



ACCOUNTABILITY IN THE PUBLIC SECTOR
THROUGH QUALITY AUDIT SERVICES

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

Volume 3 Audit Report on Government Ministries and Departments - 2010



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Excellence in Public Sector Auditing

File: 102

31 October, 2011

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 2010
VOLUME 3**

In accordance with section 7(7) of the State Services Decree 2009, I am pleased to transmit to you my audit report on the Whole of Government Financial Statements and Annual Appropriation Statement for 2010. The report includes the following:

- Volume 1: Whole of Government Financial Statements and Annual Appropriation Statement for 2010.
- Volume 2 – 4: Audit Report on Government Ministries and Departments – 2010.

The report should be presented to Cabinet within 30 days of receipt as required under section 7 (8) of the States Service Decree 2009.

Tevita Bolanavanua
Auditor - General



FOREWORD

This report covers the results of our audit of the Whole of Government (WOG) Financial Statements and the Annual Appropriation Statement for 2010 and its 32 ministries and departments as provided in the 2010 Appropriation (Amendment) Decree.

The purposes of this report are to:

- report on the audit of the WOG Financial Statements as at 31 December 2010 covered under volume 1 of the report;
- report on the audit of financial statements of ministries and departments as at 31 December 2010 covered under volume 2-4 of the report;
- report on the results of, and matters arising from, our 2010 audits of ministries and departments also covered under volume 2-4; and
- raise other matters that we believe warrant consideration by Cabinet.

The WOG Financial Statements have been presented in accordance with the provisions of the Financial Management Act (2004). The Government uses the cash basis system of accounting, therefore the underlying format is cash based with direct reference to the Budget Estimates.

A qualified audit opinion was issued on the WOG Financial Statements as bank accounts held with the Ministry of Finance contained errors and omissions that could not be determined due to absence of bank reconciliations.

The preparation of the 2010 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 Financial Management Information System only the end-balances and not all the details are uploaded.

Section 70 (3) of the Finance Instructions states that the draft agency financial statements for ministries and departments 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. Of the 32 ministries and departments appropriated in the 2010 appropriation decree, 19 failed to submit their agency financial statements by 31/3/10 delaying the issue of their respective audit reports.

Out of the agency financial statements audited, 15 were issued unqualified audit opinions while 16 were qualified. The qualification issues include: trust fund account balances in the general ledger did not reconcile with bank balances; trust fund account statement of receipts and payments were not provided for audit; financial statements were not presented in accordance with the Finance Management Act 2004 and adequate records were not maintained to support Trading and Manufacturing Account balances.

The issues qualified above were the same as those highlighted in 2009 but at a lesser extent as some ministries and departments had shown some improvement. There however remains a lot of work to improve the requirements of all stakeholders.

The results and matters arising from our audits of ministries and departments are covered under volume 2-4 of the report. Some of the matters raised have been reported in past Reports of the Auditor General but very little improvement was noted or in some instances; no action was taken by respective ministries and departments.



Tevita Bolanavanua
Auditor General

31 October, 2011



EXECUTIVE SUMMARY

The WOG Financial Statements and the Annual Appropriation Statement of the Government of the Republic of the Fiji Islands for the year ended 31 December 2010 have 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 a qualified audit report as the Cash at Bank balance as at 31/12/10 totaling \$185.4 million contained errors and omissions amounting \$44.1 million. In addition, \$52.5 million could not be verified due to the absence of the bank reconciliation statements of various bank accounts as reported in the Schedule 1 - *Statement of Assets and Liabilities*.

The attention of the Ministry of Finance was also drawn to the following matters:

- Term deposits totaling to \$5.5 million have not been recorded in the *Schedule 1 - Statement of Assets and Liabilities* understating the cash at bank balances.
- Income Tax and Value Added Tax Refunds of \$183 million are expenditures of Government which have been off-setted against direct taxes in *Note 5* of the WOG Financial Statements resulting in the understatement of the total operating revenue by the same amount.
- Investments totaling \$6.5 million for Dormant Companies and Companies in Liquidation as disclosed in *Note 3* to the Financial Statements have not been assessed for write down and as a result overstated the investment balance.
- Lending Fund Account contained errors and omission of \$23.64 million in the *Consolidated Statement of Receipts and Payments* in schedule 2 of the WOG Financial Statements with respect to loans, loan recovery to/from government entities in 2010.
- Trust accounts with ministries and departments were overdrawn by \$9.1 million as reflected in *Note 4* to the WOG Financial Statements contrary to Finance Circulars 4 of 30/3/98.
- The interest payment in 2009 of \$19.9 million and the transfer of funds from Operating Fund of \$14.9 million in 2010; were not reflected in the Sinking Fund Account - *Note 4(i)* to the WOG Financial Statements.
- Balances in the following accounts could not be substantiated as no supporting documentations were provided:
 - Trading and Manufacturing Account (TMA) surplus and accumulated surplus of \$22.5 million;
 - Revolving Fund Account – Standard Liability Group (SLG) 85 and SLG 84 balances as at 31/12/2010 totaling \$1.7 million and \$9.66 million respectively;
 - Membership subscriptions for International Agencies for Guarantee of Overseas Loan of \$63.0 million; and
 - General ledger balances totaling \$9 million reflected as outstanding debt of Government.
- The failure of carrying out correct mappings of the RFA Balances of \$10.9 million in 2010 in accordance with the Appropriation Act has resulted in general ledger balances not being correctly reflected;

- Contrary to Note 1(a) to the Accounts, receipts totaling \$26.4 million for the Revolving Fund Account-TMA as reflected in Note 12 included credit sales of \$6.94 million.
- The correctness of operating revenue receipted through the Accounts Receivable Module of the Financial Management Information System, totaling \$25 million as reflected in Schedule 2 - *Consolidated Statement of Receipts and Payments* could not be substantiated and was not accounted in accordance with the cash basis of accounting as in Note 1 to the accounts.
- Balances in the following accounts were not reflected in the WOG Financial Statements:
 - TMA Balances made up of Accounts Receivable \$3.6million, Inventory \$6.3 million, Accounts Payable \$0.53 million, Deposits and Retention Money \$2.1 million, TMA Surplus \$1.5 million and TMA Accumulated Surplus \$24.0 million.
- A prior year adjustments of \$9,568,863 made in the Consolidated Fund Statement of Receipts and Payments in 2010 could not be substantiated.

The following is a summary of the audit observations.

2010 WOG Financial Statements

Cash at Bank

The Cash at Bank balance of \$185.4 million as at 31/12/10 contained errors and omissions amounting \$44.1 million and \$52.5 million could not be determined due to the absence of the bank reconciliation statements.

Unpresented cheques decreased significantly from \$97.9 million in 2009 to \$48.8 million in 2010. A \$15.3 million was shown as debit balance under drawings in the statement of cash and bank balances.

Cash balances in ministries and departments' trust had increased significantly from \$23 million in 2009 to \$31.2 million in 2010. Certain trust accounts amounting to \$2.3 million were overdrawn.

Investment

Government's investments held in 30 companies in 2010 amounted to \$438.9 million, a decrease of \$3.1 million or 0.7% compared to 2009.

Only 6 entities remitted dividends totalling \$9.2 million to Government in 2010 compared to \$20.8 million in 2009. Six entities with total Government investments of \$6.48 million were in-operative.

Term deposit amounting to \$3 million with Colonial National Bank/Bank of South Pacific (CNB/BSP) and \$2.5 million with Westpac were not reflected in the Whole of the Government Financial Statements for 2010.

Trust Fund

An amount of \$2.7 million in respect of trust monies were not appropriately supported by cash.

17 ministries and departments had overdrawn their trust fund accounts totalling \$9.1 million as at 31/12/10.

Recurring audit issues highlighted during 2009 audits were not resolved by the Ministry in 2010.

Revenue

The correctness of operating revenue receipted through the Accounts Receivable module, totaling \$25 million, reflected in the Government of the Fiji Islands Consolidated Statement of Receipts and Payments could not be substantiated.

Controls were not strengthened allowing users to do incorrect postings to VAT revenue codes.

The Ministry failed to provide budgetary provisions for various revenue of which \$150.4 million collected during 2010 had no budgetary provision while budgetary provisions of \$42 million for various revenue accounts did not record any actual revenue during 2010.

Trading & Manufacturing accounts profit of \$4.2 million was not transferred to consolidated fund account as at 31/12/10.

Expenditure

Government spending totaling \$1,900,081,658 in 2010 declined by \$11.3 million compared to 2009.

Operating expenditure increased by \$522.39 million from 2001 to 2010 with an average increment of \$58 million or 5%. Operating expenditures compared to 2009 recorded a decline of \$13.12 million or 1% in 2010.

There was an overall budget saving of \$93.9 million in 2010 compared to \$133.5 million of budget savings in 2009. Total revised budget in 2010 decreased by \$50.9m from \$2,044.9 million in 2009 to \$1,994 million in 2010.

The surplus recorded in 2010 was due to the savings made from the following standard expenditure group allocations: travel & communications recorded savings of \$1,871,456 (2%), maintenance and operations \$592,886 (1%), special expenditures \$6,544,441 (7%), capital construction \$15,255,403 (16%), capital purchase \$7,240,299 (8%), capital grants and transfers \$17,494,833 (19%), pensions and gratuities \$4,489,648 (5%), and finances charges on public debt \$52,637,341 (56%) and VAT of \$776,211 (1.6%).

Borrowing

In 2010, Government borrowings totalled \$3.4 billion of which \$2.8 billion or 82% was through domestic bonds, \$75 million or 2% treasury bills and \$548.5 million or 16% in overseas loans.

Government borrowings have increased by 8% compared to the year 2009, where it had surpassed three billion dollars. This was due to the increase in the issue of local bonds in 2009 as well as the treasury bills and the loans received from overseas creditors.

The Government's financing needs were largely met from domestic borrowings. Government cash borrowings in 2010 totalled \$537.94 million of which \$452.74 million or 84% was through domestic bonds, \$74.97 million or 14% treasury bills and \$10.23 million or 2% being overseas loans.

The total domestic loans as at 31/12/10 amounted to \$2,759,292,150 and this accounted for 82% of the total Government borrowings.

The overseas borrowing of Government as at 31 December 2010 totalled \$548,461,798 which represents 16% of total borrowings. Majority of the overseas loans obtained were to finance capital projects.

In 2010, the flexibility measure was 58% indicating that the total debt repayment was equivalent to 58% of the revenue received by the Government during the year. Hence, only 42% of revenues collected were available for government programs, a decline by 20 percentage point with the year.

In 2010 the Domestic Loans as a percentage of GDP increased to 45%, an increase by 2 percentage point and constitute the highest debt recorded to GDP over the 10 year period.

Lending

Loans made by Government and outstanding as at 31/12/10 totalled \$73.8 million, a decrease of \$22.8 million or 24% compared to 2009. Repayments received in 2010 totalled \$27.7 million whilst additional loans granted and interest capitalised in 2010 was \$4.9 million.

There was no documented procedure manual in place to dictate the processes in the Lending Fund Account.

The loan of \$35.5 million to Fiji Sugar Corporation Limited was not reflected in the Lending Fund Account during 2010.

Loan recoveries collected in 2010 totalling \$27,538,918 were recorded as revenue in the general ledger (FMIS) after being credited to the Lending Fund Account.

Parliamentary resolutions between 2001 and 2004 and Cabinet Decisions in 2008 approved the conversion of loans to grant owed by the Fiji Sugar Corporation and the Rabi Council of Leaders. These conversions have not been executed to date.

Private Students loan inactive for a considerable number of years but activities were still noted in this account with a credit balance of \$3.7 million as at 31/12/10.

Lending Fund Account Appendix revealed that numerous accounts have been inactive and there was uncertainty for recovery.

Revolving Fund Account

RFA – Miscellaneous has large outstanding balances for various ministries and departments amounting to \$60.8 million, a decrease by 9% compared to 2009 which amounted to \$66.9 million.

Of the \$26.4 million in TMA (suspense) receipts, \$6.94 million (26%) related to TMA credit sales, as in the general ledger account description (natural account 2402000).

The recovery of advances and dishonoured cheques over the 5 year appeared to have slowed down compared to year 2009. There was only a 3% movement in the balance for unclaimed monies.

The audit could not substantiate TMA surplus and TMA accumulated surplus balance totalling to \$22.5 million appearing in the General Ledger.

There were 26 TMA out of which 7 were operating above their appropriated ceiling.

The Standard Liability Group (SLG) 85 despite being a liability had a debit balance of \$1.8 million while SLG 84 had a balance of \$9.7 million, an increase of \$8.5 million or 701% compared to 2009. In addition, there was no policy/procedure manual for SLG 84 and 85.

TMA (suspense) of \$26.4 million in receipts included credit sales of \$6.9 million despite reporting being done on cash-basis of accounting. As such, the statement of receipts and payments in schedule 2 of the WOG Financial Statements was overstated by \$5.4 million.

The TMA Fund Account (Fund 4) for the accounting of TMA balances revealed that debits totalled \$24,143,138 and credits totalled \$24,119,986, as such Fund 4 of TMA had a debit balance at end of year of \$23,152 which could not be explained by the Ministry.

Contingent Liabilities

The total contingent liabilities as at 31/12/10 amounted to \$1.8 billion of which domestic loans accounted for \$1.7 billion or 96.5% while overseas loans accounted for \$63.1 million or 3.5%.

Total liability for membership subscriptions with the international agencies amounted to \$63.1 million as at 31/12/10. Records prepared by Ministry of Finance for the total subscriptions outstanding in 2010 were lacking.

2010 Accounts of Ministries and Departments

Office of the President

The Underline Accounts reconciliations were not prepared; hence variances were noted between the Office records and the General Ledger (FMIS).

Office of the Prime Minister

The Poverty Monitoring Unit was provided a sum of \$300,000 in the 2010 budget to facilitate the Integrated National Poverty Eradication (INPEP) Programme to be undertaken in the first quarter of the year. However, funds totaling \$28,772.37 were used for purposes which did not relate to the INPEP Programme.

Prime Minister's Office provided grants known as Government Seed Donation to FENC Fiji since 2009. However no grant agreement was drawn up with FENC Fiji. In addition, there was no evidence to suggest that the utilisation of grants provided in 2009 and 2010 to FENC Fiji was monitored to determine whether it achieved expected outcomes.

In 2010 the Prime Minister's (PM's) Office engaged Ajiliti Pty Ltd to implement Performance Management System (PMS) for the Government of Fiji. The following irregularities were noted the firm's engagement:

- Tender Board and PSC approvals were not obtained by the PM's Office for appointing the consultant and no contract agreement was drawn up.
- No cost-benefit and needs analysis was carried out before installation of Performance Management System software.

Public Service Commission

Contrary to PSC Circular 13/2009 of 13/03/09, PSC continued to pay overtime and honorarium allowance to its staffs in the accounts section during the closing of accounts in December 2010.

Cuba Scholarship

- Despite the student disclosing her previous outstanding student loan in the scholarship form, she was awarded the scholarship
- The bond forms filled and signed by students were incomplete.

Students on overseas scholarships were incorrectly paid book allowances which resulted in overpayment of allowances.

Numerous discrepancies such as incomplete bond forms, form not endorse by Permanent Secretary, work experience not met and unauthorized study programme were noted in the awarding of overseas scholarship for 2010.

Revenue collected by the Commission was not posted to FMIS general ledger in a timely manner; hence the Commission was unable to provide the amount owed for each year and under which scheme or institute as the breakdowns for the total amount outstanding were not maintained.

Office of the Attorney General and the Solicitor General

The Operating Trust Fund Account as at 31/12/10 had a balance of \$396,438. Significant portion or \$310,753 of this amount was brought forward from previous years and has remained uncleared.

Censorship fees collected were not sufficient and could not cover the total expenses incurred for censoring a film.

Ministry of Finance

\$12.9 million was utilized from the Head 50 – Miscellaneous expenditure to cover shortfall in payroll expenditure for certain ministries and departments. The Ministry credited payroll expenditure and debited Head 50-Miscellaneous resulting in the understatement of the actual payroll expenditures for these ministries and departments.

A total of \$1.8 million was incurred for the Minister's salaries from Head 50 - Miscellaneous expenditure on the strength of invoices of the private accounting firm.

Fiji Procurement Office (FPO)

The Department did not take any action and provided no explanation for the outstanding RFA balances of \$7.7 million.

Net loss of \$4.6 million was recorded for 2010 compared to net loss of \$244,772 in 2009.

TMA cash at bank balance held in excess of the appropriated ceiling of \$2.04 million was not remitted to Ministry of Finance.

Government Printing and Stationery Department (GPSD)

Revenue recorded for the year in the department's general ledger was overstated as the department is using the AR module when invoicing and receipting revenue.

A net loss of \$1.1 million was recorded in 2010 compared to a net profit of \$2.1 million in 2009.

TMA cash at bank balance held in excess of the appropriated ceiling of \$859,727 was not remitted to Ministry of Finance.

No reconciliation was prepared for domestic bank balance for the department, Standard Asset Group 52 despite the accumulation of the balances over the years.

Bookshop items were sold at half price without any written approval from the Ministry of Finance.

Information Technology and Computing Services

Revenue recorded for the year in the department's general ledger was overstated as the department is using the AR module when invoicing and receipting revenue.

Ministry of Strategic Planning, National Development and Statistics

National Planning Office

Payment procedures and regulations were not followed and controls were overridden for numerous acquisitions made at the end of the year resulted in the over expenditure for SEG 5 – Purchase of Goods and Services.

In December 2010, the Office spent \$638,933 of which a total of \$326,416 or 51% of the total spent was incurred between 27th and 31st December 2010.

A Statement of Losses was not submitted for audit.

Integrated Human Resources Development Programme (IHRDP) projects implemented from 2008 have failed to sustain their operations and continued to rely on funding from the Ministry.

Fiji Bureau of Statistics

Leave records have not been properly administered resulting in excessive leave for some officers.

The Department was not following up with staff for the clearance of the outstanding accountable advances.

Ministry of iTaukei Affairs

Eleven Operating Trust Fund Accounts of the Ministry were overdrawn as at 31/12/2011.

Excessive annual leaves due to staffs and long service leave records were not provided for audit

The Ministry has not published its Annual Reports for the past 20 years

The last audited accounts for Fijian Affairs Board were for the year 1996. The accounts for 1997 to 2000 were yet to be finalized. All Provincial Council's accounts were also not up to date and most accounts have not been submitted for audit since 2000 or 2001.

A sum of \$1,069,713 (VAT) was still outstanding to FIRCA with the final assessment yet to be made.

The Ministry did not prepare and sign grant agreements with agencies which were provided grants.

The Ministry did not monitor or review grants provided to iTaukei Affairs Board for Implementation of Fijian Administration Reform (\$4,650,200) and NLTB Committee on Better Utilization of Land (\$5,998,155.84).

Ministry did not maintain any information on students who had completed their studies to ensure that they are employed in Fiji for the number of years as required under the scholarship agreement.

Department of Defence

The Department was unable to provide any details on account allocation 1-06200-00000-910000 - *Accumulated surplus/deficits* which had a credit balance of \$293,060.83 as at 31/12/10.

Department of Immigration

Some discharged and suspended Officers continued to receive salaries after the effective dates of their discharge.

Excessive annual leaves due to staffs and long service leave records not provided for audit.

The IBMS Software was not acquired due to delay in the Evaluation Process.

Ministry of Labour, Industrial Relations and Employment

21 Operating Trust Fund Accounts of the Ministry were overdrawn as at 31/12/2011.

3 Main Trust Fund Accounts of the Ministry were also overdrawn on 31/12/2011. In addition a variance of \$29,624.08 was noted in the Main Trust Fund account balance between the Ministry's record and general ledger (FMIS) balance.

Ministry of Foreign Affairs

Fiji Mission – New Zealand

In the general repair and maintenances work at the Fiji Embassy properties in Wellington the following anomalies were noted.

- The Ministry failed to submit the projects monthly and quarterly progress Reports to the PWTB.
- The Ministry failed to provide a completion report with a completion certificate to the PWTB after the completion of the Project.
- The Ministry failed to submit a copy of the signed Contract Agreement between Freear Philip Limited and Fiji High Commission to the Secretary to the PWTB.
- Several variations totalling \$17,923.76 were approved and paid by the Mission without prior approval of PWTB. This resulted in the total contract price to be exceeded by NZ\$16,512.67.

Fiji Mission – India

The Mission instead of serving three months prior notice in writing gave only seven days notice on 07/04/10 of its intention not to renew the lease. The Mission failed to comply with the lease agreement. As a result, the Mission paid three months rent totaling \$61,235.01 to the landlord as a penalty for giving short notice.

Fiji Mission – United Kingdom

Significant disparity existed in the post allowances paid to the Head of Mission and Officers serving at the Fiji Mission in London when compared to other Fiji Missions overseas and taking into account London's ranking in Mercer's Cost of Living Ranking 2010 Report.

The Mission properties were in an appalling condition and not suitable for entertaining guests as required in the diplomatic world. At the date of audit¹, very little has been done in term of repairs to the Mission properties

There was no evidence of any valuation being undertaken on the chancellery after 2004 to determine the correct rebuilding cost and it appears that the property may be under insured.

Fiji Mission – Sydney

The Consular has been charging different rates for the same revenue allocation.

Stale cheques have been carried forward for over a year without being regularised

Consulate General's business plans was not synchronised with the Annual Corporate Plan for the Ministry with outputs, targets and KPIs not being aligned. Business plan did not have realistic measurable targets such as the proposed and converted foreign trade and investments dollars per business sector (tourism, agriculture, fisheries, forests, mining, garment etc.).

¹ 14 June 2011

Fiji Mission – Canberra

Mission failed to make prompt payment of their bills. As a result, disconnection of meters, late payment penalty and using the following year budget to settle the current year dues were recurring activities

Fiji Mission – Beijing

An Officer who did not meet the Minimum Qualification Requirement (MQR) of a Third Secretary was appointed to the position. The new approved establishment of the Mission (approved in 2009 through 2009 Staff Establishment Register) did not have the position of a Third Secretary

Department of Civil Aviation

The Department failed to carry out an annual board of survey of its assets for the year 2010. The last board of survey done was undertaken in 2006.

Elections Office

Office's Operating Trust Fund Accounts was overdrawn and had a debit balance of \$519,156.06 as at 31/12/10.

The Board of Survey for 2010 was not carried out. Without a Board of Survey report, the Statement of Losses (other than money) cannot be substantiated.

The Office did not obtain approval from PSC for engaging consultants in 2009. In addition, the consultancy reports were not made available for audit hence the work carried out by the Consultants and the payments made could not be substantiated.

Judiciary

Arrears of revenue totaling \$10,970,177) was outstanding as at 31/12/10.

Some Main Trust Fund accounts and Operating Trust Fund Accounts were overdrawn as at 31/12/10.

Irregularities were noted in the maintenance and storage of Court exhibits at Nausori Magistrate Court.

Legislature Department

Government employee (EDP: 42526) was paid from the Department's vote despite not being an employee of the Department.

10 Operating Trust Fund accounts had overdrawn balances totaling \$110,663.63 as at 31/12/10.

Department failed to prepare VAT reconciliation for the year ended 31 December 2010.

Office of Accountability and Transparency

The Office failed to conduct a Board of survey for 2010. Without a board of survey report, the Statement of Losses (other than money) could not be substantiated.

The Office had two RFA accounts (comprising of accountable advances) with a total balance of \$15,283.61 which has been carried forward from 2004 and 2005. No further detail was provided to audit relating to these balances.

Office of the Director of Public Prosecutions

The Office had annual leave liability of approximately \$107,988.64. Records for long service leave due to staffs were not provided for audit by the Office.

Officers were paid excessive leave compensation upon their termination or resignation.

Officers were overpaid salary upon their resignation or termination.

The Office failed to issue local purchase orders (LPO) for procurements in 2010.

Officers attended overseas training in 2010 but failed to submit training reports to Public Service Commission.

Anomalies were noted for payment of witness allowance.

Department of Justice

A significant portion of RFA balance (\$220,847) had been carried forward from previous years which were yet to be cleared.

Full acting allowance was paid contrary to the Public Service Commission approval which clearly state that only 2/3rd of the total acting allowance should be paid to the Officer acting as Administrator General.

Anomalies noted in the appointment of the Commissioner of Stamp Duties.

Prisons and Corrections Department

The Department of Prison failed to submit Arrears of Revenue Quarterly Reports for the year 2010.

The Department failed to provide any detail about the account allocation 1-15200-00000-910101 - Accumulated surplus/deficits which had a debit balance of \$582,858.41 as at 31/12/10.

Some officers continued to receive salaries after the effective dates of discharge due to delays in notifying Ministry of Finance to cease salaries.

A number of Officers were paid lodging allowances even though they were occupying quarters during the year 2010.

Several vehicles belonging to the Prison's Department were involved in accidents in 2009. Investigation revealed that all accident resulted due to the driver's fault; however none of the Officers was surcharged by the Department.

Ministry of Information, National Archives and Library Services

The Ministry was not able to provide any details about the account allocation 1-16000-00000-910000 - Accumulated surplus/deficits which had a debit balance of \$251,648.64 as at 31/12/10.

Ministry of Provincial Development and Disaster Management

Some officers who retired, resigned, or were terminated from the Ministry continued to be remunerated resulting in overpayments of salaries.

1/3 cash contribution from the community was recorded as revenue by the Ministry.

6 out of 31 Main Trust Fund Accounts of the Ministry were overdrawn, resulting in the overall debit balance of \$230,852.98 as at 31/12/10.

Community contributions were not cleared from the Trust Fund Account at the completion of the projects.

The Ministry did not have Standard Operating Procedure for the release of building grants to the non government schools.

Procedures established by the Ministry for effective administration of capital projects were not always adhered to

Divisional offices only submitted one acquittal reports together with project progress report for each project to the Ministry. No further acquittal reports or project progress reports were submitted for continuing projects.

Department of Multi Ethnic Affairs

The Nausori Cultural Centre did not provide any financial records for 2010 for audit despite several requests. Grant of \$20,000 is given annually.

The Suva Cultural Centre was not handed over to the Department despite it ceased operation. All records, office furniture and equipments were still maintained at Suva Cultural Centre Office which has continued to incur monthly rentals expenses.

Anomalies were noted in the upgrading of 4.2km Tuvarara Road.

Students were paid top up allowance at the end of the year in addition to allowances paid under the scholarship awards.

Some students who are on scholarship voluntarily discontinue studying without informing the Department. The Department was unable to recover the scholarship expenses neither from these students nor from their guarantors.

The Department failed to keep proper records of the students who have completed their studies, their current status of employment and the whereabouts of these students.

Fiji Military Forces

The Force had certain Operating Trust Fund accounts overdrawn amounting to \$5,669,267.79 as at 31/12/2010.

37 discharged officers continued to be paid after the effective date of their discharge.

Some officers were also paid lodging allowance while occupying quarters.

Certain officers were occupying government quarters but were not charged rent by the Force.

Despite directive given by the Commander that Omega Computers must not be allowed to service any official RFMF computers, the Force continued to acquire the services of the Omega Computer for maintenance of computers.

Construction of the accommodation buildings at Blackrock in Nadi was delayed.

The Force paid a total of \$89,716.25 to RC Manubhai and Standard Concrete Industries for the purchase of building materials for the Blackrock project in Nadi of which materials were yet to be delivered to the site.

Payments for goods and services purchased for RFMF projects in Labasa were made in cash by the Force Clerk and not paid directly to the suppliers through cheques.

The Force Engineers failed to prepare the monthly bank reconciliation for the separate bank accounts maintained for capital projects.

No inspection report prepared by the Grants Officer or Officer in Charge of the project.

Fiji Police Forces

The Force's Drawing account reconciliation as at 31/12/10 had a closing balance of \$667,008.25 while general ledger (FMIS) balance was \$10,014,288.36, resulting in a variance of \$9,347,280.11.

The Operating Trust Fund Accounts (1-20101-20101-899988 – Miscellaneous Fund) of the Force was overdrawn (debit balances) as at 31/12/10 by \$111,276.50.

The Force was not able to provide any details about the account allocation 9-200000-00000-910000 - Accumulated surplus/deficits which had a credit balance of \$12,002,703.22 as at 31/12/10.

Some officers continued to receive salaries after the effective dates of their resignations, dismissals or directives to stop payment of salaries due to delays in ceasing the payment of salaries.

Proper procedures were not followed for recruiting 64 special constables in 2010.

Proper procedures and guidelines governing the procurement of goods and services were not followed when procurements were made.

Local Purchase Orders were not issued.

Funds were used for purposes other than it was approved for.

Some payment vouchers were missing whilst some payments were made on the strength of a photocopied or proforma invoices.

Payments for meals were made without adequate details such as number of suspects, suspects name, report numbers and cost of each meal.

Police officers were accommodated in hotels on transfer for up to two weeks in some cases resulting in extravagant hotel bills for the Force.

Ministry of Primary Industries

Recovery of arrears of revenue for the Department of Agriculture has been unsatisfactory. Total arrears of revenue for the Department as at 31/12/10 were \$3,995,811.

The operations and maintenance of records for Trading and Manufacturing Accounts (TMA) need to be improved. Accounting records were inadequate and could not substantiate the balances reported in the TMA.

The reliability of information provided through the reconciliation of accounts is doubtful as there were variances noted between the various reconciliations prepared by the Ministry and the balances reflected in the General Ledger (FMIS).

Management of overtime should be improved as there were inadequate internal controls to closely monitor overtime costs to minimize overtime resulting from inefficiencies.

To avoid or minimize the risk of mismanagement of public funds, compliance with Government's procurement and payment procedures should be improved. Goods and services were paid on pro-forma invoices and in some cases goods were paid before they were supplied. Evidence such as delivery dockets to substantiate delivery of farming materials/equipment to farmers has been misplaced.

Monitoring the utilization of grants has not been effectively carried out. A number of statutory authorities and other agencies that receive grants from the Ministry did not submit acquittals.

Ministry of Lands and Mineral Resources

The re-engagement of retired officers were done without due regard to instructions and policies issued by the Public Service Commission.

Management of overtime should be improved. Continuous overtime for routine tasks, appeared to be prevalent indicated that officers were unproductive during official working hours.

There were considerable delays in processing applications for tenement and petroleum licenses. Some applications have been outstanding for years.

Ministry of Industry and Trade

Tenders were not called for the restructure of the Rewa Co-operative Dairy Company Limited casting doubt on the transparency of the process in awarding the consultancy contract to Aliz Pacific. In 2010, Government paid \$562,500 to Aliz Pacific in consultancy fees, with additional fees paid in 2011.

The Principal Accounts Officer did not reimburse the Ministry unutilized funds of more than \$30,000 from funds that were advanced to her for the World Expo in Shanghai, China. Acquittal and supporting documents for funds utilized totaling \$29,328 could not be relied upon to validate the claims of expenses incurred. In addition, the same officer did not reimburse per diem allowance of \$3,980 paid to her when she did not attend the closing ceremony of the Expo in Shanghai.

The Ministry has not complied with the Fiji Diplomatic and Consular Services Regulations – 2005.

Ministry of Public Enterprises, Tourism and Communications

The number of staff responsible for the accounting functions of a Ministry, which currently comprises four Departments, was insufficient. In 2010, the Accounts Section was manned by only three officers consisting of an Assistant Accounts Officer and two Clerical Officers.

The Ministry's roles in monitoring the utilisation of government grants have not been effectively carried out. With limited resources available at the Accounts Section, acquittals submitted by grant recipients were not properly verified before subsequent quarterly grants were paid.

Ministry of Works and Transport

The operations of the TMA should be improved. Most TMA have continuously operated at substantial losses. Accounting records were inadequate to provide sufficient appropriate audit evidence to substantiate the balances reported in the financial statements of the TMA.

The reliability of information provided through the reconciliation of accounts was doubtful as there were variances noted between the various reconciliations prepared by the Ministry and the balances reflected in the General Ledger (FMIS).

Circumventions of procurement and payment procedures were prevalent as in previous years, increasing the risk of fraud and mismanagement of public funds.

Record keeping should be improved across the Ministry including Divisional Engineers and Depots. Misplacing of accounting records was a common occurrence. Over \$1.1 million of purchases and payments by the Divisional Engineer Central Eastern could not be substantiated as records have been misplaced.

The inadequate and poor maintenance of stores records, including fixed assets was widespread. In many instances, goods/inventories received and issued out by the stores were not recorded.

Monitoring for compliance of contracts with suppliers of goods and services to the Ministry before payments are effected should be improved.

Ministry of Education

The Ministry overspent its budgetary allocation for the year ended 31/12/10 by \$14,070,990.64.

The Ministry had shortfall in SEG 1 and SEG 2 to pay salaries for pay 25 and pay 26 of 2010 due to payments made for bus fares to school students. The Ministry made a request to the Ministry of Finance for additional funds. Instead of redeploying the funds into the Ministry's Budget allocation, Ministry of Finance passed a negative journal entry (credit entry) of \$8,198,467.74 in the expenditure allocation for SEG 1 and SEG2.

A total of \$46,620.85 was noted by audit as overpayment of salaries by the Ministry. The overpayments comprised of double payment of acting allowances, payment of maternity leave on fourth confinements and overpayment due to rescindment of promotion and late arrivals.

Some of the Officers who resigned continued to be paid for a few pay periods by the Ministry. This amounted to \$55,168.

Some of the staffs had outstanding PSC loan amounting to \$13,318 and had resigned from the service.

A total of \$12,300,695 was vired by the Ministry from its operating and capital budget to fund the unbudgeted bus fare scheme.

The Ministry made payments in excess of \$30,000 without Ministry of Finance approval which totaled \$1,272,378.

Several instances were noted where the Tuition Fee Grants provided to schools was used to meet other expenses and not for the purpose it was provided for.

Aryan's Home Solution

Conflict of Interest - Mr. Elvin Arvindra Prasad (TPF 67790), a Technical Teacher at the Lomary Secondary School was the husband of one of the Directors, Mrs. Shirley Prasad, of Aryan's Home Solution. The company was engaged for renovation and construction works to Lomary Secondary School at a cost of \$35,000.

The Company in its certificate of registration stated its place of business as Pacific Harbour but was operating its business from the Lomary Secondary School quarters.

Tender documents relating to the awarding of the contract to Aryan's Home Solution by the Ministry to construct a staff room at Lomary Secondary School and 4 class rooms with toilet and washroom at Nuku Secondary School for contract sum of \$35,000 and \$196,000 respectively were not made available for audit.

Ministry of Health

The Ministry did not submit its draft agency financial statements to the Auditor-General for audit by 31 March 2011. The Ministry submitted its accounts on 01/04/11 which contained numerous errors and was returned to them for corrections. The final copy of the draft financial statements was received on 02/05/11.

The Ministry of Health included TMA Accumulated Surplus of \$744,810 and TMA Surplus Capital Retained of \$42,510 in the Balance Sheet as at 31/12/10. The Ministry did not provide any detail of these amounts.

The figures for the TMA 2009 audited accounts were obtained from Epicor system where as the figures for TMA 2010 accounts were obtained from FMIS. Consequently the brought forward account balances stated in the balance sheet for 2010 were not the same as closing balances for 2009.

The TMA Profit and Loss account had a net profit from the TMA operation of \$7,984 for the year ending 31/12/10. The net profit was not transferred to the balance sheet. If the amount was transferred to Balance Sheet there would be a variance of \$7,894 between net assets and total equity.

A variance of \$21,108.83 existed between the TMA sales revenue in the FMIS (general ledger) and the Epicor System.

The Ministry employed maintenance workers on a casual basis throughout the year. Some of these casual workers were paid overtime in excess of their total gross annual wages.

The Ministry overpaid salaries totalling \$162,601.99 as at 31/12/10. Out of this total of \$93,519 or 58% was salary overpaid upon resignation.

A sum of \$1,986,105 was vired from the Ministry's drug allocation to Global Fund in May 2010 to assist the setting up and operation of Global Fund. The funds vired to Global Fund was not reimbursed to the Ministry.

The Ministry of Health paid \$235,762.38 to Shantilal Brothers Fiji Limited for the procurement of uniforms, mosquito nets, bed linings and curtains for Fiji School of Nursing (FSN) during 2010 even though it had been transferred to FNU.

The Ministry paid total of \$1,450,686.09 from 2008 to 2010 for litigations claims due to negligence by medical professionals.

Total of \$3,455,432 worth of drugs were expired as at 30/6/2011 at FPS. In addition, 149 different types of drugs/consumables were out of stock at FPS as at 15/12/10. Out of this 77 types of drugs/consumables were ordered in November 2010 but not received as at 15/12/10. The other 72 types of drugs/consumables were not ordered since September 2010.

FPS overspent its overall budget allocation by \$6,054,023.14 or 30% for the year 2010.

Local Government, Urban Development, Housing and Environment

The Ministry did not submit its draft financial statement to the Auditor-General for audit by 31 March 2011. The account was submitted on 18/04/11 which contained numerous errors and was returned for correction. The Ministry resubmitted the final draft copy on 27/04/11.

The Department of Environment maintains a trust fund account at Westpac Banking Corporation. As at 31/12/10, the trust balance at the bank was \$1,220,948 however the FMIS record showed a balance of \$644,907 resulting in a variance of \$576,041.

Women, Social Welfare and Poverty Alleviation

The draft financial statement was submitted by the Ministry on 30/03/11 and it contained numerous errors. The financial statement was returned to the Ministry for corrections. The final draft copy was received on 14/04/2011.

The Ministry received sewing machines in donation from All China Women's Federation of China which arrived at the Suva wharf on 01/02/10. However, the machines were not cleared from the wharf until 07/04/10. As a result, Fiji Ports Corporation Limited (FPCL) charged the Ministry a demurrage fee of \$13,891.50 being the storage and handling cost for the 65 days.

Family Assistance Scheme (FAS) records showed that some recipients of family assistance had same reference numbers despite having different names and bank account numbers.

Review of family assistance recipients was not conducted regularly and this could result in the Ministry not knowing whether:

- The recipient was still alive or has passed away.
- The recipient's children could have grown up and found employment.
- Single mothers might have re-married and could financially support themselves.
- The husband of the recipient might have been released from the prison and thus would be in a position to support the family.

Youth and Sports

The Ministry did not submit its draft financial statement to the Auditor-General for audit on 31 March 2011. Instead it was submitted on 12/04/2011.

The Department failed to obtain competitive quotes from other hotels within Suva area to hold its annual staff workshop.

The Department from its budgetary allocation financed 50% of the staff corporate uniform costs. This was an unbudgeted expenditure amounting to \$2,777.75.

The Department through its National Youth Service Scheme (NYSS) provided financial assistance to 556 youths amounting to \$209,518 as at 31/12/09. Of this \$209,518, the Department was to recover 50% (or \$104,759) of the grant within the stipulated timeframe as per the respective recipient's memorandum of understanding. The Department only managed to recover \$10,776 as at 24/05/11.

Under the Emperor Gold Mine (EGM) Redundant Workers Rehabilitation Programme, a total of 222 redundant miners were provided financial assistance amounting to \$428,905. The Department was to recover 50% (or \$214,452.50) from the total financial assistance provided to the miners. The Department has only managed to recover \$23,640 as at 25/4/11.

The Department through its Small Micro Enterprise scheme provided financial assistance to 107 recipients in 2006 and 83 recipients in 2007. However, no site visits were carried out by the Department in 2010 to monitor the progress of this project.

Ministry of Public Utilities & Energy

The Ministry did not submit its draft financial statement to the Auditor-General for audit by 31 March 2011. The draft financial statement was submitted on 16/05/11 after numerous follow up.

The Department of Public Utilities incurred over expenditure amounted to \$3,403,695 for the year ended 31/12/10.

The Department of Public Utilities staffs failed to clear their advances totaling \$26,245.

The Department of Public Utilities purchased 3 electrical scooters amounting to \$6,413 from Westside Motorbike Rentals for Department staffs. The scooters have not been received by the Department as at the date of audit.²

The Department of Energy incurred over expenditure totalling \$33,649 for the year ended 31/12/10.

The Department failed to submit its trust account statement of receipts and payments contrary to section 71(1) (g) of the 2010 Finance Instructions. The Department's main trust account was also overdrawn by \$506,290.

A sum of \$334,850 was paid to contractor for supply and installation of two biodiesel processing plants in Lau and Rotuma but no work was carried out by the contractor.

The Department of Energy on 20/10/09 entered into a Contract Agreement with Powerlite Generators Fiji Limited for the maintenance works on 1,039 solar home systems in Bua, Cakaudrove and Macuata for a contract sum of \$95,930 for a three year period. The maintenance works were not satisfactorily carried out by the contractor.

The Department of Energy did not undertake any biogas digester project in 2010 despite the provision of a budget of \$250,000.

² 2 March 2011

CONTENTS

Volume 1: Audit Report on the Whole of Government Financial Statements and Annual Appropriation Statement

- Part 1: Audit Certificate and the Audited Accounts
Part 2: Report of the Whole of Government Financial Statements and Annual Appropriation Statement

Volume 2:

1. Office of the President
2. Office of the Prime Minister and Public Service Commission
3. Office of the Attorney General and The Solicitor General
4. Ministry of Finance
5. Department of Indigenous Affairs
6. Ministry of Defence, National Security and Immigration
7. Ministry of Labour, Industrial Relations and Employment
8. Ministry of Foreign Affairs, International Co-operation and Civil Aviation
9. Elections Office
10. Judiciary
11. Legislature
12. Office of Accountability and Transparency
13. Office of the Director of Public Prosecutions
14. Ministry of Justice
15. Ministry of Information
16. Ministry of National Planning
17. Ministry of Provincial Development, National Disaster Management and Multi Ethnic Affairs
18. Fiji Military Forces
19. Fiji Police Force

Volume 3:

20. Ministry of Education, National Heritage, Culture and Arts, and Higher Education Institution
21. Ministry of Health
22. Ministry of Local Government, Urban Development, and Housing
23. Ministry for Social Welfare, Women and Poverty Alleviation
24. Department of Youth and Sports

Volume 4:

25. Ministry of Primary Industries
26. Ministry of Lands and Mineral Resources
27. Ministry of Industry and Trade
28. Ministry of Public Enterprises, Tourism and Communication
29. Ministry of Works and Transport
30. Ministry of Public Utilities and Energy

VOLUME 3

20. Ministry of Education, National Heritage, Culture and Arts, and Higher Education Institution
21. Ministry of Health
22. Ministry of Local Government, Urban Development, and Housing
23. Ministry for Social Welfare, Women and Poverty Alleviation
24. Department of Youth and Sports

Section 20 Ministry of Education

Role and Responsibilities

The Ministry is responsible for the delivery of Education and Training Services to schools, pre – schools, and training centres and it is also responsible for the preservation of the different cultures in Fiji. These include the provision of curriculum frameworks, policy – guidelines, qualified teaching personnel, and programmes support to controlling authorities and education. The Ministry also has responsibilities for ensuring that standards in education are met and maintained through the regulation and recognition of education. Through advisory services, support is rendered to school management for the effective running of schools as well as financial assistance for constructions and maintenance of school facilities. The Ministry is also tasked with improving rural education standards and the education opportunities of disabled students and out of school youths. The Ministry has undertaken three (3) new initiatives and these include the establishment of the Fiji Teachers Registration Board, the formulation of the language policy and the establishment of seed capital for Poverty Relief Fund, which also co – funded by private public partnership scheme.

Table of Contents

PART A:	FINANCIAL STATEMENT	2
20.1	Audit Opinion.....	2
20.3	Appropriation Statement	4
20.4	Statement of Losses	5
	20.4.1 Loss of Money	5
	20.4.2 Loss (Other than money).....	5
20.5	Over-Expenditures	5
20.6	Negative Journals passed by Finance in SEG 1 and SEG 2	6
20.7	FNPF Reconciliation	7
20.8	VAT Reconciliation	8
PART B:	AUDIT FINDINGS	9
HEADQUARTERS.....		9
20.9	Overpayment of Salaries.....	10
20.10	Salary Overpayment upon Resignation	10
20.11	Outstanding PSC Loan after Resignation	11
20.12	Irregularities in the Regularization of Acting Appointments.....	12
20.13	Bus Fare Assistance Scheme	15
	20.13.1 Unbudgeted Allocation.....	15
	20.13.2 Excessive Administration Cost	16
	20.13.3 Unapproved Honorarium Allowances	17
	20.13.4 Minimum Salary Benchmark	18
	20.13.5 Misallocation of Expenditure	20
20.14	Funds Withdrawn in Excess of \$30,000	21
20.15	Aryan's Home Solution.....	23
	20.15.1 Conflict of Interest.....	23
	20.15.2 Company not Operating from Commercial Premises	24
	20.15.3 Illegal Operation	25
	20.15.4 Incomplete Projects.....	25
	20.15.5 Weaknesses in Tendering Procedures Applications.....	27
	20.15.6 Payments Made To Non Contracted Company	29

DIVISIONAL EDUCATION OFFICE – WESTERN	30
20.16 Diversion of Tuition Fee Grant – Sigatoka Methodist High School	30
20.17 Failure to Submit Acquittals – Naqalimare District School	31
20.18 Follow-Up: Incomplete Project from 2009 - Bemana District School	32
20.19 Annual General Meeting not Held – Kulukulu Public School	34
20.20 Follow up Issue: Incomplete Dining Hall – Nadroga/Navosa High School	35
20.21 Diversion of Tuition Fees Grant	36
20.22 Diversion of Tuition Fees Grant – Lomawai Secondary School	37
20.23 Loan to Staffs – Nilsen College	39
20.24 Natabua High School - Deteriorating State of School Hostel Facilities	41
20.25 Reconstruction of School Building Lautoka Muslim School	42
20.26 Tuition Fees Grant – Vuda District School	43
20.27 Legal Dispute – Raviravi Sangam Primary School	44
20.28 Diversion of Tuition Fees Grant – Lautoka Delana Primary School	45
20.29 Contract Document	47
20.30 Diversion of Tuition Fees Grant – Tavarua Bhartiya School	48
20.31 Exorbitant School Fees – Lautoka Zhong Hua School	49
20.32 Diversion of Tuition Fees Grant – Nawaqavesi Primary School	50
20.33 Delay in AGM and Audited Accounts – Navunibitu Catholic School	51
DIVISIONAL EDUCATION OFFICE – NORTHERN	52
20.35 Anomalies in use of Tuition Fee Grant – Shri Guru Nanak Primary School	53
20.36 Anomalies in use of Tuition Fee Grant Labasa Sangam SKM College	54
20.37 Building Grant Anomalies (2009) – Labasa College	56
20.38 NLTB Arrears – Seaqaqa Central College	58
20.39 Closing Order – Saint Andrews Primary School	58
20.40 Non-Compliance to Grant Conditions	59
Appendix 20.1: Over-expenditures in Ministry's Allocation in 2010	62
Appendix 20.2: Salary Overpayment in 2010	64
Appendix 20.3: Salary Overpaid upon Resignations in 2010	66
Appendix 20.4: Business License	67
Appendix 20.5: Aryan's Civil Works	68
Appendix 20.6: Anomalies in Utilisation of Grant Money	69

PART A: FINANCIAL STATEMENT

20.1 Audit Opinion

The audit of the 2010 accounts of the Ministry of Education resulted in the issue of an unqualified audit report and with attentions drawn to the following matters:

- (a) The Ministry of Education, National Heritage, Culture and Arts total expenditure is understated by \$8,198,468 due to a negative journal entry passed by the Ministry of Finance to regularize the Ministry's over – expenditures in SEG 1 *Established Staff* and SEG 2 *Government Wage Earners* allocations.
- (b) The payment of FNPF contributions and VAT could not be reconciled to the accounts.

20.2 Statement of Receipts and Expenditures

The Ministry of Education collected revenue totalling \$1,521,086 and incurred total expenditures of \$300,847,174 in 2010.

Table 20.1: Statement of Receipts and Expenditures for 2010

Description	2010 (\$)	2009 (\$)
RECEIPTS		
State Revenue		
Operating Revenue	924,896	1,997,550
Total State Revenue	924,896	1,997,550
Agency Revenue		
Miscellaneous Revenue	589,538	109,163
Sales of School Farm Produce	6,652	10,504
Total Agency Revenue	596,190	119,667
TOTAL REVENUE	1,521,086	2,117,217
EXPENDITURES		
Operating Expenditure		
Established Staff	185,376,055	198,868,639
Unestablished Staff	1,776,037	2,548,000
Travel & Communication	693,498	727,969
Maintenance & Operations	1,201,466	1,336,501
Purchase of Goods & Services	4,319,622	4,671,645
Operating Grants & Transfers	82,917,943	21,881,208
Special Expenditures	14,580,531	4,587,499
Total Operating Expenditures	290,865,152	234,621,461
Capital Expenditure		
Capital Construction	1,420,117	2,696,057
Capital Purchases	0	377,742
Capital Grants & Transfers	6,013,928	2,025,841
Total Capital Expenditure	7,434,045	5,099,640
Value Added Tax	2,547,977	4,274,333
TOTAL EXPENDITURES	300,847,174	243,995,434

- The total revenue for the Ministry decreased by \$596,131 or 28% in 2010 compared to 2009. This was mainly due to the reductions in:
 - Examination fees by \$4,979 (21%) due to the abolishment of some external examinations.
 - Government day school fees by \$668,877 (97%) due to the Government Free Education Policy from classes 1 to form 7 levels; and
 - Teacher Registration Board fees collection by \$519,689 (63%).
- The Operating Grants and Transfers increased by \$61,036,735 or 279% in 2010 compared to 2009 due to the consolidation of capital grants to Fiji Institute of Technology, University of the South

Pacific, Centre of Advanced Training and Development and other tertiary institutions under Head 26 of the Higher Education Institutions.

- The Special Expenditure increased by \$9,993,032 or 218% in 2010 compared to 2009 due to the payment of Bus Fare Levy for all students.
- The Capital Construction Costs decreased by \$1,275,940 or 47% in 2010 compared to 2009 due to the transfer of the Asset Management Unit functions for the disbursements of building grants for Non Government schools to the Ministry of Provincial Development.
- The Capital Grants and Transfers increased by \$3,988,087 or 197% in 2010 compared to 2009 due to the consolidation of capital grants to FIT under Head 26 of the Higher Education Institutions.
- The Value Added Tax decreased by \$1,726,356 or 40% in 2010 compared to 2009 due to the reduction in the travel and communications, maintenance and operations and the procurement of goods and services.

20.3 Appropriation Statement

The Ministry of Education incurred expenditures totalling \$300,847,174 in 2010 against the revised budget of \$301,780,082 resulting in a savings of \$932,908 or 0.31%.

Table 20.2: Appropriation Statement for 20010

SEG	Description	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry – Over (\$)	Lapsed Appropriation (\$)
1	Established Staff	194,910,200	(10,662,583)	184,247,617	185,376,055	---	(1,128,438)
2	Unestablished Staff	1,882,400	-	1,882,400	1,776,037	---	106,632
3	Travel & Communication	800,300	(30,000)	770,300	693,498	---	76,802
4	Maintenance & Operations	1,334,400	(130,000)	1,204,400	1,201,466	---	2,934
5	Purchase of Goods & Services	5,062,900	(467,124)	4,595,776	4,319,622	---	276,154
6	Operating Grants & Transfers	83,828,200	(820,410)	83,007,790	82,917,943	---	89,847
7	Special Expenditure	3,140,300	12,797,151	15,937,451	14,580,531	---	1,356,920
	Total Operating Costs	290,958,700	687,034	291,645,734	290,865,152	---	780,582
	Capital Expenditure						
8	Capital Construction	2,300,000	(784,317)	1,515,683	1,420,117	---	95,566
9	Capital Purchases	-	-	-	-	---	-
10	Capital Grants and Transfers	5,997,000	40,000	6,037,000	6,013,928	---	23,072
	Total Capital Expenditure	8,297,000	(744,317)	7,552,683	7,434,045	---	118,638
13	Value Added Tax	1,579,900	1,001,765	2,581,665	2,547,977	---	33,688
	TOTAL EXPENDITURE	300,835,600	944,482	301,780,082	300,847,174	---	932,908

20.4 Statement of Losses

20.4.1 Loss of Money

- A sum of \$940 was stolen from Mr. Apoa Solomone's (Eastern Education Office) residence a break - in. The money was for Mr. Solomone's accountable advance. A loss report has been sent to the Ministry of Finance.

