGS

20.7 Loss of Government Property

An employee must use government resources and assets in a proper way.³ All practical and cost effective efforts shall be made to recover losses which are recoverable and to avoid future losses occurring from the same cause.⁴ Any loss arising from theft or fraud shall be reported immediately to the Police. A copy of the report should also be provided to the Public Service Commission, Ministry of Finance & National Planning & Auditor General.⁵

The former Minister failed to return a laptop allocated to him during his term as a Minister. His ministerial duties ended with effect from 21/01/08.

It was revealed by the Ministry that the former Minister had lost the laptop in December 2007 however, this was only reported to the Police in October 2008. The copy of the loss report was not provided for audit verification.

The above findings indicate negligence on the part of the former Minister to exercise due diligence and care on the government resources assigned to him. Prolonged delays in initiating the appropriate recovery actions indicate lack of concern on the part of the Ministry which could ultimately result in the asset being written off.

³ PSC Code of Conduct (8)

⁴ Finance Instructions 2005 (67)

⁵ Finance Manual Section 14.1.3

Recommendation

The Ministry should seek the Solicitor General's advice on the necessary action to be pursued.

Management Comments

The former Minister had alleged the loss of the laptop from his possession in December, 2007 although he reported the loss to Police in October, 2008. A copy of the loss report is not available on file.

20.8 Anomalies in Grant Monies

Acquittal reports must be obtained before the next monthly or quarterly grants are paid out.⁶ Where required under Finance instruction 25-(8), the recipient shall prepare an acquittal report. The acquittal shall provide the following information:⁷

- Details of grant money expended and unexpended.
- Grant objectives and targets achieved.
- Financial statement (audited if practicable) for grants of \$20,000 or more.

Before a payment voucher for a grant is certified, the Accounting Head must ensure that it is adequately supported and where appropriate, payment is in accordance with the conditions in the grant agreement.⁸

Audit of the acquittal report noted the following anomalies:

Name of Agency	Annual Grant	Amount Released as at 18/12/09	Balance \$	Remarks
Housing Assistance Relief Trust (HART)	\$1,000,000.00	\$1,000,000.00	Nil	<ul style="list-style-type: none"> • The acquittal report submitted by HART has summary level of expenditure details. There were no supporting documents provided to authenticate the expenses. • The copy of the audited financial statements was also not submitted. • No evidence of inspection being made by the Ministry.
Public Rental Board (PRB)	\$1,000,000.00	\$750,000.00	\$250,000.00	<ul style="list-style-type: none"> • The grant is provided to the PRB to subsidise 50% of the rent of current occupants. • Acquittal reports were submitted, however, audit noted Ministry accepted the charges without independently verifying the names.
National Fire Authority (NFA)	\$1,600,000.00	\$1,600,000.00	Nil	The Grant file was not provided to audit as we were advised that it had been misplaced.
Total	3,600,000.00	3,350,000	250,000	

⁶ Finance Instruction 2005 Section 25(8)

⁷ Finance Manual Section 3.3

⁸ Finance Manual Section 3.2.2

The above finding indicates the Ministry's laxity in obtaining comprehensive acquittal reports. The effect is that it would be difficult to ascertain whether the funds released were used for its intended purpose.

Recommendations

The Ministry should and ensure that the acquittals are submitted with all the necessary supporting documents.

Management Comments

Your comments and recommendations are noted and appropriate measures are being put in place to ensure these are implemented immediately to ensure public fund is utilized for the purpose it was intended.

All acquittals from recipients will be thoroughly scrutinized before any RIE is submitted to Finance for processing.

Appendix 20.1: Statements of Output Costs**Portfolio Leadership Policy Advice and Secretariat Support 2009**

Description	2009 \$	2008 \$
EXPENDITURES		
Operating Expenditure		
Established Staff	363,437	338,857
Unestablished Staff	38,686	46,274
Travel & Communication	52,478	38,661
Maintenance & Operations	53,793	65,737
Purchase of Goods & Services	13,781	13,408
Operating Grants & Transfers	---	---
Special Expenditures	---	---
Total Operating Expenditure	522,175	502,937
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditure	---	---
Value Added Tax	13,659	13,978
TOTAL EXPENDITURE	535,834	516,915

LOCAL GOVERNMENT – Delivering an improved system of Local Government 2009

Description	2009 \$	2008 \$
EXPENDITURES		
Operating Expenditure		
Established Staff	99,065	114,240
Unestablished Staff	9,187	9,819
Travel & Communication	3,676	3,849
Maintenance & Operations	283	1,455
Purchase of Goods & Services	15,743	9,947
Operating Grants & Transfers	1,600,000	1,600,000
Special Expenditures	0	---
Total Operating Expenditure	1,727,954	1,739,310
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	573,710	135,907
Total Capital Expenditure	573,710	135,907
Value Added Tax	2,427	1,524
TOTAL EXPENDITURE	2,304,091	1,876,741

TOWN & COUNTRY PLANNING - Licensing, Compliance & Monitoring – Urban & Regional Planning 2009

Description	2009 \$	2008 \$
EXPENDITURES		
Operating Expenditure		
Established Staff	560,745	410,839
Unestablished Staff	19,398	20,367
Travel & Communication	28,590	42,611
Maintenance & Operations	45,416	61,497
Purchase of Goods & Services	12,156	15,129
Operating Grants & Transfers	---	---
Special Expenditures	---	---
Total Operating Expenditure	666,305	550,443
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	28,016	17,000
Capital Grants & Transfers	---	---
Total Capital Expenditure	28,016	17,000
Value Added Tax	13,527	17,362
TOTAL EXPENDITURE	707,848	584,805

HOUSING - Housing, Squatter Upgrading and Management 2009

Description	2009 \$	2008 \$
EXPENDITURES		
Operating Expenditure		
Established Staff	114,935	130,952
Unestablished Staff	9,755	9,821
Travel & Communication	17,743	16,313
Maintenance & Operations	24,129	40,127
Purchase of Goods & Services	22,541	22,990
Operating Grants & Transfers	750,000	1,000,000
Special Expenditures	---	---
Total Operating Expenditure	939,103	1,220,203
Capital Expenditure		
Capital Construction	1,235,346	2,272,285
Capital Purchases	---	---
Capital Grants & Transfers	1,000,000	968,843
Total Capital Expenditure	2,235,346	3,241,128
Value Added Tax	161,518	292,485
TOTAL EXPENDITURE	3,335,967	4,753,816

Section 21 Department of Youth and Sports

Role and Responsibilities

The Department for Youth and Sports is responsible for:

- The formulation and implementation of policies and programs aimed at enabling youths to meet challenges of their generation and create a better future through informed choices; and
- The promotion and development of sports and its infrastructure both in the urban and rural areas in recognition of the important role of Sports in nation building, and to create a vibrant and highly competitive sports industry which will be economically beneficial to Fiji.

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PART 1: FINANCIAL STATEMENT

21.1 Audit Opinion

The audit of the 2009 accounts of the Department of Youth and Sports resulted in the issue of an unqualified audit report.

21.2 Statement of Receipts and Expenditures

The Department collected revenue totalling \$62,082 and incurred a total expenditure of \$4,688,850 in 2009. Details are provided in Table 21.1.

TABLE 21.1: STATEMENT OF RECEIPTS AND EXPENDITURES FOR 2009

Description	2009 \$	2008 \$
RECEIPTS		
State Revenue		
Operating Revenue	1,045	541
Total State Revenue	1,045	541
Agency Revenue		
Miscellaneous Revenue	29,775	24,103
Sales of School Farm Produce	31,262	12,235
Total Agency Revenue	61,037	36,338
TOTAL REVENUE	62,082	36,879
EXPENDITURES		
Operating Expenditure		
Established Staff	1,155,097	1,391,266
Unestablished Staff	123,790	155,102
Travel & Communication	79,870	94,957
Maintenance & Operations	125,980	118,050
Purchase of Goods & Services	326,360	275,954
Operating Grants & Transfers	256,426	320,406
Special Expenditures	2,168,714	1,234,952
Total Operating Expenditure	4,236,237	3,590,687
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	109,082	132,500
Total Capital Expenditure	109,082	132,500
Value Added Tax	343,531	223,026
TOTAL EXPENDITURE	4,688,850	3,946,213

The Agency Revenue increased by 68% as a result of improvement in sales of farm produce at the Sigatoka Youth Centre.

Increase in the Operating expenditure by 18% was mainly attributed to the hosting of the 2nd Pacific Youth Festival from 13 – 17th July, 2009 and providing financial assistance to the Fiji contingent towards its preparation and participation in the Mini South Pacific Games held in Cook Islands in September 2009.

21.3 Statement of Output Costs

Audit could not determine the accuracy of the expenditures in each of the Statement of Output Costs. The statements are detailed in **Appendix 21.1**.

21.4 Appropriation Statement

The Department incurred expenditures totalling \$4,688,850 in 2009 against the budget of \$5,491,400 resulting in a savings of \$802,550 or 15%.

Details of expenditures against the budget estimates are provided in Table 21.2.

TABLE 21.2: APPROPRIATION STATEMENT FOR 2009

SEG	Item	Budget Estimate \$	Changes \$	Revised Estimate \$	Actual Expenditure \$	Carry – Over \$	Lapsed Appropriation \$
1	Established Staff	1,244,100	---	1,244,100	1,155,097	---	89,003
2	Unestablished Staff	128,900	---	128,900	123,790	---	5,110
3	Travel & Communication	117,800	---	117,800	79,870	---	37,930
4	Maintenance & Operations	156,100	---	156,100	125,980	---	30,120
5	Purchase of Goods & Services	409,100	---	409,100	326,360	---	82,740
6	Operating Grants & Transfers	405,000	---	405,000	256,426	---	148,574
7	Special Expenditure	2,440,000	---	2,440,000	2,168,714	---	271,286
	Total Operating Costs	4,901,000	---	4,901,000	4,236,237	---	664,763
	Capital Expenditure						
8	Capital Construction	---	---	---	---	---	---
9	Capital Purchases	---	---	---	---	---	---
10	Capital Grants and Transfers	200,000	---	200,000	109,082	---	90,918
	Total Capital Expenditure	200,000	---	200,000	109,082	---	90,918
13	Value Added Tax	390,400	---	390,400	343,531	---	46,869
	TOTAL EXPENDITURE	5,491,400		5,491,400	4,688,850		802,550

21.5 Statement of Losses

There was no loss of fixed asset or money recorded for the year 2009. However, items worth \$56,588.45 were written off, following the Department's board of survey conducted on 31 December 2009.

21.6 FNPF Reconciliation

Every employer shall pay to the Fund in respect of each of his employees, in every month during which such employee is employed by him and in the month following the termination of such employment, a contribution calculated upon the amount of wages payable to such employee by such employer for the preceding month at the appropriate rates.¹

The current rate of contribution is 16 cents on each dollar earned, with the employer and employee each contributing 8 cents.

Audit noted that the Ministry had a variance of \$215,694 when comparing the total salaries and wages computed from the FNPF contributions in 2009 against the actual salaries and wages reported in the Financial Statements as tabulated below:

¹ Chapter 219 – Fiji National Provident Fund – Section 13 (1)

TABLE 21.3: UN-RECONCILED VARIANCE IN GROSS SALARIES/WAGES

Details	Amount (\$)
Salaries and Wages computed from FNPf contributions in 2009:	
FNPf as per financial statement	99,686
Less: December 2008 FNPf paid in Jan 2009	0
	99,686
Add: December 2009 FNPf paid in Jan 2010	16,804
FNPf Contribution by Employer for 2009	116,490
Gross Pay based on FNPf contributions (\$116,490 / 0.08) (a)	1,456,125
(b) Salaries and Wages for 2009 subject to FNPf	
Salaries, wages and allowances as per Expenditure Statement (FMIS)	1,256,849
Less: Salaries, wages and allowances for 2009 not subject to FNPf	16,418
Salaries and Wages subject to FNPf (b)	1,240,431
Un-reconciled Variance (a) – (b)	215,694

The Ministry also had a variance of \$17,256 when comparing the actual FNPf contributions paid against the FNPf computed from the gross salaries and wages paid in 2009 as tabulated below.

TABLE 21.4: UN-RECONCILED VARIANCE IN FNPf CONTRIBUTION

Details	Amount (\$)
(a) Salaries and Wages computed from FNPf contributions in 2009:	
FNPf as per financial statement	99,686
Less: December 2008 FNPf paid in Jan 2009	0
	99,686
Add: December 2009 FNPf paid in Jan 2010	16,804
FNPf Contribution by Employer for 2009 (a)	116,490
(b) Salaries and Wages for 2009 subject to FNPf	
Salaries, wages and allowances as per Expenditure Statement (FMIS)	1,256,849
Less: Salaries, wages and allowances for 2009 not subject to FNPf	16,418
	1,240,431
FNPf on Salaries & Wages (1,240,431.33 * 8%) (b)	99,234
Un-reconciled Variance (a – b)	17,256

No satisfactory explanation was provided by the Ministry for the variance noted above. However, audit is of the view that the variances above could be attributed to some staffs or project officers being paid from other SEGS other than SEG 1 and SEG 2; or wrong posting being made to the FNPf allocation

Further, audit verification with the Fiji National Provident Fund (FNPf) revealed that the Department's superannuation contributions amounting to \$6,064.50 which has been accumulating since 1999 are held in a suspense account with FNPf. Refer to Table 21.5.

TABLE 21.5: UNIDENTIFIED SUSPENSE ACCOUNT BALANCE HELD WITH FNPF

Year	Amount (\$)
1999	755.38
2000	406.88
2001	266.56
2002	354.88
2004	381.28
2005	773.12
2006	2,198.56
2007	837.76
2008	63.04
2009	27.04
Total	6,064.50

Staffs FNPF contribution have not been updated or credited to their respective accounts by FNPF simply because of the non provision of the respective FNPF numbers by the Department. As a result, staffs concerned could be losing out in terms of interest not being credited to their respective accounts.

Recommendation

- The Department should ensure that proper FNPF reconciliations are carried out on a monthly basis to identify variances and take appropriate corrective actions.
- The Department should review its FNPF records and reconciliations and provide explanations for the variances noted above.
- The Department should liaise with FNPF and provide necessary assistance in clearing the unidentified funds of \$6,064.50 held in suspense by FNPF.

Department's Comments

Your comment is noted. We have manually checked (source documents) deductions against payments made at the end of each month and the figures reconciled. We admit the fact that wages have been paid from SEGs 5, 6 & 7 which was why the variances have arose.

However we also noted from FMIS spool folders GL entries for September & November were missing. The issue has been raised with FMIS. Stringent measures are being put in place to ensure records and reconciliation statements are done every month.

Efforts have been made to try & locate former workers who have since retired and now settled in villages. So far we have managed to clear \$ 2,738.88 and we are still working towards clearing the balance of \$3,947.54

21.7 VAT Reconciliation

Subject to the provision of the Vat Decree 1991, the tax shall be charged in accordance with the provisions of this Decree at the rate of twelve and a half percent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.²

Output VAT is payable to the Commissioner of Inland Revenue for the supply of all goods and services with the exception of zero rated and exempted supplies. Payments effected by government departments for goods and services are thus subjected to VAT.³

² Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

³ Finance Circular No 9/95

A review of VAT Returns and supporting documents carried out during the audit revealed an un-reconciled balance of \$243,500 between the taxable supplies as per VAT Return and the total income/expenditure as per the Statement of Receipts and Expenditure. Refer to table 21.6 below for details:

TABLE 21.6: VARIANCE BETWEEN VAT RETURNS AND INCOME/EXPENDITURE AS PER FINANCIALS

Details	Amount \$
Total expenditure/income as per Expenditure Statement	4,688,849
Less: Expenditure not subject to VAT – SEG 1,2, 6 and 10	1,644,395
Total expenditure/income subject to VAT (a)	3,044,454
Total taxable supplies as per VAT Returns (b)	3,287,954
Un-reconciled variance (a) – (b)	(243,500)

In addition, a difference of \$21,797 was noted between the actual VAT payments for the year 2009 and the balance disclosed in the general ledger as reflected in the table below.

TABLE 21.7: VARIANCE BETWEEN ACTUAL VAT PAYMENTS AND FMIS RECORDS

Details	Amount \$
VAT payments (VAT payments to FIRCA and VAT Input) as per Statement of Receipts and Expenditure	343,531
VAT payments (VAT payments to FIRCA and VAT Input) as per VAT Returns for 2009	365,328
Un-reconciled variance	(21,797)

The absence of proper reconciliation has resulted in the overpayment of VAT and also the understatement of SEG 13 (VAT) allocations.

Recommendations

- The Department should review its VAT records and provide explanations for the variances.
- It should ensure monthly reconciliations are promptly prepared and submitted to relevant authorities to avoid penalties being charged.
- Supervisory checks on the preparation of VAT Returns should be improved to ensure that balances reflected in the VAT Returns reconcile with the GL.

Department's Comments

- *The Department is currently reviewing its vat records and an explanation will be provided as soon as this is completed.*
- *Monthly reconciliations are now being carried out in 2010.*
- *We have noted the concerns raised. We ensure supervisory checks will be made so that balances reflected in VAT returns reconcile with GL.*

PART 2: AUDIT FINDINGS

21.8 SME Project Site Visits

Each project must have an assigned officer to make monthly visits to assess the progress in the implementation of the project.⁴ Prior to disbursement of funds, appropriate training for no longer than 2 weeks, be undertaken to prepare recipients on the Ministry's expectations on the management of projects.⁵ The divisional head shall check that:⁶

- Records are being properly kept
- Information in the acquittal report corresponds to records kept by the recipient
- The progress of the project is satisfactory

The divisional head shall prepare an inspection report on each project inspected and submit to the Director Youth, Employment & Sports.⁷

The Department through its Small Micro Enterprise scheme provided financial assistance to 107 recipients in 2006 and 83 recipients in 2007. A site visit was carried out by the Department in 2009 and report was furnished concerning the status of these projects. The details are as follows:

TABLE 21.8: SME PROJECT SITE VISITS

Division	Total Projects Assisted	No. Visited	No. Not Visited
2007			
Central Eastern	33	5	28
Western	23	4	19
Northern	27	4	23
TOTAL	83	13	70
2006			
Central Eastern	42	-	42
Western	25	17	8
Northern	40	10	30
Total	107	27	80

Audit noted from the site visit report that 20 out of 40 projects visited has failed. Refer to *Appendix 21.2* for details.

In addition, it was noted that the Department is not regularly inspecting the projects and contrary to standing regulations, majority of the projects have not been inspected since implementation.

The above indicates laxity by the Department in effectively monitoring and following up with the recipients. The absence of regular follow up and close monitoring of the projects also contributed to the high failure rate in the scheme.

⁴ Youth and Sports - Guidelines for the Disbursement and Administration of Grants for Project Assistance - Support Services (1)

⁵Youth and Sports - Guidelines for the Disbursement and Administration of Grants for Project Assistance - Support Services (2)

⁶Youth and Sports Financial Manual 2005 (3.3.4)

⁷Youth and Sports Financial Manual 2005 (3.3.5)

Recommendations

- The Department should ensure that proper vetting is carried out for project proposals sent by applicants to ensure that the choice of project by applicants suits the environment, customers and geographical locations that they would like to operate in.
- Proper training should be undertaken by selected recipients before operating SME's to ensure that recipients are well versed with financial, administration and management of their projects to avoid future failures.
- The Department should ensure that regular visit is made on SME projects and status reports to be sent in by recipients on the progress of their projects.

Department's Comments

Western Division

In 2009, the Divisional Youth Office, Western Division had major resource constraints in terms of staffing, vehicle and the late release of Monitoring funds. Our concerns on staffing were addressed by the Director of Youth & Sports but didn't eventuate last year but further losing a Youth Officer, who was transferred to our National Youth Training Centre. We had to manage with only two Officers in the last quarter of the year. On the issue of transport, provision was approved to hire vehicle on need basis and was utilized for SME visitations.

It is important to note that most of our SME projects are in the interior and are accessible only by 4 x 4 vehicles given the mountainous terrains and adverse road conditions. If monitoring funds were allocated in the 1st or 2nd quarter, then more visitations could have been undertaken to over more of the past projects. Despite these challenges, some of the past SME's were visited and their reports documented.

In terms of proper vetting of SME, each division has established their own sub-committees to vet all applications for SME assistance before recommending to the Divisional head's approval and further recommendation to Director for Youth & Sports approval.

Past SME recipients had been through some skills training such as SYB and had acquired knowledge and skills in managing projects.

Northern Division

Explanation on Visitation

In 2007, 27 SME Projects were assisted by the Department. A follow up visit was conducted in 2009 of which 22 Projects were visited from the 3 provinces of Cakaudrove, Bua and Macuata. The remaining 5 that were not visited were all from Macuata. Qaranisisi Youth Club was visited later after the report was made. Visitation report is available with DYO (N). Natakala Youth Club was visited but the members were out cutting Sugar cane when the visit took place. 2 of the individual recipients were also out cutting cane during the time of visitation and the 3rd individual had moved to Taveuni to plant Yaqona and hence was unavailable during the monitoring visit.

Visitation Report

Reports of each Project visited were provided to the Divisional Youth Officer (N) and a binded copy of the report was submitted to the Office of the Director on 8/12/09. A copy of the same is available with DYO (N) for inspection by the auditors.

We must admit that a number of projects had failed as noted in the report. Our explanations are as follows:

- **Vidawa Youth Club** had failed since village elders interfered with the running of the club and decided to divide the farming tools to the different 'mataqali's' so that each mataqali could carry out its farm work and use the tools assigned to them. That way they thought that all the mataqali's would benefit. This however defeated the purpose of the youth club and so the members were disgruntled.
- **Duavata Youth Club** and **Navunievu Youth Club**, both from Bua, failed due to differences among club members hence the assistance given was taken over by the 'Turaga ni Koro'

- A member of *Qaralaselase Youth club* came to the office and assured the Divisional Youth Officer that they were trying to revive the club. Differences arose between the members as the member who sold the machine had utilized her personal money for the 1/3 deposit to the Department on the understanding that the members were to reimburse her money. When that did not eventuate, she sold the machine to recover her money. The members have since resolved their differences and reactivated their club. They were to fundraise and buy another machine. The other 2 sewing machines are now being used for their project.

Perhaps, our failure to continuously monitor the projects also contributed to the downfall as we were unable to track the progress of each SME and to give appropriate and timely advice when needed. It is to be noted that our allocated budget for Monitoring was only received in the 3rd quarter of 2009. Monitoring also allows us to gauge the performance of SME's and to refer recipients to relevant authorities when they come across difficulties at any stage.

21.9 National Youth Service Scheme

Youths that register will undertake the opportunities available under the NYSS and obligated in good faith to pay back 50% of the total assistance provided to each individual youth-client. This undertaking is based on Cabinets Decision and endorsement in its meeting on 6th November 2007.⁸ All NYSS clients will sign a MOA that stipulates among other things the repayment of 50 percent of total assistance, the starting repayment date and frequency of payment.⁹

Our audit noted that Department through its National Youth Service Scheme (NYSS) provided financial assistance of \$124,993 to 343 youths in 2008 and \$84,525 to 213 youths in 2009. The Department was supposed to recover \$104,759 which is 50% of the grants within the stipulated timeframe as per the respective recipient's memorandum of understanding.

Grant recipients are not honouring the agreement and there is also no monitoring system in place to follow up on the recovery of outstanding accounts. As a result the Department only managed to recover the sum of \$5,747.04¹⁰ out of the \$104,759 to be recovered in 2009.

Recommendations

The Department should follow up with the recipients and attempt all avenues to recover the respective sums.

Department's Comments

- *Arrangement is underway with ITC to run through all payrolls and to pick out names that matches our list of clients that have been permanently employed in the civil service and other organizations to be followed up for the recovery.*
- *When NYSS was implemented in 2007, clients were aware that they will contribute towards their 50% repayment when securing sustainable employment as the undertaking is based on Cabinet's Decision and endorsement in its meeting on 6th November, 2007. However 50% upfront payment will now be in place before a client is considered for future NYSS training as per your recommendation*

21.10 Grant Acquittals Not Submitted

Where required under Finance Instruction 25-(8), the recipients shall prepare an acquittal report. The acquittal report shall provide the following information:

⁸ MOU – Youth & Sports vs. Individual Clients.