20.4.2 Loss (Other than money)

- A laptop worth \$2,000 which belonged to Mr. Apao Solomone of the Eastern Education Office was reported stolen after a break - in at the Officer's residence. The loss was reported to the Fiji Police Force and a report sent to Ministry of Finance for recovery action.
- Two computers worth \$4,000 were stolen from the Adi Cakobau School (ACS). The loss was reported to the Ministry of Finance and to the Fiji Police Force. This case is still being investigated by Police.

20.5 Over-Expenditures

Each year, the Appropriation Act and Budget Estimates set out details of the appropriations that Cabinet 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 Cabinet.¹

The audit noted that several items within the Ministry budgetary allocations were overspent as at 31/12/10. Refer *Appendix 20.1* for details.

The over expenditures were due to the following factors:

- unplanned overtimes carried out during the year
- payment of time-off hours to Government Wage Earners and
- staff total numbers in payroll exceeded the required staff establishment within each station. For example, the Junior Secondary had an establishment of 367 employees but a total of 511 employees were paid from this station. Details for a number of establishments within the individual sections were not updated in the payroll system on time resulting in the over expenditures at the year-end.

Over-expenditure could affect the Ministry's budget in other SEG's.

Recommendations

- **The Ministry should strictly adhere to Section 7 of the Finance Instruction 2010.**
- **The Ministry should ensure that proper planning and monitoring is in place to manage funds wisely.**

¹ Section 7 – Finance Instruction 2010

Ministry's Comments

The recommendations are noted however the Ministry advises that although payment of overtime was made to Government Wage Earners no over-expenditure was incurred overall in SEG 2.

The over-expenditure in SEG 1 was incurred due to the following reasons:

- \$11m was vired from SEG 1 to cater for Bus – fare Assistance Scheme.
- Regularisation of positions and payments were met from our current budget.
- FNPF payment in Jan 2010 was not taken into account until it was detected in Feb 2011 when the Drawings Account Reconciliation had to be re – done because of incorrect balances.

Furthermore, overtime was only approved for all the staff working on the implementation of the Transport Assistance Scheme which involved assessing of forms, stamping and recording the bus coupons, distribution of coupons to all students who were eligible and the counting of used bus coupons for payment purposes.

This scheme involved and still involves a lot of work where staffs have to juggle their table work as well as work on bus fares to ensure the students were assisted and the transport providers were paid on time, an agreement made to the Bus Operators Association as no additional staffing was given to take care of the scheme.

Secondly, although the payroll total exceeded in some individual stations but it did not exceed the overall establishment. The salary section is working on rectifying this to ensure that the teachers are placed in the correct cost centres. Also the maternity relievers in schools would also contribute to this.

20.6 Negative Journals passed by Finance in SEG 1 and SEG 2

The Minister may authorise the redeployment of amounts appropriated by the most recent Annual Appropriation Act for administration by the Ministry of Finance to the heads of appropriation and appropriation categories to be administered by one or more other budget sector agencies.²

The Ministry had a shortfall in its SEG 1 *Established Staff* and SEG 2 *Unestablished Staff* expenditure allocations.

It was revealed that the Ministry did not have any allocation for the bus fare payments and was informed by the Ministry of Finance that SEG's 1 and 2 can be used for the payment of bus fare.

Due to payments made for bus fares, there was a shortfall in SEG 1 and SEG 2 to pay salaries for pay 25 and pay 26 of 2010. The Ministry made a request to the Ministry of Finance for additional funds.

Instead of redeploying the funds into the Ministry's Budget allocation, Ministry of Finance passed a negative journal entry (credit entry) of \$8,198,467.74 in the expenditure allocation for SEG 1 and SEG 2. Refer to the Table 20.3 for details.

Table 20.3: SEG 1 and SEG 2 expenditure allocation

Allocation	Description	Amount(\$)
12110191012010100	JV 50/12/10 TRF from H50 due to shortfall	(6,982,727.40)
12110191012010100	JV 58/12/10 Shortfall in PE and FNPF	(559,862.92)
12110191012010201	JV 50/12/10 TRF from H50 due to shortfall	(607,193.69)

² Section 22 (1) – Finance Management Act 2004

12110191012010201	JV 58/12/10 Shortfall in PE and FNPF	(48,683.73)
Total		(8,198,467.74)

The above expenditure was debited to Head 50 Miscellaneous Expenditure. The Ministry's overall expenditure was understated by \$8,198,467.74 as a result.

Recommendation

- **The Ministry should liaise with Ministry of Finance in a timely manner regarding its expenditure allocations to avoid instance as above.**

Ministry's Comments

The Ministry had written to the Ministry of Finance requesting for additional funding to cover the shortfalls that we anticipated in SEG 1 and Bus Fare Assistance allocation in August and early December respectively (Appendix 1), although verbal approvals to assist came earlier for redeployment of funds and since we were sourcing additional funding from Head 50 we were informed that a cheque would be given to us but instead a direct credit was passed into SEG 1 by offsetting the over-expenditure thus not reflecting the actual expenditure of SEG 1.

This was relayed to The PAO (Treasury) but to no avail, the issue was also explained to the Chief Accountant that we wanted the credit to reflect an increase in our provision for SEG 1 so that the actual expenditure in SEG1 was also captured but all we received was a direct credit from Treasury.

20.7 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.³

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

A reconciliation of FNPF contributions against salaries and wages reported in the Financial Statements revealed variances as follows:

Details	Amount (\$)
(a) Total FNPF against salaries and wages for 2010:	
FNPF as per financial statement	14,107,925.94
Less: December 2009 FNPF paid in Jan 2010	2,283,749.28
	11,824,176.66
Add: December 2010 FNPF paid in Jan 2011	2,266,757.44
FNPF for 2010	14,090,934.10
Gross Pay Subject to FNPF (14,090,934.10 / 0.08)	176,136,676.25
(b) Salaries and Wages for 2010 subject to FNPF	
Salaries, wages and allowances as per financial statement	173,361,784.20
Less: Salaries, wages and allowances for 2010 not subject to FNPF	6,068.31
	173,355,715.89

³ Chapter 219 – Fiji National Provident Fund – Section 13 (1)

Details	Amount (\$)
Un-reconciled Variance (a) – (b)	2,780,960.36

No explanation was provided for the variance. This issue had been highlighted in previous years audit reports, however no corrective action was taken by the Ministry to rectify it.

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.

Ministry's Comments

Audit recommendation is noted.

However, we wish to add that the variance would comprise of the following:-

- *Not all Salaries and wages are paid from SEGs 1 & 2*
- *The Exam casual workers are paid from SEG 5 (Expenses of Examinations)*
- *Project staff are paid from SEG 7 (CEP, FESP-EU)*

Hence, the FNPF contributions are paid from those allocations.

The Ministry carries out monthly reconciliation on FNPF Trust Account against the FMIS GL figure and we are not certain as to which figures are used in the query raised whether it is referring to the employers contribution (SEG1 and other allocations) or employees contribution(Trust Account) thus we request for assistance to rectify this recurring query.

20.8 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.⁴

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.⁵

A review of VAT Returns and supporting documents carried out during the audit revealed an un-reconciled balance of \$810,172 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:

Details	Amount (\$)
Total expenditure as per Expenditure Statement	239,148,972
Less: Expenditure not subject to VAT – SEG 1,2, 6 and 10	214,385,761
Total expenditure/income subject to VAT	24,763,211

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

⁵ Finance Circular No 9/95

Less: Total taxable supplies as per VAT Returns	23,953,039
Un-reconciled variance	810,172

In addition, a difference of \$699,166 was noted between the actual VAT payments for the year 2010 and the balance disclosed in the general ledger as reflected below.

Details	Amount (\$)
VAT payments (VAT payments to FIRCA and VAT Input) as per Statement of Receipts and Expenditure	2,547,977
VAT payments (VAT payments to FIRCA and VAT Input) as per VAT Returns for 2010	1,848,811
Un-reconciled variance	699,166

No explanation was provided for the variance. The Ministry could have avoided the above variances had they been more vigilant and proper supervisory controls were in place.

This issue had been highlighted in previous years audit reports, however no corrective action was taken by the Ministry to rectify it.

Recommendations

- **The Ministry should ensure that VAT paid to Fiji Islands Revenue & Customs Authority is reconciled on a monthly basis.**
- **The Ministry should take necessary steps to reconcile and account for the variance noted.**
- **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

VAT returns are reconciled on a monthly basis. However, the General Ledger figure differed as some of the bus fare payments were made from the Advance Account due to insufficient funds in SEG 7, hence were not accounted for where the VAT payments were prepared.

*VAT Payments to FIRCA and Input VAT
As per Financial Statement* *\$2,547,977.00*

*VAT Payments and Input VAT as per
VAT Returns* *\$2,433,533.59*

Variance *\$ 114,443.41*

PART B: AUDIT FINDINGS

HEADQUARTERS

20.9 Overpayment of Salaries

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.⁶ An officer who resigns without giving 30 consecutive days notice may be required to pay 30 days salary in lieu of notice.⁷ Our audit noted that the Ministry overpaid salaries totalling \$46,620.85 to its staff as at 31/12/10. The overpayments comprised of double payment of acting allowances, payment of maternity leave on fourth confinements and overpayment due to rescindment of promotion and late arrivals.

It was confirmed to audit that the District Education Officers failed to advise the salaries section at Headquarters promptly. Refer to *Appendix 20.2* for examples.

The laxity and lack of communication of district education officers and in particular the teachers resulted in the overpayments.

Recommendations

- **The Ministry should develop an effective and efficient communication process between the various district education offices with Headquarters for prompt action.**
- **Concerted effort should be made to recover the overpayments.**

Ministry's Comments

Recoveries of salary from officers who have been overpaid and who are on the payroll have been completed in some cases and others will continue until fully completed.

A total of \$23,256.10 has been recovered to date compared to the list of outstanding recoveries provided in Appendix 20.2

We will continue to make recoveries from salaries and by any other means open to us.

20.10 Salary Overpayment upon Resignation

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.⁸ An officer who resigns without giving 30 consecutive days notice may be required to pay 30days salary in lieu of notice.⁹

Audit noted that number of officers who resigned continued to be paid for a few pay periods by the Ministry. As a result these officers were overpaid upon their resignation. Refer to *Appendix 20.3* for details.

Laxity and lack of coordination by Ministry officials resulted in the above overpayment.

Recommendations

- **Divisional Officers should be prompt in informing the Ministry's Salary Section of any resignation**
- **The Ministry should try to recover the overpayments.**

⁶ General Orders 222 (d)

⁷ General Orders 222 (a)

⁸ General Orders 222 (a)

⁹ General Orders 222(a)

Ministry's Comments

The Ministry continuously stresses to all Schools and District Offices the importance of immediate notification to the salary section for all resignations or absence from duty for various reasons in an effort to stop recurring over payment of salaries. The Ministry has engaged the media using radio talk-back shows to disseminate this and other issues further.

Late notifications from schools and the districts have exacerbated this issue and every effort is made to recover overpayments either from the teacher or the banks when the notification finally reaches salary section.

The other option that is used is to recover from any outstanding leave or allowances due to the officer upon resignation etc.

20.11 Outstanding PSC Loan after Resignation

An Officer receiving training at Government expense, including any on aid made available by donor countries and organisations, must be bonded before they proceed on training either on pay or without pay to serve in the Public Service or elsewhere for a specified period. In respect of an Officer on local training, he or if he defaults, his guarantor shall be required to pay one third of the bond amount immediately in one lump sum and the balance to be paid by monthly instalments over a maximum period of three (3) years or such shorter period as the Head of Department may determine, all to be executed upon completion by the bondees/guarantor of an undertaking in advance.¹⁰

The following staffs had PSC loan outstanding and had resigned from the Ministry. Refer to Table 20.4 for details.

Table 20.4: Outstanding PSC Scholarship Resigned Recipients

Name	EDP No	Reason	Amount (\$)
Mohini Lata	81043	Officer resigned wef 09-07-10	2,176.92
Ronita Devi	80956	Officer resigned wef 15-08-10	2,783.80
Sangeeta Devi	81806	Officer resigned wef 26-04-10	3,623.32
Total			8,584.04

Failure by the Ministry to take immediate steps to recover the outstanding loans from the above officers in time could result in the PSC writing off the debts.

Recommendations

- **The Ministry should liaise with PSC to recover the loan from the guarantors.**
- **The Ministry should inform Data Credit Bureau and Immigration Department of the above names.**

Ministry's Comments

The amount of loan repayment deducted from an officer's salary is determined by PSC and documents to this effect are also prepared by them and uploaded onto the payroll by the Ministry.

¹⁰ General Order 900 (1)(a)

The Ministry uses an internal checking system to determine outstanding loans or monies owed upon resignation. The information is relayed to the teachers and release letters are withheld until the re-payments are made.

PSC is currently implementing recovery methods and has informed Immigration department on all defaulting officers and guarantors.

Your comments are noted and every effort will be made to ensure that there is improvement in our efforts to reduce over payments by making full use of the communication links available to us, failing that, the officers responsible for incurring over payments will be surcharged after internal investigations are done.

	Name	EDP No.	Reason	Amount	Remarks
1	Mohini Lata	81043	Officer resigned wef 09/07/10	\$2,176.92	Not on IST. MoE has not granted her acceptance letter
3	Ronita Devi	80956	Officer resigned wef 15/08/10	\$2,783.80	Not on IST MoE has not granted his acceptance letter.
4	Sangeeta Devi	81806	Officer resigned wef 26/04/10	\$3626.32	Not on IST. She has paid \$664.3. on 31/05/11 and MoE has not granted her acceptance letter.

20.12 Irregularities in the Regularization of Acting Appointments

The officer must have continuously acted for 6 months or more, as at 31st March 2010, and must have continuously acted in that position thereafter up to the date when his or her name is submitted to the Commission by the Permanent Secretary or Head of Department.¹¹

Audit noted the following anomalies in the regularisation process:

- Number of Teachers were promoted with wrong subject or teaching majors combination;
- Number of Teacher were promoted even though they did not complete their undergraduate Bachelor of Education program;
- Number of Teachers were promoted with a Diploma qualification instead of an undergraduate Degree qualification;
- Number of Teachers were promoted with less number of years of teaching experience on their substantive grade;
- Number of Teachers were promoted even though they did not have major in the field of their teaching in the Degree programme completed. They had Degrees with minor in the field of teaching.
- Some of the Teachers were granted study leave with pay straight after their promotion;
- Most of the Teachers were promoted without even though they did not meet the minimum qualification requirements (MQR);
- No vacancies were advertised by the Ministry to identify suitable candidates. Instead the post holders were confirmed to their position irrespective of whether they met the MQR or not; and
- Newly recruited officer (s) being promoted instead of the senior (s) officers that has been a public servant for long.

Refer to Table 20.5 below for some examples extracted from the Fiji Education Staffing Appointments System (FESAS).

Table 20.5: Regularization Irregularities Examples

¹¹ PSC Circular No. 28/2010 4.0(a)

Name	TPF No	Reason
Rejeli Navu Taucilagi	65124	Acted from 25-01-10 to 27-06-10 on the post of Vice Principal and confirmed on 28-06-10. Confirmed after 5 months of acting
Kamlesh Prasad	55027	Acted from 11-03-10 to 27-06-10 on the post of Principal and confirmed on 28-06-10. Confirmed after 3 months of acting
Shaeena Khatoon	57064	Officer's permanent post was HOD Science. Acted from 25-01-2010 to 27-06-10 on the post of Principal. No proper hierarchy of promotion was followed.
Milika Ravono Cakau	81091	Teacher was a grant in aid (GIA). Straight after graduating in 2005 had started to act as Assistant Principal (ED5D) in 2007 then was on probation for 2008 at the same school on GIA post before being confirmed as permanent Assistant Teacher (ED8G). Promoted as Vice Principle on 14-10-10 after the regularization.
Christabel Margaret Taylor	65614	Officer was regularized for confirmation on 02-08-10 on the HOD Language position. Justification for regularization is compromised due to non completion of 1 unit at USP in the BEd program. Ministry should enquire formally with USP
Adite Laite Mocolutu	80589	Confirmed as HOD for Literature & Language. Audit has sources that the officer had graduated with a major in Geography and a minor in Literature and Language. Ministry should enquire formally with USP
Torika Turagakece	65326	Officer has a Diploma from Fiji College of Advanced Education in Accounting and Economics. Officer was acting on the post of HOD Language. However, was promoted on the post of HOD Language after the circulation of the PSC circular on regularization.
Ratu Josefa Gavidu	67840	Officer has a Bachelor of Arts Degree in Management, Public Administration and Education and a Secondary Teacher Training Certificate (STTC) from FCAE in Accounting and Economics. Officer was promoted to the post of HOD Commercial Studies after the regularization. Justification for regularization is compromised due to not meeting the MQR for the HOD post teaching majors.
Serupepeli Nawalu	65098	Officer has a Diploma of Education in Accounting and Economics and was promoted to the post of HOD Commercial Studies after the regularization. Justification for regularization is compromised due to not meeting the MQR for the HOD post teaching majors.
Ratu Sakiasi R Muakalou	81562	Officer has a Diploma in Business Studies Endorsement in Education from Fiji Institute of Further Education and was promoted to the post of HOD PEMAC after the regularization. Justification for regularization is compromised due to not meeting the MQR for the HOD post teaching majors.
Ramesh Chand Sharma	55439	Officer has an Ordinary Diploma in Construction Studies from FIT (1981) and a Diploma in Education majoring in Industrial Arts (I/A) from FCAE (1999) but contracted to HOD 1 I/A in the ED5C grade without an undergraduate degree academic qualifications.
Dinesh Kumar Shankaran	65320	Officer has a Bachelor of Science degree in (1987) from USP and an STTC secondary teaching qualification (1998) from FCAE. Probation as ED8G on 25/01/99 and promoted on HOD (2) Science ED5D on 25/01/09. Later the officer got another promotion on contract as Vice Principal in the ED3B grade on 02/08/10 before serving more than 3 – 5 years in the ED5D grade.
Satya Nand Shandil	44201	Officer's permanent post is HOD Agriculture. However was acting on the post of Vice Principal ED3B from 26-01-09 to 17-05-09. Later he was acting on the post of Principal ED1C from 18-05-09 to 04-12-09, acting on the post of Principal ED2D from 05-12-09 to 24-01-10 and acting on the post of Principal ED1A from 25-01-10 to 27-06-10 and later was promoted to the post of Principal ED1A on 28-06-10. Officer's confirmation on the post is questionable as he only served a period of 5 months acting and when he's

Name	TPF No	Reason
		confirmed post was that of HOD.

The findings showed that proper procedures were not followed when the process of regularization was carried out by the Ministry.

Recommendations

- The Ministry should verify the qualifications of the officers concerned and also review the MQRs for the different teaching posts.
- PSC should investigate the regularisation of teachers to ensure that proper procedures were followed.
- The Ministry should review its regularization procedures.

Ministry's Comments

Response to bullet points 1 -5

- The criteria for promotion stipulated in PSC Circular on Regularization of acting appointments the officer must be acting on the post for a period of 6 months and over and until his/her name is submitted to PSC.
- The criteria does not explain whether the officer should meet the MQR of the post hence our HOD being given a conditional promotion to allow them 3 years to complete the required subject components of the post in which they have been regularized to.

Response to bullet point 6 -7

- This subject to officer meeting the criteria of selection for In service training at the time of applying and falls on the priority need of the Ministry where there is shortage of graduates to fill the post.
- Due to the sudden high turnover after the reduction of retirement age to 55 years which the Ministry needs to have the qualified teachers in stock when the need arises.

Response to bullet point 8 – 9

- The PSC Circular on regularization of acting appointment did not explain anything on the seniority on years of service.

No	NAME	TPF	Reason for not regularized
1	RejieliNavuTaucilagi	65124	Officer acted from 18/05/2009 – 27/06/2010 which she meets the 6 months criteria.
2	Kamlesh Prasad	55027	Acted Principal ED2B from 26/01/09 – 09/03/2010, promoted 10/03/2010 VP ED2A and acted Principal ED2B again from 11/03/2010 till promoted through regularization from 28/06/2010.
3	ShaeenaKhatoon	57064	Promoted as officer met the criteria of acting for more than 6 months
4	Milika RavonoCakau	81091	AP ED5D post is not a GIA post but an established post. Officer was regularized as she meets the 6months criteria.
5	Christabel Margaret Taylor	65614	Officer has completed and graduated in BEd Language/Literature from USP in 2003.
6	AditeLaiteMocelutu	80589	Officer has being provisionally promoted to upgrade her qualification in order to meet the MQR within the 3 years contract on promotion.
7	TorikaTuragakece	65326	Officer met the 6 months criteria and was provisionally promoted on contract

8	Ratu Josefa Gavidia	67840	Officer promoted through provisional promotion, he met the criteria of acting for more than 6 months
9	Serupepeli Nawalu	65098	Officer promoted through provisional promotion, he met the criteria of acting for more than 6 months
10	Ratu Sakiasi Muakalou	R 81562	Officer acted HOD from 18/05/09 and fully meets the 6 months criteria, provisionally promoted.
11	Ramesh Chand Sharma	55439	Officer regularized on conditional promotion, he met the criteria of acting for more than 6 months
12	Dinesh Kumar Shankaran	65320	Officer was promoted on HOD 2 Science ED5D on 25/01/1999 and not 25/01/09 as stated in your query. He had served 10 years in ED5D and was promoted VP ED3B on 26/01/2009 and not 02/08/2010 as stated.
13	Satya Nand Shandil	44201	Officer acted Principal ED2D 18/05/09-24/01/10 and Principal ED1A from 25/01/10 as post was upgraded due to variation notice 1/2010.

The Ministry recommends the following:-

- A three years conditional promotion given to Head of Department promoted during this exercise on Regularization of acting appointments. These are teachers who do not meet the MQR of the post in terms of lacking the required subject components of the post; the three years to allow them to complete and graduate with the required subject majors of the post, and failing to meet may result in the termination of their conditional promotion to that Head of Department post.
- We have a follow up mechanism of these conditional promoted Head of Departments where a list of names have been sent to our FTRB section for follow up at the lapse of the three year term.
- For the revised MQR, our Ministry of Education has already submitted to PSC and is awaiting their decision.

20.13 Bus Fare Assistance Scheme

The initiative to ensure and facilitate education for the children of the poorest of the poor families is of utmost priority.¹²

On 19/10/2009, government embarked in assisting school students with the provision of free bus fares to and from school. A total of \$3,426,300 was paid out to 490 schools around the country to facilitate the scheme. The scheme continued in 2010 with the introduction of the coupon system to address the problems that were encountered in 2009. Total expenses of \$12,299,554 were incurred in 2010.

Scrutiny of the operation of the scheme revealed the following anomalies.

20.13.1 Unbudgeted Allocation

Each year, the Appropriation Act and Budget Estimates set out details of the appropriations that Cabinet approves for spending by each agency.¹³

Our audit noted that despite the significant amount required to ensure full operation of the scheme in 2010, no specific allocation was provided for in the Budget Estimates. The Ministry had to vire out \$12,300,695 from its operating and capital budget allocations to fund the scheme in 2010. As a result

¹² Cabinet Memorandum

¹³ Part 2.1.2 of Finance Manual 2005

the Ministry ran out of funds towards the end of the year to pay salaries and wages and had to request for additional funding from Ministry of Finance. Most of the capital projects that were earmarked to be undertaken in 2010 were also put on hold.

The failure to allocate funds for the scheme unnecessarily exhausted other allocations depriving the Ministry the opportunity to utilise funds for the purpose it was allocated.

Recommendation

The Ministry should make proper submission to Ministry of Finance for an allocation for the Bus Fare Assistance Scheme to ensure similar problem does not arise in future.

Ministry's Comments

The Ministry had in fact made a submission in the Budget Estimates for 2010, however the Ministry of Finance (Budget Division) advised the Ministry to source funding from within from SEG 1- Personal Emoluments as it not reduced even after the retirements and regularisation of positions.

This was an initiative endorsed by the government which had to be implemented.

After viring out funds from SEG 1 the Ministry also transferred savings from other Operating and Capital Budgets to top-up the Bus Fare Assistance Scheme in order to facilitate payments to Bus Companies as well as other administrative costs.

The Capital Budget balances were vired to Bus Fare Allocation was mainly due to the fact that there was a delay in the process of Capital Projects hence funds remained unutilized and we were directed by Finance to put in a virement.

Taking into account the difficulties faced in 2010 a Budgetary Provision of \$12,000,000 was provided in the 2011 Budget Estimates which is still insufficient to sustain till the end of Term 3/2011.

20.13.2 Excessive Administration Cost

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.¹⁴

The massive workload and exercise to verify bus coupons before payments were approved required a lot of work from Ministry's staffs in the Accounts section. The Ministry incurred additional administrative costs totalling \$121,657.78 to administer the scheme in 2010. These cost comprised of meal claims, overtime claims and honorarium allowances for the officers administering the scheme.

The cost for administering the scheme appeared to be excessive considering the Ministry's role in other aspects of educational development.

Recommendation

The Ministry should implement a more cost efficient system in administering the scheme.

¹⁴ Part 2 of Finance Manual 2005

Ministry's Comments

Audit recommendation is noted.

The cost of administering the scheme was high because there were about 100,000+ forms received and had to be screened/ assessed individually and of this number 94811 primary and secondary students were assisted.

Coupons were distributed on a fortnightly basis for security reasons and continue to be distributed the same way to the districts and these had to be delivered to the West and North on a fortnightly basis incurring additional fuel and travel costs so as to ensure the safety and security of the coupons.

Coupons were recounted in all district offices as well as here in headquarters to ensure payments were made correctly as well as meet the agreement with the Bus Owners Association the payments were made the following week.

The staff apart from performing their own core functions worked tirelessly to achieve deadlines set out in the Busfare Scheme day in and day out.

The Ministry wishes to inform the audit that preparations and negotiations are already underway with the relevant Authorities on the introduction of e-ticketing which once implemented will reduce the administration costs to a huge extent. On the preparations of e-ticketing a database had to be created on all the 94811 children with all relevant information requested by Transteland this information had to be verified with the schools which also increased administration costs.

The e-ticketing is now scheduled to be trialed out in October on a few selected schools and hopefully roll out to the rest come November. The purchase of these cards will also incur additional costs.

The Ministry will continue to issue coupons to students who travel from areas where bus services are not provided and travel by mini vans, trucks, carriers and areas where boat services are provided.

20.13.3 Unapproved Honorarium Allowances

Addressees should seek prior approval from the Public Service Commission for eligible civil servants who may request payment of Honorarium Allowance.¹⁵

Scrutiny of Honorarium Allowances paid to staff in the administration of the scheme revealed that PSC approval was not obtained for the payment of Honorarium Allowances to a number of staffs administering the scheme. Refer to Table 20.6 below for details.

Table 20.6: honorarium allowances paid – 2010

Name	Gross Amount (\$)
Makarita Fuata	3,707.50
Ravinesh Bharat	4,500.00
Ranjila Singh	1,103.50
Alumita Volaubalavu	1,175.00
Ashika Chand	640.00
Mohammed Zameer	307.45
Mere Vosayaco	210.99
Josaia Boselawa	229.93

¹⁵ Paragraph 6.0 of PSC Circular No. 24/2007

Name	Gross Amount (\$)
Varitema Vasua	247.80
Total	12,122.17

Absence of PSC approval resulted in unauthorised payment of Honorarium Allowances totalling \$12,122.17 by the Ministry.

Recommendations

- **The Ministry should investigate the payment of Honorarium Allowances without PSC approval and take appropriate action.**
- **The Ministry must ensure that approval for payment of Honorarium Allowances is obtained from PSC in the future.**

Ministry's Comments

Audit recommendations are noted.

The Ministry's staff had been working tirelessly throughout the year to ensure that the Busfare Assistance Scheme rolled out smoothly from assessment of applications, checking and verifying the coupons, distribution of coupons to all Districts fortnightly to the verification of data and creation of the database for e-ticketing purposes.

In order to successfully achieve all these a lot of sacrifice, commitment and team work was needed and the staff rose to the occasion and an outcome was attained.

All the officers were paid overtime on a portion of the total hours worked throughout the year.

We had identified savings in SEG 1 towards the end of December and thought to also reward these officers who had also worked tirelessly to ensure that the implementation of this scheme met the timeline given by the Prime Minister's Office (first week in February 2010) and family time were sacrificed in order to achieve this. We had obtained the approval of payment from the PSE and it was the last working day (31/12/2010) and we did not want to lose the savings we had and in haste and oversight payments were made without the approval from PSC.

Approval to pay Honorarium Allowances to other officers had been obtained from PSC prior to this lot.

Furthermore, a letter of request for retrospective approval has been sent to PSC for those officers whose names appear in Table 3 and are awaiting their responses.

Other officers from Mohammed Zameer down indicated in Table 3 were paid normal overtime rates and not honorarium allowances as indicated in the report.

20.13.4 Minimum Salary Benchmark

Addressees are advised that civil servants claiming for the payment of Honorarium Allowance shall have their claims calculated in the following manner:¹⁶

Category	Salary Benchmark (\$)	Medium Salary (\$)	Hourly Rate (\$)
Category A	19,523 - 35,000 p.a	27,261 p.a	10

¹⁶ Paragraph 3.0 of PSC Circular No. 24/2007

Category B	35,001 - 55,000 p.a	45,000 p.a	15
Category C	55,001 - 75,000 p.a	65,000 p.a	22

Honorarium allowances were however paid to staffs with salary below the minimum benchmark. Refer to Table 20.7 for details.

Table 20.7: honorarium allowances paid with salary below minimum benchmark

Name	Salary Level (\$)	Amount Paid (\$)
Ashika Chand	17,687	640.00
Mohammed Zameer	10,412	307.45
Mere Vosayaco	9,659	210.99
Josaia Boselawa	9,659	229.93
Varitema Vasua	8,092	247.80
Raijeli Leca	17,687	5,125.00
Iva Driu	17,687	5,055.00
Emele Daunivavana	17,687	1,041.70
Ashika Chand	17,687	2,469.00
Total		15,326.87

The above Officers were not entitled to Honorarium Allowances, therefore the payments were unauthorised.

Recommendation

The Ministry should investigate the unauthorized payment of Honorarium Allowances and take appropriate action.

Ministry's Comments

Your attention is drawn to clause 467 f (i) of the General Orders which states:-

"An officer, who would have otherwise qualified to claim overtime, will not be eligible overtime pay or time-off when acting in a higher position, the maximum salary of which is \$20,295 or above."

It is through this clause that PSC had instructed the Ministry that those officers who are acting as Assistant Accounts Officer or whose substantive posts are Assistant Accountants did not qualify for overtime. In this light we had sought PSC approval to pay these officers honorarium allowances.

20.13.5 Misallocation of Expenditure

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 from the Ministry of Finance.¹⁷

Various expenditures totalling \$330,396.28 were noted during the audit to be wrongly posted to the bus fare assistance scheme. Refer to Table 20.8 for details of incorrect postings.

Table 20.8: Incorrect Expenditure Postings

Date	PV No.	Payee	Amount (\$)	Details
09/06/10	144349	Public Works Department	160,206.00	Maintenance & upgrading of QVS dining hall and kitchen room
13/08/10	149107	Dynamic Solutions	12,534.00	6 laptops for CDU writers

¹⁷ Part 2.1.2 of Finance Manual 2005

Date	PV No.	Payee	Amount (\$)	Details
19/08/10	151599	Air Calin	74,621.00	Air fares for Fiji delegation to the 4 th Melanesian Festival of Arts to New Caledonia
31/08/10	152922	Datec Fiji Ltd	18,990.00	10 desktop computers for HRM/IT
29/09/10	157972	Ministry of Foreign Affairs	15,927.28	Reimbursement of cost incurred by Mr Isikeli Mataitoga
15/12/10	165708	Fiji National University	48,118.00	Ongoing Secondary Teacher Training Certificate (STTC) Cycle Stage 4
Total			330,396.28	

The above misallocations indicated that the total of \$330,396 was diverted by the Ministry from the bus fare assistance scheme allocation to meet other unrelated expenses. Such diversion of funds may affect proper administration of the scheme.

Recommendation

The Ministry should investigate the diversion of funds from bus fare assistance scheme allocation and take appropriate action.

Ministry's Comments

Audit recommendation is noted.

In the beginning of 2010 through the request of the former PSE, Mr Filipe Jitoko, we had to identify possible savings from all the Ministry's Budget provisions and reduce the allocations and set the savings aside to fund the many unbudgeted initiatives of the Ministry. Savings were identified and a virement was prepared and approved by the Ministry of Finance. The original virement was \$1,826,000 but the Executive Teacher allowance provision (\$986,000) was re-instated to its original provision.

These savings (\$840,000) were vired into the Busfare Assistance allocation initially as safe-keeping since the account was zero balanced and we opted to not create a new allocation. When virements for payment of busfares from SEG 1 began and we had requested to vire the \$840,000 out of busfare allocation it was not approved hence it was left in the allocation but used for other needs of the Ministry and it was not a misposting.

The charge (\$160,206.00) in Table 20.8 for maintenance and upgrading works at QVS was journalized to the correct allocation. The balance of \$509,603.72 was eventually used up for busfare expenses.

20.14 Funds Withdrawn in Excess of \$30,000

Drawings of daily amounts in excess of \$30,000 must be referred to the Ministry of Finance for the Chief Accountant's approval.¹⁸

The Ministry made various payments exceeding \$30,000 limit but failed to seek approval from the Ministry of Finance as required. Refer to Table 20.9 for examples.

Table 20.9: Payments Exceeding \$30,000 without Ministry Of Finance Approval

Date of Payment	PV No.	Amount (\$)	Particulars
22/03/10	137074	45,876.11	Unestablished wages w/e 11/3 – 17/3
20/12/10	166781	53,819.56	Unestablished wages w/e 09/12 – 15/12
26/03/10	137873	84,990.80	PSC Scholarship ded

¹⁸ Finance Circular 14/08 dated 19/09/08

Date of Payment	PV No.	Amount (\$)	Particulars
16/08/10		193,364.00	TFF Grant for Term 2 2010
07/01/10	130718	361,563.58	FTUCU deduction for pay 01/10

Financial management control measures by the Ministry of Finance are implemented for prudent control of public finances and government funds.

Failing to comply with such directives would increase the risk of mismanagement of public funds and could affect government cash flow.

Recommendations

- The Ministry should ensure that directives given by the Ministry of Finance to control government expenditures are complied with.
- The Ministry should investigate payments exceeding \$30,000 that were made without proper approval and take appropriate action.

Ministry's Comments

Date of Payment	Payment Voucher No.	Amount (\$)	Particulars	Remarks
22/03/10	137074	45,876.11	Unestablished wages w/e 11/3-17/3	No approval was required since individual cheques amounted less than \$30k.
20/12/10	166781	53,819.56	Unestablished wages w/e 09/12-15/12/10	Not approval was required since individual cheques amounted to less than \$ 30k
19/03/10	136942	191,601.00	Maintenance to Qaranigio and Tanoa Hostel at Nasinu Sec School.	Approval was obtained and attached to original voucher.
19/03/10	136941	341,163.00	Maintenance to dormitories at Adi Cakobau School	Approval was obtained and attached to original voucher.
26/03/10	137873	84,990.80	PSC Scholarship Deduction	At this point in time all deduction payments from Salaries and Wages in excess of \$30k e.g. Unions, Credit Unions etc were not required to obtain Finance approval after Finance circular 04/2010 was released on 20 th May, 2010 all payments in excess of \$30k was required to obtain approval from Finance before cheques were made.
16/08/10		193,364.00	TFF grant for Term 2 2010.	Approval was obtained for Shri Guru Nanak Khalsa College and Beqa/Yamuca Secondary. Copy attached to original voucher, The rest of the sec

<i>Date of Payment</i>	<i>Payment Voucher No.</i>	<i>Amount (\$)</i>	<i>Particulars</i>	<i>Remarks</i>
				<i>schoolswere paid individually and were below \$30k.</i>
07/01/10	130718	361,563.58	FTUCU deduction for pay 01/10	Explanation as at Query (5)

Recommendations have been noted and we have since strictly complied with Finance Circular 04/2010.

20.15 Aryan's Home Solution

Aryan's Home Solution is a private limited company with its registered office at Pacific Harbour, Navua. The company was mainly involved in building and construction works. The directors of the company are Mrs. Shirley Prasad who owns 99% shares and Ms. Natasha Singh who own 1% share. The company was incorporated with the Registrar of Companies on 13/5/2009.

Prior to its registration, the company was carrying out its operation under Aryan's Civil Works. Following anomalies were noted in the engagement of the company.

20.15.1 Conflict of Interest

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.¹⁹

Our audit noted that Mr. Elvin Arvindra Prasad (TPF 67790), a Technical Teacher at the Lomary Secondary School was the husband of one of the Directors, Mrs. Shirley Prasad, of Aryan's Home Solution.

On 25/1/2010, a letter of transfer was issued by the Ministry of Education to Mr. Prasad for his transfer to Namosi Secondary School. According to a Senior Ministry official, Mr. Prasad's transfer was due to reports that he was operating his family company from the school premises.

However, audit noted that as of 26/5/11²⁰, Mr Prasad was still teaching at the Lomary Secondary School and refused to move to Namosi Secondary School because of the family company which is operating from the school quarters.

Furthermore, the company had carried out renovations and construction of the school staff room at a cost of \$35,000 which was funded by the Ministry under the Building Grant. The manner in which the company was engaged by the school management was unclear as documents pertaining to the engagement of the company were not produced for audit verification.

Mr. Prasad took advantage of his position in the school to secure construction contracts for his family company. In addition the issue conflict of interest could not be ruled out.

¹⁹ Public Service Act 1999 Part 2, Section 6(7)

²⁰ Date of audit

Recommendation

The Ministry should investigate the matter further and take appropriate action.

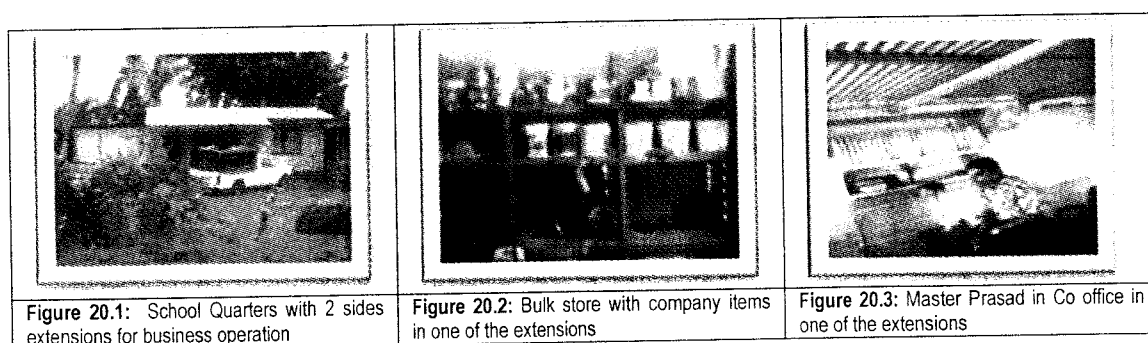
Ministry's Comments

*Mr. Elvin Prasad TPF67790 was interviewed by the Ministry dated on
The officer was transferred to Namosi Secondary School 24/1/2010 but it was not effected because the school management requested that the officer remain at the school. Mr. Elviin was supposed to swap with 68477 Daniel Chandra but both transfers were not effected as the SEO Industrial Arts was instructed to stop the transfer because of the letter of support from the school management
Conflict of interest issue against the officer to be put through the normal discipline process with in the MoE .*

20.15.2 Company not Operating from Commercial Premises

A lease for commercial purposes shall be subject to the following special conditions in addition to any other conditions which the Board in the circumstances of any case may see fit to impose that the lessee shall not, without the prior consent in writing of the lessor, carry on or permit to be carried on in or upon the demised land any offensive trade or business as defined in the Public Health Act.²¹

The company in its certificate of registration stated its place of business as Pacific Harbour. However, audit noted that Aryan's Home Solution was not operating from Pacific Harbour It was operating its business from the Lomary Secondary School quarters which was not a commercial place. Refer to the picture below:



The company's location within the school compound indicated that the company had falsified its office of registration with the Registrar of Companies.

Recommendation

The Ministry should investigate the matter further and take appropriate action.

Ministry's Comments

*Mr. Elvin stated that Pacific Harbour is not the location of the business it is the Postal Address. The address on the business license is Galoa, Navua as the location of the business.
Mr. Elvin stated that the quarters the Elvin family lives in belong to the Lomary Parish. He stated that the Parish had authorized them to operate their Business from quarters
The issue to be reported to the Register for companies to take appropriate action*

²¹ Section 27(d) of the Native Land Trust Act

20.15.3 *Illegal Operation*

No person shall engage in any business designated under the provisions of section 4 in Fiji without a licence issued by a licensing authority in respect of each place in which such business is carried on or, in the case of a hawker or other person carrying on business from or at no fixed address in Fiji, in respect of such business.²²

Any person who acts in contravention of the provisions of subsection (1) shall be guilty of an offence.²³

Upon audit request on 26/5/2011, the company could not provide its Business Licence for 2010. However this was later submitted to audit but the licence for 2010 was approved on 27/05/2011, a day after audit visit to the company. Scrutiny of the licence revealed that the form was hastily done to meet the audit request. Refer to **Appendix 20.4** for the Business License.

Audit further noted that the company's business licence fees were in arrears with the Navua Local Authority since 2009.

The retrospective approval of the business license indicates that the Ministry engaged a company which was operating illegally in 2010. The company was also engaged in 2010 for the construction of school building at Nuku Secondary School at a cost of \$196,000 which was fully funded by the government.

The finding indicated that the Ministry did not carry out background check of the company before engaging for its services to the government.

Recommendation

The Ministry should investigate the matter further and take appropriate action.

Ministry's Comments

Mr. Alvin stated that Aryan's Home Solution is a private company with its registered office at Galoa, Navua and not Pacific Harbour, Navua. Pacific Harbour, Navua is the postal address not the location. The company is operated by Mr Elvins' wife – Mrs Shirley Prasad, a former Primary Teacher, who owns 99% shares and Ms. Natasha Singh who owns 1 % share. Everything is run by the wife from their Quarters in school, while Mr Elvin is just there to assist on the paper work.

The company has a Project Manager Mr. Amrit Reddy who has a civil engineering qualification.

He claimed that his company has been registered and renewed yearly since 2006

The matter should be reported to the authorities concerned such as the Register of Companies and Navua rural Local Authority for appropriate action.

20.15.4 *Incomplete Projects*

A second and final payment of 20% of the approved grant will normally be made on production of a completion certificate signed by the Rural Local Authority or the Divisional Engineer or the District Senior Education Officer or the Building of Education Building Inspector.²⁴

²² Business Licensing Act 5(1)

²³ Business Licensing Act 5(2)

²⁴ Building Grant Rule 14(a)

Our audit noted that the staff room at Lomary Secondary School constructed by Aryan's Home Solution was in use however, the completion certificate was yet to be issued by Navua Rural Local Authority. According to a Senior Ministry official at the Asset Management Unit (AMU), the outside extension required an additional beam to strengthen the building and the flooring structure of staff room was not constructed to the required building standard. In addition, the staff room was constructed without an approved building plan.

Moreover the construction of concrete 4 classrooms with toilet and washroom at Nuku Secondary School was to be completed within 24 weeks or approximately 6 months from commencement date. The contract between Nuku Secondary School Committee and Aryan's Home Solution was signed on 08/04/2010. However, the building was still incomplete and not ready for use as of the date of audit²⁵.

The incomplete works included floor tiling, fixing of downpipes to the gutters, rework on poor electrical wiring installation, constructing folding wooden partitions and connecting water pipes to the washrooms. Refer to the following pictures for some of the remaining works.

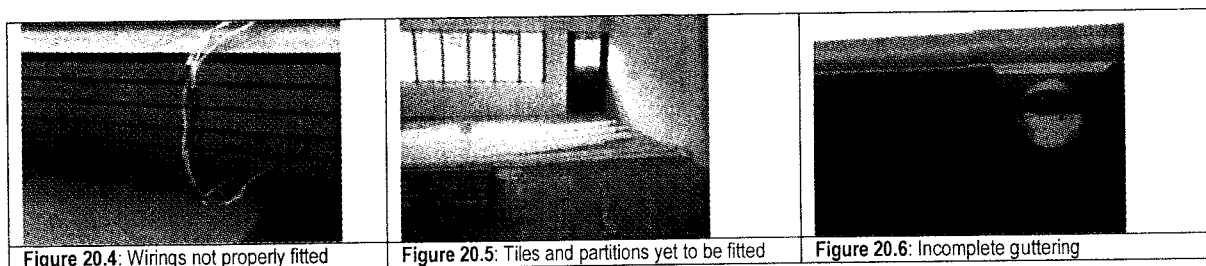


Figure 20.4: Wirings not properly fitted

Figure 20.5: Tiles and partitions yet to be fitted

Figure 20.6: Incomplete guttering

The company was not able to meet its expected completion date which affected the school's urgent need for additional classrooms.

Recommendation

The Ministry should ensure that the construction works are properly completed and hand over to the school without further delay.

Ministry's Comments

The Building Grant is now with the Provincial Development and they are now responsible for the implementation and the monitoring of the project.

The different systems between the MoE and the Provincial Development in the disbursement of building grant may have caused the delay of payment to the contractor causing the delay in the construction of the 1 x 4 classroom and the ablution block.

The transfer of the building grant to Provincial Development while the project was in progress brought to the fore some problems with the regards to the different systems in the Ministry of Education and Provincial Development in the approval and disbursement of building grant to non-government schools. The Ministry of Education administers the approval and disbursement of the building grant assistance to non-government schools in accordance to the Building Grant Rules. The Minister of Education has the final authority in the approval of building grant assistance to non-government schools. Under the Building Grant Rules the MoE disburses the building grant assistance to the school management who then implements projects with close supervision and control of the District Education office

²⁵ 26/05/2011

As the Building Grant was transferred during the year and Provincial Development was still working out the frame work in which the building grant will be administered they continued to follow the contract of work signed by the Ministry of Education and began to pay the contractor directly and not through the School Management account as stipulated in the Building Grant Rules.

The project is almost completed with little minor works to be completed. The company has assured MoE that the Nuku Secondary project will be completed within the next two (2) weeks and the completion certificate will be submitted in due course.

20.15.5 Weaknesses in Tendering Procedures Applications

Tenders must be called for the procurement of goods, services or works that cost over \$20,000.²⁶

Written contracts should be drawn between the Department and respective organizations binding both parties into a formal agreement.

Aryan's Home Solution was awarded the contract by the Ministry to construct a staff room at Lomary Secondary School and 4 class rooms with toilet and washroom at Nuku Secondary School for contract sum of \$35,000 and \$196,000 respectively.

The tender documents relating to selection of the contractor, Aryan's Home Solution for the two projects were not made available for review. Details of the irregularities in tender process are summarised in Table 20.10 below.

Table 20.10: Irregularities in Tender Process

Project	Cost (\$)	Anomalies
Lomary Secondary School – Staff room renovation	35,000	<ul style="list-style-type: none"> • PEO unaware of any quotations obtained and was in the dark in the initial procurement process. • PEO only came to know about the company during a site inspection and at that time the project was 75% completed • There was no contractual agreement between the ministry and the company
Nuku Secondary School – New 1x4 classroom construction & Ablution Block	196,000	<ul style="list-style-type: none"> • PEO aware of 3 quotations but Aryan's Home Solution was not one of them.

The finding indicated that proper tender procedures were not followed in selecting Aryan's Home Solution for capital works.

Recommendation

The Ministry should investigate the awarding of contracts to Aryans' Home Solution for construction works at Lomary Secondary School and Nuku Secondary School and take appropriate action.

²⁶ Finance Instructions 2005 12(4)

Ministry's Comments

The \$35,000 used by the School Management to construct extension works for the staff room was not from building grant but from the tuition grant allocated for school Improvement of teaching and learning environment. The prerogative to select the carpenter to construct the staff room lies with the school management. However, the school management needs to consult the PEO Suva.

The new established Nuku Secondary School at Naimasimasi in the tikina of Nuku, Serua was the initiative of Hon. Filipe Bole, the Minister of Education. This programme was brought forward to cater for the educationally disadvantage areas. A total of 27 centres were actually identified under this programme in 2009 and Nuku Secondary was one of the three newly established schools with Duavata Junior Secondary upgraded to full secondary school.

Funding

The programme was funded from the Junior Secondary School Building Grant Allocation of \$550,000. The building Grant is not under R. This programme is to be fully funded by the MoE since it is the Ministers' initiatives

Procedures

The Building Grant Rules procedures were followed to implement the project. The fund upon approval by the PSE and the Minister the building grant is deposited into the school account where the SEO-Suva is compulsory signatory. The school management pays the contractor in accordance to the contract of works

2.3 Phase -1

The Building Grant Assistance of \$62,000 was awarded to Nuku Secondary School for phase – 1 The first payment of 80% (\$49,600) was deposited into the school account for site clearing and leveling of the new school site under the supervision and monitoring of PEO-Suva . The Health Department also monitored the site work and issued a letter of recommendation/approval up on site work completion. The remaining 20% of \$12,000 was paid to the school account upon the completion of the work and receiving a letter of approval from the Health department

Phase – 2

The Building Grant Assistance Procedures allows the school to decide their contractors in consultation with the MoE. The school manager submitted to AMU a list of contractors vying for this project work. The scope for these contractors was compared to select the final contractor to do the work. Kingdom City Hardware although with the lowest tender was omitted from the list due to some issues regarding the work at Duavata Secondary School. Phase-2 was awarded to Aryan's Home Solution a registered company who was next on the list compared to other bidding contractors' A total of \$128,059.90 was awarded for Phase – 2 works with 80 % (\$102,447.92) first payment which includes the water supply and upgrading the Community Hall to begin classes for Form 3

Contract Agreement

A Contract Agreement was signed at AMU between the Contractors (Mrs. S. Prasad), School Manager and MoE (PEO-Suva) for Phase-2 work amounting to \$196,000 including Labour Cost. The award should cater for 1x4 Classrooms and 1x4 pans Ablution Blocks.

Project Progress

The project for Phase – 2 was in progress the Building Grants Allocation was shifted to Ministry of Provincial Development. The Nuku Project was handed over to the Provincial Development since the funding is now with them.