⁹ Cabinet Memorandum IGCP (08) 29th September 2008

¹⁰ As at 17/12/09

- Details of grant money expended and unexpended;
- Grants objectives and targets achieved;
- Financial statement (audited if practicable) for grants of \$20,000 or more.¹¹

All acquittal reports must be signed by the recipient and where relevant, bear the company seal or stamp of the organization.¹² The recipients within *two weeks* of utilizing the grant are required to return evidence of expenditure with all acquittal details including receipts, invoices and vouchers before the end of each quarter or the release of the next grant.¹³ In case where the grants are not fully utilized, all remaining funds are to be returned to the Department for re-allocation by the Department's Accounts section.¹⁴

Our audit revealed that the Department is yet to receive the acquittal reports from a number of sporting bodies. Refer to the following table for details:

TABLE 21.9: DETAILS OF ACQUITTAL REPORTS NOT RECEIVED

Date	Cheque No.	Payee	Particulars	Amount (\$)
17/09/09	31235	Athletic Fiji	Participation Levy at Pacific Mini Games	10,000
18/09/09	31247	Fiji Netball	Participation Levy at Pacific Mini Games	4,000
08/06/09	29828	National Golf Ass	Preparation for Pacific Mini Games	6,000
08/06/09	29826	Fiji Womens Golf	Preparation for Pacific Mini Games	5,000
08/06/09	29816	FASANOC	Preparation for Pacific Mini Games	7,000
08/06/09	29821	Fiji Tennis Ass.	Preparation for Pacific Mini Games	6,000
25/09/09	26748	Basketball Fiji	Sending National team to Guam	5,000
18/02/09	28449	Basketball Fiji	Financial assistance	3,000
14/04/09	29084	Fiji Triathlon	Tour to Noumea	2,710
30/04/09	29304	Fiji Yachting	Hosting 2009 South Pacific Championship	10,000
Total				58,710

The non-submission of acquittal report together with relevant details makes it difficult to authenticate whether the grants have been used for the intended purposes and whether any unutilised funds have been reimbursed for re-allocation by the Department.

Recommendations

- Every effort should be made by the Department to ensure that all acquittals are submitted on a timely basis.
- The Department should ensure that all acquittals are properly scrutinized and vetted.

Department's Comments

We take note of the recommendations mentioned and have in place stringent measures to monitor the submission of acquittal details:

- *Sporting bodies who have not submitted the 2009 acquittal details will not be entitled to the 2010 sports grants, if any*
- *A proper scrutiny and vetting of the acquittals.*
- *All documented evidences must be in original copies.*
- *Payment vouchers/receipts must bear the stamp of the national sporting organization, if possible.*

¹¹ Youth and Sports Finance Manual 2005 (3.3.1)

¹² Youth and Sports Finance Manual 2005 (3.3.2)

¹³ Agreement: Department of Youth and Sports vs. Sporting Bodies (1.5)

¹⁴ Agreement: Department of Youth and Sports vs. Sporting Bodies (1.6)

It is also our intention that the Department will have to strengthen its monitoring measures on the submission of acquittal details of sports grants.

21.11 EGM Redundant Workers Rehabilitation Programme

A Budgetary allocation of \$600,000 was provided for the Vatukoula Rehabilitation Programme (VRP) to assist the miners when the Mine closed on 05/12/06. The time frame for implementation of the programme (VRP) was in 2007. In addition, based on the Cabinet decision on 13/02/07, a memorandum of understanding was reached between the Department and the Mine Workers for the recovery of the 50% financial assistance given to the recipients. The recipients of the grant were to pay in monthly instalments 50% of the assistance after one month of the receipt of the grant.

Under the Rehabilitation Programme, a total of 210 redundant miners were provided financial assistance amounting to \$422,482. The Department was to recover 50% (or \$211,241) from the total financial assistance provided to the miners.

The audit follow up revealed that the collection is slow and as at 19/11/09, the Department only managed to recover \$16,813. The remaining \$194,428 or 92% is still to be recovered. Refer to the following table for details:

TABLE 21.10: EGM ASSISTANCE RECOVERY DETAILS

Assistance Type	No. Assisted	Total Assistance Provided \$	50% to be recovered \$	No. started Repayment	Total Sums Received (9/11/09) \$	Outstanding Balance \$
Tertiary Education Assistance	140	188,428	94,214	15	1,363	92,851
SME Scheme Assistance	70	234,054	117,027	33	15,450	101,577
Total	210	422,482	211,241	48	16,813	194,428

Refer to *Appendix 21.3* for details.

In addition, audit noted that no site visit was made by the Department to assess the progress in the implementation of the SME project assisted as at the date of audit.¹⁵

The above indicates that the Department failed to strictly comply with the Cabinet decision and the memorandum of understanding governing the recovery of 50% for the financial assistance provided. As a result, the Department is not able to recover the outstanding balance of \$194,428 from the recipients.

Recommendations

- The Department should follow up with the Mine Workers who are in default of their repayments.
- Site visits/inspection should be carried out for the SME projects and a report prepared for it.
- Also the Department should liaise with Gold Mining Company to have recovery made directly through the salaries of those recipients who are reemployed.
- Proper debt recovery measures should be implemented by the Department in order to effectively recover the substantial amount of revenue owed by the workers.

¹⁵ 20/01/10

Department's Comments

- *A follow-up visit was made in October 2009 and February, 2010 and we intend to have this carried out every month. It is done in order to address a concern raised by the clients that it would be to their disadvantage if they make monthly payments in Lautoka office taking into account the distance covered and that part of their savings is used on travelling expenses. The total amount collected to-date is \$21,061.50.*
- *We have noted your comments and we are looking at ways to inspect and visit SME projects according to locations as they are scattered along the Western, Eastern and Central divisions. There are a few in the North and one in the Lau Group. A report should be submitted by June, 2010.*
- *Arrangements have been made with the Management of the Vatukoula Gold mines to recover the amount due from the following clients who have been re-engaged:*

	EDP Code	Employee Name	Date of Birth	Date Hired	FNPF NO.
1	1395	Tuidraki, Karisitiana Mr	8-Aug-61	20-Aug-08	1325542
2	1116	Kalokalo, Asinate Mr	3-Sep-67	3-Jan-08	1418286
3	1274	Vitukawalu, Aca Ratu	2-May-68	16-Apr-08	1517830
4	W09818	Ramalevu, Samuela Mr	8-Mar-56	23-Aug-07	713632
5	1313	Boseiwaqa, Josefa Mr	26-Jun-74	12-May-08	1703980
6	1422	Tukutukulevu, Kalaveti Mr	19-Nov-65	2-Sep-08	1613286
7	1732	Rabele, Emele Mr	17-Mar-64	18-Jun-09	1715132
8	1014	Vecenayawa, Nemani Mr	1-Nov-78	27-Nov-07	2205020
9	1296	Saki, Filipe Mr	14-Apr-72	18-Apr-08	1723668
10	1306	Tamaivena, Selita Mrs	28-Apr-70	25-Apr-08	2201654
11	T00023	Guivalu, Josateki Mr	10-Oct-66	10-Dec-07	816119
12	9646	Lewai, Semesa Mr	29-Apr-60	13-Aug-07	823474
13	1214	Tuirabe, Mitieli Mr	5-Jan-70	8-Jan-08	1722100
14	1095	Naibitakele, Joeli Mr	24-Jul-79	3-Jan-08	2223070
15	1628	Rabuka, Savenaca Mr	23-Sep-57	14-Dec-09	803605
16	1448	Tuilau, Paula Mr	30-Nov-86	11-Sep-08	2501807
17	1698	Tamainai, Jone R Mr	26-Sep-79	11-Mar-09	2309785
18	1130	Lawaki, Ovini Mr	24-Jun-73	3-Jan-08	1609114
19	9916	Walai, Seveti Mr	7-Nov-59	13-Aug-07	822160
20	1211	Rasaloto, Jese Mr	17-Aug-65	8-Jan-08	1613821
21	1195	Tuivuna, Tomasi Mr	23-Mar-64	3-Jan-08	1122635
22	1298	Tuigaloa, Nasoni Mr	16-Aug-54	21-Apr-08	512142
23	1310	Ragadi, Apenisa Mr	13-Jul-53	28-Apr-08	
24	1217	Nairogoi, Mosese Mr	31-Dec-67	10-Dec-07	1107650
25	W29518	Rabuli, Timoci Mr	1-Feb-78	28-Sep-07	2024070
26	1094	Baleinaceva, Nemani Mr	26-Jul-60	3-Jan-08	1112971
27	1006	Vakalutukali, Waisea Mr	6-Nov-64	27-Nov-07	1125925

	EDP Code	Employee Name	Date of Birth	Date Hired	FNPF NO.
28	1131	Rokonui, Vilame Mr	7-Aug-68	3-Jan-08	2004486
29	1424	Sauvi, Osea Mr	15-Mar-59	2-Sep-08	1010676
30	9923	Nakama, Vulici Mr	10-Nov-62	13-Aug-07	1025124
31	1723	Malimali, Lelea K Mrs	18-Sep-66	17-Jun-09	1906611
32	W09605	Tuidravuni, Alivereti Mr	22-Jun-62	20-Sep-07	1026462
33	1183	Sharma, Nitesh Mr	15-Sep-85	3-Jan-08	2702157
34	1656	Prasad, Reginal Mr	8-Jun-86	29-Oct-08	2425702
35	T00013	Prasad, Riteshwar Mr	25-Jan-78	3-Dec-07	2501957
36	1677	Sharma, Reena Mrs	10-Dec-70	22-Dec-08	1904284
37	1060	Sahiban, Mohammed Mr	27-Dec-61	27-Nov-07	1618407
38	1174	Kumar, Rakesh Mr	24-Aug-80	3-Jan-08	2215882
39	T00015	Chand, Rajnesh Mr	10-Jul-86	3-Dec-07	2424749
40	T00019	Kumar, Niles Mr	24-Nov-80	10-Dec-07	2314646
41	1278	Chand, Vijay Mr	9-Jun-64	16-Apr-08	1622857
42	W09671	Kumar, Sharwan Mr	22-Aug-60	28-Aug-07	1021338
43	1088	Khan, Mohammed Sheraz Mr	1-Dec-63	3-Jan-08	1614345
44	W09531	Peckham, Joseph Mr	13-Mar-60	15-Aug-07	1005575
45	W29502	Simmons, Leslie Mr	21-Feb-78	21-Aug-07	2024071
46	W03804	Dyer, Thomas Mr	14-Jun-60	21-Aug-07	1007596
47	1716	Peckham, James Joe Mr	18-Dec-84	15-May-09	2406558
48	W09832	Josaia, Jare Mr	19-Feb-60	15-Aug-07	

APPENDICES

Appendix 21.1: Statements of Output Costs

Portfolio Leadership Policy Advice and Secretariat Support 2009

Description	2009 \$	2008 \$
EXPENDITURES		
Operating Expenditure		
Established Staff	301,747	463,108
Unestablished Staff	47,435	54,276
Travel & Communication	30,431	37,281
Maintenance & Operations	30,829	35,893
Purchase of Goods & Services	152,591	112,974
Operating Grants & Transfers	---	---
Special Expenditures	---	---
Total Operating Expenditure	563,033	703,532
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditure	---	---
Value Added Tax	28,596	28,827
TOTAL EXPENDITURE	591,629	732,359

Youth Advisory and Advocacy 2009

Description	2009 \$	2008 \$
EXPENDITURES		
Operating Expenditure		
Established Staff	627,770	93,643
Unestablished Staff	57,704	---
Travel & Communication	38,550	3,517
Maintenance & Operations	73,587	806
Purchase of Goods & Services	55,348	15,399
Operating Grants & Transfers	27,791	---
Special Expenditures	955,613	---
Total Operating Expenditure	1,836,363	113,365
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditure	---	---
Value Added Tax	143,123	2,721
TOTAL EXPENDITURE	1,979,486	116,086

Training and Empowerment, Employment Promotion and SME Development 2009

Description	2009 \$	2008 \$
EXPENDITURES		
Operating Expenditure		
Established Staff	92,539	728,514
Unestablished Staff	---	82,987
Travel & Communication	2,074	41,154
Maintenance & Operations	1,285	60,269
Purchase of Goods & Services	5,710	35,415
Operating Grants & Transfers	---	22,739
Special Expenditures	---	1,027,381
Total Operating Expenditure	101,608	1,998,459
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	---	---
Total Capital Expenditure	---	---
Value Added Tax	1,186	141,237
TOTAL EXPENDITURE	102,794	2,139,696

Sports Development 2009

Description	2009 \$	2008 \$
EXPENDITURES		
Operating Expenditure		
Established Staff	133,041	106,001
Unestablished Staff	18,651	17,839
Travel & Communication	8,815	13,005
Maintenance & Operations	20,279	21,082
Purchase of Goods & Services	112,711	112,165
Operating Grants & Transfers	228,635	297,668
Special Expenditures	1,213,101	207,571
Total Operating Expenditure	1,735,233	775,331
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	109,082	132,500
Total Capital Expenditure	109,082	132,500
Value Added Tax	170,626	50,242
TOTAL EXPENDITURE	2,014,941	958,073

Appendix 21.2: Failed SME Projects 2006/2007

Name	SME Project Type	Amount Assisted (\$)	Division	Audit Observation
Solomon Masicola	Screen Printing & Painting	570	Western -Ba	According to site visit report by the Department the project is not successful as there is little market for his business in the village.
Navosa Cakacaka	Poultry Farming	813	Western-Ba	No signs of poultry farming according to the Department's site visit report. Farm is untended and overgrown with grass.
Josua Nalibu	Piggery	663	Western -Ba	Pig pen was empty according to Departments site visit report. Project no longer viable.
Nakelo Youth Development	Agriculture	1,350	Western -Ba	According to Department's site visit report, grass is overgrown and land not being cultivated. Members disintegrated due to some members abusing the club funds. Nothing done to revive farming venture.
Werebalavu Investment Youth	Fish Farming	750	Western -Ba	No signs of Tilapia in the ponds upon Department's site visit report.
Ekita Village Youth Group	Piggery	1,672	Cent east -Kadavu	Piggery shed not constructed according to Department site visit report.
Buliya Village Youth Group	Screen printing	113	Cent east -Kadavu	No screen printing done upon Department's site visit
Marica Vatuwaqa	Sewing and screen printing	1,399	Cent east -Kadavu	Sewing project stopped according to Department's report.
Nabua	Bakery	954	Cent east - Rewa	Bakery not operational. Oven and utilities are idle according to Department's report.
Nacavanadi Youth Grp	Retail Store	1,000	Cent east - Lomaiviti	The project is non-existent. Store used as dwelling.
Mualevu Youth Group	Bee Keeping	500	Cent east - Lau	Youth group still awaiting assistance from the Department as explained that they have not received anything from the Department. They want an investigation on their 1/3 contribution.
Nanuya Youth Club	Bakery project	1,496	Cent east - Tailevu	Site visit report by the Department revealed that bakery business not viable. Hard to sustain as returns are used for paying bakers. Lack of money to meet the daily operation of the bakery.
Maumi Village Youth Group	Bee Keeping	1,000	Cent east - Tailevu	Project is not viable. Heavy rain causes project to defunct. Hives lying idle.
Vaturua Youth Club	Bakery	600	Cent east - Tailevu	Operation stopped by the Health Department. Bakery equipments lying idle.
Nakalawaca Youth Club	Piggery	1,500	Cent east - Tailevu	No evidence of piggery as farm was overgrown with grasses. Proceeds from sale of pigs used to fund the youth shop which is not in operation according to site visit report by the Department.

Name	SME Project Type	Amount Assisted (\$)	Division	Audit Observation
Nausori Village Youth Club	Bakery	1,013	Cent east - Tailevu	According to site visit report by the Department, the bakery has not been in operation since the time they were assisted. Materials bought from Vinod Patel and Rajendra Prasad for the said project could not be located.
Vidawa Youth Club	Farming	1,028	Northern Cakaudrove	According to the Departments site visit report the club is not operational due to the decision made by the village elders. The assistance was shared by mataqali's.
Duavata Youth Club	Lawn Mowing	1,150	Northern - Bua	The Youth Club is not operational
Navunievu Youth Club	Lawn Mowing	575	Northern - Bua	The Youth Club is defunct
Qaralaselase Youth Club	Clothing and Textile	968	Northern - Macuata	The Club is defunct. One of the electrical sewing machine was sold to recover 1/3 payment made to the Department. The rest of the machine is kept by family for personal use according to site visit report of the department.
TOTAL		19,114		

Appendix 21.3: EGM Redundant Workers**Tertiary Education Assistance**

TERTIARY Name	EDUCATION Total Assistance	ASSISTANCE 50% Repayment	Date	Amount Recovered as at 19/11/09	Balance \$
Adi Miriama	2,250	1,125	03/07/07	---	1,125
Paula Koro	3,090	1,545	24/05/07	---	1,545
Sanaila Delana	1,250	625	03/12/07	---	625
Semesa Lewai	3,090	1,545	04/07/07	---	1,545
Romeo Baleimakogai	3,090	1,545	24/05/07	---	1,545
Sakiusa Boladai	950	475	06/07/07	---	475
Vinal Sharma	2,150	1,075	20/04/07	---	1,075
Nitesh Sharma	1,650	825	19/04/07	---	825
Sanaila Kenaiboi	2,150	1,075	24/08/07	---	1,075
Emele Buluilagi	1,850	925	01/06/07	---	925
Akanisi R.	2,250	1,125	01/05/07	---	1,125
Maciu Rogoiruwai	3,500	1,750	27/04/07	---	1,750
Aman Bhagwan	2,700	1,350	22/05/07	30	1,320
Kelera Nasilasila	500	250	3/7/2007	---	250
Joeli Senivota	3,700	1,850	27/04/07	---	1,850
Seremaia Ravono	250	125	2007	125	0
Lakesio Katudrau	440	220	24/05/07	---	220
Atunaisa Raralevu	4,000	2,000	23/04/07	---	2,000
Torika Tamanisau	2,010	1,005	23/05/07	15	990
Rt Aca Vitukawalu	2,580	1,290	02/11/07	---	1,290
Krishneel Kumar	300	150	15/08/07	125	25
Rt Revoni N.	1,082	541	10/08/07	---	541
Aisake Bale	2,610	1,305	21/08/07	---	1,305
Paula Tuilau	2,150	1,075	30/03/07	---	1,075
Joni Tabuya	1,500	750	23/05/07	---	750
Filipe Waqatabu	1,740	870	19/10/07	---	870
Rakesh Kumar	2,150	1,075	20/04/07	---	1,075
Mitieli Tuirabe	750	375	27/09/07	---	375
Apenisa Ragadi	950	475	28/09/07	---	475
Filipe Waqatabu	1,740	870	19/10/07	---	870
Apenisa Ragadi	950	475	28/09/07	---	475
Kunusi Samisoni	1,550	775	19/10/07	---	775
Sailosi Sirisirivalu	1,550	775	19/10/07	---	775
Timoci Rabuli	750	375	05/11/07	---	375
Filipe Saki	950	475	28/09/07	---	475
Josefa Muana	2,580	1,290	14/10/07	---	1,290
Aviuta Loco	1,250	625	10/09/07	---	625
Joeli Naibilakele	1,910	955	05/02/08	---	955
Vilikesa Ralagakali	885	442.5	02/11/07	---	442.5
Penaia Vakavulibau	1,120	560	05/10/07	---	560

TERTIARY Name	EDUCATION Total Assistance	ASSISTANCE 50% Repayment	Date	Amount Recovered as at 19/11/09	Balance \$
Naveen Chand	1,050	525	01/11/07	30	495
Krishneel Kumar	300	150	15/08/07	---	150
Nilesh Kumar	650	325	06/09/07	---	325
Jone Ramacake	900	450	17/09/07	---	450
Eremasi Ratulevu	1,550	775	30/03/07	---	775
Mosese Narogai	2,760	1,380	2007	---	1,380
Osea Sauvi	2,580	1,290	10/08/07	---	1,290
Veresa Taqase	2,250	1,125	09/08/07	---	1,125
James Mcmillan	2,610	1,305	09/08/07	---	1,305
Simeli Navataukalou	2,150	1,075	10/08/07	---	1,075
Melton Robinson	2,150	1,075	2007	---	1,075
Eleni Naidede	2,150	1,075	13/04/07	---	1,075
Suruwaia Moceituba	2610	1,305	7-Nov	---	1,305
Phul Chand	1,450	725	5/9/2007	---	725
Isimeli Fiu	1,207	603.5	25/05/07	---	603.5
Sitiveni Caucau	2,150	1,075	2007	---	1,075
Sikeli Naucubalavu	4750	2,375	21/05/07	---	2,375
Ratu Ilisoni Naiteqe	2,350	1,175	22/06/07	50	1,125
Tevita Gaunavou	1,131	565.5	12/06/07	---	565.5
Jonetani Masi	529	264.5	19/10/07	---	264.5
Amitesh Nand	560	280	2007	---	280
Saveti Walai	234	117	27/07/07	20	97
Tomasi Tamani	717	358.5	27/04/07	---	358.5
Savenaca Rabuka	928	464	27/09/07	50	414
Sanjay SP Singh	1,250	625	23/04/07	110	515
Karaisitiana Tuidraki	711	355.5	27/09/07	---	355.5
Eminioni Caucau	364	182	27/09/07	---	182
Riteshwar Prasad	374	187	2/11/07	167.5	19.50
Rajnesh Chand	364	182	2/11/07	---	182
Joseteki Guilevu	434	217	19/01/07	---	217
Nemani Baleinaceva	646	323	01/11/07	---	323
Qiotaka Naseu	1,700	850	25/05/07	---	850
Evia Raiwasa	818	409	23/05/07	---	409
Kama Seru	2,150	1,075	04/07/07	50	1,025
Setoki Tamani	768	384	13/05/07	---	384
Vijay Chand	418	209	10/08/07	---	209
James Peckham	340	170	25/10/07	---	170
Vilisi Navue	1,000	500	04/07/07	---	500
Miriam Vono	698	349	28/09/07	---	349
Alifereti Tuidravuni	4,601	2,300.5	20/04/07	---	2,300.5
Tomasi Tuivuna	1,159	579.5	2007	---	579.5
Kalaveti T.	760	380	24/05/07	---	380
Laisiasi Vinakadina	716	358	23/05/07	---	358

TERTIARY Name	EDUCATION Total Assistance	ASSISTANCE 50% Repayment	Date	Amount Recovered as at 19/11/09	Balance \$
Mohammed Sahiban	400	200	2007	---	200
Reginal Prasad	493	246.5	09/08/07	---	246.5
Ovini Lawaki	701	350.5	06/09/07	70	280.5
Atish Chand	368	184	05/09/07	---	184
Mohamed Khan	400	200	06/09/07	---	200
Niumaia S.	761	380.5	06/09/07	---	380.5
Harish Kumar	754	377	06/09/07	---	377
Tevita R.	1,244	622	29/08/07	---	622
Joseph Peckham	1,230	615	2007	---	615
Ralifo Ratusau	600	300	24/08/07	50	250
Amendra Singh	348	174	6/9/2007	---	174
William Peters	1,013	506.5	20/08/07	---	506.5
Akuila Cika	500	250	4/7/2007	---	250
Paniana Siteri	740	370	28/08/07	---	370
Isaia Varamusu	740	370	28/08/07	---	370
Joseva Walker	2,300	1,150	28/06/07	---	1,150
Viliame Rokonui	330	165	19/10/07	---	165
Josateki Guivalu	1,400	700	19/10/07	---	700
Lelea Malimali	560	280	01/11/07	---	280
Ratu Tabakaucoro	2,000	1,000	27/09/07	---	1,000
Jare Josaia	1,150	575	24/04/07	---	575
Jese Rasalato	560	280	2007	---	280
Aminisitai Ligairi	500	250	13/07/07	---	250
Penaia Tabaucoro	1,250	625	19/10/07	---	625
Rebecca Rigamoto	2,000	1,000	3/7/2007	---	1,000
Timoci Rasaganawa	1,250	625	2007	---	625
Epi Lailai	2,160	1,080	04/07/07	---	1,080
Vilikesa Navesikula	1,400	700	04/07/07	---	700
Reena Sharma	2,000	1,000	01/11/07	---	1,000
Fredrik Gerad	520	260	19/10/07	50	210
Maraia Cagilaba	300	150	28/09/07	---	150
Selita Naulumatua	330	165	2007	---	165
Samuela Ramalevu	520	260	28/09/07	---	260
Bupendra Ram	410	205	27/04/07	---	205
Waisea Valutukali	110	55	27/09/07	---	55
Apisalome S.	330	165	13/11/07	---	165
Wame Tokia	1,150	575	2007	---	575
Nemani Vacenayawa	300	150	01/11/07	---	150
Jese Tuilau	590	295	2007	---	295
Thomas Alic Dyer	1,699.50	849.75	2007	---	849.75
Hemant Kumar	1,986.07	1,986.06	24/05/07	420	1,566
	1,986.00		02/11/07		
Sharwan Kumar	2,010	1,005	2007	---	1,005

TERTIARY Name	EDUCATION Total Assistance	ASSISTANCE 50% Repayment	Date	Amount Recovered as at 19/11/09	Balance \$
Avneel Atish Kumar	2,499	1,249.5	28/09/07	---	1,249.5
Wilson Cox Ratudei	2,240	1,120	24/08/07	---	1,120
Emosi Mataibau	190	95	06/09/07	---	95
Aporosa Kenatale	570	285	01/11/07	---	285
Nasoni Tuigaloa	421	210.5	2007	---	210.5
Torika V Nayabo	2,250	1,125	03/07/07	---	1,125
Jone Radaniva	1,700	850	2007	---	850
David Bhurra	1,200	600	2007	---	600
Ana Selaia	290	145	2007	---	145
Elenoa Senivota	900	450	04/07/07	---	450
Sireli Turagabeci	900	450	04/07/07	---	450
Peni Volau	1,200	600	11/10/07	---	600
Samuela Naduaono	1,200	600	04/10/07	---	600
Aporosa Kenatale	570	285	28/09/07	---	285
Total	188,428	94,214		1,363	92,851

Small Micro Enterprises (SME's) Scheme Assistance

SME Recipients	Assistance Provided \$	50% Repayment \$	Date	Recovered as at 19/11/09 \$	Balance \$
Nemani Cakau	1,669.00	834.5	13/07/07	---	834.5
Ilisabeta Buta Naituku	2,000.00	1,000.00	27/07/07	300	700.00
Josateki Koroivaca	4,190.00	2,095.00	27/07/07	100	1,995.00
Manoa. T. Radrodoro	5,000.00	2,500.00	27/07/07	---	2,500.00
Rajeshwar P.	5,000.00	2,500.00	31/07/07	2,500	Amount Cleared
2 nd Application	5,000.00	2,500.00	Jan, 2008	400	2,100.00
Akuila Tawakedrau	5,000.00	2,500.00	August, 2007	50	2,450.00
Sanjay Kumar	5,000.00	2,500.00	August, 2007	1,400	1,100.00
Iiavi Nawaqa	2,500.00	1,250.00	3/8/2007	1,250	Amount Cleared
Sainivalati Kenatale	2,500.00	1,250.00	3/8/2007	---	1,250.00
Jale Uluafe	2,500.00	1,250.00	3/8/2007	---	1,250.00
Sagaitu Petero	2,000.00	1,000.00	3/8/2007	---	1,000.00
Joni Tabuya	5,000.00	2,500.00	10/8/2007	700	1,800.00
Tomasi Tuivuna	4,330.00	2,165.00	24/08/07	---	2,165.00
Akanisi Samanunu	2,500.00	1,250.00	31/08/07	80	1,170.00
Joseph Peckham	5,000.00	2,500.00	31/08/07	500	2,000.00
Suliasi Nataucema	5,000.00	2,500.00	September, 2007	---	2,500.00
Wainikiti Cavalevu	3,500.00	1,750.00	September, 2007	---	1,750.00

SME Recipients	Assistance Provided \$	50% Repayment \$	Date	Recovered as at 19/11/09 \$	Balance \$
Teresia Daraga	2,500.00	1,250.00	September, 2007	150	1,100.00
Vilisi Navue	2,500.00	1,250.00	September, 2007	1,230	20.00
Josese Naliva	5,000.00	2,500.00	September, 2007	---	2,500.00
Aminisitai Rakoli	5,000.00	2,500.00	7/9/2007	170	2,330.00
Kalinisei Noa	1,985.00	992.5	14/09/07	200	792.50
Jimione Mata	1,500.00	750	28/09/07	---	750.00
Shalvin Prakash	4,666.04	2,333.02	Oct-07	300	2,033.02
Aminisitai Ligari	2,500.00	1,250.00	October, 2007	---	1,250.00
Malakai Koro	2,500.00	1,250.00	2/10/2007	---	1,250.00
Anare Kolinio	1,500.00	750	5/10/2007	20	730.00
Vijay Kumar	5,000.00	2,500.00	Nov, 2007	2,500	Amount Cleared
2 nd Application	5,000.00	2,500.00		200	2,300.00
Krishna Reddy	2,245.00	1,122.50	December, 2007	70	1,052.50
Mere Ledua	5,000.00	2,500.00	December, 2007	408	2,092.00
Percy Thomas	3,956.86	1,978.43	28/09/07	100	1,878.43
Laisiasa Vinakadina	5,000.00	2,500.00	Nov-07	---	2,500.00
Elesi Vuru	2,500.00	1,250.00	Oct-07	---	1,250.00
Jare Bantrict	2,448.00	1,224.00	Nov-07	121.69	1,102.31
Lekima Rokolisoa	5,000.00	2,500.00	Sep-07	---	2,500.00
Pita Rawaibula	5,000.00	2,500.00	December, 2007	400	2,100.00
Kalyam Suman	3,672.00	1,836.00	December, 2007	320	1,516.00
Shiu Goundar	3,656.90	1,828.45	January, 2008	150	1,678.45
Seremaia Ravula	2,438.02	1,219.01	January, 2008	20	1,199.01
Pauliasi Qio	2,500.00	1,250.00	December, 2007	---	1,250.00
Merewai Motea	2,425.30	1,212.65	January, 2008	170	1,042.65
Vinesh Kumar	5,000.00	2,500.00	Nov-07	600	1,900.00
Semi Delai	2,500.00	1,250.00	December, 2007	---	1,250.00
Rohit Sanjay Kumar	2,500.00	1,250.00	Nov-07	700	550.00
Nil Arun Kumar	2,500.00	1,250.00	December, 2007	---	1,250.00
Ben Peckham	2,500.00	1,250.00	December, 2007	---	1,250.00
Jone Havea	2,500.00	1,250.00	Nov-07	---	1,250.00

SME Recipients	Assistance Provided \$	50% Repayment \$	Date	Recovered as at 19/11/09 \$	Balance \$
Lemeki Koroi	2,500.00	1,250.00	December, 2007	---	1,250.00
Waisea Bainivalu	1,210.00	605	December, 2007	---	605.00
Josua Dugu	2,500.00	1,250.00	January, 2008	---	1,250.00
Tevita Moce	2,500.00	1,250.00	January, 2008	---	1,250.00
Praveen Kumar	2,500.00	1,250.00	December, 2007	70	1,180.00
Melenia Waqa	2,500.00	1250	Nov-07	---	1,250.00
Naveen Chand	2,499.00	1,249.50	December, 2007	---	1,249.50
Shalend Raju	4,666.54	2,333.27	December, 2007	---	2,333.27
Epeli Nailatikau	5,000.00	2,500.00	March, 2008	---	2,500.00
Salote Marama	4,066.02	2,033.01	March, 2008	---	2,033.01
Ravindra	2,500.00	1,250.00	January, 2008	---	1,250.00
Kishore Chand	4,000.00	2,000.00	February, 2008	180	1,820.00
Rajesh Prasad	4,000.00	2,000.00	January, 2008	---	2,000.00
Eroni Kau	3,429.70	1,714.85	January, 2008	---	1,714.85
Sikeli Namotokalou	1,500.00	750	April, 2008	---	750.00
David Kafoa	1,000.00	500	January, 2008	---	500.00
Sireli Lawa Turagabeci	1,000.00	500	February, 2008	---	500.00
Manand Kumar	2,000.00	1,000.00	January, 2008	---	1,000.00
Ajeshni Ashika Nand	4,000.00	2,000.00	April, 2008	50	1,950.00
Hari Krishna	4,000.00	2,000.00	Feb-08	---	2,000.00
George Mario	3,000.00	1,500.00	March, 2008	---	1,500.00
Paula Nasuku	1,499.98	749.99	January, 2008	---	749.99
Salote Koroi	1,500.00	750.41	Feb-08	40	710.41
Total	234,053.36	117,027.09		15,449.69	101,577.40

Section 22**Ministry of Primary Industries****Role and Responsibility**

The Ministry of Primary Industries needs to refocus, diversify, be market driven and improve efficiency in its service delivery to realise the sector's full potential. Diversification into niche export and domestic markets is therefore necessary. Thus, priority will be given to: Facilitate private sector involvement in the development of agri-business; capacity building of farmers to raise levels of production from semi-subsistence to commercial levels; and enhancement of Tourism and Agricultural linkages; promote food security and ensure sound land management and development.

In addition, the Forestry Department would promote further training and skills development through its Forestry Training Centres and support the sustainable development of Forest resources and processing with respect to national exports.

Similarly, the Department of Fisheries would strengthen its extension services, research and training capacity to facilitate fisheries and marine product processing for local and export markets

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PART 1: CONSOLIDATED FINANCIAL STATEMENT

The Ministry of Primary Industries consolidated the Financial Statement with Department of Agriculture, Department of Forestry and Department of Fisheries.

22.1 Audit Opinion

The audit of the 2009 accounts of the Ministry of Primary Industries resulted in the issue of a qualified audit report. The qualifications were as follows.

1. The financial statements were not presented in accordance with the Financial Management Act. The Ministry of Primary Industries has not provided the following contrary to Section 82(1) of the Financial Instructions 2005:
 1. Statement of Losses for Department of Forestry.
 2. Statement of Losses for Department of Fisheries.
2. Credit sales of \$279,000 for the Department of Agriculture were not reflected in the general ledger (FMIS) in 2009. Consequently the sales and accounts receivable amount in the TMA was understated by \$279,000 which resulted in a net loss of \$190,874 for the year ended.

In addition, the net loss of \$190,874 was not included in the Accumulated Surplus in the Balance Sheet.

3. The Department of Agriculture included TMA Accumulated Surplus and TMA Surplus of \$2,368,630 and (\$1,858,684) respectively in the Balance Sheet. The Department did not provide details of these amounts.
4. The Department of Fisheries maintains a Trust Fund bank account with Westpac Banking Corporation with a credit balance of \$14,379.84. The Department did not provide any records and details of this bank account and the Trust Fund balance did not appear in the FMIS.
5. Department of Forestry showed a Surplus of \$80,088 in the TMA Balance Sheet. The Department did not provide details of this amount.

The Ministry's attention was also drawn to its inability to accurately determine the actual cost under each Budget Output

22.2 Consolidated Statement of Receipts and Expenditures

The Ministry of Primary Industries collected revenue totalling \$2,953,945 and incurred expenditures totalling \$71,458,329 in 2009. Details are shown in the table below.

Description	2009 (\$)	2008 (\$)
RECEIPTS		
Agricultural produce & inspection fees	473,026	410,881
License	13,718	14,300
Meat inspection	20,464	30,491
Veterinary and animal quarantine	21,403	19,279
Sale of sheep & wool	38,273	40,386
Agriculture commercial undertaking	5,030	4,699
FCA	28,180	14,685
Fumigation and quarantine	252	7,818
Rest house	4,916	3,573
Hire of plant and vehicle	32,123	23,140
Rental for quarters	10,719	8,536

Description	2009 (\$)	2008 (\$)
Rental for building	2,133	2,927
Registration	1,469	2,484
Hire of Vessels and Punts	0	4,961
Commission	9,059	8,976
Sales Cash	0	502
Sale of Farm Product	27,602	50,656
Sale of Surplus Farm Produce	3,610	938
Miscellaneous Revenue	383,111	194,608
Overpayment Recoveries in Previous Years (OPR)	193,062	59,447
Value Added Tax	170,160	226,273
Agricultural Landlord and Tenant	3,008	4,422
Native Timber Measurement	457,525	0
Vessel Registration	6,814	523
Management Fees	331,162	409,714
License Fishing	521,193	661,551
Sales of Fish and Ice	195,933	235,085
Scaling Fees	0	624,874
TOTAL REVENUE	2,953,945	3,065,729
EXPENDITURES		
Operating		
Established Staff	16,167,383	16,689,543
Unestablished Staff	6,252,272	5,825,766
Travel & Communication	697,310	655,098
Maintenance & Operations	2,595,309	2,586,827
Purchase of Goods & Services	981,828	874,966
Operating Grants & Transfers	3,720,960	1,914,598
Special Expenditures	2,161,409	859,318
Total Operating Expenditures	32,576,471	29,406,116
Capital		
Capital Construction	15,873,831	9,513,689
Capital Purchases	649,911	313,595
Capital Grants & Transfers	19,849,782	7,116,311
Total Capital Expenditures	36,373,524	16,943,595
Value Added Tax	2,508,334	1,945,661
TOTAL EXPENDITURES	71,458,329	48,295,372

Revenue collected decreased by \$111,784 or 3.6% due to the decrease in collections from sale of fish and ice, fishing license fees for the Department of Fisheries and scaling fees for the Department of Forestry.

22.3 Statement of Output Costs

The Ministry of Primary Industries has consolidated its expenditures into 34 Statement of Output Costs. These are detailed in *Appendix 22.1*.

22.4 Consolidated Appropriation Statement

The Ministry incurred expenditures totalling \$71,458,329 against the revised budget of \$81,971,900 resulting in savings of \$10,513,571 or 13%.

Details of expenditures against the budget estimates are provided in the table below.

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry – Over (\$)	Lapsed Appropriation (\$)
1	Established Staff	18,564,600	(1,179,955)	17,384,645	16,167,383	0	1,217,262
2	Unestablished Staff	6,722,700	-	6,722,700	6,252,272	0	470,428
3	Travel & Communication	826,000	(100)	825,900	697,310	0	128,590
4	Maintenance & Operations	2,968,300	3,931	2,972,231	2,595,309	0	376,922
5	Purchase of Goods & Services	1,106,900	(2,831)	1,104,069	981,828	0	122,241
6	Operating Grants & Transfers	4,245,600	(1,000)	4,244,600	3,720,960	0	523,640
7	Special Expenditures	2,592,200	179,855	2,772,055	2,161,409	0	610,646
	Total Operating Costs	37,026,300	(1,000,100)	36,026,200	32,576,471	0	3,449,729
	Capital Expenditure						
8	Construction	17,450,000	1,433,333	18,883,333	15,873,831	0	3,009,502
9	Purchases	725,000	-	725,000	649,911	0	75,089
10	Grants & Transfers	17,150,000	5,800,000	22,950,000	19,849,782	0	3,100,218
	Total Capital Expenditure	35,325,000	7,233,333	42,558,333	36,373,524	0	6,184,809
13	Value Added Tax	3,208,200	179,167	3,387,367	2,508,334	0	879,033
	TOTAL EXPENDITURE	75,559,500	6,412,400	81,971,900	71,458,329	0	10,513,571

22.5 Statement of Losses – Department of Agriculture

The report recorded a decrease of 73.1% in losses compared to 2008. It should be noted that these losses does not include submissions for write offs arising from the annual board of survey conducted.

Report of Losses – Department of Agriculture

Date	Descriptions	2009 (\$)	2008 (\$)
January	Death of Sheep	Nil	2,797.12
February	Death of Sheep	Nil	3,813.46
March	Death of Sheep	2,625.14	955.67
April	Death of Sheep	848.89	478.87
May	Death of Sheep	1,376.12	638.97
June	Death of Sheep	900.22	642.52
July	Death of Sheep	1,431.15	6.00
August	Death of Sheep	1,845.44	350.00
September	Theft (Vet Lab) & Death of Sheep	Nil	28,250.00

Date	Descriptions	2009 (\$)	2008 (\$)
October	Death of Sheep	2,621.22	Nil
November	Theft – AH&P and Post Entry Quarantine	Nil	5,450.00
December	Death of Sheep	Nil	Nil
TOTAL		11,648.18	43,382.61

22.6 Trading and Manufacturing Account – Department of Agriculture

Trading Account

Trading Account	2009 (\$)	2008 (\$)
Sales	459,445	514,365
Opening Stock	219,792	220,252
Add: Purchases	700,833	466,528
Total Stock available for sale	920,625	686,781
Less: Closing Stock	310,623	219,791
Cost of Goods Sold	610,002	466,989
Gross Profit/(Loss) transferred to P & L	(150,557)	47,376

Profit & Loss Statement

	2009 (\$)	2008 (\$)
Income		
Gross Profit transferred from Trading A/C	(150,557)	47,376
Other Income	46,095	52,440
Total Income	(104,462)	99,816
Expenses		
Personnel Emoluments	8,379	8,576
FNPF	1,100	-
Allowance	1,222	968
Relieving Staff	-	169
Travel Overseas	-	4,487
Travel Domestic	-	-
Subsistence	-	1,046
Telecommunications	156	-
Fuel & Oil	4,310	5,719

	2009 (\$)	2008 (\$)
Office Upkeep & Supplies	1,427	-
Repairs & Maintenance	7,855	9,435
Special Fees & Charges	-	2,074
VAT	61,963	40,031
Total Expense	86,412	72,506
Net Profit	(190,874)	27,310

Balance Sheet

	2009 (\$)	2008 (\$)
Equity		
TMA Accumulated Surplus	2,368,630	2,559,457
TMA Surplus	(1,858,684)	(2,098,108)
Total Equity	509,946	461,349
Assets		
Current Assets		
Cash at Bank	197,248	239,483
Accounts Receivable	2,075	2,075
Inventory	310,623	219,791
Total Current Assets	509,946	461,349
Total Net Assets	509,946	461,349

22.7 Trading and Manufacturing Account – Department of Forestry

Manufacturing Account

	2009 (\$)	2008 (\$)
Manufacturing Account		
Opening Raw Materials	33,503	22,252
Purchases	6,104	-
	39,607	22,252
Less: Closing Raw Materials	48,726	33,503
Raw Materials Used	(9,119)	(11,251)
Add: Opening Work in Progress	-	-

	2009 (\$)	2008 (\$)
	(9,119)	(11,251)
Direct Costs	-	-
Direct Labour	76,492	68,674
Less: Closing Work in Progress	-	-
Cost of Manufactured Goods Transferred to Trading Account	67,373	57,423

Trading Account

	2009 (\$)	2008 (\$)
Sales	86,289	87,662
Opening Stock of Finished Goods	3,017	8,831
Add: Cost of Manufactured Goods transferred from Manufacturing Account	67,373	57,423
	70,390	66,254
Less: Closing Stock of Finished Goods	3,017	(3,017)
Cost of Finished Goods Sold	67,373	63,237
Gross Profit Transferred to Profit & Loss Statement	18,916	24,425

Profit & Loss Statement

	2009 (\$)	2008 (\$)
Income		
Gross Profit transferred from Trading Account	18,916	24,425
VAT	10,575	337
Total Income	29,491	24,762
Expense		
Traveling expenses	-	-
Office Upkeep & Supplies	9,325	7,458
Special Fees & Charges	213	66
Total Expense	9,538	7,524
NET PROFIT	19,953	17,238

Balance Sheet

	2009 (\$)	2008 (\$)
Equity	229,812	212,575
Net Profit	19,953	17,238
	249,765	229,812
TMA Surplus transferred to Consolidated Fund	(80,088)	(94,442)
TOTAL EQUITY	169,677	135,371
CURRENT ASSETS		
TMA Dominion Cash CNB Suva	117,934	98,851
IC Raw materials	48,726	33,503
IC Finished Goods for sales	3,017	3,017
TOTAL NET ASSETS	169,677	135,371

22.8 Trust Fund Account – Land Water Resource Management (LWRM) and Land Resource Planning & Development (LRPD)

	2009 (\$)	2008 (\$)
RECEIPTS		
Opening balance	368,692	-
Retention Money	136,771	-
Total Receipts	505,463	-
PAYMENTS		
Retention Money	284,234	-
Total Payments	284,234	-
Balance as at 31/12/09	221,229	-

22.9 Trust Fund Account – 1/3 Subsidy Contribution

	2009 (\$)	2008 (\$)
RECEIPTS		
Opening Balance	11,800	53,960
1/3 Subsidy Contributions	127,358	11,414
Bank Interest	-	5
Total Receipts	139,158	65,379

	2009 (\$)	2008 (\$)
PAYMENTS		
1/3 Subsidy Payments	53,052	53,579
Total Payments	53,052	53,579
Closing Balance	86,106	11,800

PART 2: AUDIT FINDINGS

DEPARTMENT OF AGRICULTURE

22.10 Arrears of Revenue

The Credit Officer must promptly follow up accounts that fall due. If the recovery is unsuccessful after one month, the following actions shall be taken:

- no further credit shall be extended to the debtor;
- a demand notice for payment shall be sent to the debtor after his/her debt has been overdue for more than a month;
- if the account still remains unpaid after the first demand notice was issued, a final notice shall be issued demanding payment within 14 days.

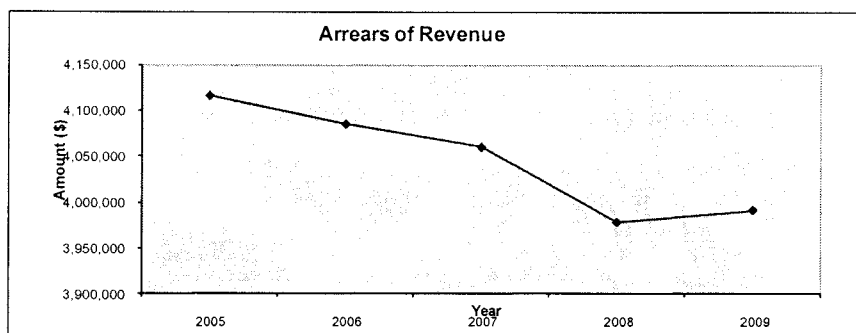
If a final notice had been issued to one of the debtors listed, the Principal Accounts Officer may approve the case to be referred to the Solicitor General or the Small Claims Tribunal, after considering the cost implication and the probability of recovery.¹

Arrears of revenue for the Department as at 31/12/09 stood at \$3,992,057; an increase by \$13,139 or 0.3% compared to 2008.

Arrears of revenue from Cocoa Development totalled \$3,390,720 or 85% of total arrears of revenue. In addition, 96% of the Cocoa Development arrears have been outstanding for over 5 years. The table and the graph below show the status of arrears of revenue for the Department over the last five years.

Year	Balance (\$)
2005	4,116,696
2006	4,085,671
2007	4,060,579
2008	3,978,918
2009	3,992,057

¹ MASLR Finance Manual 2005, 9.2.1, 9.2.4



The increase in arrears of revenue in 2009 by \$13,139 was due to increase in arrears of meat inspection fees and revolving fund account balance. The table below shows the arrears of revenue for the Department from 2007 – 2009.

Debtors	2007 (\$)	2008 (\$)	2009 (\$)
Meat Inspection Fees	28,776.49	2,700.35	12,046.55
Quarantine	42,336.12	35,197.44	17,371.27
Credit Sales Animals	10,624.79	0	0
Research Analysis Test	0	1,304.71	592.65
FEA Rates	2,708.03	407.94	144.91
Water Rates	10,793.75	228.31	230.57
Sale of Sheep & Wool	4,900.00	4,900.00	4,900.00
Analysis Fees	918.00	0	0
Cocoa Development	3,390,719.84	3,390,719.84	3,390,719.84
Batiri Pineapples	707.16	707.16	707.16
Irrigation & Commercial Undertaking	114,720.42	114,720.42	114,720.42
Land Development (ADP)	4,236.66	4,236.66	4,236.66
Lending Fund Account	16,445.66	16,445.66	16,445.66
Revolving Fund Account	428,501.64	393,924.53	428,501.64
Fiji College of Agriculture	4,190.00	3,120.00	1,440.00
Legalega Research Station	0	10,304.59	0
Total	4,060,578.56	3,978,917.61	3,992,057.33

The Department made its last submission to the Ministry of Finance on 1/8/08 to write-off the arrears of \$3,390,720 from Cocoa Development however no response was received.

Recommendations

- The Department should make concerted efforts to recover long outstanding arrears.
- The Department should follow up the outstanding debts in accordance with the debt recovery procedures prescribed in the Ministry's Finance Manual.
- The Department should follow up with Ministry of Finance on its submission to write-off the Cocoa Development arrears of revenue of \$3,390,720.

Department's Comments

The Department has raised its concerns through the DSC and the PS Finance on the MoF's lack of response to the Department's attempts to have the Cocoa Development Fund debts written off.

In addition, the Department will also be making submissions for the write off of other development costs that have remained uncollected for more than 5 years such as the sale of sheep & wool, Batiri pineapple development, and land development costs for rice projects in Lakena.

On the other hand the Department is making progress in the collection of debt such as Quarantine fees and payments of Irrigation loan through the Sigatoka Valley Development Project by stopping all services and assistance to defaulting companies and farmers.

The response has been good and we look forward to replicating the same procedures for other outstanding debts.

22.11 Over-Expenditure

Accounting officers and all other officers responsible for expenditure shall at all times exercise proper economy in the expenditure of public funds and thereby ensure that proper value is obtained for all sums spent.²

Audit noted that the Department's expenditure exceeded the 2009 revised budget estimates for the following allocations.

Allocation	Description	Revised Budget Estimate (\$)	Actual Expenditure (\$)	Over Expenditure (\$)
30-1-1-2	Government Wage Earners	147,200	187,705	40,505
30-1-3-1	Established Staff	245,500	449,422	203,922
30-1-6-1	Established Staff	1,167,445	1,229,343	61,898
30-2-1-1	Established Staff	891,100	1,074,142	183,042
30-2-4-2	Government Wage Earners	113,600	132,048	18,448
30-2-5-1	Established Staff	133,600	136,857	3,257
30-3-1-2	Government Wage Earners	37,500	44,528	7,028
30-3-2-2	Government Wage Earners	207,500	242,277	34,777
30-4-1-2	Government Wage Earners	167,600	176,160	8,560
30-6-1-10	Capital Grants and Transfers	4,000,000	4,041,897	41,897
30-7-1-1	Established Staff	155,600	164,255	8,655
Total		7,266,645	7,878,634	611,989

The over expenditure was mainly due to the excessive payment of annual leave compensation to officers who had retired, resigned or promoted in 2009.

The lack of planning of annual leave utilisation by the supervising offices has resulted in the over spending by the Department. The over expenditure could have been avoided if the officers did not have excessive leave balance on retirement or resignation.

Recommendation

The Department must ensure that officers are sent on leave when leave is due.

Department's Comments

The comments have been noted. While the department is aware of the accumulation of unutilized leave the fact remains that the current shortage of staff and the decision by the PSC to freeze recruitment, promotion, acting and relieving appointments will not help the situation.

² Finance Instruction 18

In this regard, compensation remains the best and fairest option to take, from the Department's viewpoint.