2.7 The transfer of the building grant to Provincial Development while the project was in progress brought to the fore some problems with the regards to the different systems in the Ministry of Education and Provincial Development in the approval and disbursement of building grant to non-government schools. The Ministry of Education administer the approval and disbursement of the building grant assistance to non-government schools in accordance to the Building Grant Rules 1995, The Minister of Education has the final authority in the approval of building grant assistance to non-government schools. Under the Building Grant Rules the MoE disburses the building grant assistance to the school management who then implements projects with close supervision and control of the District Education office.

2.8 As the Building Grant was transferred during the year and Provincial Development was still working out the frame work in which the building grant will be administered they continued to follow the contract of work signed by the Ministry of Education and began to pay the contractor directly and not through the School Management account as stipulated in the Building Grant Rules.

20.15.6 Payments Made To Non Contracted Company

Every company as defined in the Companies Act carrying on business under a business name which does not consist of its Christian name without any addition shall be registered in the manner directed by this Act.²⁷

On 8/4/10, a contractual agreement was signed between Nuku Secondary School committee and Aryan's Home Solution for the construction of school building and ablution block at a cost of \$196,000.

The audit noted that payments for the construction works undertaken by Aryan's Home Solution were made to Aryan's Civil Works and not to Aryan's Home Solution. Refer to Table 20.11 for details of the payments made.

Table 20.11: Payments Made To Aryan's Civil Works

Date	Cheque/PV Number	Details	Amount (\$)
12/4/2010	248	First payment of work	50,000
8/2/2011	15111	Stage 6 completion	25,000

Verification at Companies Office and Fiji Revenue Customs Authority noted that Aryan's Civil Works is not a registered company. However Aryan's Home Solution was registered company but the owners of the company were operating under the name of Aryan's Civil Works. Refer to **Appendix 18.5** for details.

In addition Mr. Elvin Prasad also stated in his business card his qualification as a BE (Civil) graduate. However Mr. Prasad only has Diploma in Civil Engineering from FIT in 2000 and Diploma in Education from FCAE in 2000.

The finding showed that the company name, Aryan's Civil Works was used by Mr. Elvin Prasad to receive payments for the construction works carried out by Aryan's Home Solution to evade tax. In addition he provided misleading information in his business card to the general public.

²⁷ Section 3(d) of the Registration of Business Name Act

Recommendation

The Ministry should investigate the matter further and take appropriate action.

Ministry's Comments

According to Elvin the Aryans Civil Works was registered on 25th April, 2006 and Aryans Home Solutions Limited Company was registered on 13th May, 2009. The company has the same owners and directors of the company. The change in name was due to the works carried out by the company.

Initially the company started with doing minor civil works and later on switching to buildings only. Till date Aryans Home Solutions doesn't have a bank account and all the finance transaction is carried out by Aryans Civil Works.

The legal paper work with FIRCA is up to date. It was requested to the PEO (Suva), Mr Pita and the school manager, Mr Luke to sign the payment for Aryans Civil Works. Also we requested to the Accountant, Mr Mudaliar of Regional Development to make payment vouchers to Aryans Civil Works

He claimed that his business card does not have his name as director but the card has BE Civil (CP) which means currently pursuing.

This issue needs to be taken to the authorities concerned for appropriate action.

DIVISIONAL EDUCATION OFFICE – WESTERN

20.16 Diversion of Tuition Fee Grant – Sigatoka Methodist High School

Tuition Fees shall be solely used for the purpose of facilitating teaching and learning in the school and not for purposes that deviates from the original purpose of this grant.²⁸
The School received a tuition fee grant of \$86,782 in 2010.

In addition, audit of first term records noted that the portion of the grants received was used to meet other expenses as follows.

Table 20.12: Expenses Met From Tuition Fee Grant Of 1st Term 2010

Cheque No.	Amount \$	Payee	Particulars
324	1,810	NLTB	Payment of land rental
327	592.10	Cash	Payment of wages for ancillary staff
328	1,622.60	Cash	Payment of wages for ancillary staff
330	549.60	Cash	Payment of wages for ancillary staff
331	1,746.75	Cash	Payment of wages for ancillary staff
335	639.60	Cash	Payment of wages for ancillary staff
338	522.90	FNPF	Pay FNPF for ancillary staff
343	1,266.70	Cash	Payment of wages for ancillary staff
344	270.00	Cash	Payment of wages for ancillary staff
350	1,013.15	Lands Department	Payment for land fees
351	1,021.40	Sigatoka Town Council	Payment of town rates
352	1,500	NLTB	Payment of land rental

²⁸ Policy in distribution of Tuition Fees and Supplementary Grant Guideline – 7.1.2

Cheque No.	Amount \$	Payee	Particulars
355	659	FNPF	Pay FNPF for ancillary staff
360	1,865.95	Cash	Payment of wages for ancillary staff
Direct Deduction	3,580	Loan	Repayment of loan

The record for 2nd and 3rd term was not maintained by the School. As such audit could not substantiate how the grant money for 2nd and 3rd term was used by the school.

Furthermore, the School did not maintain a separate bank account for the Tuition Fee Grants received from Government.

It was noted that the tuition fee grant was used by the School to pay a bank loan of \$42,860. The School Principal revealed that due to non collection of student fees on time, the tuition fee grant was used to make loan repayment.

Improper use of the tuition fee grant money given for learning and teaching purposes could have an adverse effect on the overall welfare of the School in terms of improving students' performance.

Recommendations

- The Ministry should conduct a thorough investigation to ensure transparency and accountability for the utilization of tuition fee grant.
- A separate bank account needs to be opened for grants received from Government.
- School Management should ensure that regulations pertaining to the utilization of tuition fee grant are strictly adhered to.
- The Ministry should ensure that Schools make all records available to audit upon requests.

Ministry's Comments

- Ministry's officials met with the Principal and school bursar.
- The school has only one account and the bank automatically deduct Bank Loan repayment from that account.
- The school is currently processing to open a new bank account where all Government grants will be maintained and PEO-Nadroga/Navosa as one of the compulsory signatory.
- The school is now following the new MoE Financial Management and Acquittal procedures after the Financial Management workshop for school managers/bursar/Ht/Principal conducted by MoE.
- They were also advised and warned to maintain transparency and accountability on the utilization of tuition grants.

20.17 Failure to Submit Acquittals – Naqalimare District School

All financial records and evidence of transactions shall be kept at the school and made available to Ministry of Education officials for scrutiny during their visits.²⁹ In addition, failure to submit the audited financial report and the Annual General Meeting minutes on time may result in future grants being withheld.³⁰

²⁹ Policy in distribution of Tuition Fees and Supplementary Grant Guideline – 7.2.2

³⁰ Policy in distribution of Tuition Fees and Supplementary Grant Guideline – 7.2.6

Audit noted that the School failed to submit to the Ministry their first term tuition fee grant (\$2,133.33) acquittals. As a result the School did not receive the 2nd and 3rd term tuition fee grants for 2010 from the Ministry.

However the record for the usage of the 1st term tuition fee grant was not available with the School.

The Head Teacher, Mr Viliame Rosovalaqa, informed that the Treasurer of the school was not handling any cash matters due to his old age. The Treasurer only signs the cheque.

Failure on the part of the school's head teacher and management resulted in the school not receiving the 2nd and 3rd term grants. This could have an adverse effect on the overall welfare of the school and students performance.

Recommendations

- **The School should submit the acquittals in a timely manner in accordance with Conditions on Utilization of Tuition Fee Grants.**
- **The District Education Office to follow-up with the Schools on the submission of acquittals.**
- **The School Management should elect a new treasurer who is able to carry out the duties of a treasurer.**

Ministry's Comments

- *Ministry's officials met with the school Chairman and Head Teacher at the school.*
- *The non-payment of term 2 and term 3 tuition fee grants for 2010 was due to the school not submitting the 2009 tuition fee grants acquittals and AGM Report.*
- *According to the Chairman and Head teacher the Audited Financial Report (term 1 tuition fee grants acquittals-) and AGM report for 2010 has been submitted.*
- *The school Manager was sacked and a new Manager was appointed in the 2010 AGM. According to the report we received from the Head Teacher and the Chairman the previous Manager was sacked due to mismanagement of funds. Chairman, Manager and treasurer are signatories to the school bank account. In order to withdraw money, any two signatories will be accepted by the bank and this resulted in the previous Manager using the treasurer for his signature including him to withdraw money from the school account without the knowledge of the committee and head teacher. The treasurer was signing the cheque in good faith not knowing the real motive of the school Manager.*
- *The treasurer has been reappointed in the 2010 AGM and will complete 2011 before a new one to be appointed to facilitate the audit report recommendations which the Chairman and Head teacher had agreed during the meeting.*

20.18 Follow-Up: Incomplete Project from 2009 - Bemana District School

The School was awarded a boarding grant of \$20,000 for the upgrading of dining hall and kitchen. The grant was paid in full to the school on 17/09/09.

However, audit noted that on 19/11/09, an agreement was signed between school Manager and West Coast Timber and Hardware Ltd for the construction of a concrete dormitory (21x17) at a cost of \$22,000 and instead of upgrading the dining hall and kitchen.

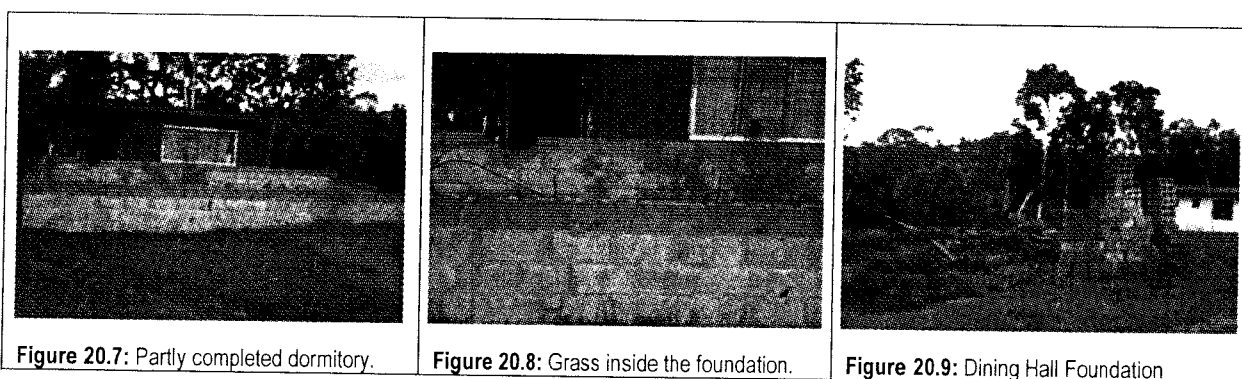
In addition, the Ministry's prior approval was not sought for the diversion of boarding grant fund. This issue was raised in the previous year's audit report.

Another audit site visit at the school on 07/02/11 noted the following anomalies:

- The School Head Teacher was not available and was in Suva without informing the District Education Office in Sigatoka;
- The Project site was the same as the previous audit visit on 10/02/10;
- Grass was growing in the foundation area;
- Treasurer did not have any records for the building and tuition fees grant; and
- The Chairman of the school had stopped the construction work. No reason was provided why Chairman stopped the construction work.

The Head Teacher revealed that the school would add more cement on the foundation to build a new dormitory and the cost would be met by the school through a fundraising.

Refer to illustration below of the incomplete construction of a dormitory.



The audit findings indicated the blatant disregard of the Boarding Grant Regulations and lack of coordination between the Asset Management Unit of the Ministry and the Divisional Education Offices in monitoring the approved projects. As a result the grant of \$20,000 provided to the School was fully exhausted with hardly any work done.

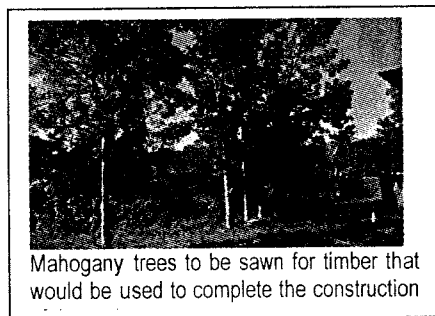
Recommendations

- **The Ministry should investigate this matter and take appropriate actions against the officer(s) responsible for not complying with the grant conditions.**
- **The Divisional Education Office should thoroughly monitor the construction of such projects and scrutinize all documentations relating to the grants.**
- **The School's should ensure that stipulated conditions of the Boarding Grant Award are complied with.**

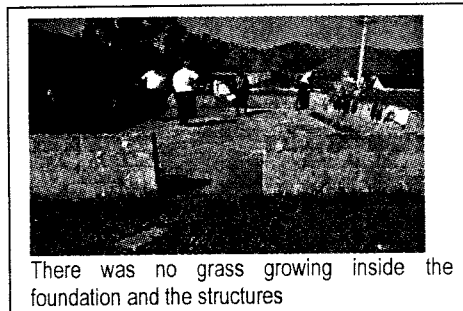
Ministry's Comments

- *Ministry's officials met with the Head Teacher and School Manager at the school.*
- *It was found that paragraph two and Figure 1 picture of the audit report were incorrect. The project still complies with the intended award which is to upgrade the dining hall and kitchen. The new building will be used for Dining Hall and the building at the back to be used for kitchen. There is no grass growing on the foundation [Refer to photos provided below]*

- *The West Coast Timber Hardware Construction has completed the foundation and four rows of blocks for the walls. The project construction was stopped by the School Chairman who is also a carpenter and was vying for the project construction too. But the committee has endorsed for the West Coast Construction to build the project since West coast was the main supplier for all building materials.*
- *The school manager and head teacher gave assurance that they would complete the project soon. They have some money balance at West Coast and also plan to cut down the school mahogany trees and use for rafters etc. The new PEO Sigatoka who is originally from Nadroga also stated and confirmed his support and would try to settle the differences between the chairman and school committee by following Fijian protocol based on his traditional ties to that particular community.*



Mahogany trees to be sawn for timber that would be used to complete the construction



There was no grass growing inside the foundation and the structures

20.19 Annual General Meeting not Held – Kulukulu Public School

The school shall submit the audited financial report endorsed in the Annual General Meeting (AGM) to the Ministry of Education by the end of February of the following year.³¹ The AGM conducted must include parents of the school.³² Failure to submit the audited financial report and the AGM minutes on time may result in future grants being withheld.³³

The School's financial statements as at 31 December 2009 was audited and signed by the Manager, President and the Treasurer. However, the School management failed to organise an AGM for the year 2009.

Despite not providing the AGM minutes for 2009, the Ministry released the tuition fee grant of \$5,750.61 to the school in 2010.

Furthermore, scrutiny of the financial statement for 2009 revealed that the tuition fees grant may not have been entirely used for teaching and learning purpose as other expenditures such as wages for the kindergarten teacher and caretaker could have been paid from the grant money.

Without an AGM, the parents and teachers would not have any information about the operation of the school in terms of its achievements, future plans and financial records.

Recommendations

- **The School management should ensure that AGM is conducted in accordance with the Conditions on Utilization of Tuition Fee Grants.**
- **The Financial Statement should be endorsed at the AGM**
- **School Management should ensure that Conditions on the Utilization of Tuition Fee Grants are strictly adhered to.**

³¹ Policy in distribution of Tuition Fees and Supplementary Grant Guideline – 7.2.4

³² Policy in distribution of Tuition Fees and Supplementary Grant Guideline – 7.2.5

³³ Policy in distribution of Tuition Fees and Supplementary Grant Guideline – 7.2.6

Ministry's Comments

- *Ministry officials met with the Head Teacher*
- *AGM was not conducted in 2009 and 2010 due the school Manager not arranging the meeting and for 2010 there was no quorum to conduct the AGM.*
- *2011 AGM was conducted after a new Management was appointed to replace the previous one. The 2010 Audited Financial Report was also discussed and confirmed.*
- *The wages for the caretaker comes from the canteen hire (\$15.00 wkly).*
- *The wages for the Kindergarten teacher comes from the students fees (\$21.00 per term/child).*
- *The Head Teacher had been advised that Fees charged to children must be approved by PSE before activation.*
- *The school is currently following the recommendations raised in the audited report.*

20.20 Follow up Issue: Incomplete Dining Hall – Nadroga/Navosa High School

The School was awarded a boarding grant of \$15,000 for the maintenance and upgrading of dining hall and kitchen. The grant was paid in full to the school on 20/10/09.

The old dining hall was burnt by the fire. However, the building structure was intact with only the interior and the roof needing maintenance.

Although, the school has already spent \$21,646.90 on the maintenance work, the dining hall still remained incomplete as at the audit date.³⁴ Illustrations below show the incomplete dining hall maintenance work.

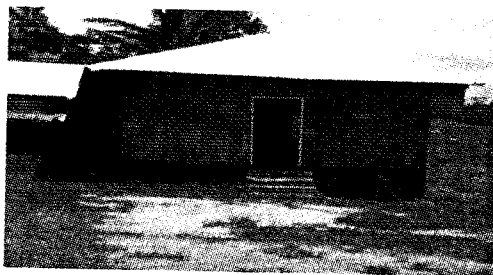


Figure 20.10: Burnt dining hall



Figure 20.11: Incomplete dining hall maintenance work

The above indicated lack of coordination and between the Asset Management Unit of the Ministry and the Divisional Education Offices in the monitoring of the approved projects. As a consequence funds were exhausted while the project has remained incomplete.

Recommendations

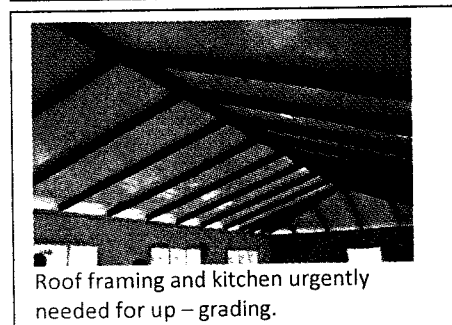
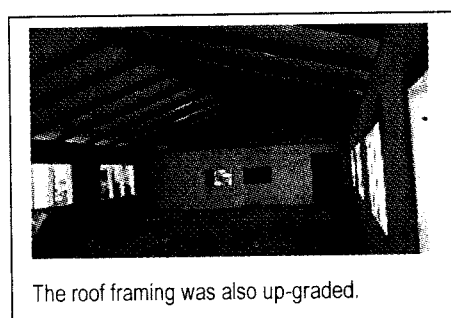
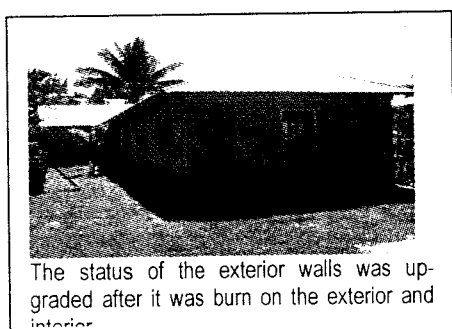
- **The Ministry should investigate this matter and take appropriate action against the officer(s) responsible for not complying with the grant conditions.**
- **The Divisional Education Office should thoroughly monitor the construction of such projects and scrutinize all documentations relating to the grants.**

³⁴ 7 February 2011

- The School's should ensure that stipulated conditions of the Boarding Grant Award are complied with.

Ministry's Comments

- Ministry officials met with the Vice Principal and Bursar [Principal attended a workshop] .
- The old dining hall roof & wooden structure was completely burnt by fire together with the concrete walls and floor surface were also damaged. This contradicts with paragraph two of the audit report.
- The \$15,000 boarding grant was used as intended for and acquitted.
- \$6,646.90 as additional was given by the Provincial Office for Materials and Labour cost.
- The Dining Hall needs windows and doors plus proper face lift of the walls and floor with funding to come from the school fundraising to complete the project.
- Target to complete the project this year, 2011 and refer photos provided.



20.21 Diversion of Tuition Fees Grant

Tuition Fees shall be solely used for the purpose of facilitating teaching and learning in the school and not for purposes that deviates from the original purpose of this grant.³⁵

The School received a tuition fee grant of \$15,784 in 2010.

The audit noted that the School management used \$9,677.09 or 61% of the grant money for other expenses than for expenses relating to learning and teaching. Refer Table 20.13 for details.

Table 20.13: Expenses met from Tuition Fee Grant

Cheque No.	Date	Amount (\$)	Particulars
1769	09/04/10	951.90	Nadro Supermarket (Boarders Food)
1772	12/04/10	460.00	Zoom, Cassava for boarders

³⁵ Policy in distribution of Tuition Fees and Supplementary Grant Guideline – 7.1.2

Cheque No.	Date	Amount (\$)	Particulars
1776	15/04/10	2,169.23	Support staff salary
1774	15/04/10	1,240.00	Sigatoka Electric (New Girls Dorm Electric work)
1779	16/04/10	322.00	Borders Food, CDP, stationeries
1773	19/04/10	487.25	Nadro Supermarket (Borders Food)
1754	19/04/10	1,084.25	Vinod Patel (Building materials for girls dorm)
1790	05/08/10	1,643	Staff salary
1796	19/08/10	821.50	Staff salary
1797	20/08/10	90.00	Refund of Fees – Alisi Kalikali
1793	23/08/10	407.96	Telephone bill – Telecom Fiji
Total			

Furthermore, the School did not maintain a separate bank account for the Tuition Fee Grants received from Government.

Improper use of the tuition fee grant money given for learning and teaching purposes could have an adverse effect on the overall welfare of the School in terms of improving students' performance.

Recommendations

- **The Ministry should conduct a thorough investigation to ensure transparency and accountability for the utilization of tuition fee grant.**
- **A separate bank account needs to be opened for grants received from Government.**
- **School Management should ensure that regulations pertaining to the utilization of tuition fee grant are strictly adhered to.**

Ministry's Comments

- *The school had been advised that diversion of funds was definitely against MoE regulations. The principal, bursar and PEO Nadroga must be vigilant in the utilization of Government fund.*
- *According to PEO Nadroga and Principal they would ensure that a separate Bank account must be opened whereby PEO would be the compulsory signatory.*
- *The PEO Nadroga would address the school management to ensure that regulations pertaining to the utilization of tuition fee grant are strictly adhered to.*

20.22 Diversion of Tuition Fees Grant – Lomawai Secondary School

Tuition Fees grants shall be used solely for the purpose of facilitating teaching and learning in the school. All financial records and evidence of transactions shall be kept at the school and made available to Ministry of Education officials for scrutiny during their visits.

In addition, tuition fees grant shall not be used for any other purposes such as building grants, hostel grants and any other activity that deviates from the purpose of this grant as identified by Ministry of Education for a particular year.³⁶

During the school visit on 07/02/11, audit noted that no records were maintained at the school for the tuition fee grant for 2010. The School Principal, Mr. Sanaila Sumo, informed that all the grant records were kept by the school Manager.

³⁶ Policy in distribution of Tuition Fees and Supplementary Grant Guideline – Section 7.1.2 & 7.2.2

Audit again visited the school on 11/02/11 and noted that tuition fees grants totaling \$28,554.99 were used for other purposes. Refer to table 20.14 for details.

Table 20.14: Expenses Met From Tuition Fee Grant

Cheque No.	Date	Amount (\$)	Particulars
001420	04/02/10	3,023.00	Pay Kasabia for materials being purchased for hostel
001425	05/05/10	1,158.66	Wages – Mrs. Kumar
		5,084.74	Wages – Mrs. Sereima
		1,200.00	Wages – Mr. Manoa
		880.00	Wages – Eseta
		200.00	Wages – Miss. Liku
		1,000.00	Wages – Mr. Laba
001427	10/05/10	450.00	Hostel Food Expenses
001431		300.00	Bought Tickets - Donation
001432		480.00	Rent for Hostel Methodist Circuit
001433		700.00	Wages – Mataqali for water pump – Saimoni
001437	19/05/10	260.00	Bought firewood for hostel
001449	08/07/10	1,400.00	Wages – Mr. Manoa
		901.60	Wages – Mrs. Kumar
		2,973.32	Wages – Mrs. Sereima
		700.00	Wages – Miss. Liku
		800.00	Wages – Eseta
		800.00	Wages – Mr. Laba
001453		300.00	Principal & Manager – Workshop Lautoka
001454	12/07/10	3,237.12	F.N.P.F – Staff contribution
001458		1,346.55	N.L.T.B Rent
001461		400.00	Wages – Saimoni
001472	22/07/10	960.00	P. Chetty – Hostel Food Expenses
Total		28,554.99	

Furthermore, the School did not maintain a separate bank account for the Tuition Fee Grants received from Government.

Improper use of the tuition fee grant money given for learning and teaching purposes could have an adverse effect on the overall welfare of the School in terms of improving students' performance.

Recommendations

- The Ministry should conduct a thorough investigation to ensure transparency and accountability for the utilization of tuition fee grant.
- A separate bank account needs to be opened for grants received from Government.
- School Management should ensure that regulations pertaining to the utilization of tuition fee grant are strictly adhered to.
- All grant records should be kept in the school for verification by the Ministry Officers and the audit.

Ministry's Comments

- Ministry officials met with the Principal, school manager, school chairman and bursar.
- All records are now in the main office.
- A new development account has been opened with Westpac Bank:

- *Account Number: 9800014624 with PEO- Nadroga/Navosa as one of the signatories and is currently kept and controlled at Sigatoka Education Office.*
- *The school is currently following the MoE Financial Management procedures with strict monitoring from Sigatoka Education Office.*
- *They were also advised and warned to maintain transparency and accountability for the utilization of tuition grants.*

20.23 Loan to Staffs – Nilsen College

Tuition Fee Grants shall be used for the purpose of facilitating teaching and learning in the school and not for purposes that deviates from the original purpose of this grant. It shall not be donated, loaned, or borrowed by any person or organization.³⁷

Our audit noted from the payment register maintained by the school bursar that the school was constantly providing loans to staffs in 2009. However, some staffs were yet to clear their loans totaling \$1,159. Refer to Table 20.15 for details.

Table 20.15: Loan To Staffs Provided From School Fund

Date	Cheque Number	Name of Borrower	Amount Borrowed (\$)	Amount Repaid (\$)	Amount Owing (\$)
06/02/09	1793	Kelera	100.00	100.00	---
06/02/09	1794	Laisa	200.00	150.00	50.00
06/02/09	1795	Salanieta	100.00	100.00	---
12/02/09	1805	Sema	100.00	---	100.00
20/02/09	1819	Semesa	150.00	150.00	---
20/02/09	1820	Kelera	100.00	100.00	---
27/02/09	1829	Salanieta	80.00	80.00	---
16/03/09	1850	Rt. Esala	100.00	100.00	---
17/03/09	1852	Kelera	200.00	200.00	---
22/05/09	1922	Rt. Esala	650.00	---	650.00
24/06/09	1963	Setita	450.00	450.00	---
13/07/09	1989	Sema	400.00	300.00	100.00
28/07/09	2001	Maria Albert	200.00	200.00	---
31/07/09	2008	Setita	800.00	540.80	259.20
06/08/09	2011	Shamina	1,500.00	1500.00	-
06/08/09	2013	Lina	500.00	500.00	-
12/08/09	2020	Timoci	500.00	500.00	-
03/11/09	2083	Kesaia	100.00	100.00	-
Total			6,230.00	5,070.80	1,159.20

This issue was highlighted in previous years audit report where the school clerk commented that the school has stopped giving loans and that all loans have been recovered.

In addition, it was noted that the school management used \$1,270.70 of the grant money for other expenses than for expenses relating to learning and teaching. Refer to Table 20.16 for examples.

³⁷ Policy in distribution of Tuition Fees and Supplementary Grant Guideline – Section 7.1.2 & 7.2.2

Table 20.16: Diversion of Tuition Fees Grant

Cheque No.	Date	Amount (\$)	Particulars
002193	19/07/10	40.00	Reach out programme – Management. Lololevu and Korowere Community
002194	19/07/10	40.00	Reach out programme – Management. Nasivi Community
002175	29/06/10	147.20	Salary – Esala Basaga
002197	26/07/10	30.00	Reach out programme – Management. Matanagata Community
002198	26/07/10	30.00	Reach out programme – Management. Low cost
002207	03/08/10	40.00	Reach out programme – Management. Nasomo Community
002294	01/12/10	200.00	Pay Vani Marama – Volunteer
002293	02/12/10	200.00	Pay Tevita Natikodina– Volunteer
002206	03/08/10	30.00	Community Reach out – Loloma
002142		30.00	Given by Manager to Mr. Timoci Malawai for transportation of his household belongings to the school compound
002243	27/09/10	483.50	Trip to Labasa for Principals Conference
Total		1,270.70	

Furthermore, the School did not maintain a separate bank account for the Tuition Fee Grants received from Government.

Improper use of the tuition fee grant money given for learning and teaching purposes could have an adverse effect on the overall welfare of the School in terms of improving students' performance.

Recommendations

- **The Ministry should conduct a thorough investigation to ensure transparency and accountability for the utilization of tuition fee grant.**
- **A separate bank account needs to be opened for grants received from Government.**
- **School Management should ensure that regulations pertaining to the utilization of tuition fee grant are strictly adhered to and appropriate action taken against those Officer(s) who do adhere to it.**

Ministry's Comments

- *Meeting was made with the Principal, school bursar, clerk by the PEO Ba and EO Ba*
- *The MoE which is represented by Ba Education Office will closely monitor this school to ensure transparency and the accountability for the utilization of tuition fee grant i.e. for teaching and learning purposes only.*
- *A separate bank account must be opened for grants received from Government and PEO Ba must be the compulsory signatory.*
- *School Management should ensure that regulations pertaining to the utilization of tuition fee grant are strictly adhering to and appropriate action taken against those officer(s) who breach these regulations.*
- *The school bursar and school principal had stopped given loan to teachers from last year.*
- *They also stopped using the tuition grant for community awareness programme*
- *It was agreed in the meeting, that direct deduction from teacher's salary for those owing money to the school, if they don't pay by the timeline given by the school principal. Teachers involved had signed the agreement and Education officers present were witnesses. The principal will send updates on the agreement.*

20.24 Natabua High School - Deteriorating State of School Hostel Facilities

The Ministry of Education is totally committed to ensuring that all its offices and all schools are maintained as safe and healthy workplace and environments for its employees, schoolchildren, customers and visitors.³⁸

These procedures shall, except where otherwise stated, apply to:

- (a) Classrooms including all buildings used for teaching and learning;
- (b) Teacher's Quarters; and
- (c) Hostel, Dining room, kitchen and associated facilities.³⁹

Previous years audit report highlighted the deteriorating state of the school hostel which needed urgent repairs and maintenance.

On 08/02/11, audit re-inspected the school hostel and noted that the hostel facilities continued to deteriorate. Refer to the illustrations below for examples.



Figure 20.12: Poor Hostel Room

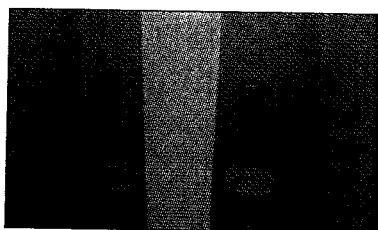


Figure 20.13: Poor state of toilet

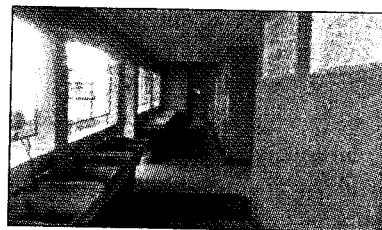


Figure 20.14: washroom tiles missing

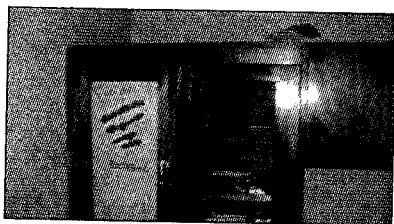


Figure 20.15: Dormitory broken cabinets

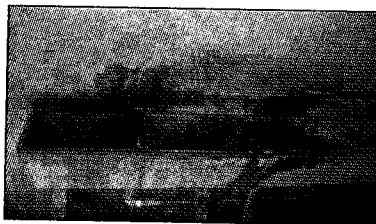


Figure 20.16: Poor quality of wash tubs

The above findings denoted a very hazardous environment, which could affect students lives and health and exposes the Ministry to lawsuits and penalties for non-compliance with the OHS Act.

Recommendations

- The Ministry should ensure that a safe and healthy environment is provided to students.
- OHS regulations should be strictly complied with.
- Schools to be provided with funding to carry out repair and maintenance work on the school premises.

Ministry's Comments

- *The Principal and Staff are reminded to maintain safe and healthy environment that is conducive to learning. During the visit the school was very well presented.*

³⁸ Ministry of Education OHS Policy, Section 2.1

³⁹ Ministry of Education OHS Policy, Section 5.2.1

- *OHS regulations are also found to be well strictly followed and monitored by the Principal and Staff.*
- *The MoE is waiting for the Quotations from PWD and Private Contractors for the General Maintenance of the school. The school is to be assisted on renovation this year.*

20.25 Reconstruction of School Building Lautoka Muslim School

All projects should be completed within six months in which the building grant was approved. Any outstanding project is deemed to have passed and the balance of the grant forfeited.⁴⁰

The Lautoka Muslim Primary School building sustained damages through fire on 03/11/09. As part of its assistance, Government provided a grant of \$150,000 for the fire rehabilitation program of which 80% or \$120,000 was deposited into a special account with an extra \$50,000 for furniture and stationeries.

The previous years audit report highlighted the delay in the commencement of the project due to delay in getting the building plan approved by the Lautoka City Council and the Director of Town and Country Planning.

We re-visited the school on 07/02/11 and noted that the construction of the building had just commenced with the first batch of payment of \$27,942 made in January 2011. Refer to illustrations below on the progress of the construction.



Figure 20.17: Reconstruction in Progress



Figure 20.18: Reconstruction in Progress

In addition, the contract between the school and the contractor was not provided during the audit as it was neither available at the school nor at the District Education Office.

Currently, the students are accommodated in the library, staff room and shared crowded classrooms. Furthermore, it was noted that a hall (outside the school premises) owned by the Sunbeam Transport is being used as a classroom.

Delay in the reconstruction of the school building could have an adverse effect on the students' performance and health.

Recommendations

- The Ministry should closely monitor the progress on the school's reconstruction project and ensure that the project is completed within the timeframe as per the contract.
- The Contract document should be made available at the school and District Education Office and provided to the Ministry Staff and auditors upon request.

⁴⁰ School Building Grant Rules, 1996, Section 17.

Ministry's Comments

- *Meeting with School Manager, Head Teacher and Krishna (EO Lautoka).*
- *The contract of the construction is currently handled by the main religious body*
- *The delay of the construction was the approval of the up-grading of the building from 2nd storey to 3rd storey building floor from the Lautoka Town Council.*
- *The approved drawings and the contract agreement is available and were sighted.*
- *The work is progressing slowly and the delay of the project was due to bad weather. Also the contractor was not given enough funds from the management due to some differences. The day of the visit everything was solved by the two parties and works can be seen well on the way.*
- *According to the manager the contractor assured them that the construction of the three storey building would be completed by August and the students who are currently occupying the Sunbeam Building can move in at the beginning of Third term.*
- *Mr. Krishna [EO Lautoka] would be MoE rep for the site meeting on every Wednesday and monitor and report work progress.*
- *All the documents of the project is in school file at Lautoka Education office.*

20.26 Tuition Fees Grant – Vuda District School

Tuition fees grant shall be used solely for the purpose of facilitating teaching and learning in the school. It shall not be donated, loaned, or borrowed by any person or organization.⁴¹

The school shall submit the audited financial report endorsed in the Annual General Meeting to the Ministry of Education by the end of February of the following year.⁴²

The School received \$8,703.20 as Tuition Fees Grant in 2010.

The audit could not ascertain the utilization of tuition fee grant as all relating documents are controlled and maintained by the Chairman of the school committee. The Head Teacher during the discussion on 07/02/11 confirmed that all records pertaining to tuition fees grant was handled by the Chairman.

The Head Teacher also revealed that currently they rely on the Parents Teachers Association (PTA) funds to meet the daily school needs.

Furthermore, it was noted that the school failed to prepare its 2010 accounts and hold an Annual General Meeting.

A meeting with the Chairman was futile as he was not available during the time of the audit.

Lack of coordination between the school officials and the committee members could hinder the school operation which would directly affect the student's performance. The practice of having the Chairman running the committee lacked transparency and accountability.

Recommendations

- **The Ministry should conduct a thorough investigation to ensure transparency and accountability for the utilization of tuition fee grant.**

⁴¹ Policy in distribution of Tuition Fees and Supplementary Grant Guideline 7.1.3

⁴² Policy in distribution of Tuition Fees and Supplementary Grant Guideline 7.2.4

- All records should be kept at the school for verification by Ministry staffs and is made available to auditors upon request.
- The school should have an active committee in place and ensure that a strong partnership exists between the school officials and the committee members.
- The School Management should ensure that an AGM is held before end of February in which the audited financial statement are endorsed and submitted to the Ministry.

Ministry's Comments

- *The land was given by one of the chiefs who is also the chairman. Currently the school site is not lease.*
- *Ministry's officials met with the Head Teacher and Secretary*
- *The head teacher has no idea of the financial status and records because all income include tuition grant are deposited into one account and handled by the chairman who is the landowner.*
- *The school is one of the best schools in the West, very well presented and well equipped. According to the Head Teacher they don't have any problem at all regarding funding assistance whereby the Vanua do support the school when need arises.*
- *For example the Community has recently built a three bedroom concrete block for the Head Teacher after a direct request from the Head Teacher himself.*
- *The only problem is that Funds used are not recorded and acquitted*
- *The treasurer and head teacher confirmed that the chairman would agree to open a new cheque account for tuition grants.*
- *The AGM was held this year on 25th Mar 2011 but no financial report presented.*
- *According to the treasurer and Head Teacher they would try to improve on documentation and all records must be kept in the school office.*
- *The coordination between chairman, head teacher and committee is quite good but still there are areas need to be improved especially in the use of fund.*
- *The head teacher and treasurer who were present in the meeting would try to address the chairman and committee on recommendations from Auditors General Office and requirements from MoE.*

20.27 Legal Dispute – Raviravi Sangam Primary School

Tuition fees grant shall be used solely for the purpose of facilitating teaching and learning in the school. It shall not be donated, loaned, or borrowed by any person or organization.⁴³ The school shall submit the audited financial report endorsed in the Annual General Meeting (AGM) to the Ministry of Education by the end of February of the following year.⁴⁴

The School received \$5,431.30 as Tuition Fees Grant in 2010.

Our audit noted that there is a legal dispute on the appointment of committee trustees which has been pending since 2004. As such, no Annual General Meeting for the school has been held since then. This was confirmed by the Assistant Head Teacher and the School Manager during the discussion on 07/02/11.

In addition, audit could not ascertain the utilization of tuition fee grant as all relating documents were maintained by the Treasurer. With the long pending court dispute and absence of AGM, the voices of stakeholders would not be heard and the children's educational welfare could be affected.

Recommendations

- **The Ministry should conduct a thorough investigation to ensure transparency and accountability for the utilization of tuition fee grant.**

⁴³ Policy in distribution of Tuition Fees and Supplementary Grant Guideline 7.1.3

⁴⁴ Policy in distribution of Tuition Fees and Supplementary Grant Guideline 7.2.4

- **The School management should hold an AGM in accordance with Tuition Fees and Supplementary Grant Guidelines.**
- **All financial records should to be maintained in the school premises.**

Ministry's Comments

- *Ministry officials met with the Head Teacher ,Manager and Treasurer*
- *The main issue in this school is the land dispute between management and landowner. The dispute case is now pending in the court*
- *The verdict of the legal dispute court case would be rounding up at the end of the year.*
- *The management was advised to call an AGM and the agenda are to endorse the financial report in 2011 and discussion on participation on education development of the children .Land issue must not part of the agenda.*
- *The manager, treasurer and head teacher confirmed that they are not using government grants to pay loan but payment comes from House rent and donation.*
- *All the above have been verified by school records well documented and kept the school office. The new management check and monitor all the financial records, Grants Acquittals File, school levies etc.*
- *TISI Sangam is the owner of this religious institution.*

20.28 Diversion of Tuition Fees Grant – Lautoka Delana Primary School

Tuition Fees grants shall be used solely for the purpose of facilitating teaching and learning in the school. It shall not be donated, loaned, or borrowed by any person or organization.⁴⁵

The School received \$10,039.85 as Tuition Fees Grant in 2010.

Our audit of the 2010 monthly cash summary noted expenses that were outside the conditions of the purpose of the grant. Refer to Table 20.17 for examples.

Table 20.17: Diversion of Tuition Fees Grant

Date	Cheque #	Details	Amount (\$)
09/01/10	1032	Jone	138.00
		Wages Advance	162.00
11/01/10	1037	Labour, painting, Lunch, Fare	100.00
12/01/10	1039	Fare and lunch for painters	100.00
13/01/10	1040	Grocery	3.60
		Transport	22.00
		Lunch – 15/01	22.00
		Grog, refreshments, fare for laborers	20.00
		Lunch – 14/01	25.00
		Treasurer	87.18
19/01/10	1043	Lunch	17.50
		Taxi	5.50
		Grog, refreshments for laborers	32.50
19/01/10	1044	Salaries	444.00
		Advance Treasurer	138.00
03/02/10	1050	Ned Marketing – canteen supplies	323.00

⁴⁵ Policy in distribution of Tuition Fees and Supplementary Grant Guideline 7.1.3

Date	Cheque #	Details	Amount (\$)
03/02/10	1052	Quickdial	5.00
		Taxi	6.00
		Lunch	20.00
		Grog	20.00
		Treasurer	58.51
05/02/10	1056	Salaries	394.00
06/02/10	1057	Maintenance at teachers quarters	105.00
		Lunch	40.00
		Grog and refreshments	40.00
		Transport	20.00
		Recharge – Treasurer	5.00
03/02/10	1058	Soap Powder	48.00
10/02/10	1060	Committee allowance	40.00
		Grog	25.00
		Taxi	35.00
25/02/10	1062	Neds Marketing – canteen supplies	212.50
26/02/10	1065	Salaries	694.00
		Recharge – Treasurer	15.00
		Taxi	10.00
26/02/10	1067	LCC – city rates	200.00
04/03/10	1075	FNPF – arrears	1,000.00
04/03/10	1076	Salaries	394.00
		Reimburse school canteen	256.00
		Treasurer	20.00
11/03/10	1077	Treasurer	84.76
29/03/10	1089	LCC – city rates	200.00
01/04/10	1093	FNPF contributions	588.00
01/04/10	1094	Salaries	384.00
		Taxi	140.00
08/04/10	1095	Salaries	384.00
		Talatala	50.00
		Taxi	10.00
		Grog	20.00
22/04/10	1096	Salaries	780.00
		Treasurer	389.00
28/04/10	1101	Salaries	384.00
		Salary Advance	100.00
		Loan	500.00
		Treasurer	100.00
06/05/10	1102	Salaries	384.00
		Taxi	10.00
07/05/10	1104	Salary Advance	100.00
		Salary Advance	300.00
10/05/10	1105	Loan – Mr. Tuiova	700.00
		Hit baton	200.00
		Refreshments	50.00
13/05/10	1107	Salaries	344.00
		Manager – Mr. Sokidrau	20.00
		Treasurer	180.00
21/05/10	1112	Salaries	300.00
Total			12,005.05

In addition, the School did not maintain a separate bank account for the Tuition Fee Grants received from Government.

Furthermore, it was also noted that the current committee is in the process of investigating funds paid out to the former treasurer as substantial sums were utilized without any satisfactory explanations.

The utilization of tuition fee grant to meet expenses such as salary advances, loan payments, committee allowances and entertainment expenses defeated the purpose and objective of the grant given and could have an adverse effect on the overall welfare of the School in terms of improving students' performance.

Recommendations

- **The Ministry should conduct a thorough investigation to ensure transparency and accountability for the utilization of tuition fee grant.**
- **A separate bank account needs to be opened for grants received from Government.**
- **The Ministry should ensure that regulations pertaining to the utilization of tuition fee grant are strictly adhered to and appropriate action taken against those Officer(s) who do adhere to it.**

Ministry's Comments

- *Meeting with Head teacher, manager and school clerk*
- *Transparency and accountability for the utilization of tuition fee grant were seriously addressed whereby the grants must be utilized on teaching and learning purposes only.*
- *The new manager confirmed that he now strictly monitored the use of the grants and new procedure for acquittals are followed. He had written to the previous treasurer to pay back \$4,000 which he owed to the school and failed to pay would result to police case.*
- *The misuse of the tuition fee grants was done by the previous school management.*
- *The new school management would open a separate bank cheque account specifically for Tuition grants whereby the PEOW would be the compulsory signatory.*
- *The Lautoka Education office would monitor and verify school accounts.*
- *The treasurer of the school attended the Financial Management Workshop and acquittals procedure would be strictly followed.*

20.29 Contract Document

The school charges rental fee of \$3,500 per month to Free-Bird Institute for the usage of the school premises for the education of foreign students in learning English language.

Contract document was not provided during the audit, as neither the school nor the Ministry has a copy of the contract.

Audit perceives that conditions of the rent agreement needs to be clearly outlined to safeguard the interest of the school. The usage of the rental fees also needs to be documented.

Without proper a contract agreement, the interest of the school would not be safeguarded.

Recommendation

A Contract/Agreement should be drawn between Free Bird Institute and the Ministry with all conditions properly addressed to safeguard the interest of the school.

Ministry's Comments

- *The Agreement signed between School management and Freebird Institute should be witnessed by representative from Ministry of Education and a proper MOU must be used. Lautoka Education Office has been notified to investigate more from the management that did the signing of agreement at the first place. The Director AMU will conduct a meeting with the two parties.*
- *The Audit report for 2010 and the first term school grant had been sighted.*
- *The grant that was wrongly deposited in Lovu Sangam was deposited to school account.*

20.30 Diversion of Tuition Fees Grant – Tavarua Bhartiya School

Tuition fees grant shall be used solely for the purpose of facilitating teaching and learning in the school. It shall not be donated, loaned, or borrowed by any person or organization.⁴⁶

The School received \$5,770.55 as Tuition Fees Grant in 2010.

The records for the tuition fees grant was maintained by the treasurer which was outside the school premises. As such audit was unable to substantiate the utilization of the tuition fees grant.

However, scrutiny of the 2009 audited financial statements noted that expenses such as land rent, insurance and others were paid by the school. Audit perceived that these expenses might have been met from the tuition fees grant. Refer to Table 20.18 for details.

Table 20.18: Diversion of Tuition Fees Grant

Particulars	Amount (\$)
Land Rent	127.20
Insurance	982.50
Others	1,980.73

In addition, the School did not maintain a separate bank account for the Tuition Fee Grants received from Government.

Improper use of the tuition fee grant money given for learning and teaching purposes could have an adverse effect on the overall welfare of the School in terms of improving students' performance and quality of education provided.

Recommendations

- **The Ministry should conduct a thorough investigation to ensure transparency and accountability for the utilization of tuition fee grant.**
- **A separate bank account needs to be opened for grants received from Government.**
- **The Ministry should ensure that regulations pertaining to the utilization of tuition fee grant are strictly adhered to and appropriate action taken against those Officer(s) who do not adhere to it.**
- **All financial records are to be maintained in the school premises.**

⁴⁶ Policy in distribution of Tuition Fees and Supplementary Grant Guideline 7.1.3

Ministry's Comments

- *Meeting with head teacher ,manager chairman, treasurer and secretary*
- *The schools have all the financial records filed and kept in the office.*
- *The manager, treasurer and head teachers were advised to utilize the tuition grant for teaching and learning purposes only.*
- *The school committee was also advised to open a separate new account as soon as possible for transparency in the usage of the school fund. The PEO Lautoka must be the compulsory signatory.*

20.31 Exorbitant School Fees – Lautoka Zhong Hua School

All Primary school students are to pay only \$10 as school fees per term according to the policy governing the payment of fees in Primary schools. Any school that charges more than \$10 must first obtain the approval of the Permanent Secretary for Education. If schools continue to charge exorbitant fees, the government will stop paying fee free grants.⁴⁷

The School received \$7,645.85 as Tuition Fees Grant in 2010. Contrary to the above memorandum issued by the Permanent Secretary, audit noted that the school was charging exorbitant fees to the students. Refer to Table 20.19 for details of fees charged.

Table 20.19: Details of Fees Charged

Fees	Amount (\$)
Building Fees	40.00/term/child
Photocopy Charge	\$4/child (class 1-4) \$5/child (class 5-8)

The school failed to obtain the prior approval of the Permanent Secretary before charging school fees of more than \$10.

Furthermore, it was noted that the school had obtained significant amount of loan from committee members to upgrade the school building and facilities. As at 31/12/09, the loan and other payables amounted to \$107,989. Since no separate record was maintained for government grants, there was a possibility that grant money was used for loan repayments.

Charging of exorbitant fees affects students of poor financial background. Also improper use of the tuition fee grant money could have an adverse effect on the overall welfare of the School in terms of improving students' performance and quality of education provided.

Recommendations

- **The Ministry should investigate this matter and take appropriate action against the responsible officer(s) who failed to comply with the Circular memorandum 02/2011.**
- **The School Management should ensure that prior approval of Permanent Secretary is obtained before charging extra fees to students.**
- **A separate bank account needs to be opened for grants received from Government.**

⁴⁷ Circular Memorandum No. 02/2011 dated 01/02/11

- **The Ministry should ensure that regulations pertaining to the utilization of tuition fee grant are strictly adhered to and appropriate action taken against those Officer(s) who do adhere to it.**

Ministry's Comments

- *Meeting with head teacher and Mr Seeto the secretary.*
- *The Head Teacher and the Secretary have assured that they would comply with all regulations and policies regarding school management and administration.*
- *The secretary agreed to open a Separate Bank Cheque Account for Tuition Grant whereby the PEO Lautoka would be the compulsory signature.*
- *The school committee confirmed that they would adhere to regulations regarding the utilization of government grants.*

20.32 Diversion of Tuition Fees Grant – Nawaqavesi Primary School

Tuition fees grant shall be used solely for the purpose of facilitating teaching and learning in the school. It shall not be donated, loaned, or borrowed by any person or organization.⁴⁸

The School received \$4,422.50 as Tuition Fees Grant in 2010. Scrutiny of the 2010 audited financial statements noted that the school met expenses that were outside the purpose of the grant. Refer to Table 20.20 for details.

Table 20.20: Diversion of Tuition Fees Grant

Particulars	Amount (\$)
Repair & Maintenance	890.79
Kawasaki Brushcutter	799.00
Audit Fees	50.00
Committee Expenses	194.00
World International Day Expenses	187.00
School Land Lease	418.42
Farewell Expenses	185.00
Year End Expenses	142.00

The records for the tuition fees grant was maintained by the treasurer which was outside the school premises. As such audit was unable to substantiate the utilization of the tuition fees grant. In addition, the School did not maintain a separate bank account for the Tuition Fee Grants received from Government.

Improper use of the tuition fee grant money given for learning and teaching purposes could have an adverse effect on the overall welfare of the School in terms of improving students' performance and quality of education provided.

Recommendations

- **The Ministry should conduct a thorough investigation to ensure transparency and accountability for the utilization of tuition fee grant.**

⁴⁸ Policy in distribution of Tuition Fees and Supplementary Grant Guideline 7.1.3

- A separate bank account needs to be opened for grants received from Government.
- The Ministry should ensure that regulations pertaining to the utilization of tuition fee grant are strictly adhered to and appropriate action taken against those Officer(s) who do adhere to it.
- All financial records are to be maintained in the school premises.