22.12 TMA Surplus

Each enterprise should determine, based on the nature of its operations, whether or not to present current and non current assets and current and non current liabilities as separate classifications on the face of the balance sheet. When an enterprise chooses not to make this classification, assets and liabilities should be presented broadly in order of their liquidity.³

The Department of Agriculture included TMA Accumulated Surplus and TMA Surplus of \$2,368,630 and (\$1,858,684) respectively in the Balance Sheet as at 31/12/09. The Department did not provide details of these amounts.

As a result audit was not able to ascertain the correctness of these amounts.

Recommendation

The Department should provide the details for these amounts.

Department's Comments

The comment is noted and the Department will now take all the necessary steps required to reconcile the Trading Account 2009 Balance Sheet to determine the true figures that should have been included.

We admit that there is a weakness in the accounting of the Trading Account operations and efforts will be put in place to ensure the figures are a true reflection of the operations of the Account.

22.13 Errors in TMA Bank Reconciliations

The clerical officer shall prepare bank reconciliation within 5 days of the end of the month. Details of unrepresented cheques and other reconciling items should be attached to the reconciliation statement. Once the bank reconciliation is prepared, it should be signed and dated by the clerical officer and Assistant Accounts Officer (Ledgers) and submitted to the Principal Accounts Officer. The Principal Accounts Officer must verify balances in the bank reconciliation to the cashbook, bank statements, unrepresented cheque list and the previous month's bank reconciliation before certifying it.⁴

Each accounting head shall ensure that:

- revenue is recorded against the correct account
- the recording of revenue is reconciled monthly with the Ministry of Finance
- the Ministry of Finance is advised of any errors or discrepancies within 10 working days after the end of each month⁵

The reconciliations for Department of Agriculture TMA cash balance were not properly carried out for 2009. As a result, a variance of \$237,010.49 was noted between the Department of Agriculture TMA cash at bank balance and the FMIS balance as at 31/12/09. Details are shown in the table below.

³ FAS 1 (53)

⁴ Finance Manual (MAS&LR) – s7.4.7 – 7.4.10

⁵ Finance Instructions 2005 – s30.1

Accounts	FMIS Balance (\$)	Department's Balance (\$)	Variance (\$)
Trading and Manufacturing Account (TMA)	197,247.97	(39,762.52)	237,010.49

Furthermore, review of the Department's monthly TMA bank reconciliation revealed the following discrepancies.

- The Department's TMA cash balance allocation (4-30351-30999-540201) as per FMIS general ledger had various mispostings in 2009 totalling \$78,462.95 which were not adjusted at year end.
- TMA receipts for the months of January to December 2009 totalling \$1,926.27 was not posted to the FMIS general ledger as at 31/12/09 hence the FMIS balance at year end was understated.
- Direct deposits and lodgements were not updated in the Department's cashbook.

As a result, audit was not able to substantiate the accuracy of cash at bank balance for the TMA as at 31/12/09.

Recommendation

The Department should ensure that proper reconciliations are carried out and any error arising out of the reconciliation is adjusted accordingly.

Department's Comments

The Department agrees with the findings of the OAG that the TMA has not been well attended to. This weakness will now be the subject of a special TMA Reconciliation Team to review the operations of the Trading Account and reconcile its books. It will then make recommendations on the best way forward for consideration by Management and MOF.

22.14 TMA Accounts Receivable Figure Understated

For credit sales, the sales officer shall prepare a sales invoice and delivery docket (if delivery is required). The original invoice shall be handed to the purchaser and the copies retained.⁶

The credit officer must maintain a debtor register and adhere to the debt recovery procedures in accordance with Part 9 of the Manual.⁷

Audit noted that the Department did not issue FMIS generated invoices to its debtors when goods were sold on credit. Instead a Stock Movement Advice (SMA) was manually issued to customers who purchased goods on credit.

Audit further noted that the Department did not maintain debtors register or individual debtor's ledger to record credit sales made during the year.

As a result the Department did not post credit sales of \$279,000 in the FMIS in 2009. The FMIS balance was not adjusted at year end. Consequently the sales and accounts receivable amount in the

⁶ Finance Manual (MAS&LR) – s6.4.6

⁷ Finance Manual (MAS&LR) – s6.4.6

TMA Accounts was understated by \$279,000 which resulted in a net loss of \$190,874 for the year ended 31/12/09.

In addition the net loss of \$190,874 was not included in the accumulated surplus in the Balance Sheet as at 31/12/09.

Recommendations

- **The Department must ensure that FMIS generated invoices are issued to customers that purchase goods on credit.**
- **Individual debtor's ledgers should be maintained and reconciled regularly.**

Department's Comment

The Department will ensure that the a proper Debtors ledger is maintained for all credit sales and that FMIS generated invoices are issued instead of Stock Movement Advice (SMA)

As noted in Department's comments to 22.11 above the Department will address this and all other queries pertaining to its TMA by the Special Reconciliation Team.

22.15 Revolving Fund Account (Miscellaneous)

The Department of Agriculture's RFA-Miscellaneous balance for 2009 constitutes all balances appearing under accounts receivables(SEG 560000), prepayments and clearing accounts(SEG 570000) and accounts payable (SLG 840000).

A ledger shall be maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts, cash clearance accounts, expenditure and commitment accounts. Any transactions raised affecting these accounts shall be entered in the appropriate ledger.⁸

A variance of \$250,971 was noted in the Revolving Fund Account (Miscellaneous) balance compared to Ministry of Finance figure. Details are shown in the table below.

Description	Department's Balance (\$)	Ministry of Finance Balance (\$)	Variance (\$)
RFA – Miscellaneous	2,725,251.84	2,474,281.38	250,970.46

The variance was due to the Department's failure to prepare the reconciliation for Withholding Tax (Standard Liability Group 840000) under the Revolving Fund Account – Miscellaneous.

Recommendations

- **The Department should reconcile its records with Ministry of Finance through regular reconciliations and any variance to be rectified.**
- **The Department should maintain record of all Revolving Fund Account transactions.**

Department's Comments

The weakness in the maintenance of the RFA (Misc) is noted and the Department will take the necessary steps to ensure proper procedures are followed and maintained to avoid variances in 2010.

⁸ Finance Manual (MAS&LR) – s16.3

22.16 Variance in Trust Fund Account

Trust Fund Accounts comprise monies, which are not the property of the State and are not utilized for the purposes of government.⁹

Trust Fund reconciliations should be prepared together with full details within 5 days of each month and these are to be certified as being correct in all respects. Annual trust receipts and payments statement should be prepared within 2 weeks within the end of the year, which should be certified, dated and showing supporting notes providing details of outstanding balances or adjustments. This should be made available to audit upon request.¹⁰

The Operating Trust Account had overdrawn balance of \$1,367,181.02 as at 31/12/09. Furthermore, variances of \$9,954.10 and \$9,787.51 were noted between the Ministry of Finance figures and the Department's record for Operating Trust Fund and True Trust Fund Account respectively. Details are shown below.

Description	Department's Balance (\$)	Ministry of Finance Balance (\$)	Variance (\$)
Operating Trust Fund	1,377,135.12	1,367,181.02	9,954.10
True Trust Fund	231,016.80	221,229.29	9,787.51

The above finding indicates that reconciliations were not properly carried out which resulted in the trust account to be overdrawn.

Recommendations

- The Department should ensure that Trust Fund Account balance is reconciled with Ministry of Finance on a monthly basis.
- The Department should investigate and rectify the above variances and ensure that Trust account is not overdrawn.

Department's Comments

The Department has already started reconciling its Trust Fund Accounts and variances are being rectified as reconciliations progress. Monthly reconciliations with MOF balances shall be carried out promptly.

22.17 Variance in Bank Reconciliation Balance and FMIS Balance

A bank account for public money, other money or trust money must only be established with the approval of the Chief Accountant, who shall inform the bank of the agency officers authorised to operate on it.¹¹

If the cheques remain in the un-presented cheque list for more that 3 months, the Principal Accounts Officer must attempt to locate the payees and have their cheques presented before they become stale.¹²

⁹ Finance Instructions 194

¹⁰ Finance Manual (MAS&LR) – s15.4.1 – 15.4.7

¹¹ Finance Instructions 2005 – 39(1)

¹² Finance Manual (MAS&LR) – s7.5.1

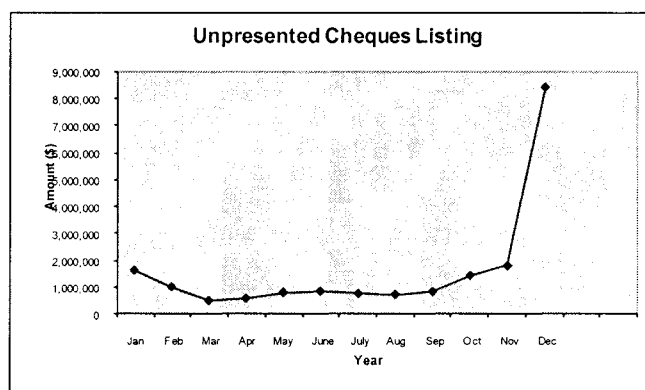
Stale cheques (those which are at least 6 months old) shall be reviewed each month to determine the need for a replacement cheque. Where a replacement cheque is not required, action should be taken to clear it.¹³

Audit noted a difference of \$573,724 between the Department's unrepresented cheques listing and the FMIS general ledger balance. The Department's reconciliation had a balance of \$8,504,879 whereas FMIS general ledger recorded \$7,931,155.43. Refer to the table below for details.

Description	Ministry's Balance (\$)	FMIS Balance (\$)	Variance (\$)
Drawings	8,504,879	7,931,155	573,724

Furthermore, audit noted that the unrepresented cheques increased rapidly in December which denotes that spending is concentrated towards the end of the year. Details of unrepresented cheques are shown below.

Months	Balance (\$)
January	1,668,412.56
February	1,045,963.16
March	532,377.22
April	626,571.01
May	843,889.41
June	889,470.34
July	800,341.92
August	778,628.95
September	877,253.58
October	1,475,631.76
November	1,838,132.11
December	8,504,879.24



The above indicates lack of proper planning which may result in uneconomical purchases, overstocking of goods and sometimes abuse of procurement procedures.

Recommendations

- The Department should ensure that monthly Drawings reconciliations are carried out with FMIS record.
- The Department should ensure that purchases are properly planned to avoid substantial payments at year end.

Department's Comments

The comments are noted and monthly Drawings account reconciliation shall be carried out against the FMIS record.

The increase in payments in December reflects the large number of payments for capital projects completed in November and December. This is a direct result of funds redeployed to the Department by the Ministry of Finance in the 4th Qtr, 2009.

¹³ Finance Instruction, Part 6, Division 1, 40.3, 2005

22.18 FNPF Reconciliations

A reconciliation statement shall be completed at the end of each month to ensure that all the entries made to the control account agree with the final monthly total.

In order to verify the accuracy of the FNPF contributions paid by the Department to the Fund, audit recalculated 8% of the actual expenditure recorded under SEG's 1 and 2 in the FMIS in comparison to the actual amount paid to the Fund. The exercise noted a difference of \$45,836 between the two records. Refer to details provided.

(a) FNPF Contribution Paid by Department for 2009 (Employer contribution only)		Amount (\$)
SEG 1	FNPF contributions paid – Established Staff	812,456
SEG 2	FNPF contributions paid – Unestablished staff	344,332
		<u>1,156,788</u>
	Add: December 2009 FNPF Contributions paid	<u>160,664</u>
		<u>1,317,452</u>
	Less: December 2008 FNPF Contributions paid	<u>133,136</u>
	Total Employers Contributions paid by the Dept.	<u>1,184,316</u>
 (b) Audit Calculation of FNPF for 2009 (Employer contribution only)		
SEG 1& 2	Salaries & Wages as per FMIS	
	FNPF Contribution (15,376,910.19 x 0.08)	<u>1,230,153</u>
(a-b)	Difference	<u>(45,837)</u>

There were no reconciliations carried out by the Department for FNPF. Accordingly, variance of \$45,836 was noted.

Recommendation

The Department should carry out reconciliations of what is paid as FNPF contributions and what is recorded in the general ledger and any variance arising should be promptly followed up and adjusted.

Department's Comments

The Department has identified the cause of the variance and is currently carrying reconciliations to correct the variant. A report shall be forthcoming once the reconciliation is updated.

22.19 VAT Reconciliation

A reconciliation statement shall be completed at the end of each month to ensure that all the entries made to the control account agree with the final monthly total.

The Department did not prepare VAT reconciliation for 2009. However, audit prepared VAT reconciliation and noted the variance of \$75,724.06 as at 31/12/09. Refer to the table below for details.

	Amount (\$)
Taxable supplies	
Total Expenditure as per Expenditure Statement	58,010,407.18
Less Expenditure not Subject to VAT	39,568,723.41
Total Expenditure Subject to VAT	<u>18,441,683.77</u>
Less Total Taxable Supplies as per VAT Return	20,238,914.48
Unreconciled Variance	<u>(1,797,230.71)</u>
 VAT Paid by Agriculture – 2009	
VAT payment as per Statement of Revenue and Expenditure	408,938.96
VAT payment as per VAT Returns	484,213.02
Unreconciled Variance	<u>(75,274.06)</u>

In absence of VAT reconciliation from the Department, audit cannot rely on the VAT amount stated in the financial statements.

Recommendations

- **The Department should ensure that VAT reconciliations are prepared on a monthly basis.**
- **The Department must ensure that correct amount of VAT payment is disclosed in the financial statements.**

Department's Comments

The Department notes its weakness in not carrying out proper reconciliations and assures the OAG that this will not be repeated in 2010.

22.20 Excessive Leave Compensation

Officers shall be granted long service leave as follows:

- (iv) On completion of 25 years continuous service – 84 consecutive days
- (v) On completion of 30 years continuous service – 112 consecutive days¹⁴

Long service leave shall normally be taken together with an officer's annual leave due on completion of the officers leave year.¹⁵

An officer who has taken long service leave in his 12th, 15th, 20th or 25th year of service shall be entitled to be granted the difference between the long service leave he has already taken and the leave prescribed for completing 15, 20, 25 or 30 years service.¹⁶

Audit noted that excessive compensation of annual and long service leave totalling \$620,476.30 were made in 2009 for employees who have retired, resigned, terminated and promoted. Refer to *Appendix 22.2* for details.

The Department could have avoided the compensation had it allowed the officers to proceed on leave when it became due.

¹⁴ General Orders 706(a)

¹⁵ General Orders 706(b)

¹⁶ General Orders 706(c)

Compensation of leave is not provided for in the budget and when paid would affect the Department's cash flow.

Recommendation

The Department should ensure that annual and long service leave are taken when they fall due to avoid substantial leave compensation.

Department's Comment

No comment received from the Department.

22.21 Overtime and Honorarium Allowance Payments

Overtime work shall be approved only in essential circumstances and on the specific approval of the Permanent Secretary or Head of Department.¹⁷ Officers shall be paid meal allowance during working days or weekends under the circumstances that they are required to work outside of normal working hours.¹⁸

Approval was given by Permanent Secretary for Agriculture to his officers to work overtime and the officers to take time-off instead of payment for overtime. However audit noted that instead of allowing time off for overtime worked, the Department paid those officers who worked overtime during the year from January to December 2009.

The work performed by these officers during overtime related to their normal daily work which should have been performed during their normal working hours. Payment of overtime at year end for working overtime throughout the year was prevalent in the Department since 2007.

Audit also noted that overtime payments were made from the general administration allowance and the personal emoluments vote as there was no overtime vote provided in the 2009 budget estimates.

Examples of overtime payment excluding meal claims are shown in the table below.

Cheque no. / date	Details	Amount (\$)	Payee	Work done by officers
167131/ 23/12/09	Being payment of overtime allowance with effect from 13/01/09 – 03/12/09	3,997.62	Semesa Ragigia (90971) Clerical officer	Reconciliation and updating of cashbook for 2008. Updating of cashier work for 2009.
167132/ 23/12/09	Being payment of overtime allowance with effect from 13/01/09 – 04/12/09	4,409.28	Ilisoni Iogaivau (90972) Clerical Officer	Revenue reconciliation 2008 Posting of revenue 2009 Binding of July payment vouchers Vouchering pending payment vouchers in FMIS.
167133/ 23/12/09	Being payment of overtime allowance with effect from 26/01/09 – 16/12/09	3,791.09	Sera Rasiga (90982) Clerical officer	Clearing of pending payment vouchers/ ledgers reconciliation and closing of accounts
167136/ 23/12/09	Being payment of overtime allowance with effect from october – december	1,741.43	Losalini Matavesi (uu524) Recorder	Reason for overtime not stated
167138/ 23/12/09	Being payment of overtime allowance with effect from	879.84	Mosese Mule (wf704)	Closing of accounts

¹⁷ General Orders 467(a)

¹⁸ General Orders 510(a)

Cheque no. / date	Details	Amount (\$)	Payee	Work done by officers
	26/10/09 – 06/12/09		Recorder	
167164 / 23/12/09	Being payment of honorarium for closing of accounts	2,635.00	Peni vulaki (16868) Senior accounts officer	Revenue 2008 reconciliation Update and reconciliation of 2008 cash book
167172 / 23/12/09	Being payment of honorarium for closing of accounts from 02/09/09 – 16/12/09	1,870.00	Matai Matakotoga (45858) Principal accounts officer	Closing of accounts for 2009
167188 / 23/12/09	Being payment of overtime allowance with effect from 05/01/09 – 17/12/09	3,927.54	Josiveta Rokona (63522) Clerical officer	Sorting and packing station cheques to wages envelope, post and edit timesheets for gves, updating bills payments Reconciliation of cashbook
167174 / 23/12/09	Being payment of overtime allowance with effect from 22/01/09 to 01/12/09	3,885.07	Luisa Vulaono (49246) Assistant accounts officer Salaries	Updating of salary reconciliations, monthly expenditure returns, filing of salary correspondence, inputs and edits, processing payment of manual leave compensation
167283 / 24/12/09	Being payment of overtime allowance with effect from may to december 2009	2,987.50	Lagilagi Drauna (53706) Assistant accounts officer Payments	Packing and relocation to level 1 and setting up of payments section, updating and processing of payments, processing of purchase orders, payments, accounts receivable reconciliation
Total		30,124.37		

Payment of overtime may result in over-expenditure as this was not included in the budget. It is obvious that officers were not properly supervised and their work not monitored during normal working hours which resulted in officers working overtime continuously since 2007.

Recommendations

- The Department must ensure that work is completed during normal working hours to avoid overtime payments.
- The Department must investigate the reasons for the overtime and whether it is genuinely warranted and take appropriate action to reduce or eliminate overtime payment.

Department's Comment

No comment received from the Department.

22.22 Extra Mural Payment - Mr. Peniasi Kunatuba

The Public Service Commission (PSC) may give relevant employees written directions about anything necessary or convenient to be prescribed for carrying out its constitutional functions or its statutory functions, or for the efficient, effective and economical management, control and working of the public service. The Public Service Commission may give written directions about how functions or powers delegated by it are to be performed or exercised and about any other matter with respect to which the Commission may make regulations.¹⁹

¹⁹ PSC Act – s20

In a meeting held on 18/11/2008, the Public Service Commission (PSC) did not approve the payment of salary prorated at 50% of the Director level to Mr. Peniasi Kunatuba whilst serving his extra mural punishment.

However, it was noted that the Department paid a sum of \$23,095.58 to Mr. Peniasi Kunatuba as his extra mural salary with effect from 27/10/2008 to 4/11/2009. Refer to the table below for details.

Salary calculation	Period	Amount
Annual salary = 45,198 x 50% = 22,599	27/10/08 – 01/12/08	869.19 x 2pays = 1,738.38
Fortnight salary (1 pay) = 22,599 / 26 = 869.19		62.08 x 8days = 496.64
Rate / day = 869.19 / 14 = 62.08	02/12/08 – 31/12/08	869.19 x 2pays = 1,738.38
	01/01/09 – 04/11/09	869.19 x 22pays = 19,122.18
Total		\$ 23,095.58

It was revealed by the Department that the payment was made on the directive from the Prime Minister's Office however no evidence was provided to audit to substantiate this claim. The above payment was not budgeted for which may result in the overspending the payroll budget for the Department.

Recommendation

The Department should provide correspondence relating to the directive from Prime Minister's office for the payment of extra mural salary otherwise appropriate action should be taken against Officers authorising the payment.

Department's Comment

No comment received from the Department.

22.23 Overpayment – Richard Beyer

The officer may terminate this agreement

- a.) by giving not less than 30 days notice in writing of the date upon which he proposes to terminate the Agreement, or
- b.) at anytime by paying to the Government 30 days salary in lieu of the aforesaid notice²⁰.

On 28/8/2008 Dr. Richard Beyer was appointed by the Government of Fiji as Permanent Secretary for Agriculture for two years effective from 22/8/2008 to 21/8/2010. Dr. Beyer resigned from the Civil Service as Permanent Secretary for Agriculture on 20/8/2009 effective immediately without 30 days notice.

However, audit noted that Dr. Richard Beyer was paid \$7,935 as salary due in lieu of 30 days notice on 18/09/09 through cheque number 164933 when he should have paid to the Government 30 day's salary in lieu of his resignation without 30 days notice.

Audit further noted that the Department continued to pay Dr. Beyer's salary after his resignation until 23/09/2009 which resulted in an overpayment of \$8,992.81. A total of \$5,289.92 was deducted from his leave pay leaving an outstanding balance of \$3,702.89.

²⁰ Clause 5.0 – Agreement of Service Between Government of Fiji and Dr. Richard Beyer signed on 28 August 08

The above findings demonstrate laxity by the Department in enforcing the employment agreement and ceasing Mr. Beyer's salary upon his resignation.

Recommendation

The Department should investigate this matter further and take appropriate action against officers responsible for overpayment.

Department's Comment

No comment received from the Department.

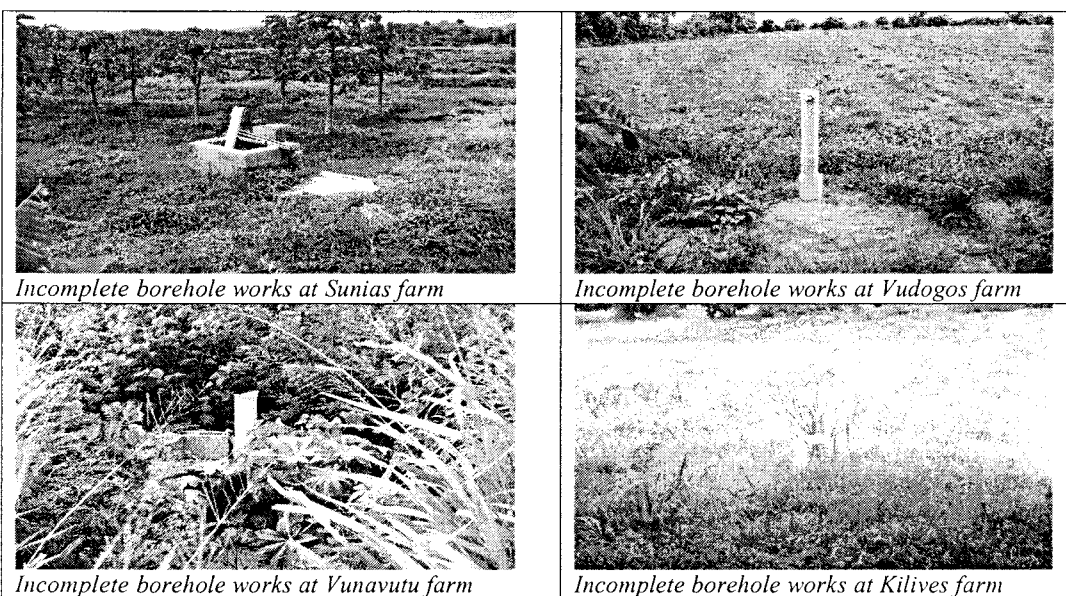
22.24 Incomplete Borehole Works

Accounting officers and all other officers responsible for expenditure shall at all times exercise proper economy in the expenditure of public funds and thereby ensure that proper value is obtained for all sums spent.

The following payments were made in 2009 to Western Drilling Company Ltd for drilling boreholes for the Export Promotion Programme Projects at Nadroga. Refer to the table below for payments details.

Date	Cheque No.	Details	Amount (\$)	Payee	Date Borehole Dispatched
08/06/09	157169A	Sunias Producing Fresh Farm	6,750.00	Western Drilling Company	09/07/09
13/07/09	158547	Vudogos Fruit And Vegetable	6,750.00	Western Drilling Company	02/07/09
08/06/09	157169B	Vunavutu New Millennium	6,750.00	Western Drilling Company	03/07/09
04/05/09	155909	Kilive Fruits And Vegetable	6,750.00	Western Drilling Company	31/07/09

Physical verifications of the projects on 12/03/2010 revealed that borehole works carried out by Western Drilling Company Ltd on the above farms were incomplete as they are still unable to pump water to the respective farms. Refer to pictures below.



The incomplete boreholes indicate lack of project monitoring by Divisional Agriculture officers which would significantly impact the implementation of the farming programme for farmers.