Ministry's Comments

- *Meeting with head teacher.*
- *The head mistress would advise and warn the school management to use the tuition grant for teaching and learning purposes only.*
- *The school management had opened a separate account for tuition grant.*
- *The head teacher was advised to monitor the use of tuition grant and all the grant acquittals file must be kept in the office.*
- *The school had a new account for tuition grant and PEO [Ra] is the compulsory signatory*

20.33 Delay in AGM and Audited Accounts – Navunibitu Catholic School

The school shall submit the audited financial report endorsed in the AGM to the MoE by the end of February of the following year.⁴⁹ Failure to submit the audited financial report and the AGM minutes on time may result in future grants being upheld.⁵⁰

The School received \$6,109.70 as Tuition Fees Grant in 2010.

Audit noted that the school has yet to submit its 2009 audited financial statement together with the minutes of the AGM. Discussion with the school Head Teacher revealed that the delay in the audited accounts was due to the delay in the finalization of the accounts from their auditor who was based in Suva.

Furthermore, the school does not maintain a separate record for tuition fee grant thus it was not possible to ascertain the funds utilized from the grant.

The failure to submit audited accounts and the AGM minutes could result in suspension of government grants which would have an adverse effect on the student's education.

Recommendations

- **The School Management should ensure that the Accounts are audited and submitted to the Ministry on a timely basis.**
- **The School should hold its AGM and submit the minutes to the Ministry by end of February each year.**
- **A separate bank account needs to be opened for grants received from Government.**

Ministry's Comments

- *Meeting with head teacher*
- *The Head Teacher confirmed that the 2010 school AGM was held and the financial report was sent.*

⁴⁹ Policy in distribution of Tuition Fees and Supplementary Grant Guideline 7.2.4

⁵⁰ Policy in distribution of Tuition Fees and Supplementary Grant Guideline 7.2.6

- *Also in 2009 the AGM and financial statement was sent late and the school grants was released and received by the school.*
- *The school head teacher confirmed that the school would open a new school account with PEO (RA) as the compulsory signatory.*
- *The school planned to hold the school AGM before February 2012.*
- *The school head teacher was advised to address the school management to follow regulations and policies set by the MoE regarding grants*

DIVISIONAL EDUCATION OFFICE – NORTHERN

Tuition Fees shall be solely used for the purpose of facilitating teaching and learning in the school and not for purposes that deviates from the original purpose of this grant.⁵¹

The tuition fees shall not be donated, loaned or borrowed by any person or organisation.⁵² Tuition fees grants shall not be used for any other purpose such as building grants, hostel grants and any other activity that deviates from the purpose of this grant as identified by Ministry of Education for a particular year.⁵³

In addition, the account maybe audited by any person with sufficient accounting knowledge. However he or she shall give a certificate confirming the audit, and submit a report of the findings and recommendations.⁵⁴

The School received a tuition fee grant of \$112,061.52 in 2010.

Audit visit to the School 24/02/11 noted that no records for Tuition Fee Grants were maintained at the school premises. Instead all the records were maintained by the School Manager, Mr. Charanjeet Singh, at his Office.

However, scrutiny of the audited financial report for the year ended 31/12/10 noted the following anomalies:

- The school's total income (including government grant) amounted to \$159,184.52, whilst total expenditure was \$299,077.29 resulting in a deficit of \$139,892.77. It was revealed that this deficit was financed by the School Manager by way of loan to the school. However, this statement could not be substantiated as no statement of financial position was prepared to show all assets and liabilities of the school. In addition, no formal loan agreement document was provided during the audit.
- The auditor, Ms. Sashi Kala revealed that the audit report was prepared according to the information provided by the School Manager. She was also not aware of the loan amount.
- From the total grant of \$112,061.52, only \$42,357.82 was utilized for the purpose of teaching and learning. The other sum of \$69,703.70 was utilized towards the building construction and soil reclamation.
- The cheque signatories are the School Manager, Mr. Charanjeet Singh and his wife.

⁵¹ Conditions of utilization of tuition fees and supplementary grants – 7.1.2

⁵² Conditions of utilization of tuition fees and supplementary grants – 7.1.3

⁵³ Conditions of utilization of tuition fees and supplementary grants – 7.1.5

⁵⁴ Conditions of utilization of tuition fees and supplementary grants – 7.2.3

- The treasurer of the school was not aware of the cash matters.

Furthermore, the School did not maintain a separate bank account for the Tuition Fee Grants received from Government.

Improper use of the tuition fee grant money given for learning and teaching purposes could have an adverse effect on the overall welfare of the School in terms of improving students' performance.

Also having the signatories from the same family members would increase the risk of theft and misappropriation of funds.

Recommendations

- **The Ministry should conduct a thorough investigation to ensure transparency and accountability for the utilization of tuition fee grant.**
- **The School Manager should provide all formal documents for the loan given to the School.**
- **A separate bank account needs to be opened for grants received from Government.**
- **School Management should ensure that regulations pertaining to the utilization of tuition fee grant are strictly adhered to.**
- **School Management should consider changing the cheque signatories for better controls to be in place.**
- **The Ministry should ensure that Schools make all records available to audit upon requests.**
- **A competent auditor with the auditing background should be selected to audit the School accounts.**

Ministry's Comments

- *The Ministry has already conducted training on Acquittal of Tuition Fee Grants and schools are advised to have separate acquittal file for Tuition Fees Grant and Capital Grants.*
- *Asset Management Unit of MoE had visited the school and checked their books and advised the Management on the proper procedures to be followed.*
- *The school has opened separate accounts for Government grants with the Divisional Education Officer Northern as the compulsory signatory.*
- *All financial records are now kept in the school office.*

Further OAG Comment

The Ministry did not investigate the loans given by the Manager to fund the deficit of \$139,892.77.

20.35 Anomalies in use of Tuition Fee Grant – Shri Guru Nanak Primary School

All financial records and evidence of transactions shall be kept at the school and made available to Ministry of Education officials for scrutiny during their visits.⁵⁵ The account maybe audited by any person with sufficient accounting knowledge. However he or she shall give a certificate confirming the audit, and submit a report of the findings and recommendations.⁵⁶

Our visit to the School noted the following anomalies in the management of Tuition Fee Grants:

⁵⁵ Conditions of utilization of tuition fees and supplementary grants – 7.2.2

⁵⁶ Conditions of utilization of tuition fees and supplementary grants – 7.2.3

- Accounts were drawn up together with other revenue apart from the government grant.
- The expenses incurred by the school were not in line with the guidelines of the Ministry.
- The payment voucher relating to the 2010 accounts were not available in the school premises and as a result audit could not verify the payments incurred.
- Audit fee of \$450 was charged to the school which is considered to be high.
- The cheque signatories are the School Manager, Mr. Charanjeet Singh and his wife Ms. Singh.

Furthermore, the School did not maintain a separate bank account for the Tuition Fee Grants received from Government.

Improper use of the tuition fee grant money given for learning and teaching purposes could have an adverse effect on the overall welfare of the School in terms of improving students' performance.

Without proper records, the school funds could be mismanaged and misappropriated.

Recommendations

- **The Ministry should conduct a thorough investigation to ensure transparency and accountability for the utilization of tuition fee grant.**
- **A separate bank account needs to be opened for grants received from Government.**
- **School Management should ensure that regulations pertaining to the utilization of tuition fee grant are strictly adhered to.**
- **All records relating to the usage of tuition fees grant should be kept at the school premises for audit purposes.**
- **The School Management should look for an auditor charging cheap price as \$450 is considered to be high.**
- **The School Management should also consider changing the cheque signatories for better controls to be in place.**

Ministry's Comments

- *The Ministry had already conducted training on Acquittal of Tuition Fee Grants and schools are advised to have separate acquittal file for Tuition Fees Grant and Capital Grants.*
- *Asset Management Unit of MoE had visited the school and checked their books and advised the Management on the proper procedures to be followed.*
- *The school has opened separate accounts for Government grants with the Divisional Education Officer, Northern as the compulsory signatory.*
- *All financial records are now kept in the school office.*
- *Shri Guru Nanak Primary and Secondary Schools are governed by the same management.*

20.36 Anomalies in use of Tuition Fee Grant Labasa Sangam SKM College

Tuition Fees shall be solely used for the purpose of facilitating teaching and learning in the school and not for purposes that deviates from the original purpose of this grant.⁵⁷

⁵⁷ Conditions of utilization of tuition fees and supplementary grants – 7.1.2

The tuition fees shall not be donated, loaned or borrowed by any person or organisation.⁵⁸ Tuition fees grants shall not be used for any other purpose such as building grants, hostel grants and any other activity that deviates from the purpose of this grant as identified by Ministry of Education for a particular year.⁵⁹

Furthermore, the accounts may be audited by any person with sufficient accounting knowledge. However he or she shall give a certificate confirming the audit, and submit a report of the findings and recommendations.⁶⁰

The School received a grant of \$174,081 in 2009.

We visited the school on 21/02/11 however we were informed that all the record pertaining to the grant received in 2010 was with the schools auditors. As a result, audit reviewed the grants received in 2009 and noted the following anomalies:

- The TISI Sangam was controlling the funds received by the school from the Ministry. The School Principal was not aware of the total grant received by the school in 2009 and 2010.
- The school had only one bank account in which all the other revenues received by the school were deposited.
- The 2009 accounts were drawn up with all the revenues and expenditures incurred by the school and as a result it was difficult to verify how the grant moneys received were utilized.
- Some expenses incurred were not in accordance with the grant conditions.
- School was giving loan to their related party which includes other schools which are under TISI Sangam.
- Analysis by audit of the 2009 financial statement revealed that a surplus of \$74,554 was realized for the year which could be used for other purposes apart from teaching and learning.
- An audit fee of \$7,050 was charged by the school auditors, H. N. Pande.

The above anomalies indicated that grant money may not have been utilised for the purpose it was given. Improper use of the tuition fee grant money given for learning and teaching purposes could have an adverse effect on the overall welfare of the school in terms of improving students' performance.

Recommendations

- **The Ministry should conduct a thorough investigation to ensure transparency and accountability for the utilization of tuition fee grant.**
- **A separate bank account needs to be opened for grants received from Government.**
- **School Management should ensure that regulations pertaining to the utilization of tuition fee grant are strictly adhered to.**
- **All records relating to the usage of tuition fees grant should be kept at the school premises for audit purposes.**

⁵⁸ Conditions of utilization of tuition fees and supplementary grants – 7.1.3

⁵⁹ Conditions of utilization of tuition fees and supplementary grants – 7.1.5

⁶⁰ Conditions of utilization of tuition fees and supplementary grants – 7.2.3

- The School Management should look for an auditor charging cheap price as \$7,050 is considered to be high.

Ministry's Comments

- The Ministry has already conducted training on Acquittal of Tuition Fee Grants and schools are advised to have separate acquittal file for Tuition Fees Grant and Capital Grants.
- The school has opened separate accounts for Government grants with the Principal Education Officer as the compulsory signatory.
- The Ministry had advised the Management on the proper procedures to be followed.
- All financial records are now kept in the school office.
- The management is currently looking for an auditor who can charge a reasonable price.

20.37 Building Grant Anomalies (2009) – Labasa College

A departmental warrant No EDU 31/09 was issued to the Permanent Secretary for Works on 16/10/09 as per *Requisition to Incur Expenditure No. 739/09*. The purpose of this fund was for the maintenance works to be carried out at Labasa College.

In addition, every employer shall ensure the health and safety at work of all his/her employees. Employees are not exposed to risks to their health or safety while they are at his/her workplace. Employers are to provide and maintain a working environment that is safe and without risks to health and adequate as regards to facilities for their welfare at work.⁶¹

The audit made three site visits to the school on 12/02/10, 19/02/10 and 23/02/11 and noted that no work was carried out since the release of funds to the Ministry of Works. Inquiry with the Ministry of Works (Labasa) Office on 19/02/10 confirmed that they only received \$73,494. Refer to Table 20.21 for details.

Table 20.21: Scope of Works and Estimates

Scope Descriptions	Works Estimated Costs (\$)	Allocation (\$)	Actual Spent (\$)	Balance (\$)
<ul style="list-style-type: none"> • 12 blocks of classrooms and toilet facility • Computer, Physics & Chemistry Lab • Science Staff Room • Dining Hall & Kitchen • Home Economics Room • Boys Dormitory • Vakatale Girls Hostel 	<ul style="list-style-type: none"> • Labour – 30,188 • Materials – 37,017 • Plant Hire – 2,385 • Site Establishment – 500 • OHS – 1,402 • VAT – 5,163 	DW EDU 31/09 issued of \$75,494 and \$2,000 was withheld at the Ministry of Works Suva HQ.	34% was spent on the allocation issued by the Ministry of Works HQ to the Labasa Ministry of Works office while the balance was returned to MOE.	
Total	76,655	73,494	25,087	48,407

⁶¹ Section 9 & 10 – Occupational Health & Safety at Work Act

Moreover, audit site visit to the school on 23/02/11 noted that the school hostel facilities needed urgent repairs and maintenance. Refer to the following illustrations.

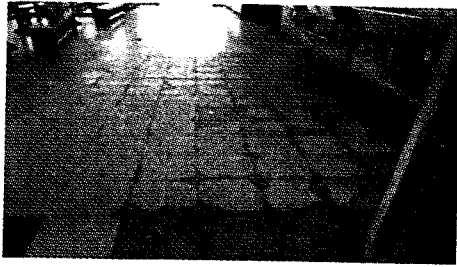


Figure 20.19: broken tiles in the dining hall

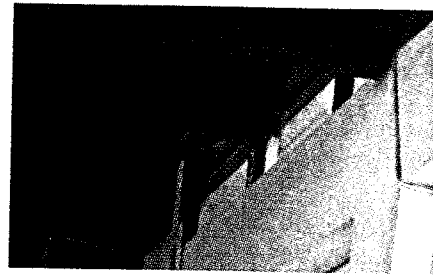


Figure 20.20: ceiling part falling

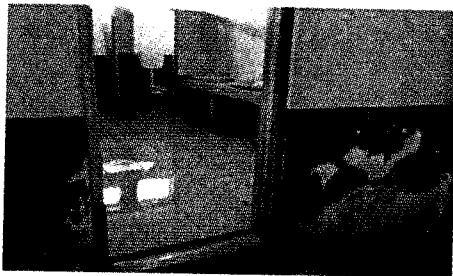


Figure 20.21: water on the floor of the toilet. Toilet unusable

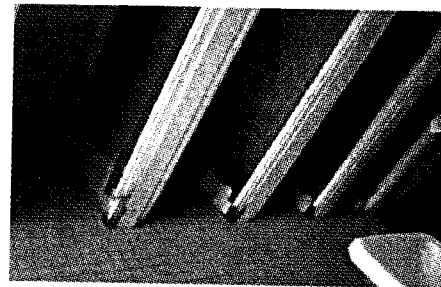


Figure 20.22: washroom doors are rotten

The Principal revealed that general maintenance works was needed at the school so that a conducive and safe learning environment could be maintained for the benefit of the school students.

Delay in the maintenance work could be attributed to lack of monitoring and coordination between the Asset Management Unit of the Ministry of Education and the Divisional Education Officer's.

The above findings denoted a very hazardous environment, which could affect students and teachers health and safety and expose the Ministry to heavy lawsuits and penalties for non-compliance with the OHS Act.

Recommendations

- The Ministry should closely monitor the progress status of all grants awarded to schools.
- The Ministry should ensure that necessary documents such as progress reports and other applicable reports are made available for audit purposes.
- The Ministry should enquire with Ministry of Works on the delay in the maintenance works at Labasa College.
- The Ministry should ensure that a safe and healthy environment is provided to students and teachers.
- OHS regulations should be strictly complied with.

Ministry's Comments

- The Ministry had paid \$75,494 (DW EDU 31/09) to PWD in 2009. According to PWD they had only utilised \$25,859.62 for the purchasing of materials which are still in their yard and the balance of \$49634.38 was returned as they were closing their books for the year.
- After discussions with Senior Engineer Works (Mr George Tavo) on 15/07/11, it was agreed to transfer the purchased materials to school for the school handyman and the private contractors earmarked to carry out the maintenance works in 2011 to utilize.

- *The District and AMU to be more vigilant in the monitoring of implementation of Capital projects and ensure that it is according to plan and within the timeline for the project.*

20.38 NLTB Arrears – Seaqaqa Central College

The School received an offer from the Native Land Trust Board on 24/09/10 for a lease contract for the land in which the school was situated. The lease was for 99 years term starting on 1 January 2009.

To execute the contract the school was required to settle a payment of \$24,212.15. The offer was valid for six weeks, and failure to meet the conditions will be assumed as interest to lease the land has been withdrawn.

The audit noted on 23/02/11 that the school has only paid \$4,885 and claimed that the balance of \$19,327.10 was to be paid by the Ministry as per their agreement. However the school was unable to provide any written agreement on the arrangements of settlement of arrears during the audit.

Lack of communication between the school and the Ministry could complicate the land lease arrangements and may result in school being closed for non-payment of lease arrears or accumulation of arrears. Closure of school would affect the education of 570 students.

Recommendations

- **The School Management should liaise closely with the Ministry to ensure that urgent settlement of land lease arrears is made as soon as possible.**
- **The School should have a written agreement with the Ministry in regards to the settlement of arrears.**
- **The Ministry should look into this matter with urgency and if required, make arrangements with NLTB for the payment of lease arrears.**

Ministry's Comments

From the required payment of \$24,212.15, the school has paid \$4,885.00 and the balance of \$19,327.10 will be paid from the Lease allocation at AMU. Officers at AMU have confirmed that the Lands Department had completed the reassessment and payment is being processed.

20.39 Closing Order – Saint Andrews Primary School

Every employer shall ensure the health and safety at work of all his or her workers.⁶² Every employer shall ensure that persons not in his or her employment or contracts of service are not exposed to risks to their health or safety arising from the conduct of his or her undertaking while they are at his or her workplace.⁶³

The School received a notice from the Nasavusavu Rural Local Authority on 02/02/10 for immediate closure of the school's single storey building as it was unfit for human habitation under the Public Health Act. The school was to provide temporary classrooms to be approved by the local authority.

⁶² Section 9 (1) – Occupational Health and Safety at Work Act

⁶³ Section 10 (1) – Occupational Health and Safety at Work Act

Audit visit to the School on 22/02/11 noted that the single storey building was still being used by the students and teachers. The building is in near collapse as there are signs of cracks in the floors due to frequent exposure to landslides.

There is a risk that the school could be closed due to non-compliance with the Public Health Act and if such happens, the education of students would be affected drastically.

The above findings also denoted a very hazardous environment, which could affect students and teachers' health and safety. The Ministry could also be exposed to lawsuits and penalties for non-compliance with the OHS Act.

Recommendations

- **The School Management should liaise closely with the Ministry to ensure urgent upgrade is carried out to the school building to avoid closure.**
- **The School Management should ensure that a safe and healthy environment is provided to students and teachers.**
- **OHS regulations should be strictly complied with.**

Ministry's Comments

After our recent ESRI visit the following was observed:

- The opening of a 1 x 4 classroom (aided by AusAid) have shifted the lower classes (1 to 3) in there, the temporary shed which was erected at the school ground to run classes last year beside the new rooms are vacant and will be occupied by the office work & store room by Term 3. They use the corridor as a hall and study area in wet weather.*
- Double story building at the top is still used for classes 4,6,7,8*
- Old girls hostel used for class 5 students.*
- Single story which is mentioned in the query to be closed is still being used temporarily as office, staff room and store room, awaiting the building of a new block 1 x 3 plus an office. This is funded by Provincial Administration /Prime Minister's office. Approval has been sought.*

Lots of these arrangements are done to minimize problems of isolation. The school is in 3 locations and really need to be given funding to get the school in one location; the administration is very difficult in this situation and risky.

The school Management will have to find funds to re -build the school and replace the classrooms which are all in bad state amongst the landslide during Cyclone Thomas. This will be not an easy task for a school whose parental support is very poor.

20.40 Non-Compliance to Grant Conditions

Tuition Fees shall be solely used for the purpose of facilitating teaching and learning in the school and not for purposes that deviates from the original purpose of this grant.⁶⁴ The tuition fees shall not be donated, loaned or borrowed by any person or organisation.⁶⁵

Furthermore, the Tuition fees grants shall not be used for any other purpose such as building grants, hostel grants and any other activity that deviates from the purpose of this grant as identified by Ministry of Education for a particular year.⁶⁶

⁶⁴ Conditions of utilization of tuition fees and supplementary grants – 7.1.2

⁶⁵ Conditions of utilization of tuition fees and supplementary grants – 7.1.3

⁶⁶ Conditions of utilization of tuition fees and supplementary grants – 7.1.5

In addition, the account maybe audited by any person with sufficient accounting knowledge however he or she shall give a certificate confirming the audit, and submits a report of the findings and recommendations.⁶⁷

Our audit noted that various schools in the Northern Division were not complying with the condition of the tuitions fees grant laid down by the Ministry. Refer to Appendix 18.6 for details of utilized grant money anomalies.

The above findings indicated blatant disregard to the conditions governing government grants and a catalyst to mismanagement and misuse of funds. In addition, improper use of the tuition fee grant money given for learning and teaching purposes could have an adverse effect on the overall welfare of the School in terms of improving students' performance.

Recommendation

The Ministry should conduct further investigation on the matters mentioned above and if warranted, appropriate disciplinary measures are taken against those Officer(s) who are complying with the conditions governing the government grants.

Ministry's Comments

Tabucola Valibar Sangam Primary School:

- *The new management are still trying to obtain records on the details of the 2010 grants from the previous management.*
- *The AGM was held on 27.03.11. AGM minutes and financial report have been submitted to the Education Office.*
- *MoE had advised the Management on the proper procedures to be followed for grant utilisation.*
- *Recordings finances have been improved after the training and advises from MoE.*

Naleba College:

- *All school levies and tuition grant is currently being deposited into one account.*
- *Part of the tuition grant was used for urgent maintenance and upgrading works which in turn facilitated the effectiveness of the teaching and learning process.*
- *The \$1,100.00 mentioned was utilized for development works in the school as we had not received our development funds at the time. This money has been reimbursed.*
- *As of 2011 monthly bank reconciliation is being carried out.*
- *As per school constitution AGM is convened in the beginning of a new school year. The AGM was called twice and the quorum was not reached on both occasions. The third call also did not have the quorum but we had to endorse the financial report and asked the current board members to continue for another term, otherwise we will lose out on our grants.*
- *Revised school constitution is ready to be implemented subject to approval of the AGM.*
- *Cash of \$2,708 which was misused by Bursar in 2002 is irrecoverable. The case was taken to small claims tribunal but insufficient evidence made us lost the case. We are proposing that this money be written off this year.*

Issues concerning other schools in Macuata/Bua Education District:

- *Circular has already been sent to schools about the proper utilisation of grants and Moe priority areas on the utilisation of Tuition Grant.*
- *The school management and the school principal have already been trained on the grant policy and the proper acquittal of grants. The District will be more vigilant in the monitoring of implementation of Capital projects and ensure that it is according to plan and within the timeline for the project.*

⁶⁷ Conditions of utilization of tuition fees and supplementary grants – 7.2.3

- *Tuition fees grants shall not be used for any other purpose such as building grants, hostel grants and any other activity that deviates from the purpose of this grant as identified by the ministry for a particular year.*
- *Tuition fee grants shall be used solely for the purpose of facilitating teaching and learning in the school.*
- *Schools with outdated Constitution have been asked to review them and to have them endorsed in the next AGM.*
- *Improved working relationship is vital between the Committee and School Heads and this issue was addressed during the DSMB meeting on 07/07/11.*

Cakaudrove Schools

St. Bedes College:

- *Revised school constitution is ready to be implemented subject to approval of the AGM and MoE.*
- *The school management and committee run the daily operation of the school in consultation with the Archbishop.*

St. Andrews Primary School:

- *The school is in the process of translating the constitution in English.*
- *The translated version of the constitution will be submitted by the end of Term 2*
- *Expenses outside the condition stated has been discussed and clarified as per stated in the report.*
- *Wages - \$1350.00 was approved by the previous Education Officer due to the typing of exam papers and other teaching materials for teaching and learning.*
- *Cleaning Materials – The amount (\$508) was used for the purchasing of science equipments for school and not as stated in the report.*
- *Lunch – The Manager admitted that he bought lunch for DEO-Northern; Commissioner-Northern and other Government Officials as a gesture of appreciation which he did apologise.*
- *Christmas mass – The amount (\$60) was used to as a return bus fare for six students represented the school in the Catholic Church Annual event held in Labasa.*
- *The CDP charge stated was for the freight expenses for the 10 cartons of reading materials and library books for students that were sent in from Suva through CDP.*
- *Education Sunday Celebration – The amount stated (\$88.81) was to purchase paint brushes, paint, ribbons, etc. for students art work which was presented in the above celebration.*

Nagigi SDA Primary School:

- *The amount stated in the report which totalled up to \$7,832 was actually funded by the Church HQ in Lami which donated \$7,663 and Nagigi SDA Church donation of \$1,800 totalled to \$9,463.00*
- *The balance was for school operating costs. The donations comes under the heading Special Contributions in the Annual Financial Report 2010.*

APPENDICES

Appendix 20.1: Over-expenditures in Ministry's Allocation in 2010

Description	Allocation	Revised Annual Provision (\$)	Actual Expenditure (\$)	Over-Expenditure (\$)
FNPF	12110191012020200	9,574.00	20,833.88	11,259.88
Overtime	12110191012020400	17,050.00	18,591.73	1,541.73
Relieving Staff	12110191012020600	70,000.00	84,150.38	14,150.38
Ps Building Office	12110191013040400	356,513.00	388,569.28	32,056.28
W&S Building Office	12110191013040500	90062	100113.25	10051.25
Higher Education Commission	12110191012060100	308,494.00	310725.62	2,231.62
United Nations	12110191012060600	30,000.00	31,435.30	1,435.30
Miscellaneous Contributions	12110191012060600	188,661.00	191,000.48	2,339.48
Miscellaneous Special Social Projects	12110191012071200	288662	304,042.02	15380.02
Upgrading Of Vocational Training Centres	12110191018080400	393,323.00	399,356.13	6,033.13
Pe-Salaries	12120191012010100	1,482,449.00	1,692,172.19	209,723.19
Wages	12120191011020100	7,683.00	10,665.63	2,982.63
Wages	12120191021020100	7,683.00	8,399.38	716.38
Wages	12120192031020100	7,683.00	8,650.54	967.54
Wages	12120192041020100	7,683.00	8,365.05	682.05
Wages	12120192821020100	8,364.00	8,648.65	284.65
Wages	12120193811020100	7,683.00	8,752.39	1,069.39
Wages	12120193831020100	7,683.00	8,919.79	1,236.79
Wages	12120194811020100	7,683.00	7,950.48	267.48
FNPF	12120191012020200	5,691.00	7,060.16	1,369.16
Relieving Staff	12120191012020600	5,000.00	9,099.05	4,099.05
EGRTS	12120191015060100	694,600.00	799,328.02	104,728.02
Wages	12120291071020100	33,372.00	37,221.03	3,849.03
Wages	12120292013020100	11,334.00	16,066.56	4,732.56
FNPF	12120291012020200	4,458.00	5,058.64	600.64
Pe-Salaries	12120391012010100	78,235,159.00	83,363,006.16	5,127,847.16
Allow-Acting	12120391012010300	153,200.00	226,971.98	73,771.98
Allow-Remote	12120391012010300	300,000.00	603,939.40	303,939.40
Wages	12130291024020100	208,100.00	250,557.91	42,457.91
Wages	12130291072020100	94,500.00	118,857.12	24,357.12
FNPF	12130291012020200	90,200.00	100,931.36	10,731.36
Rations	12130291024059100	240,800.00	273,437.61	32,637.61
Rations	12130294832059100	90,000.00	110,782.27	20,782.27
Day School Materials And Store	12130291023059100	10,000.00	22,840.37	12,840.37
Day School Materials And Store	12130291025059100	10,000.00	20,235.70	10,235.70
Day School Materials And Store	12130294832059100	6,000.00	11,401.61	5,401.61
Pe-Salaries	12130391012010100	7,105,422.00	8,726,610.47	1,621,188.47

Description	Allocation	Revised Annual Provision (\$)	Actual Expenditure (\$)	Over-Expenditure (\$)
FNPF Basic Salaries	12130391012010200	568,436.00	712,758.80	144,322.80
Allow-Acting	12130391012010300	50,018.00	145,289.78	95,271.78
Pe-Salaries	12130491012010100	59,853,102.00	64,745,723.09	4,892,621.09
Pe-Salaries	12130491016010100	0	6,192.55	6,192.55
FNPF Basic Salaries	12130491012010200	5,052,835.00	5,267,239.98	214,404.98
Allow-Acting	12130491012010300	55,000.00	758,407.64	703,407.64
Mis Special Expenditure	12130491018079900	200,000.00	214,975.51	14,975.51
Office Books, Periodical, Publ	12140191014050500	4,500.00	55,535.45	51,035.45
Office Stationery And Printing	1214029101K040201	1,000.00	6,635.38	5,635.38
Job Training For Youths	1215019101H060141	130,000.00	139,315.89	9,315.89
FNPF Basic Salaries	12160191012010200	19,387.00	32,241.00	12,854.00
Allow-Education	12160191012010300	658,808.00	800,526.71	141,718.71
FNPF Basic Salaries	12180191012010200	46,226.00	82,096.88	35,870.88
Relieving Staff	12180191012010600	2,500.00	3,008.01	508.01
Wages	12180191017020100	17,080.00	24,626.59	7,546.59
FNPF	12180191012020200	1,320.00	4,029.60	2,709.60
Overtime	12180191017020400	1,000.00	2,655.55	1,655.55
FNPF Basic Salaries	12190191012010200	22,203.00	26,705.92	4,502.92
Wages	12190121999020100	8,776.00	9,933.15	1,157.15
FNPF	12190191012020200	724	1,753.84	1,029.84
Board Meeting	12190121999050800	26,000.00	30,275.73	4,275.73
Total		157,313,684.00	171,384,674.64	14,070,990.64

Appendix 20.2: Salary Overpayment in 2010


Name	TPF #	Gross Overpayment (\$)	Amount Recovered (\$)	Balance (\$)	Reason
Malikesa Malo	8360	842.07	842.07	0.00	Late cessation of salary due to overseas leave wef 06/04-06/05/10
Kamla Prasad	9710	348.53	348.53	0.00	OP of Acting allowance wef 21/06 - 15/07/10
Surend Mudaliar	9715	808.38	808.38	0.00	Acting allowance and was on promotion wef 21/05-15/07/10
Tienakarawa Tabore	31485	2545.84	1600.00	945.84	Officer's salary incorrectly upgraded to ED5D whereas it should be Acting
Margaret Vasenai	42205	292.45	292.45	0.00	Acting allowance wef 18/05 - 08/07/10
Inise Kavetani	42612	5859.94	400.00	5459.94	o/pymt of salary due to leave without pay wef 0106-010910
Apete Fifita	42693	865.8	400.00	465.80	op of salary due to rescindment of promotion wef 280610-181110
Leone T Soro	43115	845.16	845.16	0.00	Cessation of Acting
Maria Mareta	43918	1420.2	800.00	620.20	Op of Acting allowance due to promotion
John Vincent	44035	2063.28	600.00	1463.28	overpayment of actg allow wef 1705-211010
Satya S Sandil	44201	341.76	341.76	0.00	5 days forfeiture wef 16/08 - 20/08/10
Taina Qumivutia	44498	1067.83	700.00	367.83	Maternity Leave
Jone Fifita	44977	138.03	138.03	0.00	Acting allowance wef 08/07 - 29/07/10
Renuka Singh	54183	748.48	748.48	0.00	Late cessation of Acting
Eloni Tokoni	54252	559.3	559.30	0.00	11 days excessive leave
Roshni Singh	54555	285.71	285.71	0.00	5 days forfeiture wef 16/08 - 20/08/10
Renuka D Rao	54611	2061.28	1500.00	561.28	Late cessation of Acting
Sunita D Prasad	54796	667.63	667.63	0.00	OP of Acting allowance wef 18/05 - 12/08/10
Sumitra D Raj	54952	797.9	797.90	0.00	OP of Acting allowance wef 16/05 - 15/07/10
Inieta Benaca	55216	2061.51	2061.51	0.00	maternity leave on 4th confinement wef 10/09 - 03/12/09
Manasa Lesuma	55478	489.81	489.81	0.00	overpayment of actg allow wef 09/08-pay1910
Asena Tobua	55582	2110.36	2110.36	0.00	maternity leave wef 21/08/09 - 13/11/09
Mere Ramuwai	55798	1628.64	1628.64	0.00	acting allowance wef 29/09 - 18/11/09
Faith Grace	56958	571.5	571.50	0.00	10 days overpayment
Leone Raselala	57040	1032.68	980.00	52.68	boarding allowance wef P15/09 - P01/10
Salanieta Bose Tuikilakila	57135	1036	445.00	591.00	boarding allowance wef P15/09 - P02/10
Aisake Vurai	57671	245.41	245.41	0.00	unauthorised leave wef 25/01/10 - 29/01/10
Temalesi Konataci	59716	693.94	693.94	0.00	acting overpaid wef 22/11 - 31/12/09
Samu Tawakevou	65053	219.92	219.92	0.00	unauthorised leave wef 25/01/10 - 29/01/10
Tobia Druguta	65537	228.36	228.36	0.00	unauthorised leave wef 25/01/10 - 29/01/10
Niumai Lawvuso	65640	1754.15	1350.00	404.15	acting allowance wef 07/09 - 03/12/09
Mareta Daveta	66055	1370.34	350.00	1020.34	o/pymt of salary due to 5th confinement wef 2607-230910
Shailendra Singh	66573	171.39	0.00	171.39	Late Cessation of Salary due to Leave without pay
Keresitiana Kula	67062	1776.09	1300.00	476.09	maternity leave wef 08/09/09 - 30/11/09
Maopa Murivalu	67881	1948.48	1948.48	0.00	unauthorised leave wef 25/01/10 - 29/01/10
Gurmeet Singh	67967	854.49		854.49	overpayment of rural allowance wef 210108-090910
Mohini Devi	67995	1744.85	400.00	1344.85	op of salary due to rescindment of promotion wef 280610-181110

Name	TPF #	Gross Overpayment (\$)	Amount Recovered (\$)	Balance (\$)	Reason
Sanjesh Kumar	68097	1958.89	400.00	1558.89	op of salary due to rescindment of promotion wef 280610-181110
Uluiyano M	68261	781.46	650.00	131.46	OP of rural allowance wef 21/01/08 - 27/06/10
Radhni Devi	68849	1614.11	400.00	1214.11	op of salary due to rescindment of promotion wef 280610-181110
Tarusila Lomani	68953	137.63	137.63	0.00	Rural Allowance wef 25/01/10-20/05/10
Kemeshma Ram	69275	894.49	894.49	0.00	Receiving acting allowance while on leave
Alisi Viribale	69471	1633.65	250.00	1383.65	op of salary due to 4th confinement
Josephine Underwood	69542	3485.87	1300.00	2185.87	Maternity leave and acting allowance wef 18/03-09/05/10
Anjani Veena	69587	457.18	457.18	0.00	Overpayment of salary wef 10/06 - 17/06/10
Nileema Kumar	69611	729.82	729.82	0.00	Receiving ET allowance wef 15/03-15/07/10
Ana Koro	69723	281.89	281.89	0.00	Maternity Sick Leave wef 25/03 - 08/04/10
Fanny Fox	80036	195.8	195.80	0.00	ET allowance wef 27/06 - 29/07/10
Mohammed Shamini	80103	373.37	373.37	0.00	Recovery of OPR due to deemed of resignation wef 10/05-19/05/10
Mohammed Faiz	80335	788.27	788.27	0.00	Late cessation of Acting
Ranjani Devi	80834	2065.83	2065.83	0.00	acting allowance wef 25/05/09 - 04/12/09
Rajneeta Devi	81076	1098.5	400.00	698.50	double payment of acting allow wef 2501-1904 in pay13 n pay14
Loata Tabuasova	81093	285.71	285.71	0.00	unauthorised leave wef 25/01/10 - 29/01/10
Joseva Verevou	81131	4154.4	1000.00	3154.40	overpayment of acting allow wef 180609-041209
Paula Biu Bula	81505	8705.77	550.00	8155.77	OP of salary wef 12/02/08- 20/05/10
Pauline Ah Singh	81574	211.38	211.38	0.00	unauthorised leave wef 25/01/10 - 29/01/10
Mosese Tadulala	81993	211.38	211.38	0.00	unauthorised leave wef 25/01/10 - 29/01/10
Samuela Delai	81998	211.38	211.38	0.00	unauthorised leave wef 25/01/10 - 29/01/10
Josivini Bola	82738	84.55	84.55	0.00	late arrival wef 0609-0709010
Imitiaz Mohd	82933	228.55		228.55	late arrival wef 0609-0909010
Anirudh Kumar	83121	251.84	251.84	0.00	Salary Overpayment wef 04/06 - 29/07/10
Vasiti Bau	83171	126.83	126.83	0.00	late arrival wef 0609-0909010
Varanisese Kenalele	83408	84.55	84.55	0.00	late arrival wef 0609-0709010
Jioji Nikola	83410	84.55	84.55	0.00	late arrival wef 0609-0709010
Aminiasi R Keta	83516	169.11	169.11	0.00	late arrival wef 0609-0909010
Viliame Bula	83935	307.61	307.61	0.00	Double of Salary - manual and feed in the system: pay 14/10
Vikash Chandra	83990	6400.85	150.00	6250.85	OP of Salary wef 26/02/10 - 17/07/10
Siteri Atakele	84121	816.83		816.83	overpayment of salary wef 3009-211010
Sereana Rokotina	84185	450.52	165.00	285.52	Officer was a teacher sitting on ED8A but now an IT officer in Exams IT \$9659
Lorraine Komal Charan	84260	1905.93	1800.00	105.93	Maternity leave wef 08/03/10-25/04/10
Ronita V Devi	84392	580.31	116.00	464.31	Salary Overpayment wef 18/06 - 29/07/10
Temalesi T Taufu	84465	1329	100.00	1229.00	o/pymt of salary wef 1404-260510
Losana Duguca	84583	4667.64	1000.00	3667.64	double pymt of salary n acting allow wef 2501-200510
Mere Vosayaco	90190	480.41	190.00	290.41	op of acting allow wef 2010-041110
Total		89,901.28	43,280.43	46,620.85	

Appendix 20.3: Salary Overpaid upon Resignations in 2010

	Name	EDP No	Effective Date of Resignation	Overpaid (\$)
1	Sandhya S Sharma	67880	12/11/2010	1,396.60
2	Vickrum Jeet	82157	10/12/2010	1,957.90
3	Penisoni T Salusalu	55844	25/11/2010	1,318.30
4	Wailiki T Satakala	68925	22/11/2010	1,008.40
5	Niraj Dharmendra	69925	19/07/2010	1,096.30
6	Iresh Asil Lal	83609	6/9/2010	678.42
7	Prithika Singh	69865	23/09/2010	740.85
8	Varanisesse Logavatu	68172	6/9/2010	740.85
9	Merewalesi Kalou	80733	22/10/2010	548.19
10	Kamal Deo	66498	17/11/2010	1,635.50
11	Kaleni Tuniyavou	43748	26/02/2010	2,636.70
12	Avikash Sami	82060	12/3/2010	2,160.90
13	Maria Tisa Muera	81300	8/3/2010	559.72
14	Asesela Tora	55606	9/4/2010	659.19
15	Seindil Reddy	80257	19/04/2010	2,222.50
16	Vikashni Kumar	81068	17/05/2010	2,120.57
17	Jone Vatunilagi	90715	7/5/2010	2,334.20
18	Shiva Kumaran	65088	18/05/2010	614.15
19	Amit Kumar Maharaj	81058	30/05/2010	846.60
20	Nitya Nand	81066	4/6/2010	1,398.90
21	Ali Mehnaz	66481	24/06/2010	570.31
22	Melesia Waqamailau	44811	25/01/2010	3,072.50
23	Qionibaravi Teresia	54017	12/3/2010	1,633.60
24	Vijay Sharma	42874	11/2/2010	1,049.27
25	Anu Rekha Sharma	82298	5/2/2010	3,993.90
26	Ravinesh Rattan	81384	5/1/2010	548.19
27	Salvin Sarun Kumar	83711	22/01/2010	10,477.70
28	Rita Susan Furivai	54981	25/01/2010	659.19
29	Jasmin J Deo	81799	26/12/09	1,644.57
30	Ravinesh Batiwaka	68895	28/01/2010	504.23
31	Savenaca Ratumaitavuki	43143	23/01/2010	4,339.30
Total Overpaid				55,167.54

Appendix 20.4: Business License

 **AM: ASHEIL**

OFFICE OF THE PROVINCIAL ADMINISTRATOR NAMOSI
P.O. Box 30, Nausori

Telephone: 3450615 Fax: 3450495

Application for Business Licence
(Business Licence Acts 1976)

1.0 Name of Applicant: ARYANS HOME SOLUTIONS (CHIRLEY PRASAD)

2.0 Residential Address: GALOA, NAUSORI Phone No: 3451016 / 994635

3.0 Postal Address: P.O. BOX 111, PACIFIC HARBOUR

4.0 Description of Business: DRAFTING, PROJECT MANAGEMENT, QS, BUILDING CONTRACT

5.0 Location of Business: GALOA, NAUSORI

6.0 Comments (Turaga Ni Koro/Advisory Councillor): I/we support this company to carry out business and request the office to issue the licence.

Date: 27/09/2011
(Advisory Councillor)
Date: _____

I enclosed fee request for Renewal to me a license which will expire on 31st December, 2010. I understand that I will have to renew my license in January the following year.

[Signature] 25/10/11
Applicant Signature Date

For Official Use Only


Approved/Rejected: Approved

Revenue Receipt No: 118004 of 276511


The Health Inspector Serua/Namosi

Submitted for your comments, please.

Comments H/I
Serua/Namosi
Renewal of business licence is recommended

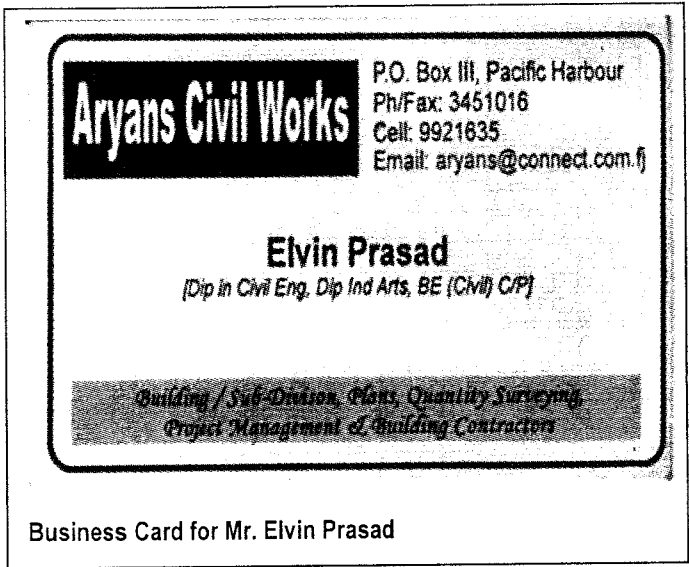


Provincial Administrator Namosi

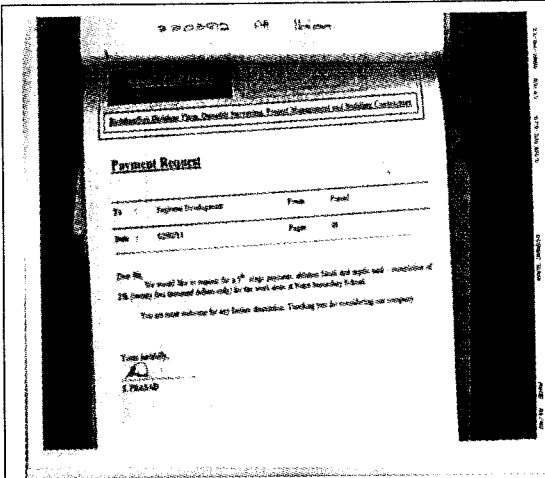


Date: 27/09/2011

Appendix 20.5: Aryan's Civil Works



Business Card for Mr. Elvin Prasad



Aryan's Civil Works letterhead sent on 02/02/2011

Appendix 20.6: Anomalies in Utilisation of Grant Money

School	Anomalies	Grant (\$)
Tabucola Valibar Sangam Primary School	<ul style="list-style-type: none"> ▪ Details on the use of the grant were not available in the school. Audit was informed by the Head Teacher that the records were with the school manager. ▪ Audit was informed that the school did not have an Annual General Meeting (AGM) for the years 2008 and 2009 and the school manager is sending the audited report to the Ministry without the minutes of the AGM. ▪ Audit noted that the school is utilising the funds not related to teaching and learning. ▪ The School Head teacher is not aware as to how much grant the school receives as everything is handled by the school manager. ▪ The schools accounts are prepared in such a way that it is difficult to verify how the funds were used. 	6,949
Vunimoli Secondary School	<ul style="list-style-type: none"> ▪ The School funds are handled by the Macuata Muslim League. ▪ All records on the usage of grant is kept by the League and as a result, audit could not verify whether the grants given were utilised for teaching and learning or not. 	37,887
Bua Central College	<p>The grant received by the School includes tuition fee grant and school development grant. Audit noted that:</p> <ul style="list-style-type: none"> ▪ a total of \$30,753 was used to pay the wages of one school chaplain, two cooks, a handyman and a typist. ▪ A further \$3,384 was used to pay for FNPF for these auxiliary staff. <p>Audit could not verify whether these payments were sourced from the grants or any other income collected by the school as the tuition fee grant and other income generated by the school are kept in one account.</p>	145,000
Dreketi High School	<ul style="list-style-type: none"> ▪ A sum of \$15,418 was received in the 1st quarter. Of this \$15,418, \$3,876 was used for clearing the school 2009 debts with a supplier – M. Aziz Buksh & Sons limited. ▪ The outstanding debts relates to various goods ordered by the school. 	47,367
Naleba College	<ul style="list-style-type: none"> ▪ No separate records maintained for tuition grant. Expenses outside the conditions in which grant was granted, includes: Repair & Maintenance \$10,981.62, Salaries and Wages \$20,075.20. ▪ Scrutiny of 2010 accounts indicate that the school is involved in lending money as there is a loan repayment of \$1,100. ▪ Bank reconciliations are not conducted regularly. ▪ The AGM in 2010 went on despite the absence of quorum as required by the school constitution. ▪ School constitution has been adopted since 1983 and no review has been conducted since then. ▪ A cash of \$2,708 was missing from 2002 and has been appearing in the accounts since then. 	42,417

School	Anomalies	Grant (\$)
Naikilikoso Primary School	<ul style="list-style-type: none"> Cash book and bank reconciliations are not maintained. AGM has been delayed. School account used to pay for kindergarten teacher who is yet to be registered. 2010 salary totalled \$1,100. Conflict of interest in the role of auditor as he/she is also part of the composition of school committee as outlined in the school constitution. 	5,933
Daku Bhartiya School	<ul style="list-style-type: none"> School constitution has not been reviewed since 1993. Financial records not properly maintained. Payment vouchers and bank reconciliations are not prepared, cash book is not properly maintained. Language Teacher Grant and Kindergarten Grant not disbursed on time necessitating virement from tuition grant. Expenses outside the conditions in which grant was granted include: Alif Ali wages \$1,817, NLTB \$600, Akanisi D Wara \$1,432. 	5,633.76
Nadogo Secondary School	<ul style="list-style-type: none"> School Board is not consulted in the utilisation of grant. Financial procedures are not adhered to, e.g. No proper authorisation, and blank cheques are usually pre-signed. Funds not following priority areas. Money are utilised on unplanned activities. Budget is yet to be developed. AGM has been delayed. 	134,980.25
Navoalevu Primary School	<ul style="list-style-type: none"> School constitution is outdated Bank reconciliations are not prepared Expenses outside the conditions in which grant was granted, examples are: Paints \$411, compound & driveway upgrading \$750, MEA contributions \$2,058, visitors expenses \$87.45, Repair & Maintenances \$1,019, Religious festival \$93.48, and LT salary \$1,418 The 3rd term grant is yet to be received 	4,850
Seqaqa Primary School	<ul style="list-style-type: none"> School constitution was last reviewed in 1990 Bank reconciliations are not prepared Expenses outside the conditions in which grant was granted, examples are: Fencing labourer \$995, Radio \$99, Head teacher \$50, STA loan refund \$325, H/T conference fare \$300, NLTB rent \$500, cartage building materials \$752, H/T quarters 68.40, labourer quarters repairs \$222, building materials for quarters \$791 	4,630
Cadranasiga District School	<ul style="list-style-type: none"> School constitution only in Fijian language. The school manager is yet to be registered with the Ministry. Financial records are not maintained in school premises. 2009 and 2010 accounts are yet to be audited. Bank signatories are still with the former committee as there are a lot of bank requirements and procedures. Expenses outside the conditions in which grant was granted include: Building project & maintenance \$6,613, meeting and workshops \$400, Yaqona \$100, Tui Macuata \$200, Management travelling \$300, Bazaar preparation \$500. 	6,100

School	Anomalies	Grant (\$)
Korotolutolu Primary School	<ul style="list-style-type: none"> School constitution was last reviewed in 1992. Treasurer is not playing an active role in the administration of the school. Cash book and bank reconciliations are not maintained. School yet to receive 3rd term grant. Former head teacher alleged to have misused funds totalling \$1,124. 	3,080
Solove Primary School	<ul style="list-style-type: none"> AGM has been delayed. Financial records are not maintained in school premises. Expenses outside the conditions in which grant was granted includes: Quarters maintenance \$281.50, Fence Post \$1,150, Refreshments \$69.00, Rest house \$1,444, Land rent \$150, Workshop \$300, New quarters site \$3,400, New tank base \$164. 	7,869
Seqaqa Central College	<ul style="list-style-type: none"> A total grant of \$111,575 was disbursed to the school including both the tuition fee and development fund. The school was unable to separate the two as detail of breakdown was not provided. School constitution was last reviewed in 1979, a copy was not submitted as it was missing. Bank reconciliations are not carried out. 	111,575
Naweni District School	<ul style="list-style-type: none"> School constitution is in Fijian language and yet to be approved by the Ministry. Head teacher is not notified in the utilisation of funds. Expenses outside the conditions in which grant was granted includes: office management travelling \$532, land lease \$428, school equipment & repairing \$21,862, maintenance \$2,723. 	5,448.50
Nagigi SDA Primary School	<ul style="list-style-type: none"> Expenses outside the conditions in which grant was granted includes: In service training \$360, lease \$302, repair & maintenance \$2,382, repair engine \$2,320, developments \$1,200, committee \$1,268. 	5,989
St Bedes College	<ul style="list-style-type: none"> The school does not have a confirmed constitution but only a proposed one which has been there since the school's establishment in 1980. School management and committee do not have control in the school's operation as the Archbishop holds the authority. 	76,499
St Andrew Primary School	<ul style="list-style-type: none"> School constitution is in Fijian language and has not been reviewed since its adoption 30 years ago. Expenses outside the conditions in which grant was granted includes: wages \$1,350, cleaning material \$508, lunch – SEO Northern & group \$130, Christmas mass \$60, CDP \$100, Education Sunday celebration \$88.81. 	11,512

Section 21 Ministry of Health

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.

Table of Contents

PART A: FINANCIAL STATEMENT	3
21.1 Audit Opinion.....	3
21.2 Statement of Receipts and Expenditures.....	3
21.3 Appropriation Statement.....	5
21.4 Statement of Losses.....	5
PART B: AUDIT FINDINGS	5
AGENCY FINANCIAL STATEMENTS	5
21.5 Agency Financial Statements – Delay in Submission.....	5
21.6 Drawings Account.....	6
21.7 Operating Trust Fund Account.....	7
21.8 FNPf Reconciliation.....	8
21.9 VAT Reconciliation.....	9
21.10 Trading and Manufacturing Account (TMA).....	10
21.10.1 TMA Surpluses.....	10
21.10.2 TMA Comparative Figures.....	10

21.10.3	TMA Net Profit	11
21.10.4	Variance in Sales Revenue	11
HEADQUARTERS.....		12
21.11	Excessive Payment to Casual Labourers	12
21.12	Salary Overpayment	13
21.13	Unutilised Leave	14
21.14	Salaries/Wages Reconciliations	15
21.15	Excessive Payment of Manual Salary	16
21.16	Non Deduction of PAYE Tax	17
21.17	Excessive Materials Quoted on Projects	18
21.18	Non Monitoring of Capital Works	18
21.19	Capital Works Undertaken by Ministry of Works	19
21.20	Additional Costs related to Laundry Equipment Project	20
21.21	Transfer of Funds to Global Funds	22
21.22	Procurement on Behalf of Fiji National University	22
21.23	Negligence by Medical Staffs	23
21.24	Non Submission of Acquittals to Donor Agencies	24
21.25	Non Submission of Acquittals	25
21.26	Collection of Smoking Fines	25
21.27	Non Maintenance of Stock Cards	26
21.28	Motor Vehicle Quarterly Returns	27
21.29	Non Maintenance of Vehicle Records	28
21.30	Excessive Vehicle Maintenance Cost	28
CENTRAL EASTERN HEALTH SERVICES.....		30
21.31	Non Deduction of Rent for Government Quarters	30
21.32	Excessive Unutilised Leave Due	30
21.33	Arrears of Revenue	31
FIJI PHARMACEUTICAL SERVICES.....		32
21.34	Expired and Out of Stock Drugs	32
21.35	Over-Expenditure	34
WESTERN DIVISION HOSPITALS.....		35
21.37	Operation of a Canteen at Western Health Services	35
21.38	Absence of Nurses at Nursing Stations	35
21.39	Defective Refrigeration Units at Mortuaries	36
21.40	Non Compliance with OHS Regulations	37
21.40.1	Flooding	38
21.40.2	Leaking Roofs	39
21.40.3	Unhealthy State of the Bathroom at the Nurses Bachelors Quarters	40
21.41	Repairs and Maintenance	40
21.42	Expired Drugs	42
SAMABULA OLD PEOPLES HOME		43
21.43	Non Deduction of Rent for Government Quarters	43
21.44	Sick Leave and Bereavement Leaves Carried Forward	44
21.45	Motor Vehicle Records	45
SAINT GILES HOSPITAL		46
21.46	Revised Revenue Rates not effected	46
COLONIAL WAR MEMORIAL HOSPITAL.....		46
21.47	Non Deduction of Rent for Government Quarters	46
21.48	Store Room	47
21.49	Arrears of Revenue	48

21.50	Expired Drugs and Out of Stock Reagents.....	49
21.51	Motor Vehicle Quarterly Returns	50
APPENDICES.....		52
Appendix 21.1: Overpayment of Salary - 2010.....		52
Appendix 21.2: Overpayment of Salary - 2009.....		53
Appendix 21.3: Donor Funds Register - 2010		56
Appendix 21.4: Motor Vehicle Quarterly Return		59
Appendix 21.5: Non Payment of Rent.....		60
Appendix 21.6: Lost Revenue.....		62

PART A: FINANCIAL STATEMENT

21.1 Audit Opinion

The audit of the 2010 accounts of the Ministry of Health resulted in the issue of a qualified audit report. The qualifications are as follows:

- The Ministry did not provide details of Trading and Manufacturing Account (TMA) accumulated surplus of \$744,810 and TMA surplus capital retained of \$42,510 as reflected in the TMA Balance Sheet. I was not able to ascertain the correctness of these balances.
- The audited TMA for 2009 was prepared from the records generated by the Epicor system whereas 2010 TMA was prepared from the records generated by the Financial Management Information System (FMIS) of the Government. Consequently, the opening balances of the 2010 TMA Balance Sheet did not correspond to the closing balance of 2009 TMA.
- The TMA Profit and Loss Statement had a net profit from the TMA operation of \$7,984 for the year ending 31/12/10. The net profit was not transferred to the Balance Sheet. If the amount is transferred to Balance Sheet there would be a variance between net assets and total equity.

21.2 Statement of Receipts and Expenditures

The Ministry collected revenue amounting to \$2,731,388 and incurred total expenditure of \$153,830,178 in 2010. Details are provided in Table 21.1 below.

Table 21.1: Statement of Receipts and Expenditures for 2010

Description	2010 (\$)	2009 (\$)
RECEIPTS		
State Revenue		
Operating Revenue	585,771	3,334,041
Total State Revenue	585,771	3,334,041
Agency Revenue		

Description	2010 (\$)	2009 (\$)
Health/Fumigation & Quarantine	191,412	148,133
Hospital Fees	1,020,470	766,408
Licence - Others	527,769	0
Fiji School of Nursing	405,966	673,774
Total Agency Revenue	2,145,617	1,588,315
TOTAL REVENUE	2,731,388	4,922,358
EXPENDITURES		
Operating Expenditure		
Established Staff	71,249,020	69,569,027
Unestablished Staff	12,617,553	14,675,470
Travel & Communication	3,292,880	3,161,282
Maintenance & Operations	9,992,150	8,801,859
Purchase of Goods & Services	25,678,965	24,633,062
Operating Grants & Transfers	6,286,607	3,126,610
Special Expenditures	3,635,770	2,663,220
Total Operating Expenditure	132,752,945	126,630,530
Capital Expenditure		
Capital Construction	5,044,490	5,573,608
Capital Purchases	6,580,228	17,200,652
Capital Grants & Transfers	200,000	140,000
Total Capital Expenditure	11,824,718	22,914,260
Value Added Tax	9,252,515	6,293,158
TOTAL EXPENDITURE	153,830,178	155,837,948

The Ministry's total revenue declined by \$2,190,970 or 45% in 2010 compared to 2009 as a result of adjustments made to stale cheques in 2009. Cheques were presented on time in 2009.

The Operating Expenditure increased by \$6,122,415 or 5% in 2010 compared to 2009 due to the following factors:

- Increase in overtime paid to nurses and allied staff.
- Increase in FEA charges and increase in repair costs for vehicles under sub-divisional allocations.
- Increase in the market price of basic food items that are procured for major hospitals for inward patients.
- Escalating increase in fuel cost, utility services charges and the general upkeep and supplies cost of the hospital and health centres.
- Increased expenditure on the purchase of drugs, consumables due to goods ordered in 2009 was paid in 2010, increase in demand for oxygen and ration supplies in the major hospitals.
- Increase in the operating grants issued to Fiji National University for FSM and FSN.

The Capital Expenditure decreased significantly by \$11,089,542 or 48% in 2010 due to:

- Some capital works such as Ba Mission Hospital and Health Centre, Nasavu Nursing Station were not undertaken.
- The purchase of equipments was based on the budget and virements approved by MOF. In 2009 expenditure was high due to the purchase of laundry equipments in late 2009.

21.3 Appropriation Statement

The Ministry of Health incurred expenditures totalling \$153,830,178 in 2010 against the budget of \$138,714,500 resulting in over expenditure of \$15,115,678 or 11%. Details are provided in Table 21.2.

Table 21.2: Appropriation Statement for 2010

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry – Over (\$)	Lapsed Appropriation (\$)
1	Established Staff	61,835,073	3,243,507	65,078,580	71,249,020	---	(6,170,440)
2	Unestablished Staff	9,569,400	0.00	9,569,400	12,617,553	---	(3,048,153)
3	Travel & Communication	3,251,100	382,222	3,633,322	3,292,880	---	340,442
4	Maintenance & Operations	8,813,300	372,894	9,186,194	9,992,150	---	(805,956)
5	Purchase of Goods & Services	24,548,800	(2,750,999)	21,797,801	25,678,965	---	(3,881,164)
6	Operating Grants & Transfers	6,116,747	1,434,793	7,551,540	6,286,607	---	1,264,933
7	Special Expenditure	5,900,900	(1,963,096)	3,937,804	3,635,770	---	302,034
	Total Operating Costs	120,035,320	719,321	120,754,641	132,752,945	---	(11,998,304)
	Capital Expenditure						
8	Capital Construction	7,336,000	(1,831,798)	5,504,202	5,044,490	---	459,712
9	Capital Purchases	4,366,080	1,237,887	5,603,967	6,580,228	---	(976,261)
10	Capital Grants and Transfers	200,000	0.00	200,000	200,000	---	0
	Total Capital Expenditure	11,902,080	(593,911)	11,308,169	11,824,718	---	(516,549)
13	Value Added Tax	6,777,100	(125,410)	6,651,690	9,252,515	---	(2,600,825)
	TOTAL EXPENDITURE	138,714,500	0	138,714,500	153,830,178	---	(15,115,678)

21.4 Statement of Losses

There was no loss of fixed asset or money recorded for the year 2010. However, items worth \$1,764,884 were written off, following the Ministry's board of survey conducted on 31 December 2010.

PART B: AUDIT FINDINGS

AGENCY FINANCIAL STATEMENTS

21.5 Agency Financial Statements – Delay in Submission

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 by the Permanent Secretary with the Auditor-General.¹

¹ Financial Instructions 2010 -Section 70 (3)

The Ministry submitted its draft Agency Financial Statement on 01/04/11. However after verifying the figures it was noted that they contained numerous errors resulting in the financial statements being returned to the Ministry for corrections.

The final copy of the draft financial statements was received on 02/05/11. The delay in submitting the draft financial statement delayed the audit of the Ministry's financial statements and issuance of audit report as required by the Finance Instructions.

Recommendation

The Ministry must ensure that the draft financial statements are submitted for audit by 31 March.

Ministry's Comments

No comments provided

21.6 Drawings Account

All bank accounts shall be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by the responsible officer².

Significant variances were noted in the Ministry's Drawings Account balance as per general ledger (FMIS), Appendix 3 and unpresented check list as at 31/12/10. Refer to the Table 21.3 for details.

Table 21.3: Variance in Drawings Account

Account Description	Ministry (\$)	General Ledger (FMIS) (\$)	Appendix (\$)
Drawings	6,540,226	7,520,627	6,516,124

The accuracy of the Drawings Account balance could not be substantiated as monthly reconciliations were not prepared and/or provided for audit.

Recommendation

The Ministry should ensure that monthly reconciliations for Drawings account are carried out.

Ministry's Comments

No comments provided

² Finance Instruction 2010, Sec 32(6)

21.7 Operating Trust Fund Account

Each month the trust account must be balanced and reconciled with the trust bank account. The names and balances of each account must be listed and the reconciliation shall be signed by the responsible officer. Unreconciled items must be investigated and resolved promptly.³

The Ministry's Operating Trust Fund Account as per the general ledger (FMIS) and the reconciliations had a credit balance of \$484,538 as at 31/12/10.

However, the Trust Fund Account as per the Appendix 23B had a balance of \$434,854 resulting in a variance of \$49,684 between Appendix 23B and Ministry's record. Refer to the Table 21.4 below for details.

Table 21.4: Variance in Trust Fund Account

Description	Ministry/FMI (\$)	Appendix 23B (\$)	Variance (\$)
Trust Fund	484,538	434,854	49,684

It was further noted that the variance between Ministry's record and Appendix 23B was due to three allocations which were incorrectly included by the Ministry of Health in its reconciliation. Refer to the Table 21.5 below for details.

Table 21.5: Allocations Shown In FMIS but Not In Appendix 23B

Account ID	Account Description	Amount (\$)	Comments
12270122999861914	PD Court Bankruptcy Order	600	This allocation belongs to Ministry of Social Welfare
12220122999861920	PD Employees FNPF	14,903	Appendix 23b does not recognize/pick programme 2 amounts
12270122999861920	PD Employees FNPF	34,181	This allocation belongs to Ministry of Social Welfare
Total		49,684	

The finding showed that monthly Trust Fund Account reconciliations were not checked by senior officers.

Recommendations

- The Ministry should regularly reconcile the Trust Fund account with Appendix 23B.
- The internal control procedures in the Accounts Section, specifically supervisory checks should be strengthened to avoid such discrepancies.
- The Ministry should ensure that monthly reconciliations are carried out properly and accurately.

Ministry's Comments

No comments provided

³ Finance Instructions 2010 Section 58(3)

21.8 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.⁴

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

The audit noted that the Ministry had a variance of \$1,112,003 when comparing the total salaries and wages computed from the FNPF contributions in 2010 amounting to \$76,747,579 against the actual against salaries and wages reported in the Financial Statements of \$77,859,582. Refer to Table 21.6 for details.

Table 21.6: Un-Reconciled FNPF Variance

Details	Amount (\$)
Total FNPF against salaries and wages for 2010:	
FNPF as per financial statement	6,006,990.77
Less: December 2009 FNPF paid in Jan 2010	1,045,736.30
	4,961,224.47
Add: December 2010 FNPF paid in Jan 2011	1,178,551.92
FNPF Contribution by Employer for 2010	6,139,806.39
Gross Pay Subject to FNPF (6,139,806.39 / 0.08) (a)	76,747,579.88
Salaries and Wages for 2010 subject to FNPF	
Salaries, wages and allowances as per financial statement (b)	77,859,582.67
Less: Salaries, wages and allowances for 2010 not subject to FNPF	1,210,046.83
	76,649,535.84
Un-reconciled Variance (a) – (b)	1,112,003

No satisfactory explanation was provided by the Ministry for the variance noted above. It was however noted that some unestablished/project staffs were paid wages from SEG 8 which maybe the cause of the difference.

Recommendation

The Ministry should reconcile FNPF contributions paid with general ledger and any variance arising to be promptly investigated and adjusted.

Ministry's Comments

No comments provided

⁴ Chapter 219 – Fiji National Provident Fund – Section 13 (1)

21.9 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.⁵

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.⁶

A review of VAT Returns and supporting documents carried out during the audit revealed an un-reconciled balance of \$941,479.46 between the taxable supplies as per VAT Return and the total income/expenditure as per the Statement of Receipts and Expenditure. Refer to Table 21.7 below for details.

Table 21.7: Un-Reconciled Vat Variance

Details	Amount (\$)
Total expenditure/income as per Expenditure Statement	153,830,178.46
Less: Expenditure not subject to VAT – SEG 1,2, 6 and 10	90,353,180.80
Total expenditure/income subject to VAT	63,476,997.66
Less: Total taxable supplies as per VAT Returns	62,535,518.20
Un-reconciled variance	941,479.46

In addition, a difference of \$5,231,503.20 was noted between the actual VAT payments for the year and the balance disclosed in the general ledger. Refer to Table 19.8 for details.

Table 21.8: Variance in VAT paid VAT Amount in FMIS

Details	Amount (\$)
VAT payments (VAT payments to FIRCA and VAT Input) as per General ledger (SEG 13)	9,252,514.69
VAT payments (VAT payments to FIRCA and VAT Input) as per VAT Returns for 2010	4,021,011.49
Un-reconciled variance	5,231,503.20

In the absence of proper VAT reconciliations the Ministry would not be in a position to determine its true VAT position.

Recommendations

- The Ministry should reconcile the actual VAT with the VAT payments in FMIS.

⁵ Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

⁶ Finance Circular No 9/95

- 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

No comments provided

21.10 Trading and Manufacturing Account (TMA)

21.10.1 TMA Surpluses

The Ministry of Health included TMA Accumulated Surplus of \$744,810 and TMA Surplus Capital Retained of \$42,510 in the Balance Sheet as at 31/12/10. The Ministry did not provide details of these amounts.

As a result audit was not able to ascertain the correctness of the above amounts.

Recommendation

The Ministry should ensure that TMA account is properly prepared.

Ministry's Comments

No comments provided

21.10.2 TMA Comparative Figures

The Ministry uses Epicor system to record all transaction for Bulk Purchases Scheme. The Epicor records should be uploaded to FMIS and reconciled when preparing TMA account.

It was noted that the figures for the TMA 2009 audited accounts were obtained from Epicor system where as the figures for TMA 2010 accounts were obtained from FMIS.

Consequently the brought forward account balances stated in the balance sheet for 2010 were not the same as closing balances for 2009.

Recommendation

The Ministry must ensure that Epicor and FMIS figures are always reconciled to ensure accuracy of TMA accounts.

Ministry's Comments

No comments provided

21.10.3 TMA Net Profit

TMA net profit from Profit and Loss account should be transferred to Balance Sheet.

The TMA Profit and Loss account had a net profit from the TMA operation of \$7,984 for the year ending 31/12/10. The net profit was not transferred to the balance sheet.

If the amount was transferred to Balance Sheet there would be a variance of \$7,894 between net assets and total equity.

Recommendation

The Ministry should identify the difference and ensure that correct set of TMA accounts are submitted for audit in future.

Ministry's Comments

No comments provided

21.10.4 Variance in Sales Revenue

The Ministry of Health must ensure that the Bulk Purchase Scheme records maintained on Epicor system is reconciled with FMIS.

A variance of \$21,108.83 in the TMA sales revenue existed between the FMIS (general ledger) and the Epicor System.

According to the officer responsible for Bulk Purchase Scheme, Mrs. Litiana Vuki, the Ministry of Finance passed a journal entry of \$21,108.83 in FMIS which was the cause of this variance. Refer to Table 21.9 for details.

Table 21.9: Variance in Sales Revenue in FMIS and EPICOR

Account Description	FMIS (\$)	Epicor (\$)	Difference
Cash Sales	655,305.18	655,305.18	0
Credit Sales	21,108.83	0	21,108.83
Total	676,414.01	655,305.18	21,108.83

No further adjustment was made as the amount was considered immaterial.

Recommendation

The Ministry of Health should discuss with the Ministry of Finance and identify the cause of variance and ensure such discrepancies are corrected and not repeated in future.

Ministry's Comments

No comments provided

HEADQUARTERS

21.11 Excessive Payment to Casual Labourers

The supervising officer for wage employees shall collect employee timecards at the end of each pay period and shall prepare timesheets through the transfer and adding of the normal hours and overtime hours worked.⁷ The timesheet must also provide details on any other job the employee may have worked on within the week.⁸ The timecards and timesheets shall be checked for accuracy and signed by the supervising officer for wage employees before transferring to the Wages Section for processing payment.⁹

Subject to the other provisions of this Act there shall be assessed, levied and paid a tax to be known as normal tax for each year of assessment on every dollar of chargeable income of -

- (a) an individual whose total income, in the case of a resident, exceeds [\$15,000]¹, or any other person, other than a company, in respect of his chargeable income for the year of assessment [but a resident individual shall be exempt from normal tax to the extent that such normal tax, together with [basic tax]², would reduce the balance of his total income to [\$15,000]³ or less in any year]⁴.¹⁰

The Ministry employed maintenance workers on a casual basis throughout the year. The audit noted that some of these casual workers were paid overtime in excess of their total gross annual wages. These casual workers claimed wages for 90 – 126 hours per week or 13 – 18 hours per day on average based on 7 days per week. Refer to Table 21.10 below for examples of excessive overtime claimed.

Table 21.10: Excessive Payments Made To Casual Labourers

FNPF Number	Officer	Post	Hourly Rate (\$)	Normal Hours per Annum	Actual Hours Worked	Extra Hours worked/week (2010)	Annual Wages - 44 hours week	Wages Paid in 2010	Overtime paid in 2010
H0005	Ilaitia Koroi	Labourer	3.86	2,288	3,521	23 hours	8,831.68	22,422.22	13,590.54
W125	Qele K.Taupati	Leading Hand	5.07	2,288	2,797	9 hours	11,600.16	27,118.35	14,181.88
HK636	Amzad Ali	Polisher	4.10	2,288	3,287	19 hours	9,380.80	22,859.89	13,479.09
NL647	Willie Peter	Carpenter	4.20	2,288	3,224	18 hours	9,609.60	23,153.02	13,543.42
LR600	Joji Lenaitasi	Carpenter	4.20	2,288	2,369	1.5 hours	9,609.60	19,562.28	9,952.68
PM566	Oteti Talili	Labourer	4.47	2,288	4,121	35 hours	10,227.36	27,535.42	17,308.06
WA333	Timoci Bainivalu	Leading Hand	5.07	2,288	2,797	10 hours	11,600.16	25,782.04	14,181.88
VZ503	Penaia Racaca	Painter	3.86	2,288	3,369	21 hours	8,831.68	21,836.30	13,004.62
YL381	Anare	Labourer	3.86	2,288	3,633	26 hours	8,831.68	22,857.07	14,025.39

⁷ Proforma Finance Manual 2011 – Section 4.14.1

⁸ Proforma Finance Manual 2011 – Section 4.14.2

⁹ Proforma Finance Manual 2011 – Section 4.14.3

¹⁰ Fiji Income Tax Act, Cap 201, 29 January 2010 - Section 7 (1) (a)

FNPF Number	Officer	Post	Hourly Rate (\$)	Normal Hours per Annum	Actual Hours Worked	Extra Hours worked/week (2010)	Annual Wages - 44 hours week	Wages Paid in 2010	Overtime paid in 2010
	Ravutia								
Total							88,522.72	213,126.59	123,267.56

It was further noted that the Ministry did not deduct PAYE Tax from these workers wages even though their annual gross wages exceeded \$15,000.

The findings indicated that overtime work for casual workers may not have been properly supervised which resulted in excessive overtime claims and payments. In addition non deduction of PAYE tax resulted in loss of revenue to Government.

Recommendations

- The Ministry should ensure that maintenance workers are properly supervised at all times.
- The Ministry should thoroughly scrutinize the hours claimed by casual workers for accuracy and this should be measured against actual work done.
- The Ministry should ensure that PAYE is deducted from officers' pay and remitted to Fiji Islands Revenue and Customs Authority on a monthly basis.

Ministry's Comments

No comments provided

21.12 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 Commission¹¹. An officer who resigns without giving 30 consecutive days notice may be required to pay 30 days salary in lieu of notice¹².

Some officers, who retired, resigned, or were deceased, continued to be remunerated by the Ministry for few pay periods before salaries were ceased, resulting in overpayments of salaries.

As at 31/12/10 the Ministry overpaid salaries totalling \$162,601.99. Out of this total of \$93,519 or 58% was salary overpaid upon resignation. Refer to Table 21.11 below for summary of salary overpaid during the last 2 years. Further details are provided in *Appendices 21.1 and 21.2*.

Table 21.11: Salary Overpayment

Overpayment	Amount Overpaid 2010	Amount Overpaid 2009	Total Overpaid
Resignations	1,013.48	92,505.94	93,519.42
Retirements	464.15	3,834.62	4,298.77
Leave abroad without pay	7,501.41	10,083.93	17,585.34
Re-engagement	398.11	0	398.11
Deemed to resign	1,107.13	31,249.12	32,356.25

¹¹ General Orders 222(d)

¹² General Orders 222(a)

Overpayment	Amount Overpaid 2010	Amount Overpaid 2009	Total Overpaid
Deceased	907.41	996.02	1,903.43
Missing from work	0	8,931.13	8,931.13
Overseas Secondment	0	2,906.61	2,906.61
Suspension	0	702.93	702.93
Total	11,391.69	151,210.30	162,601.99

This finding was also reported in last year's report however no corrective action was taken by the Ministry. Audit follow up on the previous year's overpayment noted numerous cases where the recovery of overpaid salary is yet to be initiated. Refer to *Appendix 2 and 3* for details.

The salary overpayment on resignation resulted from Divisional officers failing to advise the Salaries Section at Headquarters on time.

Recommendations

- **The Ministry should consider ways to recover overpaid salaries from the officers concerned.**
- **The Ministry should implement an effective and efficient communication process between various hospitals, stations and centers with Headquarters to ensure correspondences relating to retirements, resignations, terminations, etc. are processed, on a timely manner to avoid overpayments.**

Ministry's Comments

No comments provided

21.13 Unutilised Leave

The Administration Officer should maintain a leave register to keep track of the leave balances of the officers. Annual leave shall be granted as follows:-

- Category A - 18 working days
- Category B, C & D - 21 working days¹³.

Moreover, officers are allowed to carry over up to a maximum of ten working days leave entitlement from one leave year to the next¹⁴.

Examination of leave schedules for headquarters staff revealed that some officers had excessive number of leave days carried over to the next leave year. Refer to Table 21.12 below for details of excessive leave as at the time of the audit¹⁵.

¹³ General Order 705 (a)

¹⁴ General Order 705 (c)

¹⁵ 27 June 2011

Table 21.12: Excessive leave balances

EDP Number	Officer's Name	Leave Year	Leave Brought Forward from Last Year	Leave Balance as at 31/12/10	Excessive Leave Days	Leave Liability (\$)
31672	Silina Waqa	28/04/10 – 27/04/11	26	45	35	4,643.37
53365	Idrish Khan	01/11/10 – 31/10/11	44	63	53	4,358.67
47617	Pasemaca Vatu	24/02/10 – 23/02/11	27	36.5	26.5	2,582.00
45056	Nina Filipe	22/01/10 – 21/01/11	32	46.5	36.5	4,031.14
53900	Rakesh Narayan	11/05/10 – 10/05/11	43.5	64.5	54.5	3,413.59
53613	Isimieli Tukuna	02/01/10 – 01/01/11	23	33.0	23.0	3,281.92
47706	Lesieli Tuiwawa	04/03/10 – 03/03/11	26	42.0	32.0	2,291.25
45056	Anaisi Delai	05/09/10 – 04/09/11	33.5	48.0	38.0	3,930.91
62319	Sharmila Devi	19/09/10 – 18/09/11	31	46.0	36.0	1,551.66
62601	Atunaisa Degei	13/02/10 – 12/02/11	45	53.5	43.5	1,874.92
58534	Francis Bingwor	04/01/11 – 03/01/11	72.5	40.5	30.5	4,352.12
Total						36,311.55

Due to excessive unutilised leaves the above staffs at the Ministry's headquarters accrued leave liability of \$36,311.55 for the year ending 31/12/10.

The findings indicated that the Ministry lacked proper administration and management of leaves. This would result in compensating for unutilized leave days when Officers resign or retire from the service.

Recommendations

- The Ministry should ensure that Officers utilise their leave when its due and only 10 annual leave days are carried forward to next leave year.
- The Force should request Officers with long outstanding leave days to utilise their leave.

Ministry's Comments

No comments provided

21.14 Salaries/Wages Reconciliations

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.¹⁶

A noted number of hospitals and health stations failed to prepare and submit salaries and wages reconciliations to headquarters on a fortnightly or weekly basis for all pay periods for 2010. Refer to Table 21.13 for details.

Table 21.13: Non Submission of Wages Reconciliation Details

Station	Pay Number (Last Reconciliation Submitted)	Other anomalies noted
Headquarters	48/10	No signature of person preparing and checking the reconciliations.

¹⁶ Finance Instructions 2010 – Section 17 (7)

Station	Pay Number (Last Reconciliation Submitted)	Other anomalies noted
Western Health Services	22/10	No reconciliation submitted thereafter.
Northern Health Services	44/10	No reconciliation submitted thereafter.
Nadi Hospital	22/10	No reconciliation submitted thereafter.
Ra Subdivision	21/10	No signature of person preparing and checking the reconciliations.
Tavua Hospital	22/10	No signature of person preparing and checking the reconciliations.
Sigatoka Hospital	22/10	No signature of person checking the reconciliations.
Taveuni Hospital	41/10	No reconciliation submitted thereafter.
Tamavua Twomey Hospital	45/10	No reconciliation submitted thereafter.
Lomaiviti Health Centre	27/09	No reconciliation submitted thereafter.
Lakeba Hospital	29/09	No reconciliation submitted thereafter.
Samabula Old Peoples' Home	16/09	No reconciliation submitted thereafter.
Vunisea Hospital, Kadavu	35/09	No reconciliation submitted thereafter.
Navua Hospital	30/09 and 42/10	No reconciliation submitted thereafter.
Rewa Hospital	31/09	No reconciliation submitted thereafter.
Korovou Hospital	03/09	No reconciliation submitted thereafter.
Lomaloma Hospital	25/09	No reconciliation submitted thereafter.
CWM Hospital	52/09	No reconciliation submitted thereafter.

The failure to perform regular salaries and wages reconciliations could result in payroll errors, fraud being undetected by the Ministry. The above finding was also reported in last year's audit report however, no corrective action was taken by the Ministry.

Recommendation

The Ministry should take appropriate action to ensure salaries and wages reconciliations are carried out by all health stations on a regular basis and submitted to headquarters.

Ministry's Comments

No comments provided

21.15 Excessive Payment of Manual Salary

No manual payment of salary is permitted except on first appointment or upon written approval from the Accounting Head.¹⁷

The Ministry manually paid salaries totalling \$465,253.79 as at 31/12/10. The manual payment of salaries was mainly due to the following reasons.

- Leave compensation to officers who resigned
- Payment of acting allowances
- Salary and wages adjustment- (first payment).
- Payment of refunds (PSC Loan)

The finding indicates laxity of the responsible officers in updating the input forms on the payroll system. Manual payments of salaries increase the risk of fraud and mismanagement of funds. In addition employee true earnings may not be reflected at the end of the year on the payroll system.

¹⁷ Finance Manual 2010 – Section 4.16.12

This issue was also highlighted in the previous year's audit reports however no corrective action was taken by the Ministry.

Recommendation

The Ministry must ensure that manual payment of salaries, apart from first appointment must cease immediately.

Ministry's Comments

No comments provided

21.16 Non Deduction of PAYE Tax

Subject to the other provisions of this Act there shall be assessed, levied and paid a tax to be known as normal tax for each year of assessment on every dollar of chargeable income of -

- (a) an individual whose total income, in the case of a resident, exceeds [\$15,000]¹, or any other person, other than a company, in respect of his chargeable income for the year of assessment [but a resident individual shall be exempt from normal tax to the extent that such normal tax, together with [basic tax]², would reduce the balance of his total income to [\$15,000]³ or less in any year]⁴:¹⁸

Normal tax (PAYE) was not deducted from the allowance paid to Ms. Ana Veitoyaki (EDP number 62034) who is an Anaesthetist employed by the Ministry. The officer was paid per diem allowance of \$258 per day and surgeon allowance of \$200. Refer to Table 21.14 below for details.

Table 21.14: Non Deduction of Paye

Date	Voucher Number	Payee	Particulars	Amount (\$)
15/10/10	365331	Ana Veitoyaki	Payment of per diem and surgeon allowance for the hydrocelectomy surgery at Levuka hospital from 20/09/10 to 10/10/10.	9,618.00
07/12/10	370556	Ana Veitoyaki	Payment of per diem and surgeon allowance for the hydrocelectomy surgery at Korovou hospital from 11/10/10 to 18/10/10.	3,664.00
Total				13,282.00

Default in tax deductions reduces the tax revenue paid to Government.

Recommendations

The Ministry should ensure that PAYE is deducted from officers' pay and remitted to Fiji Revenue and Customs Authority.

¹⁸ Fiji Income Tax Act, Cap 201, 29 January 2010 - Section 7 (1) (a)

Ministry's Comments*No comments provided***21.17 Excessive Materials Quoted on Projects**

Within 1 week of end of each month, each Director shall submit to the Deputy CEO, a service delivery performance report comparing actual levels of service against the targets in their business plan or their part of the corporate plan¹⁹.

An employee must use Government resources and assets in a proper way²⁰.

The following irregularities in the maintenance works carried out by the Ministry's Maintenance Team were noted in 2010:

- There was no record of expected completion date and actual completion date for projects undertaken in 2010.
- There was no record of budgeted cost and actual costs maintained for maintenance works undertaken in 2010.
- The Ministry did not have a qualified officer to estimate the quantity of materials for maintenance projects. As a result excessive materials were purchased and some of these materials were not used and left on the project site upon completion of all works. According to the Ministry the excess materials are transferred and used in other projects of similar nature by the Maintenance Team. However, this could not be verified as the Maintenance Team failed to provide records of the excess materials from completed projects and on which other projects they were used for.

The finding showed poor control over maintenance costs and use of materials. Absence of proper record keeping of materials purchased for maintenance could result in theft of materials.

Recommendations

- **The Ministry should consider recruiting an appropriately qualified Quantity Surveyor for Maintenance works. Alternatively the Ministry may seek services of Quantity Surveyors from the Ministry of Works.**
- **The Ministry must maintain proper records of all project costs and materials used or transferred to other projects.**

Ministry's Comments*No comments provided***21.18 Non Monitoring of Capital Works**

A Memorandum of Understanding should be signed between the Ministry of Health and the Ministry of Works for any particular capital work which is to be carried out by the Works Ministry²¹.

¹⁹ Ministry of Health Finance Manual Section 17.1.4

²⁰ PSC code of Conduct (8)

²¹ Best internal control practice

The Ministry of Works was provided a sum of \$2,994,250.62 by the Ministry of Health in 2010 to carry out capital works at various Health Centres and Nursing Stations. Out of this a total of \$2,711,005.53 was utilised by the Ministry of Works. The following anomalies were noted for projects undertaken:

- There was no Memorandum of Understanding between Ministry of Health and Ministry of Works for the capital works carried out;
- Ministry of Health did not obtain acquittal from Ministry of Works for all works carried out by them. The audit could not verify whether the funds provided by Ministry of Health were utilized for intended purpose; and
- The Ministry of Health did not have any detail on budgeted and actual costs for capital work carried out by the Works Ministry.

The irregularities indicated absence of proper monitoring and control procedures for the capital works.

Recommendations

- **The Ministry should have memorandum of understanding for all works outsourced to Ministry of Works to avoid misunderstanding and timely completion of projects.**
- **The Ministry should request and maintain all acquittal for capital works undertaken by Ministry of Works.**
- **The Ministry must maintain details of budget and actual expenses of all capital works.**

Ministry's Comments

No comments provided

21.19 Capital Works Undertaken by Ministry of Works

The Ministry of Works was requested to carry out a number of capital works for Ministry of Health in 2010.

It was noted that Ministry of works was not able to complete all projects assigned to them in 2010 and a sum of \$283,245.09 was reimbursed to the Ministry of Health at year end for works that were not undertaken by Ministry of Works. Refer to Table 21.15 below for details..

Table 21.15: Non Completion of Capital Works by Ministry of Works

Project Description	Project Cost (\$)
Upgrade of Savusavu Hospital	15,686.45
Upgrade of Lomaloma Hospital	14,590.00
Construction of CT Scanner room for Lautoka Hospital	7,500.28
One 4 duplex quarters for Nabouwalu Hospital	66,255.36
Cytotoxic suite for CWM Hospital	124,607.00
Repair of leakages at Tailevu and Namosi	13,039.00
Refurbishment at Sukuna Ward (Phase 2)	38,567.00

Project Description	Project Cost (\$)
HOA Loma Hospital	3,000.00
Total	283,245.09

It was further noted that a sum of \$550,554 was allocated to Ministry of Works for the construction of 1x4 Maisonette for Rotuma Hospital staffs. However, scrutiny of the Rotuma Hospital file revealed that there were number of defects identified by the Medical Officer in charge in the Maisonette soon after completion. Refer to Table 21.16 for defects identified.

Table 21.16: Defects after Completion of Constuction Works at Rotuma Hospital

Flat 1	Flat 2	Flat 3
<ul style="list-style-type: none"> The plumbing system was not properly done and this caused leakage from the kitchen sink leading into flooding of the kitchen area. The shower compartment cannot supply water when in use. The PVC connection from the pipeline into the cistern was leaking 	<ul style="list-style-type: none"> The plumbing system was not properly done and this caused leakage from the kitchen sink leading into flooding of the kitchen area. The wooden skirting around the floor level with rubber tiles of the living rooms has a gap that has become the breeding ground for cockroaches. 	<ul style="list-style-type: none"> The washtub almost fell of its concrete stand when in use by the occupants of the flat. The outlet of the washtub does not drain water properly. The windows fly-screen frame is intact with the window sill so rain water collects on the window sill and flows into the bedroom rather than flowing outside.

The Ministry's inability to complete capital works on time could affect the quality of health services provided to general public.

Recommendations

- **The Ministry should consider outsourcing its capital works to private companies.**
- **The Ministry should arrange for repair and maintenance works to be carried out at the Maisonette for Rotuma Hospital staffs.**

Ministry's Comments

No comments provided

21.20 Additional Costs related to Laundry Equipment Project

The Ministry hired ACLEPL, of Australia for supply and installation of laundry equipments in the major hospitals around Fiji during 2010. Refer to Table 21.17 for supply and installation of laundry equipment.

Table 21.17: Distribution of Laundry Equipments

Hospital	Installation Costs (\$)	Comments
Rakiraki	25,000	Machines commenced operations from 29/03/11
Tavua	35,000	Machines commenced operations from 1 st half of 2011
Ba	30,000	Machines commenced operations from 1 st half of 2011
Lautoka	50,000	Site preparation has commenced.
Nadi	20,000	Machines commenced operations from 1 st half of 2011

Hospital	Installation Costs (\$)	Comments
CWM	70,000	Machines installed but operation not yet started
Savusavu	40,000	Works have started and extra costs not known as present
Labasa	50,000	Pending, extra costs not known at present
Taveuni	40,000	Pending, extra costs not known at present
Nabouwalu	40,000	Pending, extra costs not known at present

The following irregularities were noted.

- The laundry equipments upon arrival in Fiji were kept at the Fiji Procurement Office storage site without any charges. However, the Ministry decided to pack the equipments in containers and move them to the Fiji Pharmaceutical Services storage yard.

The Ministry hired containers from D. N Patel & Co to store laundry equipments and paid total of \$21,492 for storage of laundry equipments since 2009. The Ministry could have saved \$21,492 if the equipments were kept at the Fiji Procurement Office yard.

- Apart from the cost of acquiring the equipments costing \$2.7 million and the installation cost of \$400,000 the Ministry incurred additional expenses of \$630,121 as at 31/7/2011 due to numerous variations arising while installing the laundry equipments. The additional expenses were approved by the Ministry of Finance. Refer to Table 21.18 for details.

Table 21.18: Additional Costs for Installing Laundry Equipments

Hospital	FEA Costs	Extra Costs	Total Cost	Comments
Rakiraki	86,190	995	87,185	FEA cost is included in the \$176,487 shown under Tavua hospital below. Extra cost due to variations made. Approved by Minister of Finance.
Tavua	90,297	12,311	102,608	FEA cost includes cost for upgrading Rakiraki Hospital power boards etc. Extra cost due to variations made. Approved by Minister of Finance.
Ba	25,095	1,537	26,632	FEA receipt # 938236 of 27/08/10. Extra cost due to variations made. Approved by Minister of Finance.
Lautoka		12,736	12,736	Installation works in progress. Extra cost due to variations made. Approved by Minister of Finance.
Nadi		2,695	2,695	Extra cost due to variations made. Approved by Minister of Finance.
CWM		1,197	1,197	Installation works in progress.
Savusavu	131,750		131,750	Paid. Waiver of MTB approved by Minister of Finance.
Labasa		76,507	76,507	Estimate by PWD per Debit Note #s 37/2011, 38/2011/39/2011 dated 26/05/11. Payment pending as work not yet commenced.
Taveuni		12,942	12,942	Estimate by PWD per Debit Note # 16/2011 dated 24/02/11. Payment pending as work not yet commenced
		154,377	154,377	Extra Costs claimed by ACLE for air fare, local travelling costs etc. amounted to \$A85,000 and converted at 31/12/10 exchange rate from Ministry of Finance. Payment request pending with Ministry of Finance
		21,492	21,492	Hire of containers to store laundry equipments since 2009. No quotations were obtained for the provision of this service. Monthly payment made by Ministry of Health.
Total	333,332	296,789	630,121	

The finding showed poor planning and coordination of the project which led to additional unplanned expenses.

Recommendation

The Ministry should ensure that proper planning and coordination are undertaken in the future for such projects.

Ministry's Comments

No comments provided

21.21 Transfer of Funds to Global Funds

The Global Fund is a unique Global Public/Private Partnership dedicated to attracting and disbursing additional resources to prevent and treat HIV/AIDS, tuberculosis and malaria. Global Fund financing enabled countries to strengthen health systems by, for example, making improvements to infrastructure and providing training to those who deliver the service. The successful round 8 grant to the amount of USD\$4,183,944 for the first two years (2010 and 2011) covered prevention and treatment activities for the national TB programme, and Health systems support to the national laboratory services, Fiji Pharmaceutical and Biomedical services²².

It was noted that a sum of \$1,986,105 was vired from the Ministry's drug allocation to Global Fund in May 2010. The purpose of this transfer of funds was to assist in the setting up and operation of Global Fund. As at 31/12/10, the funds vired to Global Fund was not reimbursed to the Ministry.

The audit further noted that Fiji Pharmaceutical Services had shortage of drugs in 2010 due to budget constraints. The problem of drug shortage could have been avoided if funds were not vired out from drug allocation vote.

Recommendations

- **The Ministry must ensure that funds allocated for purchase of drugs are utilised for purchase of drugs and not vired to meet other requests.**
- **The Ministry must ensure that funds provided to Global Fund are reimbursed to the Ministry.**

Ministry's Comments

No comments provided

21.22 Procurement on Behalf of Fiji National University

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 wastage of funds, over expenditure and corruption do not occur.²³

²² Cabinet memorandum presented by the Minister of Health on 27/11/2009(Based on Global Fund)

²³ Proforma Finance Manual 2011 Part 2 Expenditure

The Major Tender Board awarded the tender number CTN185/07 on 20/3/2008 to Shantilal Brother for supply of uniforms, mosquito nets, bed linings and curtains for Fiji School of Nursing. However, the School of Nursing was transferred to the Fiji National University (FNU) in late 2009.

The audit noted that the Ministry of Health paid \$235,762.38 to Shantilal Brothers Fiji Limited for the procurement of uniforms, mosquito nets, bed linings and curtains for Fiji School of Nursing (FSN) during 2010 even though it had been transferred to FNU. Refer to Table 21.19 for details of payments made by Ministry of Health on behalf of FNU.

Table 21.19: Payments Made for Fiji School of Nursing

Date	Amount (\$)
21/6/2010	62,500
2/7/2010	78,300
22/10/2010	47,860
14/12/2010	47,102.38
Total	235,762.38

The finding showed that the Ministry continued to incur expenses on behalf of FSN after it has been transferred to FNU in 2010.

Recommendation

The Ministry should request for reimbursement from FNU for the amounts spent on behalf of FSN after it was transferred to FNU.

Ministry's Comments

No comments provided

21.23 Negligence by Medical Staffs

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

A sum of \$200,000 was allocated in the Ministry's budget for 2010 to cater for the litigation claims, resulting from the negligence in the health service delivery. The Ministry paid total of \$1,450,686.09 from 2008 to 2010 for litigations claims due to negligence by medical professionals. Refer to Table 21.20 below for details.

Table 21.20: Summary of Negligence Payments

Year	Amount (\$)
2008	1,017,997.80

Year	Amount (\$)
2009	145,000
2010	287,688.29
Total	1,450,686.09

These funds could have been utilised for other useful purposes if the Ministry had been more careful in performing its duties.

Recommendation

The Ministry must ensure that Medical Officers take more care while discharging their duties to avoid litigations costs.

Management Comments

No comments provided

21.24 Non Submission of Acquittals to Donor Agencies

Sound Internal Control Mechanism requires that all grants received from the Donor agencies should be properly accounted for and details together with the breakdown of how the funds were used should be kept with Programme Managers.²⁴

The audit noted that total grant of \$3,395,362.42 was received by the Ministry from various donor agencies as at 31/12/10. However, no acquittal or progress reports were produced for audit by the respective programme coordinators. Refer to Appendix 21.3 for details.

Furthermore, audit verification with the World Health Organisation (WHO), which is the major donor for the Ministry, revealed that no acquittal or progress reports were submitted by the Ministry of Health in 2010.

In the absence of acquittal and progress reports, audit could not verify whether funds received from various donors were used for the purpose it was provided. In addition, the Ministry's failure to provide acquittals and progress reports to the donor agencies could affect the provision of grants from these organisations in the future.

Recommendations

- **The Ministry should ensure that acquittals and progress reports are provided to the donor agencies on a timely basis.**
- **The Ministry should follow up with the respective programme coordinators to prepare and submit the acquittals and progress reports for various donor agencies for 2010.**

Ministry's Comments

No comments provided

²⁴ Best Practice

21.25 Non Submission of Acquittals

The agency administering a grant must enter into a grant agreement with any organisation or person who either receives one-off grant or ongoing grant assistance in excess of \$5,000²⁵. Acquittal reports must be obtained before the next monthly or quarterly grants are paid out²⁶.

The Ministry provided grants of \$40,000 each to Saint John's Ambulance and Ra Catholic Hospital in 2010.

It was noted that no acquittal was obtained from the Saint John's Ambulance by the Ministry for the grants provided during the year. In addition grant file for Ra Catholic Hospital was not produced for audit verification.

As a result the audit could not determine whether the grants were utilised for the purpose they were provided.

Recommendation

The Ministry must ensure that acquittal reports are obtained from all grant recipients to ensure grant funds are properly utilised.

Management Comments

No comments provided

21.26 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 Tobacco Control Unit (TCU) 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 \$200 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.

²⁵ Finance Instruction 2010 Section 16 (1)

²⁶ Finance Instruction 2010 section 16 (8)

The tobacco fine records maintained at Tobacco Control Unit in Suva revealed that total of 232 individuals were fined \$200 for each offence of smoking under the Tobacco Control Act in 2010. As of 31/12/10 total of \$46,400 fine was imposed on 232 individuals. Refer to Table 21.21 for details.

Table 21.21: Tobacco Fines

Divisions	No. Of People Fined	Total Fines Imposed (\$)
North	42	8,400
West	45	9,000
Central	145	29,000
Total	232	46,400

The fines imposed by the Ministry were collected by the Land Transport Authority (LTA). The Ministry did not maintain any record of fines collected and it also did not have any follow up mechanism to ensure that the offenders pay their fines.

The finding showed lack of coordination between LTA and Ministry of Health.

Recommendations

- **The Ministry should maintain a record of fines collected by LTA.**
- **The Ministry should implement procedures to ensure that those who are fined pay their fines.**

Ministry's Comments

No comments provided

21.27 Non Maintenance of Stock Cards

When inventory items are purchased, the inventory bookkeeper shall record them in the inventory register.²⁷ The inventory bookkeeper shall maintain the inventory register to record incoming and outgoing inventories.²⁸ The inventory register shall provide the following information.

- i. Date of acquisition and order number reference;
- ii. Number of items received and cost price;
- iii. Supplier details;
- iv. Date of issue of inventory and nature of issue (e.g. transfer or for processing);
- v. Issue reference such as requisition order; and
- vi. Quantity issued.²⁹

The Ministry did not maintain inventory register or stock cards at the Maintenance storeroom located at the Ministry's headquarters' for all maintenance materials purchased. In addition the Ministry did

²⁷ Proforma Finance Manual 2011Section 8.1.2

²⁸ Proforma Finance Manual 2011Section 8.1.3

²⁹ Proforma Finance Manual 2011Section 8.1.4

not maintain any alternative means to record the maintenance materials at the storeroom. The pictures below illustrate how some of the materials were stored in the Maintenance storeroom.



Figure 19.1: Stock of paints and pipes



Figure 19.2: Other building material stored in the storeroom

The finding showed poor control over maintenance materials. Improper recording of maintenance materials could increase the risk of theft and misappropriation of materials.

Recommendation

The Ministry should ensure that all materials purchased are properly recorded.

Ministry's Comments

No comments provided

21.28 Motor Vehicle Quarterly Returns

The Supervisor of Transport shall prepare a quarterly vehicle report on all agency vehicles. The vehicle report must be prepared no later than one week after the end of the quarter.³⁰

A copy of the report shall be forwarded to the Ministry of Finance no later than two weeks after the end of the quarter.³¹

The hospitals in the Western, Northern and Central/Eastern divisions were not consistently submitting vehicle quarterly returns to the Headquarters. Consequently, these quarterly returns were not submitted to the Ministry of Finance for the year 2010. Refer to *Appendix 21.4* for details.

In absence of the quarterly returns, the Ministry would not be in a position to determine the status of each vehicle and other important details such as repair and maintenance costs and fuel and oil consumptions.

Recommendation

The Ministry should ensure that quarterly vehicle reports are prepared and submitted to Ministry of Finance in a timely manner.

³⁰ Proforma Finance Manual 2011 Section 12.7.1

³¹ Proforma Finance Manual 2011 Section 12.7.4

Ministry's Comments*No comments provided***21.29 Non Maintenance of Vehicle Records**

All drivers must ensure that their running sheets are properly filled in before signing and submitting them to the Supervisor of the Transport at the end of the day.³²

Each driver must keep daily running sheets to record details of each run undertaken in any agency's vehicles. The running sheets shall document:

- i. Vehicle registration number;
- ii. Date and mileage at the start of the day;
- iii. Runs during the day and reasons for each run;
- iv. Arrival and departure times including mileage during each separate run; and
- v. Fuel details if vehicle is filled during the day.³³

The Supervisor of the Transport shall check the accuracy of all running sheets for the day and certify each sheet.³⁴

Review of the running sheets for the Ministry's vehicle registration numbers GN 797, GN 927, GN 902 and GN 165 revealed the following anomalies:

- distances travelled during each trip were not recorded in the running sheets by the driver;
- reasons for the journeys were not stated in the running sheet by the driver;
- the time journeys started and the time ended were not stated in the running sheet; and
- running sheets were not signed by the officer in charge.

The absence of proper maintenance of vehicle running sheets could increase the risk of misuse of the Ministry's vehicles.

Recommendation

The Ministry should ensure that running sheets for all vehicles are properly filled in by the drivers and signed by the officer in Charge.

Ministry's Comments*No comments provided***21.30 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

³² Proforma Finance Manual 2011 Section 12.3.9

³³ Proforma Finance Manual 2011 Section 12.3.4

³⁴ Proforma Finance Manual 2011 Section 12.3.10

payments system plays an important part in ensuring that waste of funds, over expenditure and corruption do not occur.³⁵

The Ministry has a total of 179 vehicles. Scrutiny of the motor vehicle records revealed that the Ministry incurred excessive vehicle maintenance cost in 2010. The Ministry spent a total of \$56,206 in maintaining only 7 out of 179 of its vehicles in 2010.

Substantial amounts were spent in maintaining one of its new vehicles, GN 332 which was less than 11 months old. Refer to Table 21.22 for sample of vehicles and its maintenance costs for 2010.

Table 21.22: Excessive Vehicle Maintenance Costs

Vehicle No.	Station	Age	Cost (\$)
GN 332	Head Quarters	11 Months	15,196.66
GN 901	Head Quarters	10 Months	8,520.00
GM 483	DMO Western	14 Years	7,515.05
GN 179	Labasa	9 Years	4,262.00
GN 266	Labasa	11 Years	7,980.70
GM 735	Labasa	13 years	5,904.80
GM 244	Labasa	15 Years	6,826.70
Total			56,205.91

It was further noted that the Ministry's overall vehicle repair and maintenance cost allocation was over spent by \$62,083 or 8% in 2010. Refer to Table 21.23 for details.