Recommendation

The Department should liaise with Western Drilling Company Ltd to ensure that boreholes are completed.

Department's Comment

No comment received from the Department.

22.25 No Contract for Land Drainage works at Sigatoka Valley

Tenders must be called for the procurement of goods, services or works that cost over \$20,000.²¹ Contract agreement should be signed by both parties when tender is awarded to the successful bidder.

Narendras Transport Ltd and Pravinesh Singh Bulldozing Company were selected out of five companies to carry out the land drainage improvement works at the Sigatoka valley under the Sigatoka Valley Improvement Programme (SVIP). Details of payment made to the two companies are shown in the table below.

Nature of Work Done	LPO No./ Date	Cheque No./ Date	Rate Paid	Qty.	Amount (\$)	Payee
New Drainage Construction						
- Lower Valley	92821-000709/ 21/11/09	167911/ 31/12/09	\$2.09/M	5.5km	11,500.01	Narendras Transport Ltd
- Mid Valley	92821-000710/ 21/11/09	167544/ 28/12/09	\$2.92/M	5.0km	14,600.00	Narendras Transport Ltd
- Upper Valley	92821-000711/ 21/11/09	167467/ 28/12/09	\$2.95/M	5.5km	16,200.00	Narendras Transport Ltd
- East Bank	92821-000708/ 21/11/09	167911/ 31/12/09	\$2.75/M	4.0km	11,000.00	Narendras Transport Ltd
					53,300.01	
Drainage Desilting						
- Lower Valley	92821-000712/ 21/11/09	167518/ 23/12/09	\$1.50/M	1.5km	2,250.00	Pravinesh Singh Bulldozing
- Mid Valley	92821-000712/ 21/11/09	167518/ 23/12/09	\$1.50/M	2.5km	3,750.00	Pravinesh Singh Bulldozing
- East Bank	92821-000712/ 21/11/09	167518/ 23/12/09	\$1.50/M	1.5km	2,250.00	Pravinesh Singh Bulldozing
					8,250.00	
Total					61,550.01	

The following anomalies were noted:

- There was no contract agreement made between the Department and the two companies for the drainage works to be carried out.
- There was no evidence to suggest that the work carried out by the two companies were monitored and verified before payments were made.

²¹ Finance Instructions 2005 – s12.4

There is a possibility that the quality of work may be compromised without the proper monitoring by the Department's officials. In addition, the Department may be invoiced for works not carried out at all or up to the Department's satisfaction.

In absence of written agreements with the contractors, the Department does not have a legal basis to ensure that the Contractors fulfil their obligations.

Recommendations

- The Department should ensure that contract agreements are drawn up for major capital works undertaken by the Department.
- The Department must continuously monitor the work carried out by Contractors and certify that the work has been satisfactorily completed prior to making payments.

Department's Comment

No comment received from the Department.

22.26 Withholding of Capital Project Funds

An employee must behave honestly and with integrity in the course of employment in the public service.²² Accounting officers and all other officers responsible for expenditure shall at all times exercise proper economy in the expenditure of public funds and thereby ensure that proper value is obtained for all sums spent²³

The Ministry of Finance approved and released of \$18,414,611.09 to fund various Department of Agriculture capital projects in 2009. The following irregularities were noted:

- The Department deducted 3% from all capital projects approved totalling \$466,332.46 in 2009. The amount deducted was retained by the Department as Retention Fund. Refer to *Appendix 22.3* for retention fund details.
- The Department did not have any guideline for the operation of the Retention Fund.
- The Department spent the funds from the retention funds for purposes other than capital projects. Refer to the table below for details of payments made from these retention funds.

Allocation	Payment Voucher No.	Cheque No.	Payment Date	Payee	Nature of Payments	Amount (\$)
13010230999100205 (Rural & Outer Island)	55277	156019	05/05/09	Kants Electrical Sigatoka	Supply Wire and install power supply	6,825.00
	60185	159861	11/08/09	Connect	Upgrading of Ministry website	3,250.00
	60603	160168	17/08/09	Tavua Hotel Ltd	Accommodation for 9 officers	1,040.00
	61831	161415	14/09/09	Clariti South Pacific Ltd	Supply of HP notebook laptop	2,490.00
	69275	167016	22/12/09	South Pacific Business System	Repair photocopy machine at training section	2,666.25

²² PSC Act – Section 6 Para 1

²³ Finance Instruction 18

Allocation	Payment Voucher No.	Cheque No.	Payment Date	Payee	Nature of Payments	Amount (\$)
	60170	159856	10/08/09	Office Products Ltd	Supply of a Dell Vostro Laptop	3,395.00
13020230102080619 (Export Promotion)	72164	168435	31/12/09	Office Products Ltd	Supply of a Dell Vostro Laptop	2,645.01
	63082	162079	28/09/09	Kants Electrical Sigatoka	Repair of seed cooler	7,200.00
	63353	162276	02/10/09	Active Media Publications Ltd	Advertisement August 2009 issue	3,375.00
	61440	160943	01/09/09	Remington Business	Supply of Konica Minolta	3,150.00
	70498	167478	28/12/09	Pearl South Pacific	Final Payment for Departments retreat	8,277.95
13020230201080699 (Import Substitution)	61383	160870	31/08/09	Joketani Cokanasiga	Travel Allowance	1,350.00
	68855	166370	10/12/09	Compac AWA	Motorola Handheld	2,976.59
	70831	167742	30/12/09	Korea Auto Traders	Accident repairs for GM610	2,510.00
13010230102071299 (Agriculture Census)	68805	166414	10/12/09	Office Product Graphics Ltd	Laptops for SA Peni Vulaki	5,790.00
13020230102080701 (Sigatoka Valley Improvement)	55941	156547	20/05/09	Clariti South Pacific Ltd	HP Compaq DC7800 Small Form	2,050.00
13050130102080804 (Land Drainage & Flood Protection)	63905	162796	14/10/09	JR White & Company	Purchase of FCA jersey, shorts	5,127.00
	66925	165025	19/11/09	Sanjeev Signs	Vehicle Stickers reflectors	19,600.00

Hence the capital project funds were not properly utilised for the capital projects and the Department may fail to achieve the objectives of the above respective programme as approved by Cabinet. The findings shows Department's deliberate disregard of the rules and regulation for use of public funds.

Recommendations

- The Department should ensure that capital funds are utilised for capital projects only.
- The Ministry of Finance should investigate why capital project funds were used for other purposes and take appropriate action.

Department's Comment

No comment received from the Department.

22.27 Diversion of Rural and Outer Island (ROI) Programme Funds

The Rural and Outer Island Programme (ROI) is an integrated market driven agricultural program aimed to assist farmers in their agricultural production, to meet market demands and reducing economic disparities in the rural and outer islands. The Programme was appropriated a sum of \$2.5m under the Department of Agriculture 2009 budget to cater for various projects approved by the Department. Refer to the table below for details of funds released by Ministry of Finance.

RIE No.	Date Approved	Division	Amount (\$)
171/09	31/03/09	Extension	862,947.60
		Information	96,000.00
		Ah & P	303,912.53
		Research	288,154.00
		Operation	175,000.00
Sub Total			1,726,014.13
684/09	23/09	Extension	542,407.65
		Ah & P	151,496.41
		Devaluation	80,082.35
Sub Total			773,985.87
Total			2,500,000.00

The following irregularities were noted:

- From 13/10/09 to 31/12/09, a total of \$486,491.16 allocated for the ROI programme was used for the 2009 National Agriculture Census (NAC) operations.
- Out of the \$486,491.16 used for the 2009 National Agriculture Census (NAC) operations, only \$318,539.85 was journalized to the NAC allocation. The remaining balance of \$167,951.31 of the NAC charges still exists in the ROI allocation.

The Department diverted the funds for purposes other than those approved by the Cabinet in the budget. Hence, the diversion of funds may have hindered the successful implementation of ROI earmarked for 2009.

Recommendation

The Department should ensure that ROI Funds are only utilised for the purpose it was approved.

Department's Comment

No comment received from the Department.

22.28 One Third (1/3) Contribution Not Given by Farmers

As part of the project budget, beneficiaries of the programme whether individuals or groups are required to provide some form of equity in the form of land lease, labour, aid in kind or cash as contribution.²⁴

Our audit noted that several farming groups who have been supplied with farming materials have not provided their 1/3 contribution as required under guidelines & criteria for sourcing of funds through the ISP, EPP & ROI programmes. Refer to the table below for details.

Project	Approved Govt.(2/3) Contribution	Approved Private Sector (1/3) Contribution	Approved Total Project Cost (\$)	Observations On 1/3 Contribution Given By Farmers
Nakorovou Cassava Farming	Land Clearing – 10,500 Total – \$10,500	Fertilizer – 1,050 Weedicides – 560 Cassava Cuttings (30,000	21,180.00	Kaveni Bativesi -15,000 Cassava Cuttings Not Supplied

²⁴ Guidelines & criteria for sourcing of funds through the ISP, EPP & ROI – Para. 3.9.1

Project	Approved Govt.(2/3) Contribution	Approved Private Sector (1/3) Contribution	Approved Total Project Cost (\$)	Observations On 1/3 Contribution Given By Farmers
		Cuttings @ 0.15) – 4,500 Labour Cost – 3,570 Transportation – 1,000 Total – \$10,680		Lorima Vasu - 15,000 Cassava Cuttings Not Fully Supplied.
Nabukaluka Farmers	Cassava Cuttings (40,000 @ 0.05) – 2,000 Dalo(Tausala) – 2,250 Dalo(Mix) – 1,200 Npk- 1,080 Triple Super Phosphate- 1,090.80 Poultry – 375 Gramaxone – 562.40 Glyphosate – 750 Barbed Wire – 2,025 U Nail – 105 Total – \$11,438.20	Post – 2,700 Labour Cost – 3,000 Total – \$5,700	17,138.20	- Post Washed Away During Floods - No Work Has Been Carried Out.
Anasa Savu's Pawpaw Project	Drainage Digger – 7,452 Total – \$7,452	3000 Pawpaw Planting Material – 2,250 Fertilizer – 628 Chemicals – 630 Fencing Materials – 820 Ploughing (Tractor) – 340 Crates – 250 Total – \$4,918	12,370.00	- 3,000 Pawpaw Planting Material Not Yet Provided - Fencing Of Farm Is Yet To Be Carried Out By The Farmer
Waisake Laulaba's Pawpaw Project	Drainage Digger – 7,500	3000 Pawpaw Planting Material – 2,250 Fertilizer – 628 Chemicals – 630 Fencing Materials – 820 Ploughing (Tractor) – 340 Crates – 250 Total – 4,918	12,418.00	- 3,000 Pawpaw Planting Material Not Yet Provided - Fencing Of Farm Is Yet To Be Carried Out By The Farmer
Maleli Rakula's Pawpaw Project	Drainage Digger – 6,525	3000 Pawpaw Planting Material – 2,250 Fertilizer – 628 Chemicals – 630 Fencing Materials – 820 Ploughing (Tractor) – 340 Crates – 250 Total – 4,918	11,443.00	- 3,000 Pawpaw Planting Material Not Yet Provided - Fencing Of Farm Is Yet To Be Carried Out By The Farmer
Kasiano Keke's Pawpaw	Drainage/ Digger – 9,500	3000 Pawpaw Planting Material – 2,250 Fertilizer – 628 Chemicals – 630 Fencing Materials – 820 Ploughing (Tractor) – 340 Crates – 250 Total – 4,918	14,418.00	- 3,000 Pawpaw Planting Material Not Yet Provided - Fencing Of Farm Is Yet To Be Carried Out By The Farmer
Matalevu Dalo /Cassava Project	Dalo Suckers- 4,500 Agro Inputs – 5,000 Vegetable Seeds – 3,000 Small Farm Implements – 3,000	Cassava Cuttings(50,000@0.05) – 2,500 Labour – 7,500 Total – 10,000	25,000.00	- Farmers Only Provided 4,000 Cassava Cuttings Instead Of 50,000

Project	Approved Govt.(2/3) Contribution	Approved Private Sector (1/3) Contribution	Approved Total Project Cost (\$)	Observations On 1/3 Contribution Given By Farmers
	Transportation – 500 Monitoring – 1,100 Digger Works – 7,900 Total – 25,000			
Natawa Farming Group	Knapsack (10) – 708 Chainsaw (7) – 10,995 Glyphosate – 3,361 Total - 15,064.00	Cash – 7,533.50	22,597.50	Not Given
Vunasowaqa Farming Group	Glyphosate – 707 Knapsack (5) – 327 Barbed Wire – 376 U-Nail – 37 Chainsaw(5) – 6,333 Total - 7,780.00	Cash - 3,891.00	11,671.00	No Cash Contribution At All

Lack of control and monitoring of these projects led to the farmers not providing their one third contributions for the projects.

Recommendation

The Department should ensure that farmers provide their one third contributions to enable the successful implementation and completion of the projects.

Department's Comment

No comment received from the Department.

22.29 Unproductive Use of Farming Assistance

Lorima Vasu – Nakorovou Farmer

The Department paid \$5,250 under Rural and Outer Island (ROI) Programme in 2009 for preparing land for Nakorovou farmer Mr. Lorima Vasu from Natavea Village, Nabaitavo, Naitasiri. The farmer's contribution towards the project was to supply and plant 15,000 cassava cuttings.

Audit noted during the site visit to Mr. Vasu's farm that only a small portion of the land prepared through government assistance was planted with cassava. Mr. Vasu was not able to farm the land as it was a mataqali land and he was stopped by members of his mataqali from farming the land. Refer below for photos taken during site visit.



Land prepared for Lorima Vasu for cassava farming is now overgrown with grass.

The Department did not consider the status of the land identified by Mr. Vasu for farming prior to providing assistance to him. The dispute between Mr. Vasu and his mataqali over the use of land resulted in significant portion of the land being unutilised.

Lanihavu Agro Project, Nadroga

The Lanihavu project was assisted under the Import Substitution Programme to promote the production of vegetables in order to fulfil market demands and to improve livelihood for the vegetable farming group at Lanihavu settlement along the east bank of Sigatoka River.

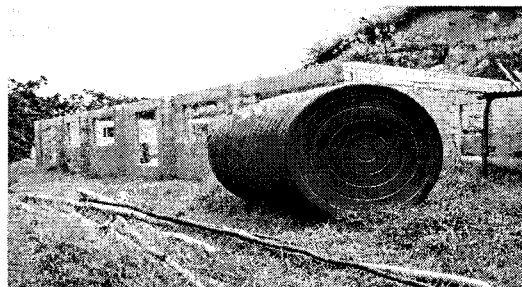
A total of \$20,343.84 worth of assistance was provided to Lanihavu Agro project in 2009 including the digging of borehole, purchase of a 10,000 litres and 2,700 litres water tank and other farming materials.

The site visit²⁵ to the project revealed the following anomalies.

- No sign of farming was noted at the site where the borehole was dug which was located near a partly constructed church.
- The borehole was not in use as there was no power supply in the area to operate the water pump. Refer to the photos taken during site visit.
- Fertilizers purchased as part of the project were not utilised and stacked in a shed.
- Water tank provided as part of the government assistance was lying idle near the partly constructed church.



Borehole constructed but not currently in use



Water tank lying idle near the church site



Unused Fertiliser at Lanihavu settlement

There was no evidence of fortnightly monitoring and evaluation of the project by the Department and relevant stakeholder as stated in the project paper.

Anasa Savu Pawpaw Farm - Dawasamu Tailevu

²⁵ 11/03/2010

Total of \$8,386 was paid by the Department to Tailevu Earthworks on 26/08/09 to prepare land for Mr. Anasa Savu for pawpaw farming at Dawasamu, Tailevu. The assistance was provided by the Department under the ROI programme 2009.

Audit inspection and farm site visit revealed that there was no evidence of farming and the whole piece of land was overgrown with grass. Refer to photos below.



Overgrown grass over cleared land for Anasa Savu
Pawpaw farming



Overgrown grass over cleared land for Anasa Savu
Pawpaw farming

The above projects indicate that proper vetting and field verification of projects were not carried out before project papers were submitted to the Technical Working Group and National Steering Committee for approval. The findings also indicate lack of regular monitoring by the Department's official on the progress of the projects.

Hence government assistance provided to the farmers were not properly utilised which resulted in waste of public funds.

Recommendations

The Department should:

- **Ensure that project proposals are verified by visiting the project sites before submitting the project papers to the Technical Working Group and National Steering Committee for their approval.**
- **Ensure that beneficiaries have proper land title.**
- **Ensure that projects approved are properly monitored to ensure that farmers comply with approved project implementation plan.**

Department's Comment

No comment received from the Department.

22.30 Short and Undelivered Farm Inputs

Upon receipt of the goods, services or works, the Storeman/Clerical Officer shall verify that they are received in good order and that the invoice is in accordance with the LPO. If the quantity of the goods received is less than the quantity shown in the suppliers invoice or delivery note, the clerical officer shall furnish a report to his/her requisition officer who shall arrange a claim against the supplier or carrier²⁶

²⁶ MAS&LR Finance Manual 2005 – s2.5.14
Ministry of Primary Industries

Accounting officers and all other officers responsible for expenditure shall at all times exercise proper economy in the expenditure of public funds and thereby ensure that proper value is obtained for all sums spent.

Supply of Dalo Suckers

The Department paid \$34,000 to Hydro Scape Pacific Ltd. for the supply of dalo suckers for the Navecovatu and Navunisoale Dalo/Cassava farming groups. Scrutiny of the delivery dockets revealed that the dalo suckers purchased from Hydro Scape Pacific Ltd. were short supplied by 50,000 suckers. Refer to the table below for details.

Project Name	Qty of dalo suckers ordered & paid for	Amount Paid (\$)	Qty supplied (as at 23/02/10)	Qty Not Supplied
Naveicovatu	60,000 @ 0.25cents Each	15,000	18,000	42,000
Navunisoale Dalo / Cassava	76,000 @ 0.25cents Each	19,000	68,000	8,0000
Total	136,000	34,000	86,000	50,000

The above indicates the lack of monitoring and independent checks by Divisional Agriculture Officers to ensure that total dalo suckers supplied agreed with the actual amount ordered.

Supply of dairy farm materials

The Dairy Industry Support Programme focused on the improvement of nutrition, infrastructure development and genetic make up focussing on increasing milk production.

Audit site visit and inspection for the dairy farmers assisted under the Dairy Industry Programme in 2009 revealed the following anomalies.

Dairy Farmer	Approved Government Contribution	Irregularities Noted
Luke Taginiqali	2,119.50	Items were directly delivered by Hakwa Timber Hardware to the farmers without the agriculture officers' (AH&P) knowledge based at Lomaivuna, Naitasiri. Farmers do not have a copy of the delivery dockets.
Laisenia Raibulu	3,047.80	Dairy shed materials purchased from Suncourt Ltd at a cost of \$2,076.20 by cheque no. 167817 have not been supplied to the farmer as per approved government activities and contribution.
Jokasani Wacawaca	6,295.25	Water tank purchased from Rotoumold (Fiji) Ltd at \$1,250 by cheque no. 167555 has not been supplied to the farmer as per approved government activities and contribution. Cheque was despatched to Mosese Ratuki (19882), Agriculture Officer (Beef) on 11/01/10. Fencing materials purchased from Commercial Undertaking (CUT) TMA, Vatuwaqa at \$1,862.30 by cheque no. 167797 still not yet supplied. Clerical Officer despatched to CUT on 04/01/10. Farmers' contribution towards the project includes labour cost, and construction of shed and fence. However, it was noted that materials for the project are still piled at a shed. No work has been done by the farmer regarding the project.
Lutu Co-operative	3,340.30	The dairy shed materials purchased by government are still piled at the dairy farm. Materials include roofing iron and timber. Given the nature of the items, these are susceptible to theft. No construction has been done as part of the farmers' contribution.
Jese Ratawase	7,881.30	All these items have not been delivered to the farmers. Dairy shed materials purchased from Suncourt Ltd at \$2,341.50 by cheque no. 167817. Cheque despatched to Mosese Ratuki on 12/01/10. Water tank purchased from Rotoumold (Fiji) Ltd for \$680 by cheque no. 167768. Cheque despatched to Mosese Ratuki on 12/01/10. Chemicals and knapsack purchased from MH Homemaker for \$372.50 by cheque no. 167807. Cheque despatched to Mosese Ratuki on 12/01/10.

Dairy Farmer	Approved Government Contribution	Irregularities Noted
Semi Ranuku	4,849.80	Dairy shed materials were supplied directly by the Hakwa Timber Supplies without the officers' knowledge. As a result, materials were delivered to another Semi in Waidracia village instead of the real Semi Ranuku in Vuisiga village, Waima, Naitasiri. Dairy shed materials were purchased for \$2,022.00 by cheque no. 167735. Cheque was despatched to Mosese Ratuki on 13/01/10.
Narocake Dairy farm	21,396.59	A water tank was purchased from Jacks Tyre Centre by cheque no. 168655 on 31/12/09. As at audit date ²⁷ the above item was not been delivered to the Narocake Dairy farm. Cheque despatched to Noa Koroi on 11/01/10

Deficiency in the control process of farming assistance is evident, exacerbated by the lack of monitoring by the Department to ensure that all farming materials reached the correct intended recipients.

In addition failure to constantly follow up with suppliers contributes to the delay in implementation and successful completion of the projects.

Recommendations

- **The Department should ensure that all farm materials provided by government reach the correct intended recipients.**
- **The Department should follow up with suppliers on the deficiencies in the quantity of materials supplied.**
- **Companies delivering project materials to the farmers should be accompanied by the agriculture officers.**

Department's Comment

No comment received from the Department.

22.31 Private Interest not disclosed for Indoor Feeding Project (Joeli Ratuki)

An Officer shall during the course of his service, disclose to the Secretary for the Public Service in the prescribed form, particulars of any investment or shareholding which he may possess in any commercial undertaking, or any other direct or indirect interest in such undertaking. If the Secretary for the Public Service shall decide that by reason of the facts disclosed the officer's private affairs might be brought into real or apparent conflict with his public duties or in any way influence him in the discharge of his duties, the Officer shall to such extent as the Secretary for the Public Service may direct, divest himself of such investments or interests.

An employee must disclose and take reasonable steps to avoid any conflict of interest (real or apparent) in connection with employment in the public service.²⁸

Audit noted that the project titled "Indoor feeding by day and field by night" was approved to be funded in 2009 under the Dairy Industry Support Programme for Mr. Joeli Ratuki, a dairy farmer in Kasavu, Naitasiri.

²⁷ 26/02/10

²⁸ Public Service Code of Conduct s.6 (7)

The audit noted that quotations for the materials were obtained from various companies between 07/11/2008 and 17/11/2008 by the applicant Mr. Joeli Ratuki and his son, Mr Mosese Ratuki who is the Agriculture Officer (Beef) based at the Nausori Animal Health and Production (AH&P) office. Refer to the table below for details of quotations obtained.

Quote Date	Quote No.	Company Names	Amount (\$)	Customer Names
07/11/08	00126063	Vinod Patel & Co. Ltd.	5,833.55	Mosese Ratuki
13/11/08	2284	Agchem Ltd	2,908.16	Joeli Ratuki
07/11/08	530	Hakwa Timber Supplies	6,127.00	Mosese Ratuki
13/11/08	-	Humes	9,968.00	Joeli Ratuki
07/11/08	45583	Kasabias	6,448.75	Mosese Ratuki
17/11/08	-	Carpenters Motors	1,638.00	Joeli Ratuki
17/11/08	-	Carpenters Motors	2,800.00	Joeli Ratuki
17/11/08	7407	Process Valves 7 Controls Ltd	1,400.00	Joeli Ratuki

The following irregularities were noted.

- The project paper for Mr. Joeli Ratuki's project was prepared by the applicant's son, Mr Mosese Ratuki and was given to Taniela Racule who is an Agricultural Assistant based at Lomaivuna, Naitasiri for signing instead of giving it to a Senior Agriculture Officer Central.
- The applicant, Mr. Joeli Ratuki has a milking herd of 47 cows. Audit established that he received the highest amount of assistance of \$39,251.69 as compared to the other farmers assisted under the DIS programme, which had a higher milking herd. Refer to the table below for details.

Project Title	Farmer	DIS Contribution	Group Contribution	Total Project Cost	Milking Herd Details
Improvement Of Smallholder Dairy Farm	Semi Ranuku	6,295.58	2,000.00	8,295.58	-Milking herd of 22 cows -Currently milking 10 cows which produces around 50ltrs of milk daily
Improvement Of Smallholder Dairy Farm	Tokoni Tikoduadua	15,453.23	4,000.00	19,453.23	-Milking herd of 53 cows -Currently milking 23 cows which produces around 115ltrs of milk daily
Feedlot Project	Lutu Coop	3,344.55	1,114.85	4,459.40	-Milking herd of 60 cows -Currently milking 24 cows which produces around 115ltrs of milk daily
Day Indoor Feeding	Joeli Ratuki	39,251.69	13,800.00	53,051.69	-Milking herd of 47 cows -Currently milking 28 cows which produces around 200ltrs of milk daily
Dairy Shed Upgrading	Vijendra Singh	12,582.73	8,000.00	20,582.73	-Milking herd of 41 cows -Currently milking 25 cows which produces around 125ltrs of milk daily
Improvement Of Infrastructure And Nutrition	Narocake Dairy	22,262.62	10,592.50	32,855.12	-Milking herd of 36 cows -Currently milking 24 cows which produces around 144ltrs of milk daily

Mr. Mosese Ratuki has violated the Public Service Commission Code of Conduct by not disclosing his relationship to the applicant, Mr Joeli Ratuki to the Department while he was actively involved in processing his father, Mr. Joeli Ratuki's application.