Table 21.23: Over expenditure for Repairs and Maintenance Costs

Programme/Activity	Section	Budgeted Cost (\$)	Actual Cost (\$)	Over Expenditure (\$)
Programme 1, Activity 1	Headquarters	94,200	110,700	(16,500)
Programme 1, Activity 2	Research	5,000	5,000	0
Programme 2, Activity 1	Urban hospital	315,000	323,464	(8,464)
Programme 2, Activity 2	Sub divisional hospital	312,000	342,855	(30,854)
Programme 2, Activity 3	Public Health servoces	1,000	4,767	(3,767)
Programme 2, Activity 4	Drugs and Medical supplies	15,000	12,502	(2,498)
Total		742,200	799,288	(62,083)

The Ministry's Transport Officer (Mr. Mataiasi Vakamoce) did not provide satisfactory explanation for the high vehicle maintenance cost incurred by the Ministry. The above indicates poor supervision of vehicle use and repair by the Ministry.

Recommendations

- **The Ministry should investigate the high vehicle maintenance costs and take appropriate action.**
- **The Ministry must ensure that vehicle maintenance cost is maintained at acceptable levels.**

³⁵ Proforma Finance Manual 2011 Part 2 Expenditure

Ministry's Comments

No comments provided

CENTRAL EASTERN HEALTH SERVICES**21.31 Non Deduction of Rent for Government Quarters**

Officers occupying government quarters of whatsoever grade or type or self contained flats will be required to pay rent at the rate 8% of basic salary.³⁶ Officers occupying government quarters will be required to pay water, electricity, telephone and other charges unless their terms of service provide otherwise.³⁷

Most of the Ministry of Health officers for Central/Eastern Division occupying the government quarters were not paying rent. Refer to Appendix 21.5 for officers not paying rent.

The audit further noted that there were no separate water and electricity connections for the quarters and the Health Centres. Therefore all water and electricity costs incurred by the occupants of the quarters were paid by the Ministry.

Non payment of quarters rent has resulted in loss of potential government revenue. In addition the Ministry incurred additional expenses by paying water and electricity cost for the occupants.

Recommendations

- **The Ministry should ensure that all staff occupying government quarters pay their rents from the date of occupation.**
- **The Ministry should make appropriate arrangement to have separate water and electricity connections for the individual quarters.**

Ministry's Comments

The HRM unit has been to reconcile the quarter's occupations in respective stations and sub divisions and activate quarter's deductions at a rate of 8% per annum accordingly in accordance of PSC circular. The unit has also been tasked to install separate water and electricity meters for connections the respective unit

21.32 Excessive Unutilised Leave Due

Officers may be allowed to carry over a maximum of ten working days leave entitlement from one year to the next.³⁸ Annual Leave shall normally be ten when due. The Permanent Secretary or Head of Department shall ensure scheduling of leave to avoid bulging of leave entitlements at any time of the year. This will be done by leave entitlements being assessed and taken on becoming due in accordance with General Orders 700 (b).³⁹

³⁶ General Orders 607

³⁷ General Orders 617(a)

³⁸ General Order 705 (c)

³⁹ General Order 705 (d)

Verification of leave records revealed that some Officers had more than ten days annual leave carried forward. As a result they have accumulated excessive annual leave days as at the date of audit⁴⁰. Refer to Table 21.24 for details.

Table 21.24: Excessive Unutilised Leave

Name of Officer	Designation	Annual Leave Carried Forward In Excess of 10 Days	Annual Leave Liability (\$)
Dr. Kaleli Buinimasi	Senior Medical Officer	18	1,890.17
Dr. Akuila Tabuavou	Medical Officer	33	2,970.27
Dr. Ilisapeci Buiso	Medical Officer	16	1,222.48
Dr. Tevita Qoronyasi	Senior Medical Officer	30	2,916.74
Dr. Eliko Nanovu	Principal Medical Officer	31	3,748.11
Dr. Susan Nakalevu	Principal Medical Officer	26	3,143.58
Dr. Mate Tukana	Senior Medical Officer	21	2,176.32

The finding indicated that the Ministry lacked proper administration and management of leaves. This would result in the Ministry compensating for unutilized leaves days when Officers resign or retire from the service.

Recommendation

The Ministry should ensure that officers utilise their leave when it is due and only 10 annual leave days are carried forward to the next leave year.

Ministry's Comments

The medical officers have accumulated leave due to the shortage of personals at key supervisory levels. The unit notes the importance of the general orders but it could not help itself due to the situation. All the officers noted are sub divisional medical officers who hold key administrative positions while performing the medical officer's portfolio as well. Never the less the division takes the point by the auditors and expects the medical officers taking leave in the current financial year.

21.33 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.^[1]

⁴⁰ 25 May 2011

^[1] Finance Manual 2010 Section 9.2.1

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.^[2]

The audit noted that total arrears of revenue as at 31/12/10 amounted to \$8,063.35 for the Ministry of Health – Central/Eastern Division. Refer to Table 21.25 for details.

Table 21.25: Arrears of Revenue

Date	Arrears Amount (\$)
31/12/2007	0
31/12/2008	0
31/12/2009	7,279.94
31/12/2010	8,063.35
30/06/2011*	35,879.34

* for 6 months only

The arrears of revenue comprised of charges for fumigating foreign vessels berthing at Fiji Ports.

The audit further noted that the arrears of revenue for the Ministry have been increasing over the past few years. Delay in collecting outstanding revenue would increase the risk of revenues not likely to be collected.

Recommendation

The Ministry should take appropriate action to collect arrears of revenue.

Ministry's Comments

The current arrears of is high due to the fact that there is a rise in quarantine fees. There has been some arrears for which the unit has written to the official receiver for the recovery. The accounts section has been closely been liaising with the agents for prompt payments. Audit findings are noted.

FIJI PHARMACEUTICAL SERVICES

21.34 Expired and Out of Stock Drugs

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.⁴¹ In addition, 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 rotation ensured, dead stocks and expired stocks identified and either disposed off or, in the case of non-expired useable items, redistributed.⁴²

^[2] Finance Manual 2010 Section 9.2.4

⁴¹ Section 7 – National Drug Policy

⁴² National Drug Policy (1994)

Drugs worth a total of \$3,455,432 were expired as at 30/6/2011 at FPS. Refer to Table 21.26 for details.

Table 21.26: Expired Drugs

Date of Expiry	Cost (\$)
31/10/2010	287,491
31/12/2010	1297529
30/06/2011	1,870,412
Total	3,455,432

A total of 149 different types of drugs/consumables were not in stock at FPS on 15/12/10. Out of this 77 types of drugs/consumables were ordered in November 2010 but not received as at 15/12/10. The other 72 types of drugs/consumables were not ordered since September 2010.

The non availability of drugs/consumables could put patient's lives at risk. In addition public funds were wasted with large amount of expired drugs.

The above irregularities indicated poor estimates on usage and reordering of drugs by the FPS.

Recommendations

- **Management should improve on their inventory management system and use prior year's consumption patterns as a guide when placing orders to prevent substantial amount of drugs expiring before usage.**
- **Stock reorder levels should be determined for each drugs/consumables and new orders should be placed once these levels are reached to prevent drugs from running out of stock.**

Ministry's Comments

The six month forecasted Expiry Report is one of the three reports are now regularly generated on a monthly basis for management decision making to strategize distribution. The outcome of this activity is to move near expired items for utilization.

Management has engaged in the review of the computerized inventory system from the beginning of the year to improve inventory management control capacity of the operations in FPBS warehouse to address the expiry issue.

The management has also acknowledged the recommendation of the report and will ensure that activities are put in place to achieve minimum expired stocks value.

The management has set re-order level for all common items to be ordered regularly in the computerized Inventory System. In addition to this, a 'below minimum stock level' report or basically the re-order report list is generated on monthly or other regular intervals to ensure stock out incidence is kept to the minimum.

The management has established a Logistic Management Unit with the key role of actively monitoring stock level, utilization, re-deployment of existing stocks in the health facilities and communicating with the users on the stock availability at FPBS and other facilities. The unit was launched in August of 2011.

The management has also acknowledged the recommendation of the report to strengthen activities to ensure minimum stock outs incidences

21.35 Over-Expenditure

The Appropriation Act and the 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 proper authorisation of the Ministry of Finance, pending approval by Cabinet⁴³

The FPS overspent its overall budget allocation by \$6,054,023.14 or 30% for the year 2010. Refer to Table 21.27 for allocations which were overspent.

Table 21.27: Over Expenditures

Account Number	Account Description	Revised Estimate (\$)	Actual Expenditure (\$)	Variance (\$)
12220422999010303	Allow-Acting	0	69,242.50	(69,242.50)
12220422999020101	Wages	211,223.00	272,297.83	(61,074.83)
12220422999020201	FNPF	16,898.00	23,341.28	(6,443.28)
12220422999030107	Cartage Of Effects/Personal	30,000.00	38,539.64	(8,539.64)
12220422999040101	Fuel And Oil Vehicle Civil	25,000.00	52,359.03	(27,359.03)
12220422999040299	Office Upkeep & Supplies Other	20,000.00	24,086.75	(4,086.75)
12220422999040499	PS Others	80,000.00	93,385.64	(13,385.64)
12220422999050221	M/Imp Building Office	10,800.00	20,624.33	(9,824.33)
12220422999059121	Drugs	7,013,895.00	9,719,928.68	(2,706,033.68)
12220422999059122	X-Ray Materials	270,000.00	336,291.66	(66,291.66)
12220422999059124	Dressings	319,489.00	799,314.28	(479,825.28)
12220422999059126	Consumables	2,900,000.00	4,011,068.26	(1,111,068.26)
12220422999130101	Value Added Tax Input Tax	0	1,490,848.26	(1,490,848.26)
Total		10,897,305.00	16,951,328.14	(6,054,023.14)

The Ministry of Finance approval was not obtained before overspending the budget allocation. Lack of monitoring and control of budgetary provisions may have led to over expenditure.

Recommendation

Management should ensure that controls are put in place to avoid excessive expenditure.

Ministry's Comments

- *Over expenditure in SEG 1 and 2 is due to the number of officers given acting which is approved by PSC in 2011. The acting was due to delay in the filling of the vacant positions at FPBS.*
- *SEG 3 and 4 over expenditure is due to the increase in tariff for fuel and electricity in 2010. This affects FPBS operational financial investments to ensure that our services as the central medical store for the procurement, warehousing and distribution of essential medical supplies are not compromised. In view of this management have taken measures as well to ensure that operational cost are kept to the minimum and a*

⁴³ Finance Instructions 2010 Section 7

strategy put in place is the establishment of the Energy Management Program to find ways of controlling electricity consumption.

- *The cost of raw materials to manufacture drugs, consumables and dressings has increased globally in light of the increased global fuel prices in 2010. The devaluing of the Fiji dollar has aggravated Fiji Government spending as 98% of medical items are manufactured internationally irrespective of the origin of the vendors (supply agents).*
- *FPBS maintained that VAT input tax budget cannot be zero.*
- *The management acknowledges the recommendation of the report and will implement activities to avoid over expenditure.*

WESTERN DIVISION HOSPITALS

21.37 Operation of a Canteen at Western Health Services

A written contract or agreement must be entered into with the approved tenderer for the supply of the goods, services or works tendered. Legal advice must be sought on the draft contract or agreement unless the CEO approves otherwise in writing.⁴⁴

A private entity, Eagle Wing II operates a canteen at the basement of Western Health Services building without any written contract or agreement. Since its occupation in 2009, no rent has been charged to the entity. In addition, electricity and water bills are also paid by Western Health Services.

The Ministry has not collected revenue from this source as no rent was being charged. In addition, it is incurring unauthorised expenditures when paying for the canteen electricity and water bills.

Recommendations

- **The Ministry should ensure that a tender is called for and the contract is awarded in a transparent manner.**
- **The Ministry should make certain that the canteens water and electricity bills are be paid by the canteen operator and not by the Ministry.**

Ministry's Comments

- *The setting up of the canteen operations was based on direct consultation between Ba Holdings and PSC accommodation (S Galuvakadua's (PSC) e mail dated 14/10/10 refers). Copy attached for ease of reference – Attachment No. 6.*
- *Ba Holdings has been reminded several times to arrange for separate meters for both electricity and water but unfortunately, no action has been taken up to date.*
- *Water and electricity lines connected to our meters have now been disconnected and arrangements are now being made for them to settle their outstanding bills.*

Their Manager Operations have been advised accordingly and is willing to pay. They will now make arrangements to install their own meters

21.38 Absence of Nurses at Nursing Stations

An Officer who is absent without leave renders himself liable to disciplinary action.⁴⁵

⁴⁴ Section 2.4.16 – Finance Manual 2005

We visited Lomawai Health Centre on 25/1/11 at 3.05pm and noted that the Health Centre was closed with three patients waiting outside. Upon inquiry, the nurse in charge came out of her quarters at 3.10pm and opened the Health Centre.

The Nurse in Charge revealed that due to being busy in the morning attending to a number of patients, they took late lunch till 3.05pm. However, the audit could not substantiate the Nurse in Charge statement as the record for the patients seen during the day was not provided.

In addition, we noted similar instance when Nagado Nursing Station was visited on 28 January 2011 at 11.45am. The Station was closed with a notice placed on the door stating “Gone to Nadi”.

Recommendations

- **The Ministry should investigate these cases and take appropriate action to ensure proper medical services is provided to the public.**
- **The Ministry should ensure that doctors and nurses are present at Health centres and Nursing Stations during the day.**

Ministry’s Comments

- *Nagado Nursing Station was closed on 28/1/11 as the staff nurse was on approved annual leave from 20/1/11 to 9/2/11.*
- *During her leave, all patients were being referred to the Health Centers at Namaka and Nadi.*

21.39 Defective Refrigeration Units at Mortuaries

The Ministry of Health’s goal is to provide a health care system that is accessible, affordable, responsive, equitable and of a high quality to the people. This includes improvements to the delivery of health services and continued maintenance and upgrading of health facilities.⁴⁵

The Ministry has a policy to keep the dead bodies in the mortuary for 3 days only and fees are charged after the third day.

The inspection of the mortuary at the following Western Division hospitals noted some anomalies which are highlighted in table 21.28 below.

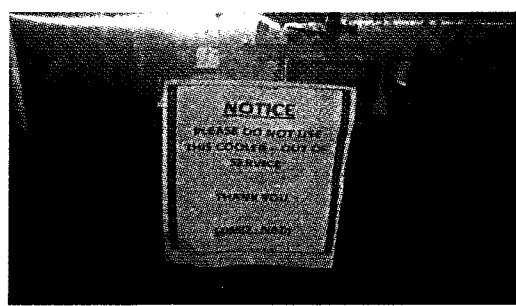
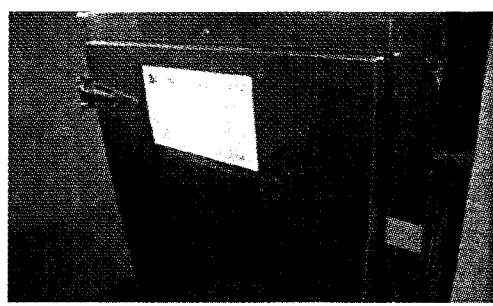
Table 21.28: Anomalies noted for Mortuary units

Hospital	Anomalies
Lautoka	6 units in the mortuary not functioning and has been out of service for the past six months due to problems relating to the compressor.
Nadi	4 units in the mortuary were not functioning due to technical problem.
Sigatoka	2 units in the mortuary were not functioning due to technical problem.

⁴⁵ General Order 1993 – Section 301 (a)(i)

⁴⁶ Program Statement of Ministry of Health – Budget 2010

The mortuary attendants revealed that they were waiting for the spare parts to arrive before they could repair and reuse the units. Refer to figures 19.3 and 19.4 below for confirmation of the statement made above.

	
<p>Figure 19.3: Three defective refrigeration units at Nadi hospital</p>	<p>Figure 19.4: Four defective units at Lautoka hospital</p>

Delay in repair and maintenance of these refrigeration units could result in insufficient storage space for keeping the bodies of the deceased. In addition, the Ministry was being deprived income from this source.

Recommendations

The Ministry should immediately address this problem by regularly following up with the supplier of spare parts.

Ministry's Comments

- *The Lautoka Hospital mortuary coolers Nos. 2 and 3 (2 berths each,) have now been thoroughly repaired and are fully operational.*
- *Plans are now underway to extend the existing facility in order to house an additional 10 berths.*
- *As for the Sigatoka Hospital freezers, continuous repairs are becoming a costly exercise and uneconomical and as such, arrangement has been made to conduct a board of survey for disposal and replacement purposes.*

21.40 Non Compliance with OHS Regulations

Every employer shall ensure the health and safety at work of all his/her employees. Employees are not exposed to risks to their health or safety while they are at his/her workplace. Employers are to provide and maintain a working environment that is safe and without risks to health and adequate as regards to facilities for their welfare at work.⁴⁷

The audit noted the following issues which are not in compliance with OHS Regulations:

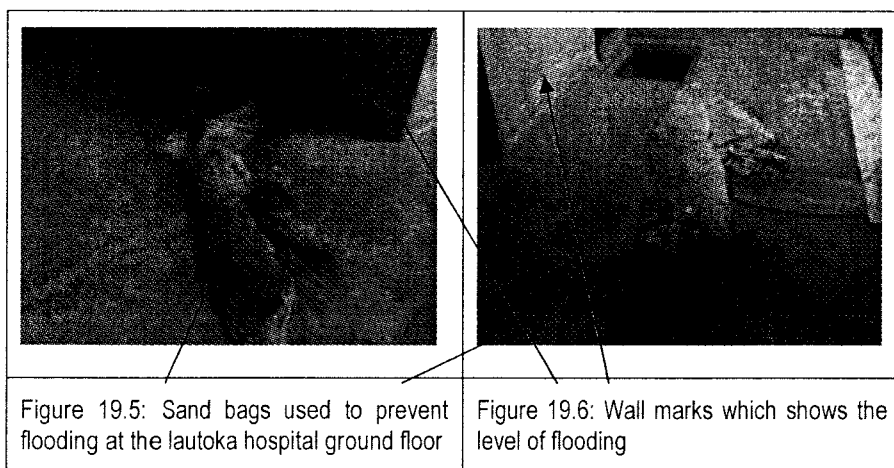
⁴⁷ Occupational Health & Safety at Work Act, Section 9 & 10

21.40.1 Flooding

The recent (24/01/11 – 28/01/11) heavy rain that was been experienced in the Western Division had resulted in numerous flooding. Some hospitals in the Western Division were affected these flooding as outlined below:

Lautoka Hospital – the ground level where the Mortuary, Pharmacies store, Patients Record Room, Central Sterilising Supply Department, (CSSD) General Store and Kitchen are located was flooded.

According to the Customer Relations Officer, (Sakiusa) floodwaters often reached ankle deep height. Evidence of flooding could be seen as there were bags of sand stacked around the door to the Records room as a way of preventing flood waters entering the room. Refer to figures 19.5 and 19.6 below.



This problem posed a great risk to the health and safety of hospital staffs since the waters often flood used sterile, medicines etc. which are contagious and infectious.

Nailaga Health Centre – The doctor advised that the staff quarter was often flooded as it was located close to a creek.

Rakiraki Hospital – Flooding was also evident as the drainage system was not properly constructed.

Flooding could result in loss and damages to the staff furniture, equipments and other belongings. Most importantly the lives of the occupants are put at great risk.

Recommendations

- **The Ministry should seriously resolve these issues as soon as possible by putting a proper drainage system to avoid flooding in hospitals.**
- **The Ministry should ensure that a safe and healthy environment is provided to staffs.**
- **OHS regulations should be strictly complied with.**

Ministry's Comments

Lautoka Hospital

The quotation for the necessary repair/improvement works on the drainage system had been forwarded to Head Office in Suva in March, 2011 and still awaiting for the provision of fund in order to start the works.

Nailaga Health Centre

As confirmed by the MO Nailaga, the staff quarters only gets flooded when there is continuous heavy rain for a couple of days and to state that it was often flooded is incorrect.



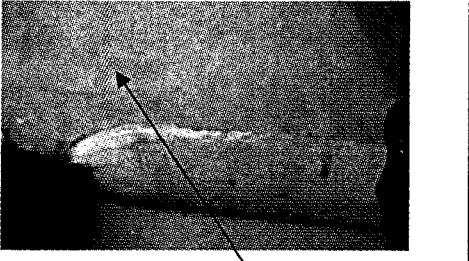
Rakiraki Hospital

The drainage system is being improved to ensure that water does not stagnate in front of the laundry.

21.40.2 Leaking Roofs

At the Lautoka Hospital, the Maternity Building, main Hospital Block and the Dental Clinic were experiencing roof leakages during heavy rain. The same problem of roof leakage was also prevalent in Ba, Rakiraki and Nadi hospitals.

In Ba Hospital, rain water falls directly onto the waiting area beside the laboratory and this causes flooding which also spills over to the laboratory despite the resealing done on the entrance. Refer to the following figures below.

		
Figure 19.7: Wet steps from leaking roof at the Dental clinic in Lautoka hospital	Figure 19.8: Leaking roof at the Maternity Ward building in Lautoka hospital causes flooding on the passage.	Figure 19.9: Rain water falls directly into the waiting area at the laboratory at ba hospital. Excessive water flows into the lab even after the entrance was resealed..

The above denoted unsafe environment for the staffs, patients and visitors, and could expose the Ministry to heavy lawsuits and penalties for non-compliance with the OHS Act.

Recommendations

- **The Ministry should ensure that all leakages are fixed.**
- **The Ministry should ensure that a safe and healthy environment is provided to staffs, patients and visitors.**
- **OHS regulations should be strictly complied with.**

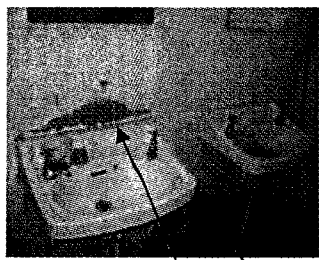
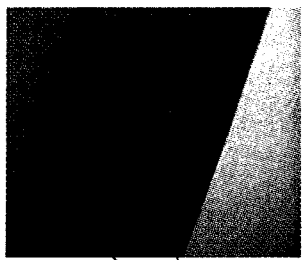

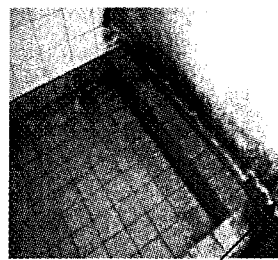
Ministry's Comments

- *For Lautoka Hospital the laundry roof was repaired/replaced last year, 2010 and one ridge cap needs to be replaced this year, 2011.*
- *The other leaking roof at the stores, a quotation will be prepared and shall be forwarded together with request for funding to HQ, Suva.*
- *For Nadi and Rakiraki Hospital, scope of work and obtaining of quotes is being arranged.*
- *With financial support from HQ we hope to sort things out this year.*
- *The leakage in front of the Lab waiting area at Ba Mission Hospital has been fixed through funding from HQ. (See attached photos No. 4 & 5)*

21.40.3 Unhealthy State of the Bathroom at the Nurses Bachelors Quarters

Audit noted that the condition of the bathroom of the Nurses Quarters at Nadi Hospital is undesirable and has been in that state for the last 2 years. Whilst the Ministry had budgeted for and intended to carry out repairs works during the last 2 financial years, the actual repair and maintenance works have continuously been deferred and shelved.

In accordance with OHS Regulations, the Ministry has an obligation to provide a clean and tidy environment or atmosphere which is conducive for its staffs to work in to facilitate the performance of their duties to their highest capabilities. Refer to the illustrations below for details.

			
<p>Figure: 19.9 Damaged walls in the bathroom sink</p>	<p>Figure 19.10: Old & Dirty bottles lying on the floor</p>	<p>Figure 19.11: Tiles have come off in the nurses quarters passage way</p>	<p>Figure 19.12: The walls dividing the bathrooms is rotten and the gap is widening</p>

In addition, this facility is being used by both the male and female nurses who reside on the quarters.

The continuous delay in carrying out the repair works could lead to further deterioration to the bathroom facilities.

Recommendations

- **The Ministry Management should immediately address this problem by ensuring that repair and maintenance work is carried out on the nurses' quarters as soon as possible.**
- **The Ministry should ensure that a safe and healthy environment is provided to its staff.**
- **OHS regulations should be strictly complied with.**

Ministry's Comments

Scoping work for the nurse's home has been done and the request is now with HQ for funding purposes.

21.41 Repairs and Maintenance

In 2010, the Ministry carried out repair works at the various hospitals and health centres in the Western Division.



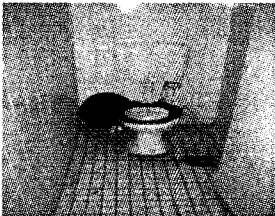
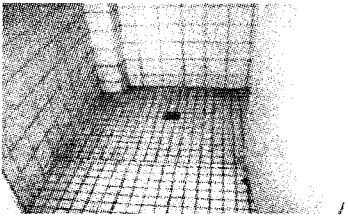
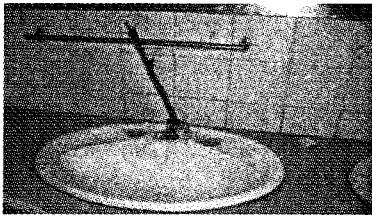
Audit site visits on 26/01/11 noted that some of these projects were not completed satisfactorily; however, the funds have already been disbursed to the contractors responsible for the respective jobs.

At the Rakiraki Hospital, 3 out of the 4 toilets were replaced at a contract sum of \$19,450. It was noted that neither the pans and sinks were replaced nor any painting work was carried out by the contractor. The amount spent on this job is quite substantial compared to the actual work carried out. Refer to table 21.29 below for details.

Table 21.29: Repair Works Needed

Hospital	Repairs to be done	Comments
Rakiraki	Construction of drainage in front of the Laundry room.	Flooding still occurs during heavy rain. The down pipe needs to be extended to the back of the building. Refer to figures 8.22 & 8.23.
Rakiraki	Construction of soak pit for Laundry.	Although the laundry had been installed in October 2010, PWD still have not installed the electricity line from the FEA transformer to the Laundry room. Thus all dirty laundry from Rakiraki hospital are being transported to Ba hospital for washing and drying.
Rakiraki	Fixing of toilets	A contractor was awarded a contract of \$19,450 to carry out repair works at the men and women's washroom at 3 different locations. Although the actual scope of work carried out was small, a substantial amount was expended on the job. Site inspection performed by OAG staffs on 26/01/11 revealed that some of the toilets and sinks are in appalling condition. Refer to figures 8.24 – 8.26.
Tavua	Replace air conditioning units	Audit Inspection carried out on 26/01/11 revealed that there were no new air conditioning units installed on the premises.

Refer to the following figures for illustration of repair works either poorly done or not done at all.

		
Figure 21.13: Drainage problem still persists during heavy rain.	Figure 21.14: Down pipe not extended to back of building	Figure 21.15: Toilet pan broken & tiles not replaced
		
Figure 21.16: Old and dirty tiles not replaced	Figure 21.17: Tree branch used to stop the tap from running.	

The Sub Divisional Medical Officer (SMDO) at the Rakiraki Hospital, Doctor Jale Rasue advised that they are only responsible for obtaining quotations and submitting them to Western Health Services which is responsible for inspecting the repair works to be done and to authorise payment.

The Ministry breached procurement procedures by making advance payments to contractors. Actual work was either not completed or not carried out at all. A substantial amount was spent compared to actual work undertaken.

Value for money was also not obtained by the Ministry for the works undertaken.

Recommendation

The Ministry should investigate these anomalies and where warranted should take appropriate disciplinary actions

Ministry's Comments

<i>HOSPITAL</i>	<i>REPAIRS TO BE DONE</i>	<i>COMMENTS</i>
<i>Rakiraki</i>	<i>Construction of drainage in front of the Laundry Room.</i>	<i>Arrangement has been made with our hospital maintenance team to rectify this problem.</i>
<i>Rakiraki</i>	<i>Construction of soak pit for Laundry.</i>	<i>Rakiraki Laundry has been commissioned and is now fully operational.</i>
<i>Rakiraki</i>	<i>Fixing of toilets.</i>	<i>Anomalies identified are to be investigated and appropriate disciplinary measure will be taken if justified.</i>

21.42 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 rotation ensured, dead stocks and expired stocks identified and either disposed off or, in the case of non-expired useable items, redistributed.⁴⁸

As at 31/12/10 drugs worth \$35,817.24 had expired at three hospitals in the West. Refer to table 21.30 for details.

Table 21.30: Expired Drugs

Hospital	Amount (\$)
Lautoka	28,989.00
Tavua	1,500.00
Nadi	5,328.24
Total	35,817.24

Furthermore, blood strips worth \$4,627.57 had also expired on 31/01/11 at the Lautoka Hospital. Ba Hospital was not able to provide the expired drugs details during the audit.

Absence of proper control mechanisms to monitor, coordinate the ordering and distribution of drugs has resulted in the losses and wastage of public funds over the years. This issue has also been highlighted in previous years audit reports, however little corrective action has been taken by the Ministry.

⁴⁸ National Drug Policy (1994)

Recommendations

- The current system engaged in the ordering, usage and stock control should be reviewed as a matter of priority to ensure that expired drugs are kept to a minimum.
- The stock records should be monitored on a regular basis to identify drugs nearing expiration and necessary action taken to utilise them or distribute to other centres.
- Annual Board of Survey should be carried out for these inventories.

Ministry's Comments

- Action has now been taken to keep stock cards for all drugs in stock and which is updated every month.
- Bi – monthly drug ordering is done from stock cards and therefore no occurrence of overstocking (sample of a photocopied stock card is attached No. 7).
- Drugs are re – distributed 2 – 3 months before expiry and not when it is almost expired.
- Near expiry drugs are returned to FPBS if it was supplied by them.
- Slow going drugs are ordered in minimum quantities so that they are used up before expiry and to avoid overstocking
- Drug allocation review was done for Tavua hospital. Drugs not regularly used were decreased and those in demand were increased. (Copy of allocation review sheet submitted to FPBS attached No. 8)
- Tavua hospital was provided with a new pharmacy assistant in May 2010 which helped lighten the workload.

Good networking with the sub divisional health facilities helped with the flow of redistributed drugs nearing expiry dates

SAMABULA OLD PEOPLES HOME**21.43 Non Deduction of Rent for Government Quarters**

Officers occupying government quarters of whatsoever grade or type or self contained flats will be required to pay rent at the rate 8% of basic salary.⁴⁹ Officers occupying government quarters will be required to pay water, electricity, telephone and other charges unless their terms of service provide otherwise.⁵⁰

Most of the staffs at the Samabula Old People's Home (SOPH) occupying the government quarters are not paying rent. Refer to the following Table 21.31 for officers not paying rent.

Table 21.31: Non Payment of Rent for Staff Quarters

Quarters No.	Occupant	Date of Quarters Occupation	Quarters Grade	Salary	Total Rent Payable as at 30/6/2011
2	Neelam Kishore	27/03/11	Ungraded	14,262.00	285.24
3	Ruci Nakabea	13/06/09	Ungraded	15,129.00	2,319.78
18	Luisa Finau	15/05/09	Ungraded	17,439.00	2,906.50
12	Kelera Suraru	29/09/07	Ungraded	8,580	2,574.00
12	Liku O'Connor	31/12/97	Ungraded	8,580	9,266.40
12	Amelia Batitua	20/03/11	Ungraded	22,144.00	442.88

⁴⁹ General Orders 607

⁵⁰ General Orders 617(a)

There were also no separate water and electricity connections for the quarters and SOPH. Therefore all water and electricity costs incurred by the occupants of the quarters were paid by SOPH.

Government revenue was not being collected from this source. In addition SOPH incurred additional expenses by paying water and electricity charges for the occupants.

Recommendations

- **Management should ensure that all SOPH staffs occupying government quarters pay quarters rent from the date of occupation.**
- **Management should make appropriate arrangement to separate the water and electricity connection from SOPH and the quarters.**

Ministry's Comments

The clerk advised that she has sent request for rent deductions already and once the deductions has started she will update the payroll for recovery of arrears. Copy attached

The Home needs to arrange for separate water and electricity accounts for respective quarters accordingly. Probably the meter needs to set up on the individual users itself so that the users receive the bills and pay directly and whenever there is a change over the staff arranges accordingly (Water & electricity).

21.44 Sick Leave and Bereavement Leaves Carried Forward

An officer shall be entitled to be granted outpatient sick leave of up to 21 days in any one year of service. This leave cannot be accumulated.⁵¹

Review of the leave schedules revealed that unutilised sick leave and bereavement leave entitlements for unestablished staff's were carried forward to their new leave year. Refer to Table 21.32 below for details.

Table 21.32: Sick Leave and Bereavement Leave Carried Forward

Staff Name	Positions	Sick Leave Carried Forward as at 31/12/10	Bereavement Leave Carried Forward as at 31/12/10
Niumai Adilele	Ward Assistant	22	4
Sisilia Suiqa	Ward Assistant	26	4
Ashmeeta Kant	Ward Assistant	20	4
Kesaia Tuinadi	Ward Assistant	20	4
Salesh Ram	Ward Assistant	22	4
Akuila Jitoko	Watchman	20	4
Drauna Matavesi	Watchman	20	-
Yenket Sami	Ward Nurse	31	3
Ajen Prasad	Labourer	13	-
Kelera Suraru	Ward Assistant	29	4
Anand V. Deo	Ward Assistant	19	4

⁵¹ General Orders 710(b)

It was further noted that some unestablished staffs over utilised their sick leave days due to incorrect carrying forward of the sick leaves. One of the staffs, Liku O'Connor was also noted to have used 13 annual leave days in excess of his entitlement. Refer to Table 21.33 below for details.

Table 21.33: Excess Unutilised Leave

Staff Name	Positions	Sick Leave Over Utilized as at 31/12/10	Annual Leave Over Utilized as at 31/12/10
Niumai Adilele	Ward Assistant	3	-
Kesaia Tuinadi	Ward Assistant	3	-
Liku O'Connor	Ward Assistant	-	13
Akuila Jitoko	Watchman	1	-
Drauna Matavesi	Watchman	7	-

The finding showed that officers responsible for maintaining leave records were not aware of leave entitlement for unestablished staff's as a consequence, leave entitlements were overstated and subsequently over utilized by the staffs.

Recommendations

- Management should ensure that sick leave and bereavement leave is not carried forward to the following year.
- Management should recover the over utilised sick leave and annual leave from concerned staffs

Ministry's Comments

Operations of the Samabula Senior Citizens Home were looked after a Nurse appointed by the Minister. The nurse had no accounting back ground and no knowledge of leave conditions and Finance managements. Since a clerk is based to manage the administration of the stations she has reconciled the leave taken against the entitlements and any outstanding or over used leave. She became responsible to update all files and grant leave as per entitlements.

21.45 Motor Vehicle Records

Log books will be maintained for all vehicles owned by Government from the time they are handed over to a Department to the time when they are written off charge under proper authority. A log book constitutes a history of a vehicle during its lifetime.⁵²

SOPH has one Mazda mini bus which was donated by the Rotary Club of Fiji. The following anomalies were noted during audit:

- Running sheet and the log book for the year 2010 were not maintained therefore audit could not verify the runs made during the year.
- The vehicle did not have a government number plate. It had a private registration number EH451.

The finding showed poor control over the use of state property. The absence of such controls would increase the risk of misuse of government resources.

⁵² Transport Rules & Instructions, s.29

Recommendations

- Management should ensure that running sheets and log books are properly maintained by the driver and the Transport Officer.
- Management should ensure that the vehicle have a government registration.

Ministry's Comments

*The vehicle record book was not in place until the clerk started there
The management respects and takes the findings and recommendations of the audit to ensure proper recording and management of the affairs on the Samabula senior citizens home.*

SAINT GILES HOSPITAL

21.46 Revised Revenue Rates not effected

The hospital fees and charges were revised with effect from 1/1/2011. The new fees for medical reports from St Giles hospital was revised to \$57.50 (VIP) compared to the old fee of \$5⁵³.

The audit noted that St. Giles Hospital did not charge the revised fee of \$57.50 for medical reports issued from 1/1/2011 and has continued to issue medical reports at the old rate of \$5.

As a result the Ministry lost \$1,721 of state revenue by issuing medical reports at old fee. Refer to Appendix 21.6 for details of lost revenue.

The Executive Officer at the St. Giles Hospital was advised of the new rate during the audit. The hospital commenced charging the new rates effective from 10/5/2011.

Recommendation

Management should take appropriate action against the Executive Officer for failing to implement the new fees despite being informed by Ministry of Health.

Ministry's Comments

No comments provided

COLONIAL WAR MEMORIAL HOSPITAL

21.47 Non Deduction of Rent for Government Quarters

Officers occupying government quarters of whatsoever grade or type or self contained flats will be required to pay rent at the rate 8% of basic salary.⁵⁴ Officers occupying government quarters will be

⁵³ Ministry of Health Circular Ref: MD 3/4/1 of 30/12/10

⁵⁴ General Orders 607

required to pay water, electricity, telephone and other charges unless their terms of service provide otherwise.⁵⁵

Most of the Ministry of Health officers for CWM Hospital occupying the government quarters were not paying rent. Refer to Table 21.34 below for officers not paying rent.

Table 21.34: Non Deduction of Rent for Staff Quarters

Location of Quarters	Name of Occupant	EDP Number	Post	Date of Occupation	Annual Salary (\$) (a)	Monthly Rental (\$) b = a x 0.08/12	Months of Occupation (c)	Total Rent Payable as at 30/06/2011 (\$) d = b x c
Extension Street	Aminiasi Rokocakau	64762	MO	03/01/07	27,888	185.92	54	10,03
Extension Street	Nanise Sikiti	64803	MO	01/01/09	27,888	185.92	30	5,57
Extension Street	Paula Nakabea	40809	Consultant	01/01/10	73,590	490	18	8,82
Sisters Quarters	Komal K Nand	34686	Sister Nurse	08/01/11	13,452	89.68	6	53
Sisters Quarters	Reshma Chand	34055	Sister Nurse	01/01/09	14,262	95.08	30	2,85
Sisters Quarters	Komal Kavita	34539	Sister Nurse	03/10/10	13,452	89.68	8	71
Sisters Quarters	Milika Ceinaturaga	43746	Matron	01/08/09	22,214	148.09	29	4,29
Nabua Road	Jonathan Hague	92012	Registrar	13/04/05	27,888	185.91	6	1,11
Muanikau	Isalah David Immanuel	63672	SMO	30/08/10	32,853	219.02	10	2,19
Total								36,14

Government revenue was not being collected by the Ministry from this source.

Recommendation

The Ministry should ensure that all staff pay rent from the date they started occupying the government quarters.

Ministry's Comments

No comments provided

21.48 Store Room

The Storekeeper shall keep an inventory card for each inventory item to determine the value of items. Each card must provide the following details.

- Date and description of each item purchased;

⁵⁵ General Orders 617(a)

- Quantity purchased and cost price;
- Quantity sold and at which price; and
- Quantity remaining and price.⁵⁶

The CWM Hospital has a storeroom located at the old operating theatre which is used to store surgical accessories, dry food, stationary and domestic stores. The audit noted the following anomalies:

- The storeroom was not securely maintained and had a broken main door. Therefore the storeroom was easily accessible to other staff.
- The storeroom did not have proper shelves for storing inventory items.
- The inventory items stored in the storeroom were not properly labelled.
- There was no systematic way of storing the stocks and different types of inventories (surgical, dry foods, stationary and domestic stores) were all stored together and not separated from each other.
- The stock records maintained at CWM Hospital Stores revealed that the stock cards for surgical, stationary and domestic stores were not updated.

Poor storage and recording of inventories could result in inventories being stolen.

Recommendations

- **The Ministry should ensure that stock cards are maintained for all items and is regularly updated.**
- **All inventories should be properly labeled and stacked on shelves to improve visibility and access to authorized staffs.**
- **The door to the store room should be repaired and access to the storeroom to be restricted to authorized officers only.**

Ministry's Comments

No comments provided

21.49 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.⁵⁷

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 recovery⁵⁸.

⁵⁶ Finance Manual 2011- Section 8.1.6

⁵⁷ Finance Manual 2010 Section 9.2.1

⁵⁸ Finance Manual 2010 Section 9.2.4

Total arrears of revenue as at 31/12/10 amounted to \$29,896.76 for the Ministry of Health – CWM Hospital. Refer to Table 21.35 for details

Table 21.35: Arrears of Revenue

Year	Arrears Amount (\$)
2006	23,755.46
2007	23,760.46
2008	27,468.76
2009	28,510.76
2010	29,896.76

The arrears of revenue comprised of outstanding maternity fees from the Morrison Maternity unit. The finding showed that the arrears of revenue for the CWM Hospital were increasing slowly over the past few years.

Recommendation

The Ministry should take appropriate action to collect the arrears of revenue.

Ministry's Comments

No comments provided

21.50 Expired Drugs and Out of Stock Reagents

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 rotation ensured, dead stocks and expired stocks identified and either disposed off or, in the case of non-expired useable items, redistributed.⁵⁹

The audit noted that the CWM Hospital did not maintain the records of expired drugs for the months of January to May and November 2010. The Hospital however maintained records of expired drugs from June to October and December 2010 which revealed that \$2,114 worth of drugs were expired. Refer to Table 21.36 below for details.

Table 21.36: Expired Drugs

Month	Total Expired Drugs (\$)
June	1,134
July	204
August	123
September	61
October	459
November	0

⁵⁹ National Drug Policy (1994)

December	133
Total	2,114

The audit further noted that CWM Hospital had shortage of reagent in the Pathology lab which hindered blood tests for patients. Refer to Table 21.37 for details.

Table 21.37: Shortage of Reagent (drugs)

Out of Stock Reagents Epicor No.	Reagent Type	Test Affected	Initial Date of Shortage
4979	FT3	FT3	November 2010
3273	BHCG Stat II	BHCG	16/06/11
3206	HbA1c	HbA1c	May 2011
3191	Carbamazepine	Carbamazepine	03/06/2011
3240	Valporic Acid	Valporic Acid (Sodium Valporate)	03/06/2011
3211	ISE Reference Electrode solution	Sodium, Potassium, Chloride	30/07/2011
4986	Preci Control Cardiac	Digoxin	June 2011
3238	Uric Acid	Uric Acid	05/08/2011
5033	744 Rapidchem Reagent Module	Sodium, Potassium, Chloride	April 2011

The finding showed poor monitoring and reordering of drugs and reagent.

Recommendation

- The management should review its usage and reordering processes to minimise expired drugs.
- It should also review its usage and reordering processes for reagent to avoid shortage in future.

Ministry's Comments

No comments provided

21.51 Motor Vehicle Quarterly Returns

The Supervisor of Transport should prepare a quarterly vehicle report on all agency vehicles. The vehicle report must be prepared no later than one week after the end of the quarter.⁶⁰ The Supervisor of Transport must sign and date the vehicle report before forwarding it the Accounting Head for inclusion into the quarterly management report.⁶¹

Moreover, a copy of the report shall be forwarded to the Ministry of Finance no later than two weeks after the end of the quarter.⁶²

CWM Hospital has 17 vehicles. Audit noted that the CWM Hospital failed to prepare and submit the vehicle's quarterly returns for 1st, 2nd and 4th quarter of 2010 for its entire vehicle fleet to Ministry of Finance.

⁶⁰ Finance Manual 2010 Section – 12.7.1

⁶¹ Finance Manual 2010 Section – 12.7.3

⁶² Finance Manual 2010 Section – 12.7.4

In absence of quarterly returns, the Hospital would not have valid information on its vehicles such as repairs, maintenance costs, fuel and oil consumption. Management was being deprived of important information for decision making and this could affect the operation of the hospital.

Recommendation

Management should ensure that vehicle quarterly returns are prepared and submitted to Ministry of Finance before due dates.