This resulted in conflict of interest and Mr. Joeli Ratuki may have been given preferential treatment by his son who is also the Agriculture Officer in charge at Nausori Animal Health and Production (AH&P) office.

Recommendations

- **The Department must ensure that all officers must disclose and take reasonable steps to avoid any conflict of interest (real or apparent) in connection with employment in the public service**
- **The Department should ensure that government assistances under the programme are fairly distributed.**

Department's Comment

No comment received from the Department.

22.32 Payments Made Without Issuing LPO and Tender Board Approval

Public tenders must be called for any procurement of goods, services or works valued at \$20,000 or more, unless the relevant Tender Board has approved an exemption in accordance with Finance Instructions 12-(6).

Goods, services and works required by agencies will be procured by issuing purchase orders for any local procurement. A local purchase order must be issued before goods, services and works are received.²⁹

On 28/1/2010, a total of \$30,190.35 was paid to Crows Nest Resort for the accommodation provided to staffs engaged in National Agriculture Census from 3/10/2009 to 18/10/2009.

The audit noted that purchase order was issued by the Department to Crows Nest Resort on 27/1/2010 after the service was obtained. Audit further noted that Tender Boards approval was not obtained.

Proper procurement procedures were not followed by the Department in obtaining accommodation services from Crows Nest Resort and there is a high risk that unauthorised purchases may be made without the use of Local Purchase Orders.

Recommendations

- **The Department should ensure that Major Tender Board Approval is sought for the procurement of goods and services valued more than \$20,000.**
- **The Department must ensure that LPO are issued for procurement of goods and services.**

Department's Comment

No comment received from the Department.

22.33 2009 Outstanding Invoices

²⁹ Finance Instructions 2005 – s.17(1)(2)

* 2007 payments

Wherever possible, an agency must process and pay accounts by the due date so that discounts for prompt payment are not lost, interest charges for late payment are not incurred and suppliers do not quote higher prices to Government agencies to compensate for late payments.

Subject to the above, where no due date is specified, payments must be settled within 30 days from the date of the invoice. Agencies must have procedures in place to ensure that invoices or statements are not paid twice and that fraudulent claims are not paid.³⁰

A local purchase order or departmental warrant shall be issued when procuring any goods, services or works from an organisation within Fiji, unless a contract or agreement has been entered into.³¹

Audit noted several invoices totalling \$53,947.02 for procurements made in 2009 were still pending for payment as at 01/04/10. Refer to the table below for details.

Division	Company	Purchase Order No.	Invoice Number	Invoice Date	Amount (\$)
Extension	MH Homemaker	93831-000319	911142	03/11/09	1,078.55
	Hop Tiy	93831-000318	5959	21/08/09	319.00
	Total Fiji			12/06/09	250.43
	Gulabdas	93831-000405	81204 & 81205	06/11/09	872.64
Economic Planning & Statistics	Laminating Wholesalers	30140-000916	18048	06/11/09	4,945.50
	Dahia Footwear	30420-000650	001904/ 23148	22/10/09	3,318.00
	Dahia Footwear	30420-000650	001902/ 023147	22/10/09	3,081.00
	Dahia Footwear	30420-000650	001926/ 023192	24/10/09	3,713.00
	Dahia Footwear	30420-000650	001925/ 023191	24/10/09	2,054.00
	Dahia Footwear	30420-000650	002036/ 023385	05/11/09	790.00
	Dahia Footwear	30420-000650	002129/ 023441	16/11/09	237.00
	Mascot Auto Electrical	30140-001010	8	02/10/09	800.00
	Zenith Wholesalers	30140-000849	93001	13/11/09	858.93
	Nivis Motors		S102770	10/12/09	603.35
	Clariti South Pacific		504031	18/12/09	3,750.00
	Mass Stationeries	30140-000857	33937	14/10/09	801.90
	Davui Printery	30140-000808	8604	8/12/09	600.00
	Tanoa Waterfront hotel	NO PO issued	61561	15/01/10	3,776.00
	Clariti South Pacific	30140-000963	1886	21/12/09	18,272.00
Research	Savusavu Hardware	93831-000317	71530 & 71289	08/09/09	354.00
LRPD	Divisional Engineer Central Eastern	30160-001226/ 30160-001198/ 30160-001214/ 30160-001167	23272/ 23271/ 23273/ 023312/ 023314	07/05/09	345.17
LWRM	Carptrac	30240-000910	7157461	21/04/09	199.80
	COGS	30210-000829	SI-18529	24/07/09	235.82
	COGS	30240-000948	SI-11773	30/04/09	272.68
Administration & Finance	Suncourt Hardware	30110-000857	173919	16/11/09	95.30
Animal Health & Production	Klear Water Chemicals	30410-001634	02548	07/05/09	60.00
	Nivis Motors	30410-001616	355723	17/04/09	43.85

³⁰ Finance Instructions 19 (3 – 5)

³¹ MAS&LR Finance Manual 2005 (s2.5.1)

Division	Company	Purchase Order No.	Invoice Number	Invoice Date	Amount (\$)
	Dost Mohammed & Sons	30410-001741	0229& 0230	02/03/09	320.00
	Govt. printing	30410-001655	101187&101088	14/05/09	1225.40
	TFL Shop	30410-001693	225666	21/05/09	450.00
	Government Supplies	30411-000331	SI-18744	28/07/09	223.70
Total					53,947.02

It was further noted that invoices totalling \$12,217 were received on 31/3/2010 from Automech relating to outstanding payments for services obtained in 2009.

In addition purchase orders were not issued for services obtained on several occasions from Automech during 2009. The Department revealed that this was due to drivers taking vehicles directly to Automech for repairs without informing the Transport Officer or Accounts Officer of the Department.

Refer to the table below for details of outstanding invoices from Automech.

Vehicle	Company	Invoice no.	Invoice Date	Amount (\$)
CI772	Automech	341	31/12/09	382.00
GN801	Automech	quote no.883	27/07/09	1,911.00
CI772	Automech	quote no.875	30/07/09	750.00
GM100	Automech	quote no.879	28/07/09	5,211.00
GM580	Automech	quote no.894	04/11/09	3,200.00
CI772	Automech	257	29/10/09	99.00
GN 801	Automech	267	09/11/09	98.00
GM 003	Automech	274	31/10/09	97.00
GM 003	Automech	275	14/11/09	37.00
GM 795	Automech	276	31/10/09	86.00
GM 795	Automech	277	24/10/09	98.00
GM 795	Automech	278	01/10/09	89.00
GL 639	Automech	279	25/08/09	76.00
GL 639	Automech	281	15/09/09	83.00
Total				\$12,217.00

This issue was also raised in the 2008 Auditor General's report however no corrective measures were taken by the Department which indicates deliberate disregard to rules and regulation by public servants.

Recommendations

- The Department must ensure that all expenses committed are within the approved budget and paid within the same year.
- The Department must inform all drivers that prior approval needs to be obtained before vehicles are taken for repairs. Appropriate action should be taken against drivers who continue to take vehicles directly for repairs without proper approvals.

Department's Comment

No comment received from the Department.

22.34 Supply of Faulty Engine by Dai-ichi

Upon receipt of the goods, services or works, the Store man/Clerical Officer shall verify that they are received in good order and that the invoice is in accordance with the LPO.³²

On 29/12/2009, the Department purchased a second hand engine from Dai-ichi (West) Company Limited for \$3,300 for vehicle GM 762 based at Sigatoka Research Station. However, the engine was found to be faulty and was returned to the Dai-ichi (West) Company Limited on 05/02/2010 for a replacement engine.

Audit noted that as at 12/3/2010 the replacement engine was still yet to be delivered to the Department by Dai-ichi (West) Company Limited and the vehicle GM762 was parked at the Sigatoka Research Station.

It was also noted that the storeman Mr. Satendra Prasad (59064) at Sigatoka Research Station facilitated the purchase of the engine without consulting the mechanic at the station.

Proper examination of the engine was not carried out by a qualified mechanic prior to purchase which resulted in faulty engine supplied to the Department and the vehicle not being repaired.

Recommendations

- **The Department should follow up with Dai-ichi (West) Company Limited for the replacement engine.**
- **The Department should consider reporting the matter to Small Claims Tribunal.**
- **Internal investigation should be carried out to determine the person responsible for purchase of defective engine and appropriate action taken.**

Department's Comment

No comment received from the Department.

22.35 Over-payment to BM Patel

Upon receipt of the goods, services or works, the Storeman/Clerical Officer shall verify that their receipt in good order and that the invoice is in accordance with the LPO. If the quantity of the goods received is less than the quantity shown in the suppliers invoice or delivery note, the clerical officer/store man shall furnish a report to his/her requisition officer who shall arrange a claim against the supplier. All claims on suppliers should be made within three days of the goods being received.³³

On 20/8/2009, the Major Tender Board awarded the tender to BM Patel for supply of 7 irrigation pumps at a total cost of \$72,095. The VIP price for each irrigation pump was \$10,299.29 at the time the tender was awarded.

The review of the purchase of the irrigation pumps revealed the following irregularities.

- Only 4 irrigation pumps were supplied on 24/12/2009 by BM Patel. According to the supplier, BM Patel the price of the irrigation pump increased from \$10,299.29 as initially quoted to \$17,212.50 after the 20% devaluation of the Fiji dollar in April 2009.

³² MASLR Finance Manual 2005 (s2.5.14)

³³ MASLR Finance Manual 2005 (s2.5.14- 2.5.18)

- On 24/12/2009 BM Patel invoiced the Department \$72,095.01 as cost of 4 pumps instead of \$68,850 which was subsequently paid by the Department on 31/12/09 via cheque number 168041. This resulted in overpayment of \$3,245.01.

As at the audit date³⁴ no claim has been made by the Department to BM Patel to refund the overpayment of \$3,245.01.

The overpayment to BM Patel shows the laxity of accounting officers of the Department in failing to verify the invoices with units received and the cost per unit before payment is made.

Recommendations

- **The Department should take appropriate action to recover the overpayment of \$3,245.01 from BM Patel.**
- **The Department should take appropriate action against Officers responsible for overpayment.**

Department's Comment

No comment received from the Department.

22.36 Delay in Upgrading of Veterinary Laboratory Works

In 2009 a total of \$200,000 was allocated in the budget for the upgrading of the veterinary pathology laboratory at Koronivia. These upgrading works were to include maintenance and construction of 2 equipment storerooms, relocation of autoclave, refurbishment of post mortem and parasitological room, purchase of ELISA plate, installing internet connection, upgrading of serology laboratory and modification of internal structures.³⁵

The upgrading works at the Veterinary Pathology Laboratory was awarded to the Public Works Department in 2009. Total funds disbursed to the Public Works Department (PWD) in 2009 for the above project totalled \$117,185.71. Works at the site commenced on 9/11/09 with expected completion date of 31/12/09.

However, audit noted that the upgrading works was not complete and was delayed due to significant variations in the scope of work made by the Principal Veterinary Officer, Mr. Robin Archari compared to the initial plan.

These include additional works to the laboratory room and the construction of a four bay garage attached to the building.

The incomplete works include vinyl tiling, installation of five new workbenches, melamine tables, sinks, water, gas and electrical conducts, exhaust fans and painting. The total funding of \$200,000 allocated was fully utilised by PWD.

To complete the remaining works the PWD is requesting an additional \$105,819. Hence the upgrading works remained incomplete as at 31/12/2009.

³⁴ 12/03/10

³⁵ 2009 Budget Allocation – 30-3-2-8

Recommendation

The Department must ensure that capital works are properly planned and approved before the work on site commences to avoid major variations and financial constraints.

Department's Comment

No comment received from the Department.

22.37 Discrepancies in the Approval of Lakeba Bio Fuel Ltd Project – Jone Lutu

As part of the project budget, beneficiaries of the programme whether individuals or groups are required to provide some form of equity such as land lease, labour, aid in kind or cash as contribution.³⁶

A sum of \$50,000 was paid to Fiji Development Bank (FDB) on 09/12/09 under the Rural and Outer Island (ROI) Programme as assistance to Mr. Jone Lutu of Lakeba in Lau for the upgrading of his current bio-fuel business by venturing into virgin coconut oil (VCO) production and other coconut products through the adoption of appropriate technologies.

The following anomalies were noted:

- Audit could not determine the reason for payment of \$50,000 by the Department to FDB as assistance to Mr. Jone Lutu. There was no evidence of any agreement/arrangement between FDB and Mr. Jone Lutu.
- The Department did not obtain any update on the status of the VCO production from Mr. Jone Lutu.

There is lack of control on the payment of the above assistance and there is a risk that the funds could be diverted for other purposes. Laxity in the Department officials has resulted on the payment of assistance to FDB without proper verification.

Recommendation

- **The Department should draw up a Memorandum of Understanding with the grant recipients for projects over \$20,000.**
- **Proper justification should be made on the payment of the assistance to FDB.**
- **The Department should regularly follow up and monitor the operation of the project to ensure government assistance provided is properly used.**

Department's Comment

No comment received from the Department.

³⁶ Guidelines & criteria for sourcing of funds – Para. 3.9.1

22.38 Advertisement with Active Media Publication Ltd

Accounting officers and all other officers responsible for expenditure shall at all times exercise proper economy in the expenditure of public funds and thereby ensure that proper value is obtained for all sums spent.

In 2009, the Department engaged Active Media Publication Limited as part of its public awareness campaign to publicise the core functions of each section within the Department through “Turaga” magazine.

Total of \$55,687.50 was paid to Active Media Publication Limited for publication in the “Turaga” magazines. Details of payments are shown in the table below.

Date	Cheque Number	Amount (\$)
16/02/09	153455	1,687.50
16/02/09	153455	1,687.50
26/02/09	153746	1,687.50
4/3/2009	153907	1,687.50
27/05/09	156842	1,687.50
19/06/09	157644	1,687.50
26/06/09	157925	1,687.50
3/7/2009	158198	1,687.50
24/07/09	159059	3,375.00
4/8/2009	159656	1,687.50
20/08/09	160343	3,375.00
21/08/09	160372	1,687.50
18/09/09	161621	1,687.50
24/09/09	161877	3,375.00
2/10/2009	162276	3,375.00
27/10/09	163448	3,375.00
16/11/09	164703	3,375.00
20/11/09	165179	1,687.50
27/11/09	165614	3,375.00
24/12/09	167244	1,687.50
31/12/09	168032	1,687.50
31/12/09	168032	1,687.50
31/12/09	168398	3,375.00
31/12/09	168517	3,375.00
Total		55,687.50

The following anomalies were noted:

- Competitive quotations were not obtained by the Department from other company's including Government Printer for printing of the Department's publication;
- Local Purchase Orders were issued after invoices were received from Active Media Publications.
- There was no written agreement between the Department and Active Media Publication regarding the publications in the “Turaga” magazine.
- The magazine was not widely distributed and read across Fiji as it was only written in English which limited its access and readability by others.

Proper procedures were not followed by the Department in engaging Active Media Publications for printing of advertisements in the “Turaga” magazine and there is a risk of collusion among the company and Department officials.

Recommendations

- The Department should evaluate whether the objectives of printing and distribution of magazine is achieved.
- Proper procurement procedures should be followed when obtaining such services in future which includes calling for tenders.

Department’s Comment

No comment received from the Department.

22.39 Project Assistance – Centre for Appropriate Technology and Development (CATD), Nadave

Submissions for project funding will be entertained from individual farmers, group farmers or agribusinesses involved in crop, livestock and value adding production that are targeted at meeting the demand of the whole supply chain i.e. from production to market³⁷.

A total of \$118,938.95 was paid from the Rural and Outer Island (ROI) programme allocation in 2009 to CATD for the establishment of an Agro/Aquaculture Training and Demonstration Farm. Total funds required for the operation of the programme are shown below.

Capital Cost	\$318,594 (1 year only)
Training Cost	\$187,110 per annum
Maintenance and Operation	\$14,774 per annum
Cost of 2 staffs	\$44,908 per annum
Other Costs	\$2,268
Total Costs	\$567,654

The following anomalies were noted:

- The assistance to CATD did not meet the criteria for assistance under Rural and Outer Island Programme.
- There is no commitment by the Department towards the completion of the project as there is no assistance allocated in 2010.
- CATD does not have the funds to complete the project and there is no guarantee that they will obtain the funds given that the institution relies on an annual government grant of \$225,000 for its current operations.

Proper evaluation was not carried out on the assistance to CATD as funds are not guaranteed to successfully complete the above project. Furthermore, funds had been tied up with the incomplete project which could have been better utilised for ROI projects already earmarked for 2009.

Recommendations

- The Department should assist CATD in completing the above project.

³⁷ Guidelines & criteria for sourcing of funds – Para. 3.2

- **The Department must ensure that only those projects that meet the criteria are assisted.**

Department's Comment

No comment received from the Department.

DEPARTMENT OF FORESTRY

22.40 Variance in the TMA Stock Records

A stock take shall be undertaken each year to verify the existence and condition of the inventories on hand.³⁸ Two stocktaking officers (other than the stock-keeper) nominated by the Agriculture Officer-CUT shall conduct a stock take on TMA stocks at least once a year.³⁹ The actual stock on hand shall be listed on the stock take sheet which provide;

- i. name of the TMA and date of stock take;
- ii. identity and number of stock physically verified;
- iii. cost price of verified stock⁴⁰

Within 3 days after the end of the stock take, the stocktaking officer must prepare and sign a stock take report and submit it to the Agriculture officer – CUT, with a copy to the Principal Accounts Officer.⁴¹

The closing stock at Nasinu TMA as per stock take sheet certificate as at 31/12/09 totalled \$51,743.36. Details are as follows:

Raw Materials -	\$48,726.33
Finished Goods -	\$3,017.03
Total	\$51,743.36

However, the closing stock for raw materials and finished goods in the general ledger had nil balances.

The above anomaly indicates that proper reconciliations of stock figures were not carried out between the Department's stock take balance and the FMIS balance.

Recommendation

The Department should ensure that all closing stock figures are reconciled with the general ledger balance after year end stocktake.

Department's Comments

No comment received from the Department.

³⁸ 2005 Finance Instruction 45

³⁹ Part 6.3.1 – Ministry of Agriculture Finance Manual

⁴⁰ Part 6.3.4 - Ministry of Agriculture Finance Manual

⁴¹ Part 6.3.6 - Ministry of Agriculture Finance Manual

22.41 Revolving Fund Account – Suspense

The Minister of Finance approved the establishment of this Revolving Fund Account (RFA) with a financial ceiling of \$250,000.⁴² The account was set up to promote the different types of timber available in Fiji by manufacturing and selling furniture and display items.

The Trading Account activity for the Department is located in Nasinu and its operations include timber sales, chemical analysis, ripping logs and sale of minor furniture and woodcrafts.

The audit noted that the Department did not account for overhead cost incurred such as electricity, water, and indirect labour when preparing its Trading and Manufacturing Account for 2009.

Furthermore, the Department's TMA had opening and closing stock of \$33,503 and \$48,726.33 respectively. The total amount of purchase made during the year was \$6,104. The closing stock value was \$9,119.33 more than the cost of stock available as at 31/12/09.

Also the Department could not justify the inclusion of \$80,088 as equity in the TMA Balance Sheet as at 31/12/09. The above anomalies indicate that the TMA account contained errors and were not prepared correctly.

Recommendations

- The Department should provide justification for increase in closing stock balance.
- The Department should justify the TMA surplus of \$80,088 in the balance sheet.
- The Department should include all manufacturing costs in its TMA accounts to provide true financial position of the TMA.

Department's Comments

No comment received from the Department.

22.42 Review of Fiji Pine Trust – Extension Services

Administering agencies must review cash grant scheme each year to determine whether it is achieving its specified outcomes as efficiently and effectively as possible and, where it is not, must take action necessary to improve its efficiency and effectiveness.⁴³

The Department of Forestry paid \$285,000 and \$279,830 to the Fiji Pine Trust through operating grants in 2008 and 2007 respectively.

Audit noted the following anomalies in the 2008 and 2007 audited accounts of Fiji Pine Trust.

- The Fiji Pine Trust – Extension Services had an overdraft balance of \$82,152 and \$84,143 which resulted in the additional bank interest charges of \$13,849 and \$11,424 for the year 2008 and 2007 respectively;
- The Fiji Pine Trust accounts showed negative net assets of \$45,966 and \$103,511 for the years 2008 and 2007 respectively indicating that the Trust's total liabilities exceeded its total assets;

⁴² Extracted from Appendix 19 of the Accounts and Finances Report

⁴³ Finance Instruction 25(6)

- The trust has a liquidity problem which is evident in the Trust's current ratio of 0.55:1 in 2008 and 0.02:1 in 2007 meaning that the Trust could not meet its short term debt with its current financial resources; and
- Poor maintenance of accounting records as figures in the 2008 and 2007 accounts could not be substantiated during audit.

It was further noted that there was no review carried out by the Department of Forestry on the operation of the Trust in previous years.

In addition the Department did not maintain past financial records of the Trust. The audited financial statements for the years 2004 – 2006 were not made available for review. Hence audit could not determine whether these accounts were prepared and audited.

The findings indicate that the Trust is faced with serious financial difficulties and is insolvent. The absence of audited financial statements show lack of accountability on the use of public funds by the Trust which has been provided by the Department of Forestry as grants.

Recommendations

- **The Department should review the operation of the Fiji Pine Trust and make recommendations to ensure its operation is viable.**
- **The Department must ensure that the annual accounts of the Fiji Pine Trust is prepared and audited annually.**

Department's Comments

As from 2010 in light of information received from PM's Office and the Chairman FPT regard its continuous financial & difficulties compare to its deplorable physical performance due to this the PSFF had reviewed the FPT MOA in to a quarterly interval waiting for further decision from PM's office.

DEPARTMENT OF FISHERIES

22.43 Incomplete Agency Financial Statement

Each agency must include the following statements in its annual financial statements:

- (a) a statement of receipts and expenditures;
- (b) statement of output costs;
- (c) a profit and loss statement for each trading and manufacturing activity;
- (d) an appropriation statement;
- (e) a statement of assets and liabilities;
- (f) notes to the statement of assets and liabilities;
- (g) a statement of losses; and
- (h) a trust account statement of receipts and payments⁴⁴

Audit noted that Department of Fisheries and Forests failed to submit Statement of Losses contrary to the requirement of the Finance Instructions.

⁴⁴ Finance Instruction (2005) 82 (1)
Ministry of Primary Industries

Hence the accounts submitted for audit was not a full set of agency financial statements as required under the Finance Instruction.

Recommendation

The Department should provide all statements as required in the Finance Instructions 2005 in the agency financial statements.

Management Comments

No comment received from the Department.

22.44 Ministry of Finance Postings

All payments, including VAT, must be immediately recorded in the financial management information systems or an expenditure ledger.⁴⁵

Financial transactions shall be posted into the automated information system (General Ledger System) using journal entry input forms or directly from source documents such as journal vouchers or payment vouchers.⁴⁶

Audit noted that the following journal postings were done by the Ministry of Finance into the Department of Fisheries Capital Expenditure allocation under SEG 8 without consulting or informing the Department. As a result the Department's total expenditure increased by \$134,094. Refer to the table below for details.

Account Number	Description	Period	Journal Reference	Amount (\$)
1-30B03-91011-080704	Upgrade Of Research Station	November	FMIS 13	35,000
1-30B06-91011-080627	Brackishwater Development	December	FMIS 14	17,000
1-30B06-91011-080627	Brackishwater Development	December	FMIS 14	50,000
1-30B06-91011-080627	Brackishwater Development	December	FMIS 14	32,094
Total				134,094

Audit was not able to verify these postings as the Department was not able to obtain the journal vouchers and the reasons for these adjustments from Ministry of Finance.

The finding indicates unjustified adjusting entries passed by Ministry of Finance to adjust their records.

Recommendations

- **The Ministry of Finance should provide explanation why the Department's capital expenses were adjusted without consulting the Department.**
- **The adjustments should be investigated and the officers responsible should be disciplined if it cannot be justified as correct.**
- **Ministry of Finance must consult and seek approval before adjusting any Department's record.**

⁴⁵ Finance Instructions s 20

⁴⁶ Finance Manual, s 16.2.1

Management Comments

No comment received from the Department.

22.45 Revolving Fund Account- Miscellaneous

The Accounting Head shall certify all financial reports that must be submitted to the Ministry of Finance. These reports include revolving fund, inter-departmental clearance and cash clearance reports.⁴⁷

Audit noted variance of \$13,239.21 between the Department's Revolving Fund Account (Miscellaneous) balance and Ministry of Finance balance. Refer to the table below for details.

Department's Amount (\$)	MOF - Appendix (\$)	Variance (\$)
147,017.21	160,256.42	13,239.21

The above finding indicates laxity on the part of the Department for not reconciling the balances with FMIS on a monthly basis.