Ministry's Comments

No comments provided

APPENDICES

Appendix 21.1: Overpayment of Salary - 2010

Name	EDP number	Division	Amount (\$)	Audit comment
Leave abroad without pay				
Shabnum nisha	64867	CWM hospital	6,689.88	\$1,000 recovery has been made as of 1/07/11
Joytika shalini kant	33994	Lautoka hospital	126.79	No recovery made as of pay,2010
Suman subashni devi	34100	Lautoka hospital	684.74	No recovery made as of pay,2010
Total			7,501.41	
Resignation				
Sheemal shareeka	91519	Lautoka hospital	1,013.48	No recovery made as of pay,2010
Total			1,013.48	
Re- engagement				
Sereani Bainimarama	13991	CWM hospital	398.11	No recovery made as of pay,2010
Total			398.11	
Retirement				
Dujendra lal	46493	Lami health centre	464.15	No recovery made as of pay,2010
Total			464.15	
Deemed to resign				
Rajnish chand sharma	90703	CWM hospital	493.54	No recovery made as of pay,2010
Joape nainoca	64356	Kadavu	613.59	No recovery made as of pay,2010
Total			1107.13	
Deceased				
Luisa vasakula	32369	CWM hospital	907.41	Pay ceased on 28/01/10
Total			907.41	

Appendix 21.2: Overpayment of Salary - 2009**Resignation**

Name	EDP Number	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 P	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	

Retirement

Name	EDP Number	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 K	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	

Deemed to Resign

Name	EDP Number	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
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
Railala Vakaloloma N	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			31,249.12	

Passed Away

Name	EDP Number	Division	Amount (\$)	Audit comments
Alisi Manulevu	31354	Fiji School Of Nursing	996.02	No recovery made as of Pay 26, 2009
Total			996.02	

Leave without Pay

Name	EDP Number	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 B	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
Waqairapoa Tikoisuva	90388	Eastern Public Health	122.71	No recovery made as of Pay 26, 2009
Total			10,083.93	

Suspension of Duties

Name	EDP Number	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	

Missing from Work

Name	EDP Number	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	

Secondment and Overseas Tour

Name	EDP Number	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
Kitione Waqanisau	90523	Nausori Hosp/H/Centre	1,169.34	No recovery made as of Pay 26, 2009
Total			2,906.61	

Appendix 21.3: Donor Funds Register - 2010

Memo Ref	Memo Date	Amount (\$)	Cheque No./TT Ref.	Donor Agency	Programme Description	Program Manager
MD 3/4/1	4/01/2010	30,877.33	Funds Remitted in CFA	SPC	Multi-country Program to fight HIV/AIDS (SPC/GF) July-Dec,09 and Buffer for Jan-March 2010 \$USD 15,380.00	Mrs Sujita Narayan
13/01/2010	MD 3/4/1	8,000.00	009202	WHO	Provision of services to improve the defaulter/contract tracing in Labasa, Lautoka and Rabi Island	Dr Joe Koroivueta
MD3/4/1	25/01/2010	2,000.00	009150	WHO	Funding for Northern Division Public Health Staff on Surveillance and Outbreak Investigation (Pandemic H1N1)	Dr Eric Rafai
MD 3/4/1	11/01/2010	8,256.00	009139	WHO	Funding for Strengthened Surveillance of Communicable Disease (Pandemic H1N1) November 2009	Dr. Eric Rafai
MD 3/4/1	12/01/2010	2,000.00	009123	WHO	Central Division Public Health Staff on Surveillance and Outbreak Investigation (Pandemic H1N1) November 2009	Dr. Eric Rafai
MD 3/4/1	11/01/2010	15,083.64	009270	WHO	Funding for Review of Tobacco Control Act 1998 - February-May 2010	Ifereimi Corerega Officer
MD 3/4/1	11/01/2010	7,920.00	009270	WHO	Consultation on Family Planning Services	Dr. Josaia Samuela
MD 3/4/1	11/01/2010	7,920.00	009270	WHO	Sub-Divisional Workshop for Community Nurses (MPS)	Dr. Josaia Samuela
MD 3/4/1	11/01/2010	7,920.00	009270	WHO	Divisional Workshop for Health Workers (MPS)	Dr. Josaia Samuela
MD 3/4/1	11/01/2010	39,600.00	009270	WHO	Training - Midwives and O&G in Four Divisions in Fiji	Dr. Josaia Samuela
MD3/4/1	11/01/2010	44,915.00	009468	WHO	National Dengue Fever Awareness Campaign	Waisale Delai
MD 3/4/1	12/01/2010	5,500.00	009311	WHO	Consultation meetings and workshops to review proposed structure and functions of the Health Care Financing Unit	Ms Laite Cavu

Memo Ref	Memo Date	Amount (\$)	Cheque No./TT Ref.	Donor Agency	Programme Description	Program Manager
MD3/4/1	11/01/2010	29,700.00	009284	WHO	Training Workshops on National NCD Steps Survey	Isimeli Tukana
MD3/4/1	10/02/2010	22,557.00	009467	WHO	Expenses for the Global School Health Based Survey	Peceli Vosanibola
MD3/4/1	25/01/2010	4,700.00	009488	WHO	Serological and Virological analysis of Blood Specimens from Patients with Measles/Rubella	Dr Eric Rafai
MD3/4/1	15/04/201	26,532.00	009469	WHO	Expenses from the Intervening Program for Prevention of Cervical Cancer	Dr Samuela
MD3/4/1	4/05/2010	4,794.00	009435	WHO	Risk Communication Training, Suva from 1 to 3 December 2009*	Dr. Eric Rafai
MD 3/4/1	12/01/2010	14,061.00	009409	WHO	Training of Country Team on NHA Methodology PO No. 200134814	Idrish Khan Senior Accountant
MD3/4/1	3/05/2010	5,911.00	009486	WHO	Divisional IMCI Training for Nurses and Doctors in Fiji	Dr Samuela
MD3/4/1	11/01/2010	14,807.00	009485	WHO	National Training Workshop on Measles Dried Blood Spot (DBS) and Hospital Based Active Surveillance (HBAS) for Medical Officers in Fiji	Dr. Eric Rafai
MD3/4/1	13/01/2010	96,810.00	016752	Trade/Commerce	Funding from Ministry of Industry and Trade for the National Export Strategy Project	Waisale Delai
MD3/4/1	5/05/2010	3,000.00	009579	WHO	Local Payment Expenses for the World Suicide Prevention Day 2009 (PO200148434)	Dr Josaia Samuela
MD3/4/1	26/01/2010	19,828.80		Menzine School of Public Health	Funding from Menzines School of Public Health, Australia for salaries for Research Assistants for Group a Streptococcal Project (GrASP)	Manager GrASP Project
MD 3/4/1	21/01/2010	26,000.00	009572	WHO	Fiji Post Cyclone Mick Rehabilitation Support	Dr Josefa Koroivueta
MD3/4/1	14/04/2010	9,300.00		UNICEF Contribution	Pilot implementation of the Country Response Information System (CRIS) in the Fiji Ministry fo Health and the 3 Hubs	DPH

Memo Ref	Memo Date	Amount (\$)	Cheque No./TT Ref.	Donor Agency	Programme Description	Program Manager
MD3/4/1	27/05/2010	304,403.00		SPC	PRISP - Stream I Funding	Dr Josaia Samuela
MD3/4/1	9/03/2010	39,230.98	T/T 08/03/10	WHO	Tst & Treat Program on Elimination on Lymphatic Filariasis	Dr Eric Rafai
MD3/4/1		2,378,700.00	T/T	Global Fund	Global Fund Programme on HIV Aids, Malaria & Tuberculosis	Dr J Koroivueti
MD3/4/1		80,386.60		WHO	Hydrocelectomy Project	Dr Eric Rafai
MD3/4/1		57,179.10		Taskforce Global Health	Lymphatic Filariasis Programme	Dr Eric Rafai
MD3/4/1	29/06/2010	10,000.00		WHO	Pharmaceutical Inventory Mngement and Control (National Workshop)	Vinita Ram A/Chief Pharmacist
MD3/4/1	12/08/2010	7,800.00	009409	WHO	Typhoid Fever Training Ra Division PO No. 200134210	Dr Eric Rafai
MD3/4/1	23/02/2010	18,800.00	009541	WHO	70022 - WHO-Child Grwth Training of trainers w/s	NFNC
MD3/4/1	23/02/2010	18,800.00	009541	WHO	70023 - WHO-Hlth promoting schools program	NFNC
MD3/4/1	10/05/2010	3,880.00	009859	WHO	70014- WHO- Dissemination workshop on national Health accounts (NHA) Fundings	Ms Laite Cavu
MD3/4/1	10/05/2010	12,222.00	009857	WHO	70014 - WHO Funding for Training of country Team on National Health Account	Ms Laite Cavu
MD3/4/1		5,931.97	657480	WHO	Final Payment of APW - for review of Conulidated Monthly Review (CMR) Patient health Information System	
TOTAL		3,395,326.42				

Appendix 21.4: Motor Vehicle Quarterly Return

Institution	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
FPBSC	Not submitted	Not submitted	Submitted√	Not submitted
Tamavua/Twomey	Submitted	Not submitted	Not submitted	Not submitted
NCHP	Not submitted	Not submitted	Not submitted	Not submitted
DMOC/E	Submitted	Not submitted	Not submitted	Not submitted
SDMO Rewa	Submitted	Not submitted	Not submitted	Not submitted
SDMO Suva	Submitted	Not submitted	Submitted	Not submitted
SDMO Tailevu	Submitted	Not submitted	Submitted	Submitted
SDMO Naitasiri	Submitted	Not submitted	Not submitted	Not submitted
SDMO Serua/Namosi	Submitted	Not submitted	Submitted	Submitted
SDMO Lomaiviti	Submitted	Not submitted	Submitted	Submitted
SDMO Kadavu	Submitted	Not submitted	Submitted	Submitted
SDMO Lakeba	Submitted	Not submitted	Not submitted	Submitted
SDMO Lomaloma	Submitted	Not submitted	Not submitted	Submitted
SDMO Rotuma	Submitted	Not submitted	Submitted	Submitted
DMO Western	Submitted	Submitted	Submitted	Not submitted
SDMO Lautoka /Yasawa	Not submitted	Submitted	Not submitted	Not submitted
Lautoka Hospital	Not submitted	Submitted	Submitted	Submitted
SDMO BA	Not submitted	Not submitted	Submitted	Not submitted
SDMO Tavua	Not submitted	Not submitted	Submitted	Not submitted
SDMO RA	Not submitted	Not submitted	Submitted	Not submitted
DMO Northern	Submitted	Submitted	Not submitted	Submitted
SDMO Macuata	Not submitted	Not submitted	Not submitted	Not submitted
Labasa Hospital	Submitted	Not submitted	Not submitted	Submitted
SDMO Bua	Not submitted	Not submitted	Not submitted	Not submitted
SDMO Cakaudrove	Not submitted	Not submitted	Not submitted	Not submitted
SDMO Taveuni	Submitted	Not submitted	Not submitted	Not submitted

Appendix 21.5: Non Payment of Rent

Location of Quarters	Name of Occupant	EDP	Post	Date of Occupation	Annual Salary (\$)	Total Rent Payable as at 30/06/2011 (\$)
Namuumua H/Centre	Lavenia Talanatu	32135	Nurse Practitioner	21/09/08	21,342	4,691.24
Beqa H/Centre	Kelerani rasolo	32050	Nurse Practitioner	16/04/10	21,342	1,991.92
Navunikabi N/Station	Mere Waqanidrola	33280	Staff Nurse	4/2/2010	14,673	1,561.12
Waivaka N/station	Viema Qorovakarua	33452	Staff Nurse	27/02/07	14,262	4,941.16
Galoa /Station	Tavenisa Neiqisa	34107	Staff Nurse	17/01/11	14,262	475.40
Naitonitoni	Mosese Koroi	62483	SAHI	30/01/11	14,889	491.30
Nayavu	Melaia Marama	33400	Staff Nurse	12/1/2009	14,262	1,806.52
Korovou	Losana Qalo	33388	Staff Nurse	18/04/11	14,262	190.16
Verata	Arieta Turaganivalu	33509	Staff Nurse	7/11/2008	14,262	2,941.18
RKS	Miriama Vere	31763	Staff Nurse	6/12/1997	17,906	16,473.52
QVS	Viavia Fane	33604	Staff Nurse	14/03/11	14,262	281.24
Waimaro Building	Jone Bera	53598	Health Inspector	9/9/2009	20,545	2,871.30
Vunisea	Shivani Shalini	91439	Medical Officer	25/02/11	27,888	743.68
Vunisea	Pasepa Kunatuba	31789	SDHS	30/03/11	19,641	391.32
Vunisea	Ranadi Rokoyawa	64887	Dental Hygienist	19/01/11	14,426	480.87
Vunisea	Milika Naisoro	33038	Staff Nurse	17/11/10	16,510	771.12
Vunisea	Evivi Vulalima	33610	Staff Nurse	6/4/2011	14,262	191.16
Vunisea	Apikali Lagilagi	31113	Staff Nurse	23/03/11	13,452	269.04
Vunisea	Ana Vereivalu	32426	Staff Nurse	14/01/11	17,900	591.52
Kavala H/Centre	Alanieta Ragogo	31743	Nurse Practitioner	24/07/06	22,562	8,874.38
Kavala H/Centre	Unaisi Takape	34115	Staff Nurse	18/03/10	14,262	1,426.20
Vunisea	Mereani Yaranamua	19009	Staff Nurse	22/03/11	13,452	261.24
Lomaloma	Vasemaca Qumivutia	91535	Dental Therapist	8/3/2010	16,223	1,622.30
Lomaloma	Komal Kavita	34539	Staff Nurse	7/2/2011	13,452	351.72
Cicia	Sereima Bulileka	34082	Staff Nurse	6/9/2010	14,262	855.72
Mualevu	Denisia Tabua	33971	Staff Nurse	15/11/10	14,262	661.56
Hospital compund	Mere Vakawaletabua	91443	Medical Officer	5/3/2011	27,888	551.76
Hospital compund	Evanna Varea	33844	Staff Nurse	26/07/10	13,452	981.48
Hospital compund	Jenny Rita	34332	Staff Nurse	12/4/2011	14,262	191.16
Bureta H/C	Serafina Lesi	33342	Staff Nurse	1/1/2008	14,262	3,898.28
Moturiki N/S	Teisa Ranadi	34170	Staff Nurse	10/9/2009	14,262	1,991.38
Qarani H/C	Luisa Senileba	33834	Staff Nurse	18/08/05	14,262	6,651.30
Narocake N/S	Nora Kilailakeba	33286	Staff Nurse	4/6/2007	14,673	4,695.36
Nawaikama N/S	Apenisa Qalobula	33951	Staff Nurse	30/01/10	14,262	1,611.36
Batiki N/S	Sereima Tavuya	34547	Staff Nurse	8/4/2011	13,452	179.36
Nairai N/S	Seresi Baleivuna	33431	Staff Nurse	2/10/2006	14,262	5,321.48

Location of Quarters	Name of Occupant	EDP	Post	Date of Occupation	Annual Salary (\$)	Total Rent Payable as at 30/06/2011 (\$)
Nasau H/C	Vineet Chand	91415	Medical Officer	0802/11	27,888	743.6
Nabasovi N/S	Lavenia Colati	34167	Staff Nurse	7/7/2010	14,262	1,045.8
Hospital compound	Joana Veikoso	58807	Dental Officer	5/3/2011	18,385	367.7
Hospital compound	Doreen Kiran	34569	Staff Nurse	29/03/10	13,452	1,345.2
Hospital compound	Keasi Cagimainakuru	33997	Staff Nurse	11/1/2010	14,262	1,616.3
Hospital compound	Mere Fimone	34571	Staff Nurse	29/03/10	13,452	1,345.2
Hospital compound	Susana Tukana	34541	Staff Nurse	19/03/11	13,452	269.0
Hospital compound	Asinate Lomanivere	30940	Snr Sr hospital	8/3/2010	19,641	1,964.1
Kabara H/C	Vuetavou Buadromo	91442	Medical officer	8/2/2011	27,888	743.6
Vatoa N/S	Sulita Yavala	34099	Staff Nurse	3/4/2009	14,262	2,472.0
Komo N/S	Rusiate Rokotuiloma	34324	Staff Nurse	7/2/2011	14,262	380.3
Oneata N/S	Nina Regeti	34327	Staff Nurse	11/1/2010	14,262	1,616.3
Matuku Hospital	Asenaca Rika	30989	Nurse Practitioner	15/02/11	9,641	523.7
Matuku Hospital	Amitesh Roy	34509	Staff Nurse	15/02/11	13,452	358.7
Cakova N/S	Maria Smith	34303	Staff Nurse	27/12/09	14,262	1,711.4
Hospital	Neelam Chetty	34466	Staff Nurse	9/5/2011	13,452	89.6
Hospital	Rima Kumar	34481	Staff Nurse	29/04/11	14,262	190.1
Hospital	Sylvia Tinaituraga	34542	Staff Nurse	1/2/2011	13,452	358.7
Hospital	Matelita Bulinaulu	32663	Staff Nurse	18/02/11	7,439	465.0
Hospital	Josateki Vatukela	92035	Dental Therapist	28/03/11	16,763	335.2
Hospital	Laite Vukunisiga	34005	Staff Nurse	3/1/2011	14,262	475.4
Vunivivi Hill, Nausori	Ilisapeci lasaro	64802	Medical Officer	27/11/09	27,888	3,532.4
Wainibokasi Hosp	Dr Jack Korai	64145	SMO	31/08/04	32,853	17,959.6
Nailili N/S	Fulori Leweni	33361	Staff Nurse	14/12/07	14,262	3,993.3
Total						126,266.78

Appendix 21.6: Lost Revenue

Receipt Book	Revenue Receipt Number	Receipt Date	Revenue Collected (\$)	Revenue Lost (\$)
407501 – 407550	407501	04/05/11	5.00	52.50
	407502	04/05/11	5.00	52.50
	407503	05/05/11	5.00	52.50
474401 – 474450	474450	29/04/11	5.00	52.50
	474449	21/04/11	5.00	52.50
	474448	19/04/11	5.00	52.50
	474447	19/04/11	5.00	52.50
	474446	08/04/11	5.00	52.50
	474445	05/04/11	5.00	52.50
	474444	31/03/11	5.00	52.50
	474441	10/03/11	5.00	52.50
	474440	25/02/11	5.00	52.50
	474439	24/02/11	11.50	46.00
	474438	16/02/11	5.00	52.50
	474437	09/02/11	5.00	52.50
	474436	09/02/11	5.00	52.50
	474435	08/02/11	10.00	47.50
	474434	08/02/11	5.00	52.50
	474433	08/02/11	5.00	52.50
	474432	07/02/11	5.00	52.50
	474431	07/02/11	5.00	52.50
	474430	07/02/11	5.00	52.50
	474429	04/02/11	5.00	52.50
	474428	02/02/11	5.00	52.50
	474426	31/01/11	5.00	52.50
	474425	25/01/11	5.00	52.50
	474424	24/01/11	5.00	52.50
	474423	21/01/11	5.00	52.50
	474422	13/01/11	5.00	52.50
	474421	11/01/11	5.00	52.50
	474420	10/01/11	5.00	52.50
	474418	05/01/11	5.00	52.50
	474417	05/01/11	5.00	52.50
Total			176.50	1,721

Section 22 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.

Table of Contents

PART A: FINANCIAL STATEMENT	1
22.1. Audit Opinion.....	1
22.2. Statement of Receipts and Expenditures.....	1
22.3. Appropriation Statement	2
22.4. Statement of Losses	3
22.5. Variance in Drawings Account	3
22.6. VAT Reconciliation.....	4
22.7. Environment Trust Fund Account.....	5
PART B: AUDIT FINDINGS	6
22.8. Overseas Training Report.....	6
22.9. Items not Recorded in Inventory / Asset Register.....	7

PART A: FINANCIAL STATEMENT

22.1. Audit Opinion

The audit of the 2010 accounts of the Ministry of Local Government, Urban Development and Housing resulted in the issue of a qualified audit report.

The qualification is as follow:

The Department of Environment's Trust Fund Account balance of \$644,907 in the general ledger did not reconcile to the bank balance of \$1,220,948. The Trust Fund account balance could be understated by \$576,041.

22.2. Statement of Receipts and Expenditures

The Ministry collected revenue amounting to \$166,598 and incurred a total expenditure of \$10,236,251 in 2010. Details are provided in Table 22.1.

Table 22.1: Statement of Receipts and Expenditures for 2010

Description	2010 (\$)	2009 (\$)
RECEIPTS		
State Revenue		
Operating Revenue	94,171	106,303
Total State Revenue	94,171	106,303
Agency Revenue		
Miscellaneous Revenue	72,427	11,819
Total Agency Revenue	72,427	11,819
TOTAL REVENUE	166,598	118,122
EXPENDITURES		
Operating Expenditure		
Established Staff	1,538,419	1,138,182
Unestablished Staff	125,645	77,026
Travel & Communication	167,138	102,486
Maintenance & Operations	238,680	123,622
Purchase of Goods & Services	158,744	64,221
Operating Grants & Transfers	2,201,515	2,350,000
Special Expenditures	1,126,049	---
Total Operating Expenditure	5,556,190	3,855,537
Capital Expenditure		
Capital Construction	2,284,347	1,235,346
Capital Purchases	227,327	28,016
Capital Grants & Transfers	1,650,000	1,573,710
Total Capital Expenditure	4,161,674	2,837,072
Value Added Tax	518,387	191,131
TOTAL EXPENDITURE	10,236,251	6,883,740

Total expenditure increased by \$3,352,511 or 49% due to the inclusion of the Department of Environment to the Ministry's portfolio.

22.3. Appropriation Statement

The Ministry incurred expenditures totalling \$10,236,251 in 2010 against the budget of \$10,608,600 resulting in a savings of \$372,349 or 4 %.

Details of expenditures against the budget estimates are provided in Table 22.2.

Table 22.2: Appropriation Statement For 2010

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry – Over (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,482,900	13,250	1,496,150	1,538,419	---	(42,26
2	Unestablished Staff	130,900	9,550	140,450	125,645	---	14,80
3	Travel & Communication	182,100	---	182,100	167,138	---	14,96
4	Maintenance & Operations	259,900	---	259,900	238,680	---	21,22
5	Purchase of Goods & Services	172,800	---	172,800	158,744	---	14,05
6	Operating Grants & Transfers	2,272,000	(11,750)	2,260,250	2,201,515	---	58,73
7	Special Expenditure	1,330,700	(11,050)	1,319,650	1,126,049	---	193,60
	Total Operating Costs	5,831,300	---	5,831,300	5,556,190	---	275,11
	Capital Expenditure						
8	Capital Construction	2,300,000	---	2,300,000	2,284,347	---	15,65
9	Capital Purchases	530,000	(300,000)	230,000	227,327	---	2,67
10	Capital Grants and Transfers	2,000,000	(350,000)	1,650,000	1,650,000	---	-
	Total Capital Expenditure	4,830,000	(650,000)	4,180,000	4,161,674	---	18,32
13	Value Added Tax	597,300	---	597,300	518,387	---	78,91
	TOTAL EXPENDITURE	11,258,600	(650,000)	10,608,600	10,236,251	---	372,34

22.4. Statement of Losses

There was no loss of fixed asset or cash recorded for the year 2010.

22.5. Variance in Drawings Account

All bank accounts shall be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by the responsible officer.¹

A variance of \$44,376.56 existed in the Drawings Account between the Ministry's record and the General Ledger (FMIS) balance. Refer to Table 22.3 below for details.

Table 22.3: Variance in Drawings Account

Ministry Figure (\$)	FMIS (\$)	Variance (\$)
347,050.94	302,674.38	44,376.56

Regular reconciliation between the Ministry and FMIS records was not being done.

This issue has been highlighted in previous years audit reports, however no corrective action has been taken by the Ministry to reconcile its drawings account to the FMIS.

¹ Finance Instruction 2010, Sec 32(6)

Recommendations

- The Ministry should ensure that the variance in drawings account is investigated and adjusted according.
- The Accounting Head should reconcile the Ministry's records with the FMIS on a monthly basis.

Ministry's Comments

Appropriate reconciliations are being carried out monthly as required with relevant Reconciliation Statements submitted to Finance for their retention. In the process of our reconciliation, we have identified a total variance of \$17,492.08 and made relevant adjustments to reduce the initial variance highlighted in your report from \$44,376.56 down to \$30,147.43

For your information, the variance arose from cheques processed manually by our former Assistant Accounts Officer (Environment) when the FMIS was down but not updated into the system.

*Accordingly, we are still verifying our records further to ensure the remaining balance of \$30,147.43 is fully accounted for and cleared in order to reconcile our General Ledger (GL) balance against our Unpresented cheques, (i.e. **GL balance = Unpresented cheques**).*

22.6. 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.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

Audit noted that the Ministry failed to prepare VAT reconciliations for 2010.

An un-reconciled balance of \$80,221 existed between the taxable supplies as per VAT Return and the total income/expenditure as per the Statement of Receipts and Expenditure. Refer to Table 22.4 below for details:

Table 22.4: VAT Taxable Suppliers Reconciliation

Details	Amount (\$)
Total Expenditure/Income as per Expenditure Statement	10,236,251
Less: Expenditure not subject to VAT – SEG 1,2, 6 and 10	5,515,579
Total expenditure/income subject to VAT	4,720,672
Less: Total taxable supplies as per VAT Returns	4,800,893
Un-reconciled variance	(80,221)

² Value Added Tax Decree 1991 4th edition revised to 30/04/04 – section 15 (1)

³ Finance Circular No 9/95

A difference of \$24,170 was also noted between the actual VAT payments for the year 2010 and the balance disclosed in the general ledger as reflected in the Table 22.5 below.

Table 22.5: Reconciliation of VAT Payments

Details	Amount (\$)
VAT payments (VAT payments to FIRCA and VAT Input) as per Statement of Receipts and Expenditure	518,387
VAT payments (VAT payments to FIRCA and VAT Input) as per VAT Returns for 2009	542,557
Un-reconciled variance	(24,170)

This issue has been highlighted in previous years audit reports, however no corrective action has been taken by the Ministry to rectify this issue.

Recommendations

- **The Ministry should ensure that VAT paid to Fiji Islands Revenue & Customs Authority is reconciled on a monthly basis.**
- **The Ministry should take necessary steps to reconcile and account for the variance noted.**
- **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

Please note the Ministry processes its monthly Vat payments to FIRCA based on the formula outlined on Finance Circular 10/2009 of 17/8/09 and the monthly expenditure figures extracted from our General Ledger (GL) reports.

*You may also be aware that payment of air fares for overseas travel is normally accommodated through SEG 3 (Travel & Communication) or other Operational SEGs such as project funds where funding is available but where **no VAT** is charged in line with Finance Circular 14/2010 of 4/11/2010. Obviously, you are well aware of the impact this has on our monthly Vat payment.*

These are the sort of cases/instances that contribute to variations as highlighted in your report.

However, your recommendations are noted and we are taking every precaution to ensure that our monthly Vat payments are correct in every respect.

22.7. Environment Trust Fund Account

Each month the trust account must be balanced and reconciled with the trust bank account. The names and balances of each account must be listed and the reconciliation shall be signed by the responsible officer. Unreconciled items must be investigated and resolved promptly.⁴

⁴ Section 58 (3) – Finance Instructions 2010

The Department of Environment maintains a trust fund account at Westpac Banking Corporation. The trust fund balance at the bank as at 31/12/10 totalled \$1,220,948 however, the FMIS record showed a balance of \$644,907. Refer to the Table 22.6 for details.

Table 22.6: Variance in Environment Trust Fund Account

Balance as per Bank Statement (a/c no. 9802022948) \$	Balance as per FMIS \$	Variance \$
1,220,948	644,907	576,041

Appropriate and regular reconciliation was not being done hence the differences.

Recommendations

The Ministry should ensure that FMIS balances are regularly reconciled to the bank statement balances and any variances noted should be adjusted accordingly.

Ministry's Comments

The Department of Environment Trust Account was transferred to the Ministry of Local Government in 2010. Whatever revenue received in 2010 in respect of the Trust Account has been duly cleared and reflected in the Ministry's current GL Balance.

Prior to 2010, you may wish to note the Trust Account was reflected under the Ministry of Lands, Ministry of Tourism, Ministry of Labour, etc meaning that the clearance at the time was the responsibility of the various Ministries stated above.

Nonetheless, the Ministry is liaising with Finance (FMIS) to transfer the previous Environment Trust Account balances that may be lying in the system to this Ministry in order to account for the variance that you have highlighted.

In fact, FMIS had given the Ministry the assurance that this would be done in 2010 once the 2009 accounts were finalized. To date, FMIS is yet to transfer these balances. We're currently following up with FMIS to have previous balance in respect of the Environment Trust transferred to this Ministry because this is the basic reason for the variance that is being highlighted.

PART B: AUDIT FINDINGS

22.8. Overseas Training Report

An Officer who undertakes a course of instruction, attachment or visit shall submit a report in duplicate to the Secretary of the Public Services through his/her Head of Department.⁵

The audit noted that the officers who attended overseas training/courses failed to submit their report to PSC. Refer to Table 22.7 for details.

⁵ General Order s. 902 (a)

Table 22.7 Non Submission of Overseas Training Reports

Name	Meeting / Workshop / Training	Duration
Eleni Tokaduadua	Interim Meeting for Regional Technical Assistance, Strengthening Coastal and Marine Resource Management in the Coral Triangle, Port Moresby, PNG	18/01/10 – 21/01/10
Col S. Saumatua	11th Special Session of Governing Council/Global Ministerial Forum of the UNEP, BALI, INDONESIA	24/02/10 – 26/02/10
Sarah Tawaka	IFAW-NZ WEG Prevention of Illegal Wildlife Trade Training- Oceania, APIA, SAMOA	04/05/10 – 06/05/10
Senivasa Waqairamasi	Waste Minimization and Recycling Promotion Project 3R Course, JAPAN	31/08/10 – 02/09/10
Joep Davetanivalu	AOSIS Ministerial Meeting, GRENADA, CANADA	01/11/10 – 02/11/10
Laisani Lewanavanua	SPREP Regional Marine Pollution Training, PNG	29/11/10 – 03/12/10
Sele Tagivuni	Conflict Resolution in Natural Resources Management, CAPE TOWN, SOUTH AFRICA	06/12/10 – 17/12/10
Lusiana Ralogaivau	Regional Training on Mangrove Monitoring in the Pacific Islands (MESCAL), PORT VILLA, VANUATU	06/12/10 – 09/12/10
Neema Nand	Regional Training on Mangrove Monitoring in the Pacific Islands (MESCAL), PORT VILLA, VANUATU	06/12/10 – 09/12/10

The benefits to the Ministry from sending officers for overseas training would not be realised and effectively measured if training reports were not submitted and assessed.

Recommendation

The Ministry should ensure that the General Orders 902 and PSC directives are strictly adhered to so that the non-participants can reap the benefits of these trainings, workshops and meetings.

Ministry's Comments

Your audit query and recommendation is noted. The Ministry is taking appropriate measures to ensure officers submit their reports to PSC as required. Copies of reports will be retained in relevant files for reference and audit purposes. This requirement will be strictly implemented against officers attending training courses in the future.

22.9. Items not Recorded in Inventory / Asset Register

When inventory items are purchased, the Administrative Officer shall record them in the inventory register and the inventory officer shall ensure that the register is kept up to date at all times.⁶

⁶ Section 8.1.2 & 8.1.4 – Finance Manual 2010

In addition, all assets acquired with a cost in excess of \$2000, shall be recorded in the assets module of the FMIS or a fixed asset register for those without the FMIS.⁷ The Accounts officer shall be responsible for maintaining the fixed assets register.⁸

Audit of the inventory ledger noted that items purchased during the year were not recorded in the inventory ledgers. Refer to Table 22.8 below for examples.

Table 22.8 Items Not Recorded In the Inventory/Asset Register

Date	Particulars	Qty	Cheque #	Supplier	Amount (\$)
11/02/10	Purchase of Window Blinds	1	016591	Palm Craft Fiji	1,051.00
09/02/10	Purchase of Toshiba DVD Player	1	016540	Courts Homecentres	99.00
11/03/10	Purchase of Personal Computers	2	016844	Clariti South Pacific	2,437.00
21/04/10	Purchase of HP Colour Printer	1	017153	Clariti South Pacific	2,044.00
05/05/10	Purchase of Lanier Colour Printer	4	017278	Pacific Business System	1,400.00
05/05/10	Purchase of Fax Machine	1	017278	Pacific Business System	1,400.00
05/05/10	Purchase of Curtains	1	017277	Mahesh Syndicate	2,059.70
26/05/10	Purchase of AO Plotter	1	017467	Ricoh Business Centre	16,749.00
15/06/10	Purchase of Camera	2	017625	Brij Lal	747.00
18/06/10	Purchase of Camera	1	017735	J.Maneklal & Sons Ltd	299.00
18/06/10	Purchase of Desktop Computer	1	017736	Office Products	1,995.00
18/06/10	Purchase of Fax/Printer/Scanner Machine	1	017740	Xerox Business Centre	2,400.00
29/06/10	Purchase of a Desktop computer and a Dell Laptop	2	017851	Office Products	4,395.00
19/07/10	Purchase of Dexon filing cabinet	2	018083	Vinod Patel Ltd	6,400.00
18/08/10	Purchase of Laptop	1	018452	Extreme Business Solutions	1,948.00
19/08/10	Purchase of Personal Computers	1	018457	Office Products	2,900.00
01/09/10	Purchase of Hard-drive 500GB	1	018654	Bondwell Computers	200.00
16/12/10	Purchase of Dell Desktop computer	1	019886	Office Products	2,295.00

Furthermore, no fixed asset register was maintained by the Ministry.

The Administration Officer and the Accounts Officer failed to carry out their duties by not updating the inventory register and not maintaining a fixed asset register in the FMIS respectively.

There are risks that some inventory items could have been lost, stolen or damaged. Physical verification of the inventory was also difficult as the inventory records were not maintained up to date.

Recommendations

- **The Ministry should ensure that Section 8.1 of the Finance Manual 2010 are complied with at all times where inventory items are recorded in the inventory ledger as and when they are procured to minimize the risk of theft or loss.**
- **The Fixed Asset Register should be maintained in the FMIS for items valued in excess of \$2,000 as required under Section 11.1 of the Finance Manual 2010.**

⁷ Section 11.1.3 – Finance Manual 2010

⁸ Section 11.2.1 – Finance Manual 2010

Ministry's Comments

The Accounts Section is currently maintaining an electronic data-base of the Ministry's 'Asset Register' whereby all purchase of items, equipment and assets are recorded. The Asset Register will be the basis of verification against each department's Inventory Ledger when annual Boards of Survey (BOS) are carried out. Electronic copies of the Asset Register can always be obtained from our Accounts Section.

Section 23 Ministry of Women, Social Welfare and Poverty Alleviation

Role and Responsibilities

The Ministry of Women, Social Welfare and Poverty Alleviation 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.

Table of Contents

PART A: FINANCIAL STATEMENT	2
23.1 Audit Opinion	2
23.2 Statement of Receipts and Expenditures	2
23.3 Appropriation Statement.....	3
23.4 Statement of Losses	3
PART B: AUDIT FINDINGS	4
23.5 Errors in the Draft Financial Statements.....	4
23.6 Variance in Drawings Account.....	4
23.7 Variance in FNPF Figures	5
23.8 VAT Reconciliation	7
23.9 Excessive Leave Due	8
23.10 Overpayment of Salary on Unauthorised Absence	9
23.11 Demurrage Charges	10
23.12 Non Submission of Grant Acquittals	11
23.13 Delay in Banking	12
23.14 Same Client Reference and Bank A/C Number – Family Assistance Scheme (FAS).....	13
23.15 Review of Family Assistance Recipients - FAS.....	14
23.16 Assistance not Terminated - FAS.....	15
23.17 Incomplete Recipients Information - FAS	16
23.18 Stock Take and Fixed Asset Register Not Updated	18
23.19 Non Maintenance of Vehicle Records	19
23.20 Unserviceable Vehicles	20
23.21 Unhygienic Conditions	21
Appendix 23.1: Non-Submission of 2009 Acquittals.....	23
Appendix 23.2: Recipients with Same Reference Number.....	27
Appendix 23.3: Maintenance of Motor Vehicle Records.....	28

PART A: FINANCIAL STATEMENT

23.1 Audit Opinion

The audit of the 2010 accounts of the Ministry of Women, Social Welfare and Poverty Alleviation resulted in the issue of an unqualified audit report.

However, attention was drawn to the following matters:

- A variance of \$259,673.62 exists in the Drawings Accounts between the Ministry's record and that of FMIS.
- The payments of FNPF contributions and VAT could not be reconciled to the accounts.

23.2 Statement of Receipts and Expenditures

The Ministry collected revenue amounting to \$26,947 and incurred total expenditures of \$31,216,409 in 2010. Details are provided in Table 23.1 below.

Table 23.1: Statement of Receipts and Expenditures for 2010

Description	2010 (\$)	2009 (\$)
RECEIPTS		
Agency Revenue		
Rental for Land	129	69
Commission	737	413
Miscellaneous	26,081	(42,283)
Total Agency Revenue	26,947	(41,801)
TOTAL REVENUE	26,947	(41,801)
EXPENDITURES		
Operating Expenditure		
Established Staff	2,433,371	2,440,508
Unestablished Staff	334,322	307,289
Travel & Communication	138,911	135,522
Maintenance & Operations	257,464	199,481
Purchase of Goods & Services	131,707	167,584
Operating Grants & Transfers	26,419,068	19,822,702
Special Expenditures	269,344	172,315
Total Operating Expenditure	29,984,187	23,245,401
Capital Expenditure		
Capital Construction	289,023	124,698
Capital Purchases	68,344	68,342
Capital Grants & Transfers	729,071	1,415,199
Total Capital Expenditure	1,086,438	1,608,239
Value Added Tax	145,784	92,962

Description	2010 (\$)	2009 (\$)
TOTAL EXPENDITURE	31,216,409	24,946,602

The Ministry's revenue increased by \$68,748 or 164% in 2010 compared to 2009 and this was mainly attributed to the adjustment made to stale cheques in the prior year by the Ministry.

Total expenditure increased by \$6,269,807 or 25% in 2010 compared to 2009 due to the:

- The creation of the post of driver for the Minister during the year.
- The obligation of the Ministry to monitor and maintain another juvenile home known as Happy Home from 2010 resulting in overall increase in operational expenses.
- The introduction and implementation of the Food Voucher and Care & Protection Programs in 2010 which had a direct impact on the operating cost of the Ministry and consequently overall increase in SEG 6.
- The formation of the Fiji Women's Federation in 2010.

23.3 Appropriation Statement

The Ministry of Women, Social Welfare and Poverty Alleviation incurred expenditures totalling \$31,216,409 in 2010 against the budget of \$31,877,141 resulting in savings of \$660,732 or 2%. Details are provided in Table 23.2.

Table 23.2: Appropriation Statement for 2010

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry - Over (\$)	Lapsed Appropriation (\$)
1	Established Staff	2,318,025	74,685	2,392,710	2,433,371	---	(40,661)
2	Unestablished Staff	272,475	42,398	314,873	334,322	---	(19,449)
3	Travel & Communication	163,700	---	163,700	138,911	---	24,789
4	Maintenance & Operations	243,500	30,783	274,283	257,464	---	16,819
5	Purchase of Goods & Services	180,800	(30,783)	150,017	131,707	---	18,310
6	Operating Grants & Transfers	27,540,200	(805,543)	26,734,657	26,419,068	---	315,589
7	Special Expenditure	482,000	---	482,000	269,344	---	212,656
	Total Operating Costs	31,200,700	(688,460)	30,512,240	29,984,187	---	528,053
	Capital Expenditure						
8	Capital Construction	400,000	(50,560)	349,440	289,023	---	60,417
9	Capital Purchases	70,000	---	70,000	68,344	---	1,656
10	Capital Grants and Transfers	1,100,000	(347,139)	752,861	729,071	---	23,790
	Total Capital Expenditure	1,570,000	(397,699)	1,172,301	1,086,438	---	85,863
13	Value Added Tax	192,600	---	192,600	145,784	---	46,816
	TOTAL EXPENDITURE	32,963,300	(1,086,159)	31,877,141	31,216,409	---	660,732

23.4 Statement of Losses

No Board of Survey was conducted by the Ministry in 2010.

PART B: AUDIT FINDINGS

23.5 Errors in the Draft Financial Statements

Permanent Secretaries of Ministries and Departments are requested to ensure their Accounting Heads comply with the above requirements to ensure your various agency financial accounts for the year ended 31st December 2010 are properly closed off and be ready in time for audit by the Office of the Auditor General by 31st March 2011.¹

Although the Ministry submitted its draft financial statement on 30/03/11, they contained numerous errors resulting in their being returned to the Ministry for corrections.

The second draft received through e-mail on 13/4/11 also contained errors. This was again returned to the Ministry after which the final draft copy was received on 14/04/2011.

As a result of these errors there was a delay in the commencement of the audit and consequently undue pressure was put on us to try and finalise the audit before the due date.

Recommendation

The Ministry should ensure that the draft financial statements submitted for audit are correct in all aspects.

Ministry's Comments

Majority of the errors noted by auditors were in 2009 actual expenditure figures since there was no base record, as no Annual Financial Statements were done for the last 3 years due to lapse in the Department's Ministerial Status.

Furthermore there was confusion on inclusion of 2009 actual figures for Poverty Monitoring Unit. The unit was transferred to PM's Office in 2010, therefore gauging of variation in expenditure between 2009 and 2010 was not practicable for the unit.

23.6 Variance in Drawings Account

All bank accounts shall be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by the responsible officer².

The audit noted differences in Drawings account balances between the Ministry's record and the FMIS. Refer to Table 23.3 for details.

Table 23.3: Variance in Drawings Account

Ministry Figure	FMIS	Variance
2,269,172.37	2,009,498.75	259,673.62

¹ Finance Circular No. 13/2010 dated 15/10/10, Clause 19.2

² Finance Instruction 2010, Sec 32(6)

The above difference has been carried forward from the previous years (2008 and 2009) and it basically implies that responsible staff failed to reconcile the two records.

As a result the Ministry's records were not updated and incorrect balances were carried forward over every year. This anomaly was highlighted by audit in past reports but the Ministry did not made any positive attempt to rectify the error.

Recommendation

The Accounting Head should ensure that the account is reconciled and appropriate adjustments made.

Ministry's Comments

Variance in Drawings Accounts were carried forward from the year 2006 when FMIS system was implemented in Social Welfare on trail basis or the Ministry was regarded as pilot ministry for FMIS system. Thereafter two officers who were duty bound to carry Drawings Accounts Reconciliations, the officers converted accountable advance cheques for their personal gain and intentionally did not reconcile the drawings account for two years.

The matter is before court as soon as the court decides on the fate of the officers the variance in the drawings account will be adjusted accordingly.

Furthermore stale cheques were renewed by simply changing dates on them. These cheques were issues prior to FMIS system and were renewed after FMIS system was on line,

Below are some of the reasons of the delay in submitting the above recon:

- Change of date on the stale cheque. FMIS is in placed during that year. Below are details of the cheques amended*

<u>Cheque no</u>	<u>date of cheque</u>	<u>date change to</u>
013147	19/09/06	21/08/07
014811	28/12/06	01/07/07
014672	21/12/06	21/08/07

- The two years Recon (2007-2008) was reconcile in late 2008 to early 2009 after the clerk from women's dept was sent home for fraudulent activities in end of 2006. No recon was done from that time.*
- Implementation of FMIS into the department would be another reason as we are one of the pilot ministries and most of the modules are not clear e.g clearing of stale cheques in system, advance clearance etc.*
- When the clerk was sent home the recon for the year 2007 was handed to AO women who was reconciling at that time but was not able to reconcile due to the above reason.*
- The recon was then handed to me in 2008 where I had to reconcile for the two years and 3months for 2009. Advise by SAO Hafiz to then handed the recon to CO Sarwesh who is in PSC at the moment.*
- Shortage of staff in 2006-2008 when there is no SAO.*

23.7 Variance in FNPF Figures

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.³

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

The Ministry did not prepare any FNPF reconciliations resulting in the variance of \$433,435 between FNPF contributions against salaries and wages reported in the Financial Statements as outlined in Table 23.4:

Table 23.4: Un-Reconciled FNPF Variance

Details	Amount (\$)
Total FNPF against salaries and wages for 2010:	
FNPF as per financial statement	175,871
Less: December 2009 FNPF paid in Jan 2010	29,416
	146,455
Add: December 2010 FNPF paid in Jan 2011	26,216
FNPF Contribution by Employer for 2010	172,671
Gross Pay Subject to FNPF (172,671 / 0.08) (a)	2,158,387
Salaries and Wages for 2010 subject to FNPF	
Salaries, wages and allowances as per financial statement (b)	2,591,822
Less: Salaries, wages and allowances for 2010 not subject to FNPF	-
	2,591,822
Un-reconciled Variance (a) – (b)	433,435

The variance above could be attributed to some staffs or project officers being paid from other SEGs other than SEG 1 and SEG 2; or FNPF deductions being incorrectly inputted to other allocations.

No explanation was provided by the Ministry for the variance. The consequence of the above difference was that some staffs FNPF contributions could be incorrectly recorded.

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

The variance is inevitable as Majority of allowances in Seg. 1 & 2 payable are not subject to FNPF, these allowances include housing, entertainment, transfer allowance, wage earners meal allowances.

³ Chapter 219 – Fiji National Provident Fund – Section 13 (1)

23.8 VAT Reconciliation

All income is inclusive of VAT while expenses are Vat Exclusive. The Ministry of Finance is responsible for paying VAT on all government revenue collected by the Ministry. The Ministry on a monthly basis takes out VAT output on total money received for expenditure from Ministry of Finance. VAT input on the other hand is claimed on payments made to the suppliers and sub-contractors for expenses incurred.

The Ministry did not prepare VAT reconciliation. A VAT reconciliation prepared during the audit noted an un-reconciled balance of \$455,967 between the taxable supplies as per VAT Return and the total income/expenditure which was subjected to VAT as per the Statement of Receipts and Expenditure. Refer to Table 23.5 for details.

Table 23.5: Un-Reconciled VAT Variance

Details	Amount (\$)
Total operating expenditure as per Expenditure Statement	31,216,409
Less Expenditure not subject to VAT – SEG 1,2, 6 and 10	29,915,832
Total expenditure/income subject to VAT	1,300,577
Less: Total taxable supplies as per VAT Returns	844,610
Un-reconciled variance	455,967

Additionally, a difference of \$132,796 was noted between the actual VAT payments for the year 2010 and the balance disclosed in the general ledger under SEG 13 as reflected in Table 23.6 below.

Table 23.6: Un-Reconciled VAT Variance

Details	Amount (\$)
VAT payments (VAT payments to FIRCA and VAT Input) as per Statement of Receipts and Expenditure	145,784
VAT payments (VAT payments to FIRCA and VAT Input) as per VAT Returns for 2010	12,988
Un-reconciled variance	132,796

The inconsistency in the reconciliations and poor monitoring by the Ministry resulted in the differences highlighted above.

Recommendations

- The Ministry should ensure that VAT paid to Fiji Islands Revenue & Customs Authority is reconciled on monthly basis.
- The Ministry should take necessary steps to reconcile and account for the variance noted.
- 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

Vat paid to FIRCA 2010 has now been reconciled on monthly basis and a separate VAT Return form was prepared to account for the 2010 variances identified and shall be submitted to FIRCA in due course. The Vat

clerk was trained and advised to reconcile VAT monthly, identify any differences and make necessary adjustments in respect of mispostings and errors.

To improve checks on the preparation of Vat Returns, the Vat clerk has been advised to attach a copy of the signed prepared by and checked by Vat reconciliation to confirm its balance with the GL.

23.9 Excessive Leave Due

Officers may be allowed to carry over a maximum of ten working days leave entitlement from one year to the next. Annual Leave shall normally be taken when due. The Permanent Secretary or Head of Department shall ensure scheduling of leave to avoid bulging of leave entitlements at any time of the year. This will be done by leave entitlements being assessed and taken on becoming due in accordance with General Orders 700 (b).⁴

There should be no room for justification for the accumulation of annual leave beyond what is permissible, nor payment of compensation in lieu, if leave were properly administered. Under no circumstances should they be required to carry over more than ten working days of leave entitlement from one leave year to the next.⁵

Contrary to the above provisions, a number of staffs had not been taking their annual leave when due, resulting in carrying over of more than ten working days leave to their next leave year entitlement. Refer to Table 23.7 below for examples.

Table 23.7: Excessive Leave Due

Name	EDP #	Leave Due as at 31/12/10
Reapi Waqalevu	90340	39.5 days
Ilaitia Tokalaulevu	49846	56.0 days
Kamini Kaushal	64561	35.5 days
Vere Taisawau	59921	39.5 days
Vasemaca Uqeuge	63142	37.0 days
Salend Singh	MV811	63.0 days
Jeremaia Moce	58750	54.0 days

The above anomaly indicated the ineffective administration of leave entitlements in the Ministry as leave was not taken when due. The unutilised annual leave constituted a liability which the Ministry would pay when officers leave as a result of termination or resignation.

Recommendations

- **The Administrative Officer should properly monitor leave due and arrangements should be made for officers to utilize leave that is due to them.**
- **Requirements of General Order 705 should be strictly followed to avoid accumulation of leave.**

⁴ General Order 705 (c) – (d)

⁵ PSC Circular No. 48/2008 – 4.0

Ministry's Comments

- i) *Due to shortage of staff and exigencies of work, some staffs were not able to take leave. Officers have now been informed to take all leave due accordingly.*
- ii) *The Leave roster is in place and staffs have been informed to strictly adhere to it*
- iii) *Now that the Ministry has adequate staffing, leave roster will be fully monitored*

23.10 Overpayment of Salary on Unauthorised Absence

An Officer who is absent without leave renders himself liable to disciplinary action.⁶ If an Officer is absent from duty without leave or for any reason not acceptable to the Commission and has not notified the Commission within seven days of the beginning of such absence of his intended date to return to duty and the reason for his absence, he shall be liable for termination of appointment under the provisions of Regulations 34(2) of the PSC (Constitution) Regulations 1990.⁷

The following officers who were deemed to have resigned from work continued to receive their salary, resulting in an overpayment of \$5,008. Refer to table 23.8 below for details.

Table 23.8: Salary Overpayment

Officer	EDP Number	Designation	Particulars	Amount Overpaid (\$)
Aporosa Kaloucava	49863	Welfare Officer I	<ul style="list-style-type: none"> The officer went on annual leave for 14 days effective from 01/12/09 and was to return to work on 21/12/09. However the officer failed to return to office on this date. The Accounts Section was advised on 26/01/10 of the officer's leave without approval and pay 04/10 was suspended. Officer deemed to have resigned on 28/12/09. The officer was overpaid 7.5 days for pay 26/09 and pays 1 to 3 in 2010. 	3,792
Viliame Tuivanukula	64208	Welfare Officer I	<ul style="list-style-type: none"> The officer went on leave on numerous occasions in November 2009 without proper approval. The officer was on unauthorised leave with effect from 30/11/09 to 08/12/09. This was considered a 'Deemed to Resigned' case effective from 09/12/09. The officer's salary was paid until pay 01/2010 after which it was ceased. 	1,216
Total				5,008

Both officers are no longer employed in the civil service and it would be very difficult to recover the salary overpayment from them. Lack of coordination between the Supervisor and the Accounts Section has resulted in Ministry incurring salary overpayment of \$5,008.

⁶ General Orders 1993 Section 304 (a) (i)

⁷ General Orders 1993 Section 304 (a) (ii)

Recommendations

- **The Ministry should make a concerted effort to recover these overpayments.**
- **The Ministry should ensure that an effective and efficient communication process is in place between the Supervisors and the Accounts Section for immediate or prompt action.**

Ministry's Comments

The overpayments were due to some miscommunication between the supervisors and the then Accounts Head Abdul Hafiz and the then PAS, Mouga Cakau, which led to the overpayments. Both these officers are no longer in service, thus surcharge action is not possible.

However, concerted efforts are being made to recoup this overpayment. Letters have been written to both officers to repay the overpaid salary. SG's office will also be informed on this. Preventive measures have been put in place to avoid incidents of such nature. Officers and supervisors have been told to inform such cases on time to avoid overpayments

23.11 Demurrage Charges

The Director of Procurement Office is generally responsible for the clearance, collection and recording of all goods consigned to the Government arriving in Fiji by sea or air.⁸ All claims on suppliers or carriers must be made within three days of the goods being received.⁹

The sewing machines donated by the All China Women's Federation of China to the Ministry arrived at the Suva wharf on 01/02/10. However, the machines were not cleared from the wharf until 07/04/10.

As a result, Fiji Ports Corporation Limited (FPCL) charged the Ministry a demurrage fee of \$13,891.50 being the storage and handling cost for the 65 days the machines were kept at the wharf. While the Ministry were waiting for the approval of the RIE from the Ministry of Finance, they had requested the Government Supplies to pay the charges to FPCL.

Subsequently, after obtaining approval from Finance, the Ministry reimbursed Government Supplies on 07/05/10 via cheque 33357.

The delay in clearing the machines from the Port has resulted in Ministry incurring unnecessary expenditure of \$13,891.50. In addition, the intended recipients of the machines had to wait for over four months to receive the machines.

Recommendations

- **The Ministry should take appropriate actions against the responsible officers for not clearing the machines on time which resulted in Ministry incurring extra expenditure of \$13,891.50.**
- **Section 2.6 of the Finance Manual 2010 is complied with at all times.**

⁸ Finance Manual 2010 – Section 2.6.12

⁹ Finance Manual 2010 – Section 2.6.17

Ministry's Comments

Mrs. Mauga Cakau Principal Administrative Officer arranged to clear the machines in time, however the arrangement was only known to her. Unfortunately the officer became sick and went into a coma. The release documents were seen after a new officer was appointed by then the machines were at wharf and consequently the Ministry incurred demurrage charges.

23.12 Non Submission of Grant Acquittals

Where required under Section 16 (8) of Finance Instruction 2010, the recipient shall prepare an acquittal report. The acquittal report shall provide the following information:¹⁰

- i. Details of grant money expended and unexpended;
- ii. Grants objectives and targets achieved;
- iii. Financial statement (audited if practicable) for grants of \$20,000 or more.

All acquittals reports must be signed by the recipient and where relevant, bear the company seal or stamp of the organization.¹¹

The followings NGO's failed to provide their acquittals to the Ministry. Refer to the Table 23.9 below for anomalies noted.

Table 23.9: Acquittals not Provided

Agency (NGO)	Amount disbursed (\$)	Amount Acquitted by NGO (\$)	Remarks
Fiji Prisons & Corrections Services	100,000	33,718	Prisoner's rehabilitation fund acquittals given to audit - \$33,718. Acquittals not provided to audit for verification amounted to \$66,282 Supporting documents were not attached for some of the recipients.
Poor Relief Society	15,000	Unknown	The acquittal report has been provided to Ministry however, this report has not been provided to audit for verification.
Fiji Council of Social Services	20,000	17,135	The acquittals of \$2,865 have not been provided to Ministry.
Counterstroke Fiji	7,000	\$7,000	The acquittal report submitted for managing after stroke has no supporting documents to authenticate the expenditure.
Dilkusha Girls Home	\$20,000	\$20,000	The acquittal report is in a summary form which has no supporting documents to authenticate the expenses.

¹⁰ Section 3.3.1 – Finance Manual 2010

¹¹ Section 3.3.2 – Finance Manual 2010

Agency (NGO)	Amount disbursed (\$)	Amount Acquitted by NGO (\$)	Remarks

In addition, follow up of the 2009 financial assistance provided noted that certain acquittal reports were yet to be submitted by the respective NGO's and the recipients. Refer to *Appendix 23.1* for details.

The non-submission of acquittal reports together with relevant details made it difficult to authenticate whether the grants had been used for its intended purposes.

Recommendations

The Ministry should:

- ensure that all funds released are properly acquitted;
- monitor closely and regularly review projects (including site visits) undertaken to ensure that projects are successful and would be able to sustain the future needs of recipients;
- consistently follow up and send reminders to the respective NGO's and recipients for the submission of the acquittals; and
- ensure that Section 3.3 of the Finance Manual 2010 is strictly complied with.

Ministry's Comments

No comments provided

23.13 Delay in Banking

The banking officer shall bank money received on a daily basis at least. The lodgment form shall be prepared in triplicate detailing the deposits to be made.¹²

The audit noted that monies receipted by the Ministry were not deposited on a daily basis. Refer to Table 23.10 below for examples.

Table 23.10: Delays in Banking

Date Receipted	Receipt Number	Amount (\$)	Date Banked	Remarks
11/11/10	965063	105.00	01/12/10	Banking delayed by 21 days
12/11/10	965064	1,605.00	01/12/10	Banking delayed by 20 days
24/12/10	965073	409.40	31/12/10	Banking delayed by 7 days
25/05/10	965025	880.00	31/05/10	Banking delayed by 6 days
26/07/10	965036	197.00	29/07/10	Banking delayed by 3 days
16/09/10	965052	475.00	21/09/10	Banking delayed by 5 days
06/07/10	965031	6,900.00	08/07/10	Banking delayed by 2 days

It was apparent that the officers in charge and supervisor responsible for receipting/banking functions had not performed their duties in accordance with the provisions of the Finance Manual 2010.

¹² Section 5.4.2 – Finance Manual 2010

Delay in banking could result in thefts and misappropriation. In addition, the government was being deprived on the use of funds on a timely basis.

Recommendations

- **The Ministry should ensure that all collections are deposited daily into the consolidated bank account.**
- **Section 5.4 of the Finance Manual 2010 is strictly complied with at all times.**

Ministry's Comments

The supervising officer consistently reminded the cashier the importance of time/day to which money receipted should be deposited to the bank, the cashier continued with late lodgements. Thereafter the banking officer was relieved of her duties as cashier and she assigned the job of FA clerk. The former FA clerk was appointed as cashier.

23.14 Same Client Reference and Bank A/C Number – Family Assistance Scheme (FAS)

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.¹³

The audit of FAS records noted that in some cases recipients have the same reference numbers despite different names and bank account numbers. Refer to [Appendix 23.2](#) for details.

Moreover, in the following two cases, the recipients all other information/details were the same except for the bank account numbers. Refer to Table 23.11 for details:

Table 23.11: Same Recipient Details

Details	Recipient 1	Recipient 2
Name	Saras Wati	Saras Wati
Reference Number	201-101973	201-101973
Bank	ANZ	ANZ
Account	09370176	09370212
Amount per month	60.00	60.00

Details	Recipient 1	Recipient 2
Name	Jone Tamai	Jone Tamai
Reference Number	501-105107	501-105107
Bank	BSP	BSP
Account	4133323	7109075
Amount per month	260.00^	260.00^

There could be a possibility that the same person was receiving 2 separate payments since 2 different bank account numbers were maintained with the same bank.