Recommendation

The Department must ensure that the RFA balance is reconciled with FMIS on a regular basis.

Management Comments

No comment received from the Department.

22.46 Trust Fund Account- Wainikoro Fisheries

The Project Officers/Principal Fisheries Officer's shall properly file correspondences, reports, trust agreements and other relevant trust documents. Each trust account shall have its own file.⁴⁸

Each year the Accounts Officer shall prepare an annual trust receipts and payments statement within two weeks of the end of the year.⁴⁹

The Accounts Officer shall make available for the audit the necessary trust documents supporting the transactions and balances of the trust account.⁵⁰

Audit verification of the Fisheries Trust Fund account details revealed that the Department maintains a bank account with Westpac Banking Corporation (account name and number FFC53/PRMPCON4 9800597610). The latest bank statement sighted by audit was for the period ending 30/11/09 with credit balance of \$14,379.84.

⁴⁷ Finance Manual 17.4.1 (2005)

⁴⁸ Finance Manual 2005 , 15.3.1

⁴⁹ Finance Manual 2005 , 15.4.5

⁵⁰ Finance Manual 2005 , 15.4.7

Discussion held with the Senior Accounts Officer revealed that the Department does not have any records for this account. Audit further noted that this Trust Fund account does not appear in the FMIS ledger. Therefore, audit is unable to substantiate the balance of \$14,379.84.

The non availability of records to verify bank balances is a serious concern as to how the account is operated. It also indicates laxity on the part of the Department for not keeping proper records of the Trust Fund account.

Recommendations

- **The Department must ensure that proper records are kept for the Trust Fund account and monthly reconciliations are prepared.**
- **The Department should liaise with Ministry of Finance to open a GL account to record the transactions.**

Management Comments

No comment received from the Department.

22.47 FNPF Reconciliation

Where charges are for payments to organisations through salary deductions, the relevant creditor account shall be credited. When actual payment is made to the organisation, the creditor account shall be debited.⁵¹

Every employer shall pay to the Fund in respect of each of his employees, in every month during which such employee by him and in the month following the termination of such employment, a contribution calculated upon the amount of wages payable to such employee by such employer for the preceding month at the appropriate rates.⁵²

A reconciliation statement shall be completed at the end of each month to ensure that all the entries made to the control account agree with the final monthly total.

The reconciliation of FNPF payment noted a difference of \$19,510.08 between the two records. Refer to details provided.

FNPF Contribution Paid by DFF for 2009 (Employer contribution only)		Amount (\$)
SEG 1	FNPF contributions paid – Established Staff	276,313.04
SEG 2	FNPF contributions paid – Unestablished staff	201,391.53
	Manual Payment	13,295.55
		491,000.12
	Add: December 2009 FNPF Contributions	42,208.65
		533,208.77
	Less: December 2008 FNPF Contributions	56,126.33
	Total Employers Contributions paid by DFF	477,082.44

⁵¹ Finance Manual 2005 – S4.7.3, pp22

⁵² Chapter 219 – Fiji National Provident Fund – Section 13 (1)

Audit Calculation of FNPF for 2009(Employer contribution only)

SEG 1& 2	Salaries & Wages as per FMIS	5,703,483.71
	FNPF Contribution (5,703,483.71 x 0.08)	456,278.70
	Difference	(\$20,803.74)

There were no reconciliations carried out by the Department for FNPF. Accordingly, variance of \$20,803.74 was noted.

Recommendation

The Department should reconcile FNPF contributions paid by the Department with the general ledger (FMIS) amount and any variance noted should be promptly followed up and adjusted.

Department's Comments

No comment received from the Department.

22.48 VAT Reconciliation

Subject to the provision of the Vat Decree 1991, the tax shall be charged in accordance with the provisions of this Decree at the rate of twelve and a half percent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.⁵³

Audit noted that the total taxable supplies as per the VAT returns do not reconcile with total expenses subject to VAT as per Expenditure Statement. As a result a difference of \$269,610.88 was noted between the VAT paid as per Statement of Revenue and Expenditure and VAT returns. Refer to details provided.

Audit Calculation – 2009	Amount (\$)
Total Expenditure as per Expenditure Statement	11,284,211.55
Less Expenditure not Subject to VAT	6,239,201.27
Total Expenditure Subject to VAT	5,045,010.28
VAT on Expenditure	A 630,626.29
VAT Paid by DFF – 2009	
VAT payment as per Statement of Revenue and Expenditure	563,972.13
Less VAT payment as per VAT Returns	(195,956.72)
	B 368,015.41
Variance (A-B)	262,610.88

The inconsistency in the reconciliations and poor monitoring by the Department has resulted in the differences highlighted above.

Recommendations

The Department should take necessary steps to reconcile and account for the variance noted.

⁵³ Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

Department's Comments

No comment received from the Department.

22.49 Overpayment of Leave Compensation and Salary

Notwithstanding anything contained in any written law, the retirement age in public service shall be 55 years.⁵⁴

Any sum due by an Officer to Government may be deducted by the Permanent Secretary for Finance from salary due to such officer. An officer shall be given prior notice of such action being taken.⁵⁵

The following officers were sent on pre-retirement leave with effect from 20/04/09 and compulsory retirement with effect from 30/04/09. Audit recalculation of leave payments noted variances when compared to the Department's calculation. Refer to the table below for details.

Officer	EDP No	Leave Particulars	Annual Salary (\$)	Audit Gross Payout Calculation	Actual Gross Paid	Overpayment (Underpayment (\$))
Me re F Baro	18663	76.5 Long Service Leave	13,627	2,864.16	4,192.92	1,328.76
Aisake Vana	48957	5.5 days annual & 28 days Long service leave	15,001	1,471.20	1,780.34	309.14
Kelevi Natubavivi	14775	3 days annual & 28 days Long service leave	23,647	2,091.71	2,741.48	649.77
Ram Lakhan	19892	39 days annual & 82 days Long service leave	18,466	6,929.72	10,940.72	4,011.00
Harry Morell	40943	13.5 days annual and 56 days Long service leave	20,410	4,199.64	5,012.78	813.14
Maciu Lagibalavu	16715	3 days annual leave	44,787	516.77	369.12	(147.65)
Abdul Rahim	40543	59 days annual & 70 days long service leave	15,001	6,288.65	5,398.70	(889.95)

The above variances were the results of the different formulas used by the Department for calculating the long service leave compensation. That is:

Department Formula	Audit Formula
$\left(\frac{\text{Long Service leave}}{5} * 7 \right) * \frac{\text{Annual Salary}}{364}$	$\text{Long Service Leave} * \frac{\text{Annual Salary}}{364}$

It must be noted that long service leave is consecutive and it's inclusive of weekends as opposed to annual leave earned, thus the formula used by the Department was incorrect.

Moreover, audit noted that there were instances of salary overpayments. This emanated from officers salary not being ceased from the effective dates of retirement, resignation and suspension. Refer to the table below for details.

Name	EDP #	Pay Period	Gross Amount Overpaid \$	Remarks
Sekonaia Delailakeba	16843	22/10/09 - 16/12/09	2,714.70	The officer proceeded on compulsory

⁵⁴ State Service Decree 15(1) 2009

⁵⁵ General Order 401

Name	EDP #	Pay Period	Gross Amount Overpaid \$	Remarks
				retirement with effective from 26/10/09
Malakai Tuiloa	40743	19/11/09 - 16/12/09	2,494.22	Verification of the retirement list revealed that the officer retired with effect from 02/11/09.
Peni Saqata	59669	22/10/09 - 02/12/09	2,122.90	The officer was suspended without salary with effective from 26/10/09
Silio Ravuiwasa	59672	07/05/09 - 17/06/09	768.50	Overpayment of salary totaling \$768.50 is yet to be recovered and the officer is yet to compensate one month's salary of \$1,478 in lieu of short notice upon resignation.

There is lack of control, communication and coordination within the Department in monitoring staff movements, particularly those who retired. Poor communication between Personal section and Payroll section has resulted in the overpayment of salary and leave compensation.

Recommendations

- **The Department should implement an effective and efficient communication process between the Personal and Payroll section so that correspondences relating to resignation, termination and retirement are processed in a timely manner to avoid overpayment of leave compensation.**
- **The Department should use the correct formula in calculating leave compensations.**
- **Concerted effort should be made to recover the overpayment from responsible officers.**

Management Comments

We have reviewed/checked our calculations according to your formula and discovered that we had underpaid our retirees as follows:

- *Evidently the mistake of the calculation formula used for long service and the annual leave were the consequences of the sudden retirement for senior staff at the MFF Accounts Section in 1 April 2009. In which the Accounting Head (PAO), Senior Accountant and two (2) Assistant Account Officers were terminated on retirement from services that caused an alarming capacity gap in the general day to day accounts procedural operations.*
- *As from this period to end of 2009 the whole Ministry's accounting functions were carried out by junior officers such as Clerical Officers and Temporary Relieving Clerical Officers headed by an Account Officer. These gaps have weakened the checking system process in absence of knowledgeable supervisory guidance that used to be maintained by the retired senior staff.*
- *To maintain a competent and sustainable accounting function for the Ministry the PSC recently approved the re-establishment for the Accounts retirees position to enable to reviewed, assessed and enforced the good governance General Accepted Accounting Standard procedures and system processes.*
- *To improve communication processes between Administration and Account we have commenced a monthly Corporate Service consultation meeting to discussed matters arises from the Auditor General Report recommendation.*

22.50 Payments Made Without Invoices

Details of each invoice or other source documents must be promptly and accurately recorded including-

- The name of the supplier or payee;
- The invoice or statement number, the local purchase order or orders it relates to, the due date and, where applicable, payment terms; and
- The ledger account it is charged to.⁵⁶

All payment vouchers are to be certified correct by a certifying officer before being processed for payment.⁵⁷

It was noted that on numerous occasions payments were made without tax invoices. For examples refer to the table below.

Date	Cheque No	Payee	Particulars	Amount (\$)
04/12/09	31475	Nivis Motors	Servicing and Fitting of Forg Lamp for GN 630	1,145.63
06/12/09	31500	Asco Motors	Purchase Of Yamaha 60HP outboard engine	11,700.00
08/12/09	31543	Clariti	Purchase of two computers for PFO Research and PDU office	4,870.04
08/12/09	31546	Nationwide Services	Purchase Of Stater and Alternator for GN 607	700.00
17/12/09	31739	Asia Pacific Management	Purchase of 20 * 12 tent top tarpaulin & walls for Research section.	2,812.50
01/10/09	30029	Total Fiji Limited	Purchases of 7 *200 litres diesel for Lekutu ice plant.	2,319.82
25/11/09	31130	Goodman Fielder International Limited	Purchase of broiler stater and grower for Naduruloulou.	708.23
29/06/09	28227	Total Fiji Limited	Purchases of 1 *200 litres of diesel to accommodate for the permanent secretary's trip to the North from 30 th June to 3 rd July.	300.74
30/06/09	28251	Suva Bookshop	Purchases of calculators for Naduruloulou Research Station	175.01
01/06/09	27759	Total Fiji Limited	Purchases of 400 litres premix for Naduruloulou	521.01
17/01/09	28625	Chands Trucks and Transport	Payment of one third subsidy for Mr Ereniko	2,400
25/11/09	31157	Wing Lee Limited	Purchases of parts for chainsaw at Naduruloulou Station	222.00
27/11/09	31191	Clariti	Purchase of Intel Computer for Galoa Hatchery and MS Office Installation.	2,435.00
12/11/09	30806	Carpenters Motors	Purchase of four 185R14 LT tyres for GN 125	640.00
28/09/09	29980	Tradewinds Marine	Being Payment for purchases of items for Lakeba & Namuka-i-lau RFSC.	1,450.56
02/12/09	31394	Clariti South Pacific	Being Payment for purchase of desktop computer for MRIS	2,173
02/12/09	31398	J.Maneklal &	Being Payment for purchase of underwater Digital	1,265

⁵⁶ Finance Instructions s 19 (1)

⁵⁷ Finance Instructions s 19 (2)

Date	Cheque No	Payee	Particulars	Amount (\$)
		Sons	Camera for MRIS	
05/02/09	25905	Nationwide Services Ltd	Being Payment for purchase of parts for vehicle GL.158.	875
08/12/09	31546	Nationwide Services Ltd	Being Payment for purchase of parts for vehicle GL.607.	700
08/12/09	31545	Milestone Auto Parts	Being Payment for purchase of 3L complete engine GL.706.	4,500
08/12/09	31553	Clariti South Pacific	Being Payment for purchase of HP Laptop for MRIS	2,459
09/12/09	31552	Bondwell Computers	Being Payment for Supply of 2 sets of HP Cartridge	154
10/12/09	31573	Goodman Fielder	Being Payment for purchase of Tillapia Pellets.	1,935.36
08/12/09	31544	Eskay Motors	Being Payment for General Body work done on vehicle GM.885	4,173.76
08/12/09	31543	Clariti South Pacific	Being Payment for purchases of 2 HQ Compaq Laptop for Research	4,870
02/07/09	28297	Umar Khan Motors	Being Payment for repair of Vehicle GN.663.	700
22/06/09	28050	Clariti South Pacific	Being Payment for purchase of Desktop Computer	1,850
08/12/09	31547	Office 2000 Ltd	Being Payment for purchase of 5 Laptops for MSC/ Tuna Division.	9,650
17/12/09	31739	Asia Pacific Management	Being Payment for purchase 20x12 Tent top tarpaulin & walls for research section.	2,812.50
10/12/09	31737	Action Electrical	Being Payment for purchase of materials for electrical wiring of fisheries vehicle Rosi-ni-bogi.	1,050

The practice adopted by the Department to make payments without invoices, enhances the risk of double payment to occur. Furthermore making payment without tax invoices is viewed as a way to allow companies not to declare its true income for tax purposes.

Recommendations

- **The Department must ensure that all payments are made on tax invoices.**
- **The Department must comply with the procurement procedures laid out in the Departments Finance Policies and Procedures Manual**

Management Comments

- *These payments were made through Quotation by raising LPO after carefully considering the outcomes positive impact and its goodness in terms of good governance in enhancing efficiency and effectiveness of our support service deliverables.*
- *Base on these selective cheque payments were made to selected suppliers in compliance of the normal procurement of goods and services procedure by collecting three or more quotations from competitive suppliers.*
- *To justify and substantiate the why cheque payments were allowed to certain suppliers:*
 - a) *Reputable suppliers do not accept LPO for delivery of goods and services instead cheque upfront payment through quotations.*

- b) *Nivis Motors, Asco Motors, Total Fiji Limited, Carpenters Motors, Clariti South Pacific, Bondwell Computers, Goodman Fielder, J.Maneklal & Sons etc all these companies are sole trader/dealers and quality service providers. It is a company policy “NO SERVICE DELIVERY BY LPO” but upfront payment. Situation of high demand and limited supply we do not have other alternatives but to commit bold decision to secure these scarce supplies by observing the company policy in paying upfront cheque payment.*
- c) *A system process was derived to control and monitor the issuance LPO and of payment cheques together with the delivery of goods & services:*
- d) *Cheque payment to be hand delivered to the supplier by the purchaser and NOT by mail*
- *Taken On Charge for items delivered in to the store’s inventory a certified delivery docket copy shall be returned to the Cashier for quantity/\$value and verification purpose before filing off in to its original payment voucher to confirm the delivery for service cover in the original LPO/Quotation/Cheque issued..*
 - *A part from special cases as such, we shall firmly follow and continue to be in compliance to FM2005 and FMA2004.*

Further Comments

Audit noted that although some major companies would not accept LPOs but still invoices would have to be produced for every business transactions that the supplier undertakes as standard business procedures would warrant and this has not been the case.

22.51 Poor Management of Brackish Water Project

Agencies should ensure that their budget submissions:

- a) Clearly link to the policy objectives and outputs outlined in the their Annual Corporate Plans;
- b) Separately show operating and capital expenditure and;
- c) Clearly specify the projects and expenditure to be aid funded.⁵⁸

Audit noted that the Brackish water project was not properly monitored for 2009 as there was savings of \$262,341.70. Furthermore, the Ministry of Finance has passed debit charges into the Brackish water project allocation in the FMIS ledger. Audit was not able to verify the details of these charges as the Journal Vouchers were not produced for audit verification. The details are as follows:

Capital Project	Budget	Total Expenditure incurred for the project	Ministry Of Finance Charges as per JV #14	Actual Expenditure as per FMIS	Savings
Brackishwater	300,000	37,658.30	99,094	136,752.30	262,341.70

There was only one Requisition to Incur Expenditure (RIE) application that was submitted and approved for the year 2009. Requisition 242/09 was submitted on 10/03/09 by the Department which was approved on 17/04/09. A total of \$54,412 was approved through this submission. There was no other submissions made from the Brackishwater division for the year 2009 and thus savings of \$262,341.70 was returned to Ministry of Finance as unutilised funds.

⁵⁸ Finance Instructions s 7 (3)

The above finding indicates that proper feasibility study for the project was not carried out as a result value for money has not been obtained by the government on funds allocated for the projects.

Recommendation

The Department must ensure that funds are properly and efficiently utilised in accordance with budget submissions approved by the Ministry of Finance.

Management Comments

\$230,000 was initially earmarked for renovation works to the main Galoa. However, the Ministry of Works could not complete all documentation estimates within that year, thus that amount was not spent. However, this year 2010 RIE's will be issued quarterly to allow progressive work to continue on the renovations mentioned.

Since Ministry of Works endorsement was delayed, we have JV#14/09 \$99,094 reflected the adjustment for miss-postings, misallocations and other FMIS transact complication that have affected the Drawing Account for the whole year 2009 that were not able to be rectified and substantiated by the predecessor facilities.

Further OAG Comments

The charges of \$99,094 was passed by Ministry of Finance and audit was not able to verify if the charges were for Brackish Water Development as no further details could be obtained from the Department and Ministry of Finance.

22.52 Poor Monitoring of Costal Fisheries Development Program

Under the Subsidy Assistance Scheme, 10 Fisherman are assisted with Outboard Engine, Fibre Boat, Safety Equipment and Ice Box every year.

The following fishermen were assisted under the subsidy scheme for 2009.

Fishermen	RR No.	1/3 Contribution	Items Delivered
Kameli Vuiyasawa	635051	\$5,800.00	23 inch boat and 40HP engine on 05/01/10
Meli Saqanavula	635052	\$3,800.00	19 inch boat and 25HP engine on 20/01/10
Rarawa Suka	635055/056	\$5,612.33	23 inch boat and 40HP engine on 24/12/09
Sepeti Sovea	635057	\$612.00	23 inch boat and 40HP engine on 17/12/09
Horace Morell	234220	\$5,393.00	23 inch boat and 40HP engine on 12/01/10
Petaia Vo	635058/059	\$5,116.66	23 inch boat and 40HP engine on 29/01/10
Josese Litidamu	635054	\$5,633.33	Boat and engine still yet to be delivered
Vilame Tawalasa	635101	\$5,112.00	Boat and engine still yet to be delivered
Kaliopa Neli	635151	\$3,392.00	Boat and engine still yet to be delivered
Simione Vonovono	635011	\$5,500.00	Boat and engine still yet to be delivered

Audit noted that the Department failed to set up mechanism to monitor the fisherman, whilst the assistance was given.

Failure to maintain any monitoring system can lead the fisherman involved in operations which would not be the purpose for giving out the subsidy assistance. The fisherman could be involved in selling off the engine and fibre boat for their personal interest.

Recommendation

The Department should maintain a feedback and monitoring system of the ongoing Subsidy Assistance Scheme.

Management Comments

The Department of Fisheries do agree with the Audit team of the critical need to put in place a monitoring system to ensure the better utilization of the assistance as anticipated by the government. However, the department must admit that there was no monitoring system put in place by the previous management ever since the inception of the project.

Nonetheless, the Department conducted a monitoring exercise in 2008 through its divisional staffs to closely monitor the performance of those fishermen who were assisted through the Subsidy Program in their respective division. The main objective of the exercise was to measure the impact of the assistance to the fishermen, their families and the community which they live in.

The result of that first ever monitoring exercise carried out in 2008 was really encouraging. The list of benefits recorded from the exercise range from; employment creation to addressing transportation problem in maritime islands. We have also noted that the impact of the assistance program really addresses the economic and social need of the ordinary rural people.

APPENDICES

Appendix 22.1: Statement of Output Costs

Department of Agriculture - General Administration

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	1,208,311	1,256,136
Unestablished Staff	187,705	115,133
Travel & Communication	144,372	137,416
Maintenance & Operations	458,650	491,453
Purchase of Goods & Services	66,212	60,210
Operating Grants & Transfers	1,901,431	711,441
Special Expenditures	-	14,344
Total Operating Costs	3,966,681	2,786,133
Capital Costs		
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	1,507,598	1,000,000
Total Capital Costs	1,507,598	1,000,000
Value Added Tax	93,406	100,932
TOTAL COSTS	5,567,685	3,887,065

Economic Planning and Statistical Services

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	566,837	569,973
Unestablished Staff	6,436	33,686
Travel & Communication	11,706	11,418
Maintenance & Operations	21,231	21,790
Purchase of Goods & Services	3,418	6,670
Operating Grants & Transfers	-	-
Special Expenditures	1,326,470	159,645
Total Operating Costs	1,936,098	803,182
Capital Costs		
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	2,392,220	2,335,469
Total Capital Costs	2,392,220	2,335,469
Value Added Tax	65,278	29,302
TOTAL COSTS	4,393,596	3,167,953

Research

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	449,422	241,337
Unestablished Staff	311,135	280,349
Travel & Communication	18,330	21,764
Maintenance & Operations	10,407	9,805
Purchase of Goods & Services	46,326	43,486
Operating Grants & Transfers	-	-
Special Expenditures	-	-
Total Operating Costs	835,620	596,741
Capital Costs		
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	10,301	10,217
TOTAL COSTS	845,921	606,958

Information Services

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	205,016	155,415
Unestablished Staff	7,312	7,068
Travel & Communication	4,196	3,835
Maintenance & Operations	1,449	1,556
Purchase of Goods & Services	19,254	23,205
Operating Grants & Transfers	-	-
Special Expenditures	-	-
Total Operating Costs	237,227	191,079
Capital Costs		
Capital Construction	-	-
Capital Purchase	36,645	-
Capital Grants & Transfers	-	-
Total Capital Costs	36,645	-
Value Added Tax	7,960	3,578
TOTAL COSTS	281,832	194,657

Drainage and Irrigation

Description	2009 (\$)	2008 (\$)
EXPENDITURE		

Description	2009 (\$)	2008 (\$)
Operating Costs		
Established Staff	466,989	493,202
Government Wage Earners	30,146	24,837
Travel & Communication	10,347	10,623
Maintenance & Operations	8,973	13,134
Purchase of Goods & Services	3,029	3,008
Operating Grants & Transfers	-	-
Special Expenditures	-	-
Total Operating Costs	519,484	544,804
Capital Costs		
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	3,151	3,804
TOTAL COSTS	522,635	548,608

Quarantine

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staffs	1,229,343	1,488,988
Unestablished Staff	65,611	78,533
Travel & Communication	12,838	15,581
Maintenance & Operations	27,257	28,546
Purchase of Goods & Services	25,117	20,554
Operating Grants & Transfers	-	-
Special Expenditures	175,574	140,359
Total Operating Costs	1,535,740	1,772,561
Capital Costs		
Capital Construction	-	-
Capital Purchase	613,266	313,595
Capital Grants & Transfers	-	-
Total Capital Costs	613,266	313,595
Value Added Tax	76,929	52,419
TOTAL COSTS	2,225,935	2,138,575

Crops – Administration

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	1,074,142	1,337,113
Unestablished Staff	76,769	61,618
Travel & Communication	46,948	46,391
Maintenance & Operations	161,200	128,571
Purchase of Goods & Services	1,454	1,770
Operating Grants & Transfers	-	-

Description	2009 (\$)	2008 (\$)
Special Expenditures	-	-
Total Operating Costs	1,360,513	1,575,463
Capital Costs		
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	25,399	22,958
TOTAL COSTS	1,385,912	1,598,421

Extension

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	1,766,422	1,627,328
Unestablished Staff	1,476,058	1,400,610
Travel & Communication	63,966	57,108
Maintenance & Operations	119,906	133,493
Purchase of Goods & Services	8,645	9,157
Operating Grants & Transfers	-	-
Special Expenditures	-	-
Total Operating Costs	3,434,997	3,227,696
Capital Costs		
Capital Construction	5,567,199	2,838,856
Capital Purchase	-	-
Capital Grants & Transfers	-	1,000,000
Total Capital Costs	5,567,199	3,838,856
Value Added Tax	602,930	407,419
TOTAL COSTS	9,605,126	7,473,971

Research

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	1,165,705	1,298,980
Unestablished Staff	951,344	963,119
Travel & Communication	19,155	22,730
Maintenance & Operations	61,685	63,775
Purchase of Goods & Services	28,867	26,932
Operating Grants & Transfers	-	-
Special Expenditure	-	33,259
Total Operating Costs	2,226,757	2,408,795
Capital Costs		
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	12,456	15,582

Description	2009 (\$)	2008 (\$)
TOTAL COSTS	2,239,213	2,424,377

Sugar Development

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	175,487	62,736
Unestablished Staff	132,048	111,315
Travel and Communication	16,380	5,547
Maintenance & Operations	27,098	6,618
Purchase of Goods & Services	4,045	2,450
Operating Grants & Transfers	700,000	-
Special Expenditures	-	-
Total Operating Costs	1,055,058	188,666
Capital Costs		
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	7,908,068	-
Total Capital Costs	7,908,068	-
Value Added Tax	4,987	2,117
TOTAL COSTS	8,968,113	190,783

Irrigation

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	136,857	145,410
Unestablished Staff	143,667	144,123
Travel & Communication	11,474	11,343
Maintenance & Operations	163,807	162,508
Purchase of Goods & Services	15,437	14,218
Operating Grants and Transfer	-	-
Special Expenditures	-	-
Total Operating Costs	471,242	477,602
Capital Costs		
Capital Construction	244,582	124,824
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	244,582	124,824
Value Added Tax	51,274	40,409
TOTAL COSTS	767,098	642,835

Livestock – Administration

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	344,447	356,161
Unestablished Staff	44,528	35,764
Travel & Communication	5,972	4,466
Maintenance & Operations	18,299	10,840
Purchase of Goods & Services	10,770	4,297
Operating Grants and Transfer	-	-
Special Expenditures	24,499	24,581
Total Operating Costs	448,515	436,109
Capital Costs		
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	8,801	5,959
TOTAL COSTS	457,316	442,068

Extension

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	1,260,171	1,174,457
Unestablished Staff	242,277	219,187
Travel & Communication	19,061	16,803
Maintenance & Operations	47,872	41,896
Purchase of Goods & Services	1,957	3,123
Operating Grants and Transfer	579,153	664,109
Special Expenditures	-	-
Total Operating Costs	2,150,491	2,119,575
Capital Costs		
Capital Construction	1,631,691	414,382
Capital Purchase	-	-
Capital Grants & Transfers	2,000,000	-
Total Capital Costs	3,631,691	414,382
Value Added Tax	180,493	55,405
TOTAL COSTS	5,962,675	2,589,362

Research

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	157,357	135,375
Unestablished Staff	391,136	351,107
Travel & Communication	4,431	2,685
Maintenance & Operations	14,222	9,373
Purchase of Goods & Services	43,054	41,463
Operating Grants and Transfer	-	-

Description	2009 (\$)	2008 (\$)
Special Expenditures	610,200	540,003
Total Operating Costs		
Capital Costs		
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	7,890	8,565
TOTAL EXPENDITURE	618,090	548,568

Education and Training – Fiji College of Agriculture

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	375,515	384,312
Unestablished Staff	176,160	148,748
Travel & Communication	24,900	22,504
Maintenance & Operations	171,401	166,839
Purchase of Goods & Services	53,567	53,289
Operating Grants and Transfer	4,659	4,049
Special Expenditures	-	-
Total Operating Costs	806,202	779,741
Capital Costs		
Capital Construction	227,740	164,309
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	227,740	164,309
Value Added Tax	28,045	56,680
TOTAL COSTS	1,061,987	1,000,730

Land, Drainage and Flood Protection – Rehabilitation

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	450,139	496,849
Unestablished Staff	425,055	393,321
Travel & Communication	-	-
Maintenance & Operations	-	-
Purchase of Goods & Services	-	-
Operating Grants and Transfer	-	-
Special Expenditures	-	-
Total Operating Costs	875,194	890,170
Capital Costs		
Capital Construction	6,192,091	4,655,944
Capital Purchase	-	-
Capital Grants & Transfers	2,000,000	1,998,417
Total Capital Costs	8,192,091	6,654,361

Description	2009 (\$)	2008 (\$)
Value Added Tax	721,065	648,128
TOTAL COSTS	9,788,350	8,192,659

Land Resettlement – Resettlement of Displaced Farmers

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	711,833	853,713
Unestablished Staff	122,317	141,823
Travel & Communication	47,879	41,886
Maintenance & Operations	226,749	226,821
Purchase of Goods & Services	13,917	15,067
Operating Grants and Transfer	-	-
Special Expenditures	30,046	-
Total Operating Costs	1,152,741	1,279,310
Capital Costs		
Capital Construction	24,648	12,290
Capital Purchase	-	-
Capital Grants & Transfers	4,041,897	782,426
Total Capital Costs	4,066,545	794,716
Value Added Tax	41,022	40,100
TOTAL COSTS	5,260,308	2,114,126

Agricultural Tribunal – General Administration

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	164,255	137,138
Unestablished Staff	18,217	17,145
Travel & Communication	18,362	13,846
Maintenance & Operations	12,736	12,874
Purchase of Goods & Services	5,779	1,487
Operating Grants and Transfer	-	-
Special Expenditures	-	-
Total Operating Costs	219,349	182,490
Capital Costs		
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	2,974	3,155
TOTAL COSTS	222,323	185,645

Programme 9 – Policy and Administration

General Administration

Description	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	442,888	432,999
Government Wage Earners	19,485	35,357
Travel & Communications	23,207	15,902
Maintenance & Operations	15,441	15,206
Purchase of Goods & Services	1,821	1,918
Operating Grants & Transfers	-	-
Special Expenditure	-	-
Total Operating Costs	502,842	501,382
Capital Cost		
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	5,873	4,050
Total Costs	508,715	505,432

Economic Policy, Planning and Statistics

Item	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	49,310	97,656
Government Wage Earners	-	-
Travel & Communications	3,016	1,373
Maintenance & Operations	2,942	4,291
Purchase of Goods & Services	963	605
Operating Grants & Transfers	-	-
Special Expenditure	-	-
Total Operating Costs	56,231	103,925
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	1,406	576
Total Costs	57,637	104,500

Programme A– Forestry**General Administration**

Item	2009 (\$)	2008 (\$)
EXPENDITURE		

Item	2009 (\$)	2008 (\$)
Operating Costs		
Established Staff	534,723	928,140
Government Wage Earners	352,589	340,889
Travel & Communications	48,279	59,606
Maintenance & Operations	125,167	134,445
Purchase of Goods & Services	16,377	12,679
Operating Grants & Transfers	535,718	534,999
Special Expenditure	-	-
Total Operating Costs	1,612,853	2,010,758
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	25,003	22,813
Total Costs	1,637,856	2,033,571

Forest Management Services

Item	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	121,179	130,681
Government Wage Earners	11,942	11,589
Travel & Communications	3,628	2,642
Maintenance & Operations	17,168	15,360
Purchase of Goods & Services	4,301	4,409
Operating Grants & Transfers	0	0
Special Expenditure	295	1,049
Total Operating Costs	158,513	165,730
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	4,211	1,661
Total Costs	162,724	167,391

Training and Education

Item	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	170,051	153,153
Government Wage Earners	102,531	87,006
Travel & Communications	8,001	8,011
Maintenance & Operations	24,810	18,482
Purchase of Goods & Services	225,195	270,997
Operating Grants & Transfers	-	-
Special Expenditure	-	-

Item	2009 (\$)	2008 (\$)
Total Operating Costs	530,588	537,649
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	34,244	36,225
Total Costs	564,832	573,874

Silviculture Research

Item	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	197,988	179,972
Government Wage Earners	112,779	96,333
Travel & Communications	6,425	6,635
Maintenance & Operations	21,278	16,892
Purchase of Goods & Services	20,858	21,438
Operating Grants & Transfers	-	-
Special Expenditure	-22	66,232
Total Operating Costs	359,306	387,502
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	7,282	13,808
Total Costs	366,588	401,310

Timber Utilization Research and Promotion

Item	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	163,001	188,356
Government Wage Earners	110,238	87,375
Travel & Communications	13,141	13,399
Maintenance & Operations	31,060	30,134
Purchase of Goods & Services	213,009	89,758
Operating Grants & Transfers	-	-
Special Expenditure	-	-
Total Operating Costs	530,449	409,022
Capital Construction	400,000	226,678
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	400,000	226,678
Value Added Tax	79,546	40,979
Total Costs	1,009,995	676,679

Planting (Assistance and Advice)

Item	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	153,929	49,882
Government Wage Earners	195,101	87,698
Travel & Communications	3,152	3,433
Maintenance & Operations	5,811	5,055
Purchase of Goods & Services	5,303	4,408
Operating Grants & Transfers	-	-
Special Expenditure	-	-
Total Operating Costs	363,296	150,476
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	2,197	389
Total Costs	365,493	150,865

Harvesting

Item	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	417,261	433,911
Government Wage Earners	114,001	92,376
Travel & Communications	13,469	15,919
Maintenance & Operations	44,432	42,754
Purchase of Goods & Services	19,583	16,945
Operating Grants & Transfers	-	-
Special Expenditure	141,023	78,746
Total Operating Costs	749,769	680,651
Capital Construction	146,747	78,603
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	146,747	78,603
Value Added Tax	38,339	28,709
Total Costs	934,855	787,963

Forest, Parks and Nature Reserves

Item	2009 (\$)	2008 (\$)
EXPENDITURE		

Item	2009 (\$)	2008 (\$)
Operating Costs		
Established Staff	36,149	33,574
Government Wage Earners	29,600	30,636
Travel & Communications	1,160	1,228
Maintenance & Operations	2,961	2,775
Purchase of Goods & Services	61,387	59,354
Operating Grants & Transfers	-	-
Special Expenditure	-	-
Total Operating Costs	131,257	127,567
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	6,507	4,886
Total Costs	137,764	132,453

Programme B– Fisheries**Administration**

Item	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	194,784	230,462
Government Wage Earners	120,601	104,103
Travel & Communications	16,879	17,536
Maintenance & Operations	377,739	394,246
Purchase of Goods & Services	13,697	11,491
Operating Grants & Transfers	-	-
Special Expenditure	-	-
Total Operating Costs	723,700	757,838
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	50,556	50,132
Total Costs	774,256	807,970

Training and Education

Item	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	87,222	101,035
Government Wage Earners	6,003	11,049
Travel & Communications	9,161	4,950
Maintenance & Operations	22,837	25,685

Item	2009 (\$)	2008 (\$)
Purchase of Goods & Services	29,449	29,340
Operating Grants & Transfers	-	-
Special Expenditure	-	-
Total Operating Costs	154,672	172,059
Capital Construction	-	-
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	8,833	7,614
Total Costs	163,505	179,673

Research

Item	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	277,467	218,245
Government Wage Earners	56,642	99,821
Travel & Communications	7,326	7,213
Maintenance & Operations	96,712	99,164
Purchase of Goods & Services	9,668	12,405
Operating Grants & Transfers	-	-
Special Expenditure	-	-
Total Operating Costs	447,815	436,848
Capital Construction	381,321	273,223
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	381,321	273,223
Value Added Tax	47,800	48,372
Total Costs	876,936	758,443

Fisheries Management and Technical Services

Item	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	534,966	490,422
Government Wage Earners	41,478	44,969
Travel & Communications	11,230	9,327
Maintenance & Operations	35,179	30,861
Purchase of Goods & Services	5,126	4,172
Operating Grants & Transfers	-	-
Special Expenditure	463,524	341,103
Total Operating Costs	1,091,503	920,854
Capital Construction	-	-
Capital Purchase	-	-

Item	2009 (\$)	2008 (\$)
Capital Grants & Transfers	-	-
Total Capital Costs	-	-
Value Added Tax	47,835	48,067
Total Costs	1,139,338	968,921

Extension Fisheries Capture

Item	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	577,035	538,024
Government Wage Earners	62,092	66,731
Travel & Communications	29,254	28,168
Maintenance & Operations	181,546	177,050
Purchase of Goods & Services	401	685
Operating Grants & Transfers	-	-
Special Expenditure	-	-
Total Operating Costs	850,328	810,658
Capital Construction	435,891	347,294
Capital Purchase	-	-
Capital Grants & Transfers	-	-
Total Capital Costs	435,891	347,294
Value Added Tax	71,566	273,223
Total Costs	1,357,785	1,431,175

Extension Aquaculture

Item	2009 (\$)	2008 (\$)
EXPENDITURE		
Operating Costs		
Established Staff	301,183	268,409
Government Wage Earners	109,267	102,349
Travel & Communications	19,665	13,810
Maintenance & Operations	37,281	44,535
Purchase of Goods & Services	3,840	3,975
Total Operating Expenditure	471,236	433,078
Capital Construction	621,922	377,286
Total Capital Expenditure	621,922	377,286
Value Added Tax	132,773	62,796
Total Expenditure	1,225,931	873,160

Appendix 22.2: Compensation of Annual Leave Details

Officers Name	EDP# / FNP# #	Gross Amount Paid (\$)	Cheque No's / Date	Remarks
Nanise Babit	17497	6,101.60	155792 / 30/04/09	Colonial National Bank
Jainendra Sukhu	18968	13,606.45	155792 / 30/04/09	Colonial National Bank
Sera Maraiwai	16228	2,331.90	155792 / 30/04/09	Colonial National Bank
Virendra Karan	19378	195.53	155792 / 30/04/09	Colonial National Bank
Wiliam Magnus	13761	9,637.09	155792 / 30/04/09	Colonial National Bank
Hari Kesh Lal	18556	4,714.21	155792 / 30/04/09	Colonial National Bank
Samisoni Qiboni	19876	4,403.43	155792 / 30/04/09	Colonial National Bank
Taniela Racule	19393	10,385.31	155792 / 30/04/09	Colonial National Bank
Virendra Prasad	17516	5,794.87	155792 / 30/04/09	Colonial National Bank
Kini Namoumou	16039	10,669.95	155792 / 30/04/09	Colonial National Bank
Kalisito Biaukula	18599	36,845.00	155792 / 30/04/09	Colonial National Bank
Viliame Yabakivou	16977	7,210.12	155792 / 30/04/09	Colonial National Bank
Filimoni Vodonaivalu	19395	7,728.75	155792 / 30/04/09	Colonial National Bank
Ilaitia Naigani	18550	6,033.46	155792 / 30/04/09	Colonial National Bank
Esala Naerecoko	16038	6,507.10	155792 / 30/04/09	Colonial National Bank
Jai Chand	18566	3,491.37	155792 / 30/04/09	Colonial National Bank
Akisi Dau	17185	891.00	155792 / 30/04/09	Colonial National Bank
Ema Toganivalu	13682	2,931.30	155792 / 30/04/09	Colonial National Bank
Alumita Vakacereivalu	64101	15.56	155792 / 30/04/09	Colonial National Bank
Eremasi Donu	48512	2,864.20	155792 / 30/04/09	Colonial National Bank
Pumale Reddy	16533	9,060.70	155792 / 30/04/09	Colonial National Bank
Josefa Galodamu	58721	3,108.03	155792 / 30/04/09	Colonial National Bank
Jone Waqanidrola	60295	3,163.19	155792 / 30/04/09	Colonial National Bank
Bas Deo Lal	7511	13,804.43	155793 / 30/04/09	Westpac
Aremogan Pillai	61415	445.50	155793 / 30/04/09	Westpac
Rajeshwar Prasad	16982	8,331.61	155793 / 30/04/09	Westpac
Silivo Vueti	61453	451.09	155793 / 30/04/09	Westpac
Eroni Qama	18553	9,172.17	155793 / 30/04/09	Westpac
Raghuwaiya	16044	3,597.73	155793 / 30/04/09	Westpac
Adre Ravui	18955	5,279.20	155793 / 30/04/09	Westpac
Bram Deo	16037	14,693.84	155793 / 30/04/09	Westpac
Taniela Wacokecoko	49019	4,650.99	155793 / 30/04/09	Westpac
Bijay Kumar	19245	7,122.50	155793 / 30/04/09	Westpac
Tadeo Lewatiakana	60408	2,515.97	155793 / 30/04/09	Westpac
Subash Chand	17876	5,793.70	155793 / 30/04/09	Westpac
Makarita Akanisil	60215	974.49	155791 / 30/04/09	ANZ
Kava Kau'ata	16980	5,138.68	155791 / 30/04/09	ANZ
Asaeli Tuwara	16077	4,933.47	155791 / 30/04/09	ANZ
Isoa Rasousou	17528	5,074.45	155791 / 30/04/09	ANZ
Dewan Chand	16034	9,829.17	155791 / 30/04/09	ANZ
Ruci Senibulu	14343	3,207.61	155791 / 30/04/09	ANZ
Viliame Railala	61449	211.20	155791 / 30/04/09	ANZ
Aliki Turagakula	18564	4,369.64	156000/ 05/05/09	Leave compensation-Retired

Officers Name	EDP# / FNP# #	Gross Amount Paid (\$)	Cheque No's / Date	Remarks
Moti Lal Autar	16046	18,366.94	155999/ 05/05/09	Leave compensation-Retired
Joseph Tom Lee	14506	20,124.48	156164 / 08/05/09	Leave compensation-Reengaged
Fakmanoa Tigarea	49717	10,237.52	156165 / 08/05/09	Leave compensation-Retired
Ruci Senibulu	14343	3,207.61	156168 / 08/05/08	Leave compensation-Retired
Jai Chand	18566	3,212.06	156332 / 13/05/09	Leave compensation-Retired
Aminiasi Sivo	18957	7,978.24	156339 / 13/05/09	Leave compensation-Retired
Maika Tuigali	19878	4,900.52	156370 / 14/05/09	Leave compensation-Retired
Ruci Senibulu	14343	689.81	156365 / 14/05/09	Leave compensation-Retired 14 days bal
Jainend Kumar	63345	1,347.50	156406 / 15/05/09	Leave compensation-Resigned
Dewan Chand	16034	7,214.86	156664 / 21/05/09	Leave compensation-Retired
Kave Kau'ata	16980	4,125.41	156666 / 21/05/09	Leave compensation-Retired
Jainend Kumar	63345	344.96	156531 / 19/05/09	Leave compensation-Retired
Hiagi Foraete	18573	16,576.70	156667 / 21/05/09	Leave compensation-Retired
Fiuwaki Waqalala	16026	15,086.66	156663 / 21/05/09	Leave compensation-Retired
Shiu Chand	45005	20,671.50	157248 / 10/06/09	Leave compensation-Retired
Kaliti Mate	16240	19,500.57	156919 / 01/06/09	Leave compensation-Retired
Sakeasi Bai	63167	3,224.48	156987 / 02/06/09	Leave compensation-Retired
Epeli Dranikamate	18598	1,535.10	157049 / 04/06/09	Leave compensation-Retired
Asaeli Tubakibau	16075	14,465.92	157176 / 08/06/09	Leave compensation-Retired
Alma Drodrocagi	13771	2,606.24	157175 / 08/06/09	Leave compensation-Retired
Sivorosi Tora	13535	1,826.28	157174 / 08/06/09	Leave compensation-Retired
Isikeli Tuitubou	48956	3,598.85	157180 / 08/06/09	Leave compensation-Retired
Elina Tokaduadua	41879	2,781.67	158000 / 29/06/09	Leave compensation-Terminated
Richard Veit	90248	1,836.24	158187 / 02/07/09	Expatriate resigned
Asenaca Niumataiwalu	62801	1,199.19	158191 / 02/07/09	Leave compensation-Resigned
Seini Daugunu	18704	6,892.32	158233 / 03/07/09	Leave compensation-Retired
Unaisi Korologa	19415	3,977.00	159350 / 29/07/09	Leave compensation-Promoted
Ilaitia Ledua	49984	1,497.73	159451 / 30/07/09	Leave compensation-Promoted
Osea Rasea	60209	2,623.05	159582 / 31/07/09	Leave compensation-Promoted
John Pratap	62361	381.31	159768 / 06/08/09	Leave compensation-Resigned
Vamarasi Atalifo	64062	244.53	159769 / 06/08/09	Leave compensation-Resigned
Josua Musuvanua	63210	2,428.00	159819 / 07/08/09	Leave compensation-Retired
Saiasi Tubunaruara	49369	1,983.24	160062 / 14/08/09	Leave compensation-Promoted
Mereani Rokotuibau	61353	556.02	160103 / 14/08/09	Leave compensation-Resigned
Chinnappa Nagmuttu	16021	10,319.40	160636 / 26/08/09	Leave compensation-Retired
Ram Rati Narayan	19407	2,514.48	160591 / 25/08/09	Leave compensation-Retired
Josua Musuvanua	63210	2,002.97	161376 / 11/09/09	Overtime allowance and leave balance
Richard Beyer	90682	12,960.50	161515 / 15/09/09	Expatriate resigned
Ritnesh Kishore	90035	504.31	161681 / 18/09/09	Leave compensation-Resigned
Mesake Nacola	40753	9,547.75	161781 / 22/09/09	Leave compensation-Promoted
Sairusi Vunitabua	49182	370.91	163446 / 27/10/09	Leave compensation-Resigned
Kamlesh Lakhani	45618	7,036.47	163718 / 30/10/09	Leave compensation-Promoted
Tevita Nabura	49924	3,754.02	163721 / 30/10/09	Leave compensation-Promoted
John Cox	48482	8,184.96	163720 / 30/10/09	Leave compensation-Promoted
Epeli Dugucagi	49985	2,402.41	163822 / 02/11/09	Leave compensation-Promoted
Isikeli Raisuqe	19370	7,686.90	164531 / 12/11/09	Leave compensation-Promoted
Richard Beyer	90682	7,935.00	164933 / 18/11/09	Leave compensation-Resigned
Salesh Kumar	58413	2,160.00	165087 / 19/11/09	Leave compensation-Promoted
Toloi Vasuidreketi	60205	1,591.56	165520 / 26/11/09	Leave compensation-Promoted
Akuila Rauto	60681	1,788.67	166266 / 09/12/09	Leave compensation-Promoted
Vilomena Tunidau	19864	3,375.19	166725 / 17/12/09	Leave compensation-Terminated
Adriano Tabualevu	60208	2,989.20	166756 / 18/12/09	Leave compensation-Promoted
Eroni Qama	18553	9,172.17	157561 / 18/06/09	Leave compensation-Retired

Officers Name	EDP# / FNP# #	Gross Amount Paid (\$)	Cheque No's / Date	Remarks
Bram Deo	16037	14,693.84	157358 / 12/06/09	Leave compensation-Retired
William Magnus	13761	9,637.09	156530 / 19/05/09	Leave compensation-Retired
Hari Kesh Lal	18556	4,714.21		Leave compensation-Retired
Tomasi Tunabuna	47432	14,981.31	167027 / 22/12/09	Leave compensation-Promoted
Eduari Navukiboro	49990	2,019.29	167175 / 23/12/09	Leave compensation-Promoted
Surend Pratap	58545	3,603.62	167828 / 30/12/09	Leave compensation-Promoted
Total		620,476.3		

Appendix 22.3: Retention Fund Details

Capital Project	RIE No.	RIE Amount Approved (\$)	Retention (%)	Retention Amount (\$)
Rural and Outer Island Programme		1,726,014.13	3	51,780.42
Rural and Outer Island Programme		773,986.41	3	23,219.55
Import Substitution Programme		947,009.00	2	18,940.18
Import Substitution Programme		1,516,197.08	3	45,485.91
Export Promotion Programme		888,198.75	2	17,763.97
Export Promotion Programme		709,455.24	3	21,283.65
Land Drainage & Flood Protection		299,000.00	2	5,980.00
Land Drainage & Flood Protection		1,271,000.00	3	34,759.00
Land Drainage & Flood Protection		2,516,200.00	2	50,324.00
Goat Herd Improvement		50,000.00	3	1,500.00
Goat Herd Improvement		26,500.00	2	530.00
Agriculture Census		146,726.00	3	4,401.78
Agriculture Census		356,165.00	3	10,684.95
Agriculture Census		806,990.00	3	24,209.70
Irrigation Services		61,700.00	3	1,851.00
Irrigation Services		57,800.00	3	1,734.00
Irrigation Services		91,500.00	2	1,830.00
Watershed Management		5,000.00	2	100.00
Watershed Management		120,000.00	2	2,400.00
Watershed Management		360,000.00	3	10,800.00
Monitoring & Surveillance		44,184.00	2	883.68
Monitoring & Surveillance		43,278.00	2	865.56
Monitoring & Surveillance		34,218.00	2	684.36
Monitoring & Surveillance		28,230.00	2	566.40
Bilateral Quarantine		36,465.00	2	729.30
Bilateral Quarantine		49,855.00	2	997.10
Bilateral Quarantine		37,135.00	2	742.70
Bilateral Quarantine		26,545.00	2	530.90
Extension Agriculture		20,317.50	2	406.35
Farm Improvement		2,917,500.00	2	58,350.00
Farm Improvement		1,082,500.00	3	32,475.00
Agriculture Research		57,900.00	3	1,737.00
Agriculture Research		77,200.00	2	1,544.00
BTEC		134,849.99	3	4,045.50
BTEC		50,516.99	3	1,515.50
Vet Pathology		109,200.00	3	3,276.00
Vet Pathology		74,950.00	3	2,248.50
Livestock Feed		5,000.00	2	100.00
Livestock Feed		385,000.00	3	11,550.00

Capital Project	RIE No.	RIE Amount Approved (\$)	Retention (%)	Retention Amount (\$)
Livestock Feed		10,000.00	3	300.00
Sigatoka Valley Improvement Programme		60,325.00	2	1,206.50
Sigatoka Valley Improvement Programme		400,000.00	3	12,000.00
Total		18,414,611.09		466,332.46