¹³ Interim Government Cabinet Paper (07) 26 dated 13/02/07.

This implied laxity by the Senior Welfare Officers in not properly checking the list prepared by the Divisional Clerks. There could be possibilities of more cases existing in the system of detail checks. The Ministry could be making fictitious, unauthorised and double payments.

This issue has been raised in the previous year's audit reports where the Ministry indicated that with the introduction of e-welfare these problems would be eliminated, however, this may not be true as the same issues were still prevalent.

Recommendations

- **The Ministry should enquire with the 2 banks about the profiles of Saras Wati and Jone Tamani to ensure that they are not receiving 2 payments per month.**
- **The files for the recipients mentioned in the report should be verified and appropriate action taken.**
- **An internal investigation should be undertaken and disciplinary action taken against responsible officers for not carrying out their duties with care.**
- **The list submitted by the Divisions should be properly checked at Headquarters before submitting to the respective banks.**

Ministry's Comments

No comments provided

23.15 Review of Family Assistance Recipients - FAS

Controls need to be in place to ensure that the right recipient continues to receive the funds under the family assistance program.

Our audit noted that the review of family assistance recipients is not conducted regularly and this could result in the Ministry not knowing whether:

- The recipient is still alive or has passed away.
- The recipient's children could have grown up and found employment.
- Single mothers might have re-married and can financially support themselves.
- The husband of the recipient might have been released from the prison and thus would be in a position to support the family.

Table 23.12 below shows examples of cases not reviewed on regular basis.

Table 23.12: Family Assistant Recipients not Reviewed

Recipient	Reference Number	Date of Last Review
Asena Rokomarama	102-3000374	11/03/09
Nasiban Begum	102-3004720	08/08/06
Mini Naira	101-1000560	15/03/05
Penina Tagiicakiliko	101-3000491	11/09/08
Miliana Vosamaimori	CW/SU/LNS/606/2004	25/08/04
Ulamila Tayacgs	CP/NV/TM/15/10	19/02/01
Ledua Lasa	CP/NU/TG/113/02	13/04/04
Irene Naidu	SU/CH/966/96	21/01/08

The absence of regular review could result in some recipients' continue to receive the assistance even though their circumstances/situations may have changed. Thus, funds would continue to be paid out to relatives of the deceased recipient who does not qualify for the assistance.

This issue has been highlighted in previous year's audit reports however no action has been taken by the Ministry to rectify this issue.

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

This is one of the challenges that the Ministry continue to face, cases are supposed to be reviewed regularly, however, because of the ongoing influx of new applications everyday and other new programs (food voucher, bus fare) including their statutory responsibilities to the Courts and children, reviews in the past were often done on piece meal or when particular cases were highlighted.

On previous occasions the Ministry had tried to conduct a 100% review of case files but find it difficult because it's the same officers who were required to do the other work of the Department. Last year, the Ministry had contracted officers to conduct the reviews; again, it could not be completed because of PSC policies not to rehire project officers. However, because the Ministry still consider the need to review its cases as a matter of importance, it has assigned a team from Headquarters lead by the Assistance Director Family Services to review all cases. This work has begun in Central Division and will go around the Divisions, with the hope to complete it before the end of the year.

Also our partnership with Westpac Bank through the banking mode has assisted us in highlighting cases that need to be reviewed. This comes in the form of accounts that have been in operative for the last 6 months, holding payments for suspicious or undeserving cases while investigations were conducted.

Along the same line we are trying to improve our MIS with the migration of our cases from our former e-welfare system to e-gov. The completion of this migration will enable the system to flag cases that will need to be reviewed. To achieve this we have recruited data input clerks in each division to do the migration work.

23.16 Assistance not Terminated - FAS

The volume of a commitment for FAS is to remain with the current policy limits of minimum \$60 and maximum \$100.¹⁴

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.

The audit noted that Uma Kamini Devi's care and protection assistance was supposed to be terminated with effect from November 2008 when her husband was released from prison. However, scrutiny of the bank mode listing noted that she continued receiving the \$70 assistance.

The above indicated laxity by the responsible officer in not terminating the recipient's name promptly and as a result the recipient was paid an extra \$2,030, as at the date of the audit.¹⁵

¹⁴ Section 4.1.9 – Finance Manual 2005

¹⁵ 24 March 2011

Recommendations

- The Care and Protection Allowance for Uma Kamini Devi should be terminated from the system immediately and efforts should be made to recover the overpaid amount.
- The Ministry should further investigate as to why recipient's assistance was not terminated from the system on time and if warranted appropriate action should be taken against the responsible the officer.
- The Ministry should introduce systems and control to ensure that such anomalies are not repeated in future.

Ministry's Comments

Again, because officers did not have the time to conduct systematic reviews, this has resulted in cases whose circumstances had improved or children who have turned 17 continue to be in the system, and were only terminated if such cases were highlighted. The Ministry saw the need to remove cases because of the impact it has on its budget allocation. We needed to maintain the numbers by keeping a balance between the new approved cases and those ones that need to be exited otherwise the numbers will increase to exorbitant proportions with no budget to fund it.

Measures to improve this has been put in place with this new banking mode which have resulted in the closure of about 2,000 cases of in operative bank accounts from the last 6 months. Likewise, we have improved our processes in the distribution and upkeep of food vouchers. No longer were they kept in the Divisions, but the process now was that after 3 months if they were not collected, they were returned to Headquarters and kept until the 6 month, whereby cases are terminated and vouchers destroyed. This has resulted in the termination of 2,450 cases.

The Review team that has been appointed is also tasked with the responsibility to terminate cases that warrants it, as they review case files. In the 2 days that they had conducted this exercise with the Central Division a total of 100 cases out of the 700 reviewed were terminated. The aim is to remove at least 5,000 cases before the end of the year.

23.17 Incomplete Recipients Information - FAS

Applications for Family Assistance should be thoroughly scrutinised by the Welfare Officers (IS) to ensure they contain the required information such as; application situation; household situation; dependents; income/support; expenses; medical/special needs; birth certificates; community support letter and death certificates.¹⁶

A review of family assistance recipient's files noted instances whereby relevant information was not adequately filed in the respective recipient files. Refer to Table 23.13 below for examples.

Table 23.13: Incomplete Recipient Data

Recipient	Reference Number	Date of Last Review	Remarks
Epeli Tiloko	101-103354	01/04/05	Birth Certificate was not attached.
Alisi Faga	101-102267	11/10/05	Birth Certificate was not attached.
Clara Newton	101-102224	28/09/08	Birth Certificate was not attached.
Shakintra Devi	101-102530	26/04/05	Birth Certificate was not attached.
Ram Kumari	101-102599	16/08/05	Birth Certificate was not attached.

¹⁶ Section 4.1.3 – Finance Manual 2005

Recipient	Reference Number	Date of Last Review	Remarks
Epeli Vakulalabure	101-102232	26/04/05	Birth Certificate, Medical Certificate and Advisory Councillor letter were not attached.
James Muni	101-102125	22/01/08	Birth Certificate was not attached.
Seruwai Tobulevu	101-100769	13/02/08	Birth Certificate was not attached.
Lice Ranadi	101-101869	Not stated	Birth Certificate was not attached.
Subhag Wati	101-105834	05/03/10	Birth Certificate was not attached.
Semiti Karavaki	201-100073	23/03/05	Birth Certificate was not attached.
Moala Bese	201-100049	23/03/05	Birth Certificate was not attached.
Noa Soko	104-106117	No review done	Since the date of application on 21/05/02, no further review done. Birth Certificate was not attached.
Rosario Iane	101-103820	13/04/10	Birth Certificate was not attached.
Taraivini Rogo	104-100054	23/03/05	Birth Certificate was not attached.
Milikiti Marama	101-103708	27/01/10	Birth Certificate and Advisory Councillor letter were not attached.
Maria Lauwawa	101-103463	Not stated	Birth Certificate and Advisory Councillor letter were not attached.
Sereima Rokowati	101-103596	Not stated	Birth Certificate and Advisory Councillor letter were not attached.
Josevata Naqica	101-103736	20/01/10	Birth Certificate and Advisory Councillor letter were not attached.
Loata Qalobula	101-104104	12/01/08	Birth Certificate and Advisory Councillor letter were not attached.

In addition, it was noted that no reviews on the recipients' eligibility status have been carried out during the last 3 to 5 years. It is possible that some recipients' may have found employment and thus should no longer be receiving the assistance.

Welfare Officers have not been vigilant in checking, reviewing and updating the respective recipients' files. As a consequence, the Ministry could be making fictitious, unauthorised and duplicate payments.

Recommendations

- **The Divisional Heads should check the applications thoroughly to ensure that all the relevant details are attached and filed before approval is sought.**
- **The Ministry should develop a work program whereby the recipient's status is reviewed at regular intervals.**

Ministry's Comments

This is also one of the challenges that we encounter, the system require relevant documents and information about applicants before decisions could be made, however, because sometimes applications were forwarded from the remote and rural areas through DO's, where we do not have a presence, such documents like the Birth Certificate, application forms (which were suppose to be filled during face to face interviews) were not complete. On the same token home visits could not be conducted because of the cost and inaccessibility of some of these locations. In such cases we rely heavily on Turaga-ni-koro's and Advisory Councillors to furnish us with the correct information regarding the applicant's situation and upon such, decisions are often made.

It was also difficult for some applicants to acquire such documents such as Birth Certificates, because of the distance to travel to obtain one and likewise the cost they will have to incur.

To address the above issue, the current review should be able to identify such cases for the district/divisional officers to update information that has been missing.

The transition from manual vouchers to e-banking, and the e-gov process now demands that every new applicant must provide their Birth Certificates in order for the system to process their application and for the opening of new bank accounts if it is approved. This in a way will provide us with the basic information we will need to know about the applicants. Hopefully with future linkage to FIRCA and BDM databases we will be able to access other information on our clientele.

23.18 Stock Take and Fixed Asset Register Not Updated

A stock take must be undertaken each year to verify the existence and the condition of inventories on hand.¹⁷

In addition, all agencies must maintain a Fixed Asset Register until the asset module of the financial management information system is implemented. Details to be recorded in the asset register should include, at the minimum:-

- a) description;
- b) cost or fair value;
- c) date of acquisition, where known;
- d) make, model and identification number, where applicable; and
- e) location.¹⁸

The audit of the Fixed Asset Register noted that the register was last updated in 2007 and that no stock take report has been prepared since then. Refer to the Table 23.14 below for details.

Table 23.14: Non Update of Fixed Assets Register

Branch/Section	Date Last Updated	Comments
Headquarters	03/01/06	Executive Chair, Steel Fung Furniture etc were last verified on 28/10/04
Accounts Section	02/10/07	A new urn was purchased and recorded separately in the F/A register in 2009.
Social Welfare office - Southern	03/01/06	A HP Scan jet G241, Laminating Machine Card was purchased and recorded in the F/A register in 2010.
Poverty Monitoring Unit	03/01/06	Wooden Chair, Cord Extension, Board Notice etc were last verified on 28/10/04
Directors and Deputy Secretary	03/01/06	Computer, Chairs, Cupboard etc were last verified on 03/01/06
Nasinu Welfare Office	Not Known	Nasinu office doesn't have an inventory register according to the Welfare Officer in charge.

Furthermore, the following items purchased during the year were neither recorded in the inventory ledger nor in the Fixed Asset Register. Refer to Table 23.15 below for examples:

Table 23.15: Newly Acquired Fixed Assets Not Recorded in Fixed Assets Register

Date	Particulars	Qty	Cheque No.	Supplier	Amount (\$)
17/06/10	Purchase of SP8200DN Printer for Voucher	1	034323	Richo Business Centre	9,800.00

¹⁷ Section 38 – Finance Instructions 2010

¹⁸ Section 46 (2) – Finance Instructions 2010

Date	Particulars	Qty	Cheque No.	Supplier	Amount (\$)
21/06/10	Purchase of 4 Konica Minolta Bizhub 163 digital copier (1 for Suva Welfare Office)	1	034322	Remington	4,088.88
19/11/10	HP 160Gb external hard Drive	1	036946	Clariti South Pacific	171.00
26/10/10	HP 4710s Laptop	2	036515	Datec (Fiji) Limited	4,863.98

Responsible officers failed to carry out their duties by not updating the inventory register and the fixed asset register. Physical verification of the inventory is difficult as the inventory records are not maintained up to date.

The above finding implied a lack of adequate control over the custody of assets. There are risks that some inventory items purchased over the years could have been lost, stolen or damaged.

Recommendations

- **The Ministry should ensure that a stock-take is carried out annually and that all fixed assets are taken on charge in a Fixed Assets Register and Inventory Ledger as and when they are procured to minimize the risk of theft or loss.**
- **Section 46 (2) of the Finance Instruction 2010 should be complied with at all times.**

Ministry's Comments

A Board of Survey has been carried out and all inventory has been taken on charge (Move from Ministry of Health).

23.19 Non Maintenance of Vehicle Records

All drivers must ensure that their running sheets are properly filled in before signing and submitting them to the Supervisor of Transport at the end of the day. Vehicle keys must also be handed over to the Supervisory.¹⁹

Each driver must keep daily running sheets in the form approved by the PS to record details of each run undertaken in any of the agency's vehicles. The running sheets shall document:

- vehicle registration number
- date and mileage at the start of the day
- runs during the day and reasons for each run
- arrival and departure times including mileage during each separate run
- fuel details if vehicle is filled during the day.²⁰

The Supervisor of Transport shall check the accuracy of all running sheets for the day and certify each sheet.²¹

Review of running sheets for motor vehicles GM944, GN957, GN700, GN880 and GM 881 noted the following anomalies:

¹⁹ Section 12.3.9 – Finance Manual 2010

²⁰ Section 12.3.4 – Finance Manual 2010

²¹ Section 12.3.10 – Finance Manual 2010

- Mileage travelled during each trip was not recorded
- Reason for the journey was not stated
- The time the journey started and the time it ended was not disclosed
- Signature of officer in charge was not present

Refer to Appendix 23.3 for examples:

The motor vehicle records were not properly maintained and regularly scrutinised by Transport Officer, which increases the risk of unofficial use and abuse of government vehicles. This could also lead to excessive fuel, repair and maintenance costs.

Recommendations

- **The Ministry should improve its monitoring and control over its vehicle by ensuring that the responsible officers comply with Section 12.3 of the Finance Manual 2010.**
- **All private runs should be identified, calculated and responsible officers surcharged.**

Ministry's Comments

The recommendations have been duly noted; the Ministry has taken corrective measures to update all running sheets and also has put in place preventive measures to see full compliance of the transport rules and regulations.

23.20 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.²² The Supervisor of Transport should 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.²³

Our audit noted 2 vehicles which are not in working condition and uneconomical to repair. The vehicles have been garaged at the Ministry's headquarters for quite sometimes. Refer to Table 23.16 below.

Table 23.16: Unserviceable Vehicles

Vehicle Number	Remarks
GM 441	The vehicle is beyond economical repair and has been parked at the Headquarters since June 2009.
GM 781	The vehicle is not in use since May 2010 and is parked at the Headquarters.

²² Section 12.5.4 – Finance Manual 2010

²³ Section 12.5.5 – Finance Manual 2010

These vehicles were taking up unnecessary space at the Ministry's Headquarters car park. The vehicles would continue to deteriorate if immediate disposal actions are not taken. Prolong delays could also allow room for theft or removal of motor vehicle parts and this could lead to further losses.

Recommendation

The Ministry should comply with Section 12.5 of the Finance Manual 2010 and make necessary arrangement for the above mentioned vehicles to be disposed off.

Ministry's Comments

Quotations for maintenance were raised in 2009 at \$4,000 each. The Ministry did not have funds to repair the vehicle and waited until at the end of the year for any savings for repairs. There was no savings so they were not being maintained. These are now been boarded for write off since there is no funding for its repairs in 2011.

23.21 Unhygienic Conditions

The Public Service Commission as an employer recognises its legal and moral responsibility to provide a relatively safe and healthy workplace and will endeavour to promote and maintain an occupational environment in which the physical and psychological well being- of its workers is protected.²⁴

The Salvation Army will ensure that the buildings, furniture and fittings at Mahaffy Girls Home are conducive for the care of children, physically safe and compliant with OHS requirement. The Department of Social Welfare in liaison with PWD shall remain responsible for the major maintenance and repairs of the premises which will include Building 136,137, and 41 at Mahaffy Drive and all the fixtures and fittings thereto subject to availability of funds.²⁵

Our audit noted that the wooden planks on the floors at the Happy Home were missing. In addition, the roofs were also leaking. Refer to figures 23.1 and 23.2 below for illustration.



Figure 23.1: Floor wooden planks missing at the Happy Home



Figure 23.2: Rain water leakage from the Happy Home ceiling

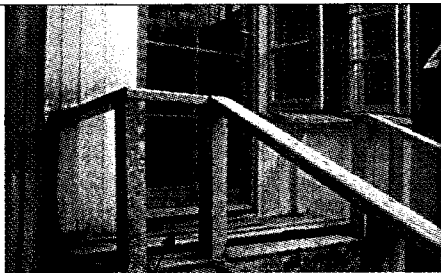
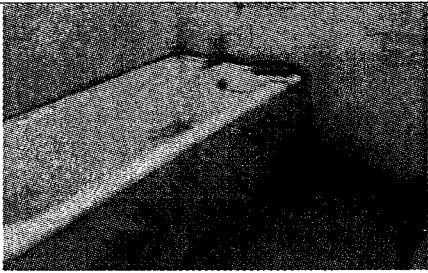
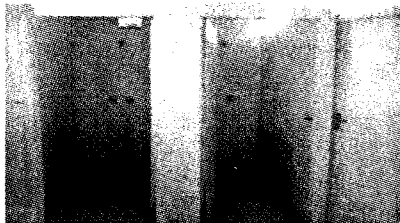
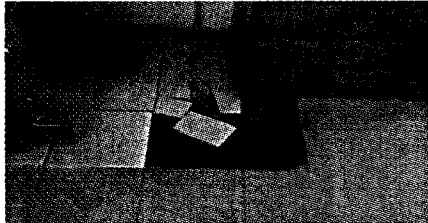
Furthermore, the conditions of the building at the Boys Centre as well as Mahaffy Home (for girls) were in an appalling condition and not in compliance with OHS Policy. The following defects were noted:

²⁴ PSC Constitutional Function under section 140 of the PSC Occupational Health and Safety Policy

²⁵ Management Contract between Department of Social Welfare and Salvation Army – Section 2.2

- The bathroom and toilet were really unhygienic.
- The building was in an unstable condition because of broken wooden planks on the floor, leaking roof etc.
- The kitchen floor was unhygienic with missing tiles and the taps in the sink were not working.

Refer to the illustration below for details:

 <p>Figure 23.3: The broken wooden planks near the door with weak dirty door steps.</p>	 <p>Figure 23.4: The unhygienic bathtub used by girls</p>
 <p>Figure 23.4: The insanitary bathrooms</p>	 <p>Figure 23.5: The unhealthy kitchen floor with broken tiles</p>

The above findings denoted a very unhealthy and dangerous environment, which could in turn affect the occupants' health and safety and would expose the Ministry to lawsuits for non-compliance with the OHS Act.

Recommendations

- **The Ministry should ensure that immediate action is taken in carrying out repairs and maintenance work at the Happy Home and Mahaffy Home.**
- **The Ministry should ensure that a safe and healthy environment is provided to occupants of the two Homes.**
- **OHS regulations should be strictly complied with.**

Ministry's Comments

OHS Compliance Issues noted. Letter written to PSC for repairs at Happy Home and at Mahaffy Home.

Appendix 23.1: Non-Submission of 2009 Acquittals**Central Division**

No.	Name of Recipient	NGO	Address	Province	Amount \$	Project Type
1	Vani Tokanilawa	Naitasiri Provincial Council	Nakasaga Settlement Naitasiri	Naitasiri	5,000	House
2	Aviuta Dugatabua	Cabebula Youth Development Project	Namena Tailevu	Tailevu	5,000	House
3	Lilieta Cabecabe	St Vincent De Paul	Tubalevu Namara Tailevu	Tailevu	5,000	House
4	Sairusi Noqeti	St Vincent De Paul	Dranu Namena Tailevu	Tailevu	5,000	House
5	Munif Khatoon Nisha	St Vincent De Paul	Drekeinakelo Kasavu Naitasiri	Naitasiri	5,000	House
6	Moape Navuasese	St Vincent De Paul	Nabukaluka Naitasiri	Naitasiri	3,000	House
7	Sitamma f/n Ramayan	St Vincent De Paul	Davuilevu Naitasiri	Naitasiri	5,000	House
8	Sitiveni Cavuilagi	St Vincent De Paul	Matainasau Wainimala Naitasiri	Naitasiri	3,000	House
9	Rt Lepani Roko	St Vincent De Paul	Taulevu Naitasiri	Naitasiri	5,000	House
10	Adriu Naboro	St Vincent De Paul	Wailotua No 1 Wainibuka Tailevu	Tailevu	3,000	House
11	Ilaisa Rasele	Naitasiri Provincial Council	Delaitoga Naitasiri	Naitasiri	5,000	House
12	Makarina Kula	Naitasiri Provincial Council	Sawanikula Naitasiri	Naitasiri	5,000	House
13	Isaia Duaiyau	Naitasiri Provincial Council	Nasavu Rara Naitasiri	Naitasiri	3,000	House
14	Niko Nabuavakatoga	Naitasiri Provincial Council	Nakorovatu Naitasiri	Naitasiri	5,000	House
15	Marisilina Buru	Naitasiri Provincial Council	Matawailevu Noimalu Naitasiri	Naitasiri	5,000	House
16	Nikotimo Tadrayawa	St Vincent De Paul	Namena Tailevu	Tailevu	5,000	House
17	Merseini Rokodugu	St Vincent de Paul	Wailada Sett, Nakalawaca	Tailevu	2,000	House
18	Timilai Bua	St Vincent de Paul	Wainawaqa	Naitasiri	2,000	House
19	Miteli Coqara	St Vincent de Paul	Nabukaluka	Naitasiri	1,500	House
20	Joseva Sevonu	St Vincent de Paul	Natoaika	Naitasiri	2,000	House
21	Ananaiasa Tagacake	St Vincent de Paul	Waivou	Rewa	1,500	House
22	Karalaini Vakalalbure	Society of St Vincent De Paul	Matacaucau Namalata Tailevu	Tailevu	2,500	House
23	Nemani Vaka	Suvalailai Village Youth Council	Suvalailai	Rewa	2,500	House
24	Ana Marama	St Vincent De Paul	Naitutu Namalata Tailevu	Tailevu	5,000	House
25	Marisilina Marama	St Vincent de Paul	Navunisede, Namalata	Tailevu	4,000	House
26	Sokoveti Kunamuri	Nayavu Soqosoqo Vakamarama	Nayavu Wainibuka Tailevu	Tailevu	5,000	House
27	Jovilisi Vasu	St Vincent De Paul	Nadakuni Naitasiri	Naitasiri	3,000	House
28	Ana	St Vincent De Paul	Nakalowaca Namara	Tailevu	5,000	House

No.	Name of Recipient	NGO	Address	Province	Amount \$	Project Type
	Basunivanuakoveti		Tailevu			
29	Talaiyasi Mualevu	St Vincent De Paul	Wailoku Serea Naitasiri	Naitasiri	3,000	House
30	Manasa Koroivere	St Vincent De Paul	Waicoka Bau Tailevu	Tailevu	5,000	House
31	Serupepeli Beraki	St Vincent De Paul	Waivou Rewa	Rewa	5,000	House
32	Salote Rodoninakelo	St Vincent De Paul	Namuumua Naitasiri	Naitasiri	5,000	House
33	Elenani Vunivesi	Naitasiri Provincial Council	Deladamanu	Naitasiri	2,000	House
34	Joji Siganisucu	St Vincent de Paul	Kuku	Tailevu	2,000	House
35	Rt Waisea Radabibi	St Vincent de Paul	Nairukuruku	Naitasiri	2,000	House
36	Tevita Ratokabula	Naitasiri Provincial Youth Council	Nasavu	Naitasiri	1,000	House
37	Toma Ragusuloto	St Vincent de Paul	Vanuakula	Naitasiri	1,500	House
38	Romanu Raiqua	St Vincent de Paul	Vanuakula	Naitasiri	3,500	House
39	Miriama Tuinakelo	St Vincent de Paul	Natobunigio, Vugalei	Tailevu	5,000	House
40	Irinimo Cakusese	St Vincent de Paul	Nasirotu	Naitasiri	5,000	House
41	Levani Vakalele	Vakalele Youth Club	Vusiga Waima Naitasiri	Naitasiri	5,000	House
42	Tomasi Vularua	St Vincent de Paul	Naqali	Naitasiri	1,500	House
43	Livia Likudokai	St Vincent de Paul	Wainawaqa, Nawaidina	Naitasiri	2,500	House
44	Sakiusa Moroca	St Vincent de Paul	Natoaika	Naitasiri	5,000	House
45	Mereani Cerebu	St Vincent de Paul	Nakelo	Tailevu	2,500	House
46	Vani Bogiwalu	Waibalavu Youth Club	Waibalavu	Naitasiri	2,500	House
47	Merewalesi Mavida	St Vincent de Paul	Lokuya, Verata	Tailevu	2,000	House
48	Inosi Navukula	Grace Mission Assembly of God	Nasalia	Naitasiri	1,000	House
49	Jese Boila	St Vincent de Paul	Nabukaluka	Naitasiri	1,500	House
50	Siteri Baleilabasa	St Vincent de Paul	Nakorolevu	Tailevu	2,000	House
51	Josefa Rasalato	St Vincent de Paul	Nabukaluka	Naitasiri	1,500	House
52	Asaeli Tekuku	St Vincent de Paul	Vuniniudrovu, Sawani	Naitasiri	1,500	House
53	Aseri Ranawa	Wainibuka Christian Centre	Nayavu Wainibuka Tailevu	Tailevu	5,000	House
54	Alanietia Tinai	Wailotua Soqosoqo Vakamarama	Wailotua No 2 Wainibuka Tailevu	Tailevu	5,000	House
55	Salote Tinanikaisi	St Vincent de Paul	Matacaucau	Tailevu	5,000	House
56	Rusiate Tuilevukana	St Vincent de Paul	Tubalevu	Tailevu	5,000	House
57	Penisoni Tawake	St Vincent de Paul	Lokuya Settlement	Tailevu	2,000	House
58	Vatemosi Waivure	St Vincent de Paul	Waibalavu	Naitasiri	1,000	House
59	Samuela Turaganivalu	St Vincent de Paul	Deladamanu	Naitasiri	2,500	House
60	Rt Meli Visavisawaqa	St Vincent de Paul	Nasalia	Naitasiri	1,500	House
61	Filipe Delai	Power House Assembly of God Church	Rewasau, Nabobuco	Naitasiri	2,000	House
62	Atelina Marama	St Vincent de Paul	Naitutu	Tailevu	5,000	House
63	Ravuama Cimavere	St Vincent de Paul	Namuka	Tailevu	2,000	House
64	Sevanaia Bilovucu	Naimasimasi Assemblies of God	Naimasimasi	Tailevu	2,500	House

No.	Name of Recipient	NGO	Address	Province	Amount \$	Project Type
		Church				
65	Monika Wati	St Vincent de Paul	Nakorovou	Rewa	2,000	House
66	Anaseini Cabe	Free Vutia Assembly of God Church	Vutia	Rewa	3,000	House
67	Jiutasa Magitikai	Naitasiri Provincial Council	Natoaika	Naitasiri	5,000	House
68	Kalivati Qicatabua	St Vincent De Paul	Namulomulo Vugalei Tailevu	Tailevu	3,000	Income generating
69	Akeai Boseinaqali	St Vincent De Paul	Tonia Village Vagalei Tailevu	Tailevu	3,000	Income generating
70	Josefa Rusaqoli	St Vincent de Paul	Nausori	Rewa	1,500	Income generating

Northern Division

No.	Name of Recipient	NGO	Address	Province	Amount \$	Project Type
1	Kitione Qawa	Wailevu Women's Methodist Church	Vitina Dogutuki Village	Macuata	5,000	House
2	Emori Raimuri	Wailevu Women's Methodist Church	Lakeba-Saqani	Cakaudrove	1,000	House
3	Maya Wati	Wailevu Methodist Church	Vuniqawa, Qawa	Cakaudrove	2,000	House
4	Amina Bibi	Wailevu Women's Methodist Church	Vunimoli	Macuata	2,500	House
5	Sakiusa Dave	Wailevu Methodist Church	Raranibulubulu	Macuata	3,000	House
6	Viliame Naibone	Wailevu Methodist Church	Nakama	Macuata	3,000	House
7	Enkamma	Wailevu Methodist Church	Natabucola Sub Division	Macuata	5,000	House
8	Aleta Moce	Seniniu Mother's Club	Wailevu Tunuloa	Macuata	5,000	House
9	Lepani Veibete	Bagata Methodist Church	Bagata	Cakaudrove	3,500	House
10	Brij Kumar	Wailevu Women's Methodist Church	Navurevure Covata	Macuata	5,000	House
11	Champadei	Valelevu Ramayan Mandali	Valelevu Vunivau Bua	Bua	5,000	House
12	Eroni Tawake	Christain Mission Fellowship	Tuvatuva Settlement	Cakaudrove	5,000	House
13	Bhim Raj	Nasarawaqa Ram Mandir No 2	Nasawaqa Lekutu	Bua	3,500	House
14	Inoke Ganita	Busa Agricultural Group	Naitibitibi Sett, Wailuva, Savusavu	Cakaudrove	5,000	House
15	Viliame Rerealoa	Wailevu Primary School Committee	Wailevu Tunuloa	Macuata	5,000	House
16	Luisa Diburu	Nabalebale Women's Club	Naibalebale Wailevu	Cakaudrove	5,000	House
17	Parvati	Namau Ramayan Mandali	Rakani Settlement Nabouwalu	Bua	5,000	House
18	Ana Kubu	Wailevu Women's League	Wailevu Tunuloa	Macuata	3,500	House
19	Filipe Tiko	Dromuninuku Village	Dromuninuku Naweni	Cakaudrove	3,500	House

No.	Name of Recipient	NGO	Address	Province	Amount \$	Project Type
		Committee				
20	Ram Kali	Valelevu Ramayan Mandali	Valevou Vunivau Bua	Bua	3,500	House
21	Ragni Devi	Wailevu Methodist Church	Vunimoli	Macuata	5,000	House
22	Ana Vere	Nacavanadi Development Committee	Nacavanadi Savusavu	Cakaudrove	5,000	House
23	Selai Dabe	Wailevu Women's Methodist Church	Nakolau	Cakaudrove	5,000	House
24	Mereseini Dievu	Nocavanadi Development Committee	Nacavanadi Savusavu	Cakaudrove	5,000	House
25	Ram Dulari	Valelevu Ramayan Mandali	Valelevu Vunivau Bua	Bua	3,500	House
26	Iowane Tabu	Wailevu School Committee	Naqaravatu Tunuloa Cakaudrove	Cakaudrove	5,000	House
27	Mereani Tuimouta	Ex-Servicemen Association of Fiji	Vanuavou Vaturova	Cakaudrove	3,500	House
28	Sera Tabuaqiri	Wailevu Women's Methodist Church	Nacula Saqani	Cakaudrove	2,000	House
29	Sunita Devi	Northern Prison Fellowship	Bulileka	Macuata	5,000	House
30	Peniana Naigakula	Veleni Village Council	Veleni	Bua	2,500	House
31	Viliame Senibua	Nabalebale Women's Club	Naibalebale Women's Club	Cakaudrove	5,000	House
32	Iowane Colaudolu	Salvation Army Taveuni Branch	Korovou Bouma Taveuni	Cakaudrove	5,000	Income generating
33	Viliame Masitabua	Northern Prison Fellowship	Cawaira Labasa	Macuata	4,000	Income generating
34	Semiti Korovavala	Northern Prison Fellowship	Nubu, Nadogo	Macuata	4,000	Income generating

Appendix 23.2: Recipients with Same Reference Number

Details	Recipient 1	Recipient 2
Name	Grace Morell*	Salote Vakayavu*
Reference Number	101-107099	101-107099
Bank	ANZ	ANZ
Account	09270911	09195885
Amount per month	74.00	60.00

*This case was raised in the 2009 audit report.

Details	Recipient 1	Recipient 2
Name	Penieli Waqavuka	Saini Rokowati
Reference Number	201-107143	201-107143
Bank	ANZ	ANZ
Account	09339873	10676544
Amount per month	60.00	60.00

Details	Recipient 1	Recipient 2
Name	Puspa Wati	Raj Deo
Reference Number	501-104770	501-104770
Bank	ANZ	ANZ
Account	09242453	09396377
Amount per month	60.00	60.00

Details	Recipient 1	Recipient 2
Name	Sovaia Vonoiveilele	Amali Dorete
Reference Number	101-108373	101-108373
Bank	479604	7029614
Account	BSP	BSP
Amount per month	60.00	60.00

Details	Recipient 1	Recipient 2
Name	Saira Khatoon	Ana Tinaitamna
Reference Number	501-100577	501-100577
Bank	BSP	BSP
Account	6218490	7228688
Amount per month	378.00	570.00

Appendix 23.3: Maintenance of Motor Vehicle Records

Date	Vehicle Number	Audit Comments
07/10/10	GN881	- Authorising officer has not signed in - Each trip mileage not stated - Reason for the journey not stated.
22/04/10	GN881	- Authorising officer has not signed in - Reason for the journey not stated.
18/11/10	GN881	- Vehicle registration number not stated - Each trip mileage not stated - Authorising officer has not signed in. - Departure and arrival time not stated
27/09/10	GN 881	- Reason for the trip not stated - Authorising officer has not signing in
19/09/10	GN 944	- Each trip mileage not stated - Departure and arrival time not stated - Reason for the journey not stated.
22/06/10	GN 944	- Each trip mileage not stated - Arrival time not stated - Reason for the journey not stated.
14/04/10	GN 944	- Departure and arrival time not stated - Each trip mileage not stated - Total trip mileage not stated - Authorising Officer has not signed in- - Vehicle registration number not stated
20/09/10	GN 944	- Departure and arrival time not stated - Each trip mileage not stated - Reasons for journey is not stated
16/08/10	GM 957	- Each trip mileage not stated - Departure and arrival time not stated - Authorising Officer has not signed in.
13/04/10	GM 957	- Each trip mileage not stated - Total mileage not stated - Vehicle registration, department and starting mileage detailed not stated - Authorising Officer has not signed in.
29/04/10	GM 957	- Each trip mileage not stated - Reason for the journey not stated. - Authorising Officer has not signed in. - Vehicle registration Number not stated.
22/07/10	GN 700	- Each trip mileage not stated - Reason for the journey not stated. - Authorising Officer has not signed in.
23/09/10	GN 700	- Each trip mileage not stated - Arrival time not stated - Authorising Officer has not signed in.
30/12/10	GN 880	- Each trip mileage not stated - Arrival time not stated
20/1/11	GN 880	- Each trip mileage not stated - Arrival time not stated
21/10/10	GN 880	- Each trip mileage not stated - Arrival time not stated - Departure and arrival time not stated

Section 24 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.

Table of Contents

PART A: FINANCIAL STATEMENT	1
24.1 Audit Opinion	1
24.2 Statement of Receipts and Expenditure	1
24.3 Appropriation Statement	2
24.4 Statement of Losses	3
24.5 VAT Reconciliation	3
PART B: AUDIT FINDINGS	5
24.6 Annual Staff Workshop and Retreat	5
24.7 Payment of Department's Uniform	6
24.8 National Youth Service Scheme (NYSS)	8
24.9 EGM Redundant Workers Rehabilitation Programme	8
24.10 SME Project Site Visits	10
Appendix 24.1: Costs Incurred During Annual Staff Workshop	12
Appendix 24.2: Staffs Who Attended the Annual Planning Workshop	14
Appendix 24.3: Vatukoula Redundant Workers Rehabilitation Scheme	15

PART A: FINANCIAL STATEMENT

24.1 Audit Opinion

The audit of the 2010 accounts of the Department of Youth and Sports resulted in the issue of an unqualified audit report.

24.2 Statement of Receipts and Expenditure

The Department collected revenue totalling \$67,148 and incurred a total expenditure of \$2,498,145 in 2010. Details are provided in Table 24.1.

Table 24.1: Statement of Receipts and Expenditures for 2010

Description	2010 (\$)	2009 (\$)
RECEIPTS		
State Revenue		
Operating Revenue	3,099	1,045
Total State Revenue	3,099	1,045
Agency Revenue		
Miscellaneous Revenue	23,391	29,775
Sales of School Farm Produce	40,658	31,262
Total Agency Revenue	64,049	61,037
TOTAL REVENUE	67,148	62,082
EXPENDITURES		
Operating Expenditure		
Established Staff	1,021,362	1,155,097
Unestablished Staff	125,451	123,790
Travel & Communication	87,786	79,870
Maintenance & Operations	166,883	125,980
Purchase of Goods & Services	352,485	326,360
Operating Grants & Transfers	253,246	256,426
Special Expenditures	285,635	2,168,714
Total Operating Expenditure	2,292,848	4,236,237
Capital Expenditure		
Capital Construction	---	---
Capital Purchases	---	---
Capital Grants & Transfers	81,264	109,082
Total Capital Expenditure	81,264	109,082
Value Added Tax	124,033	343,531
TOTAL EXPENDITURE	2,498,145	4,688,850

Decrease in the operating expenditure by \$1,943,389 or 47% was due to the decline in special expenditure by \$1,883,079 or 87%. Funds totalling \$2,845,000 allocated under Segs 6 and 7 for Operating grants and Transfers and Special Expenditure in 2009 was reduced to \$545,000 in 2010; hence expenditure declined significantly.

24.3 Appropriation Statement

The Department incurred expenditures totalling \$2,498,145 in 2010 against the budget of \$2,692,700 resulting in a savings of \$194,555 or 7%. Details of expenditures against the budget estimates are provided in Table 24.2.

Table 24.2: Appropriation Statement for 2010

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry-Over (\$)	Lapsed Appropriation (\$)
1	Established Staff	978,891	44,845	1,023,736	1,021,362	---	2,374
2	Unestablished Staff	116,824	10,925	127,749	125,451	---	2,298
3	Travel & Communication	119,300	---	119,300	87,786	---	31,514
4	Maintenance & Operations	187,285	---	187,285	166,883	---	20,402
5	Purchase of Goods & Service	436,200	(34,000)	402,200	352,485	---	49,715
6	Operating Grants & Transfers	415,000	(162,364)	252,636	253,246	---	(610)
7	Special Expenditure	130,000	174,545	304,545	285,635	---	18,910
	Total Operating Costs	2,383,500	33,951	2,417,451	2,292,848	---	124,603
	Capital Expenditure						
8	Construction	---	---	---	---	---	---
9	Purchases	---	---	---	---	---	---
10	Grants & Transfers	200,000	(55,770)	144,230	81,264	---	62,966
	Total Capital Expenditure	200,000	(55,770)	144,230	81,264	---	62,966
13	Value Added Tax	109,200	21,819	131,019	124,033	---	6,986
	TOTAL EXPENDITURE	2,692,700	---	2,692,700	2,498,145	---	194,555

24.4 Statement of Losses

There was no loss of fixed asset or cash recorded for the year 2010. However, items worth \$9,985 were written off, following the Department's board of survey conducted on 31 December 2010.

24.5 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

The audit noted that the Department failed to prepare VAT reconciliations for 2010. A review of VAT Returns and supporting documents carried out during the audit revealed an un-reconciled balance of \$129,671 between the taxable supplies as per VAT Return and the total income/expenditure as per the Statement of Receipts and Expenditure. Refer to Table 24.3 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 24.3: Un-Reconciled Variance in Gross Taxable Supplies

Details	Amount (\$)
Total Expenditure/Income as per Expenditure Statement	2,498,145
Less: Expenditure not subject to VAT – SEG 1,2, 6 and 10	1,481,323
Total expenditure/income subject to VAT	1,016,822
Less: Total taxable supplies as per VAT Returns	1,146,493
Un-reconciled variance	(129,671)

In addition, a difference of \$104,214 was noted between the actual VAT payments for the year 2010 and the balance disclosed in the general ledger as reflected in Table 24.4 below.

Table 24.4: Un-Reconciled Variance in Vat Input

Details	Amount (\$)
VAT payments (VAT payments to FIRCA and VAT Input) as per Statement of Receipts and Expenditure	124,033
VAT payments (VAT payments to FIRCA and VAT Input) as per VAT Returns for 2009	19,819
Un-reconciled variance	104,214

No explanation was provided for the variance. The Department could have avoided the above variances had they been more vigilant and proper supervisory controls were in place. This issue has been highlighted in previous years audit reports, however no corrective action has been taken by the Department to rectify this issue.

Recommendations

- The Department should ensure that VAT paid to Fiji Islands Revenue & Customs Authority is reconciled on a monthly basis.
- The Department should take necessary steps to reconcile and account for the variance noted.
- 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

Again Vat Reconciliation was not carried out in 2010 but this has been factored in 2012 Accounts Section Business Plan and will ensure this is implemented. The Officer responsible have been advised to reconcile /verify the variances highlighted.

Your recommendations however have been duly noted and supervisory checks shall be put in place to ensure both vat returns and General Ledger figures reconcile.

PART B: AUDIT FINDINGS

24.6 Annual Staff Workshop and Retreat

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 occur³

A travelling officer shall recoup the travel advance within seven days of completing travel by submission of an acquittal report with supporting documents.⁴

The Department held its annual staff workshop and retreat at Dolphins Watching (Fiji) Takalana Resort in Dawasamu, Tailevu from 15 to 17 December 2010. A total of 65 staffs attended the annual staff workshop to finalize the business plan for 2011 which also included team bonding sessions.

The Department spent total of \$14,977.10 for the planning workshop. Refer to Table 24.5 below for summary of the workshop cost and *Appendix 24.1* for details.

Table 24.5: Annual Staff Workshop Expenditure

Particulars	Amount (\$)	Audit Observations/Comments
Accommodation & meals	4,225.00	50% down payment made to Dolphins Watching (Fiji) Takalana Resort. <i>Payment Voucher (PV) not certified. Voucher number not stated in PV</i>
Accommodation & meals	4,225.00	Payment of the balance (50%) of the cost
Accommodation & meals	1,041.90	Accommodation and meals for Western & Northern Division staffs
Transport	3,847.80	Transport cost to the venue including boat fare for Northern staffs
Entertainment	342.00	Payment made to National Youth Band
Meal Allowance	261.00	Meal Allowance for Western Division staffs
Awards	576.00	Purchase of trophies/shields and engraving done on them
Miscellaneous	458.40	Other expenses like sevusevu (\$70) , recharge cards, toners etc.
Total	14,977.10	

The following irregularities were noted.

- The Department paid 50% or \$4,225 as down payment to Dolphins Watching (Fiji) Takalana Resort for accommodation cost. However, the payment voucher was not numbered and certified by the authorised officer.
- Total of 65 staff attended the workshop. Majority of these officers were junior officers. Refer to *Appendix 24.2* for list of participants and position held. The Department incurred unnecessary costs by including junior officers for such high level meeting.
- Total of 5 staff from Northern division attended the planning workshop. Out of this 4 were non management staffs which included Senior Youth officer, Youth Officer and 2 drivers. The Department paid \$3,847.80 as transport cost which also included boat fare for staffs from Northern

³ Proforma Finance Manual 2011 Section 2

⁴ Proforma Finance Manual 2011 Section 10.1.11

Division to attend the workshop at Dolphins Watching (Fiji) Takalana Resort in Dawasamu, Tailevu.

- The Department did not provide any plan, document or report that was developed in the workshop to audit.
- The Department failed to obtain competitive quotes from other hotels within Suva area to hold its annual staff workshop. Failure to obtain competitive quotations could result in the Department foregoing opportunities to acquire the service from the most economical source, resulting in extravagance expenditures.
- Two of the Officers, namely Miriama Wasasalu and Viema Niqara failed to fully clear or retire the accountable advances of \$116 and \$259 respectively. The advance was given to them for the workshop.

The finding showed that public funds were not properly utilised by the Department.

Recommendations

- **The Department should ensure that such workshops are attended by management staff only to avoid unnecessary expenditures.**
- **The Department should make available the reports prepared from the workshop for audit verification.**
- **The Department must ensure that outstanding advances are cleared.**

Department's Comments

- *Quotations were obtained from the following venues. File no.1173/4 folios (234 – 244) is available for inspection:*
 - Shangri La's Fijian Resort & Spa @ \$78 per person per day excluding dinner.*
 - Takalana Resort @ \$65 per person per day.*
 - Tubakula Beach Bungalows @ \$360per 8pp excluding hall hire, bon fire.*
- *Accountable advances for both Officers were cleared with receipts/invoices filed on relevant files and are available for verification. Management have however noted the concerns raised and will ensure accountable advances are cleared within 7 days upon return to station.*
- *A summarized report on the outcome of the annual workshop is a very important document in terms of gauging our current performances and plotting the way forward by fine tuning our action plans in line with our Departments' targeted outcomes. Management admitted laxity on this part for not producing such reports on time and will ensure there is no recurrence in future. The officer responsible has been advised to compile and make copy available for inspection soonest.*

24.7 Payment of Department's Uniform

Each year, the Appropriation Act and Budget Estimates set out details of the appropriations that Cabinet 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 Cabinet.⁵

⁵ Section 2.1.2 – Proforma Finance Manual 2011

An employee must use government resources and assets in a proper way.⁶

The audit noted that the Department from its budgetary allocation financed 50% of the staff corporate uniform costs, an unbudgeted expenditure met by the Department. Refer to Table 24.6 below for details.

Table 24.6: Payment of Staff Uniforms

Date	Voucher Number	Payee	Particulars	Amount (\$)
12/10/10	16207	Asia Pacific Management Limited	Payment for 50% of Ministry's staff corporate uniform.(the other 50% costs was met by the Ministry's staff)	2,777.75

These costs were not reimbursed by the staff to the Department. Discussion with the Administration Officer revealed that this purchase was approved by the Director of Youth and Sports.

In addition, no further approval was sought from Ministry of Finance or the Permanent Secretary of Ministry of Education, Youth & Sports.

Utilising funds for expenditures not budgeted could exhaust funds which were budgeted for other purposes.

Recommendations

- The Department should recover the 50% of the uniform costs from staffs issued with uniforms through direct salary deductions.
- The Department should ensure that unbudgeted expenditures are not authorised and approved for payment.

Department's Comments

Uniforms serve important functions at work as it provides a sense of teamwork and commitment and gives the organization a solid identity. It also helps our clientele to identify the Departments employees immediately through their attire. Uniform shows pride and responsibility and through wearing uniforms, employees also learn personal responsibility.

The Department has a very youthful and unique uniform in four different colors keeping in mind the clientele we serve – youths between the ages of 15 to 35 years. These uniforms also serve as a promotional tool for the Department, to ensure that the general public is aware of the Department. The uniforms that were purchased were not ordinary ones but they were designed in such a way that it portrays our logo. We believe that there is a strong message that goes with the uniforms that will assist in the general public's understanding of the Department and its core responsibilities. Apart from the displaying of logo through our corporate uniforms a pull up banner on our logo was also developed to inform of the meaning of the logo. Since staff are wearing the uniforms wherever they are working in the office, during field trips and in the rural areas and also owns them, Government is better off sharing the costs of the uniforms rather than paying the full costs.

The 50% cost of the uniform was sourced from the Administration stores vote and this is the appropriate allocation to meet such purposes. There was no over expenditure on this particular allocation.

⁶ Public Service Commission, Code of Conduct paragraph 8.

24.8 National Youth Service Scheme (NYSS)

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 2007.⁷ 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.⁸

The Department through its NYSS provided financial assistance to 556 youths amounting to \$209,518 as at 31/12/09. The Department was to recover 50% or \$104,759 of the grant within the stipulated timeframe as per the respective recipient's memorandum of understanding.

The Department however only managed to recover \$10,776 as at 24/05/11. Refer to Table 24.7 below for details.

Table 24.7: Details of Assistance Provided and Recoveries Made

Year	No. Assisted	Total Assistance Provided (\$)	50% to be recovered (\$)	Total Sum Received (24/05/11) (\$)	Outstanding Balance (\$)
2008	343	124,993	62,496.50	10,776	93,983
2009	213	84,525	42,262.50		
Total	556	209,518	104,759.00		

The Grant recipients were not honouring their agreements. The Department also failed to follow up with the recipients who defaulted their repayments. Despite being raised in my last report to the Department no improvement was seen.

Recommendation

The Department should follow up with the recipients and attempt all avenues to recover the respective sums.

Department's Comments

Every effort is being made to try and recover the outstanding balance but unfortunately there are limited employment opportunities available locally. We continue to receive monthly repayments but only from those who were able to secure paid employment.

24.9 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 05/12/06.⁹ The time frame for implementation of the programme (VRP) was in 2007. In addition, based on the Cabinet decision on 30/01/07, a memorandum of understanding was reached between the Department and the mine workers for the

⁷ MOU – Youth & Sports vs. Individual Clients.

⁸ Cabinet Memorandum IGCP (08) 29th September 2008

⁹ Cabinet Decision dated 30/01/07

recovery of the 50% financial assistance given to the recipients.¹⁰ 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 222 redundant miners were provided financial assistance amounting to \$428,905. The Department was to recover 50% (or \$214,452.50) from the total financial assistance provided to the miners but as at 24/5/11 only \$23,640 has been recovered. Refer to table 24.8 for details:

Table 24.8: Details of Financial Assistance Recovered

Assistance Type	No. Assisted	Total Assistance Provided (\$)	50% to be recovered (\$)	No. started Repayment	Total Sums Received (24/05/11) (\$)	Outstanding Balance (\$)
Tertiary Education Assistance	150	188,428	94,214	22	2,871	91,343
SME Scheme Assistance	72	240,477	120,238.50	39	20,769	99,469.50
Total	222	428,905	214,452.50	61	23,640	190,812.50

Refer to *Appendix 24.3* for details. 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, it has still to recover the outstanding balance of \$190,812.50 from the recipients.

Recommendations

- The Department should follow up with the Mine Workers who have defaulted on their repayments.
- Regular site visits/inspection should be carried out for the SME projects and a report should be forwarded to the Department for their information.
- For those recipients who have found other form of employment, arrangements should be made to recover their debts directly through salary deductions.
- Proper debt recovery measures should be implemented by the Department in order to effectively recover the substantial amount of debt owed by the workers.
-

Department's Comments

The Department has taken various measures in order to address the situation:

- on a monthly basis our Western Divisional Office have been sending a team for collection of dues at Vatukoula*
- reminder letters have been sent to our clients and names published in the papers*

The Department is aware that a Social Assistance Trust Fund has been established to assist displaced Mine Workers at Vatukoula. The Trust Fund Committee has been approached with a request to recover the sums due from the entitlements of those who owe the Department.

¹⁰ MOU between Department of Youth & Sports and individual recipients

24.10 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.¹¹ Prior to disbursement of funds, appropriate training for no longer than 2 weeks, be undertaken to prepare recipients on the Department's expectations on the management of projects.¹² The divisional head shall check that:¹³

- 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.¹⁴

The Department through its Small Micro Enterprise scheme provided financial assistance to 107 recipients in 2006 and 83 recipients in 2007. However, audit noted that no site visit was carried out by the Department in 2010 to monitor the progress of this project contrary to the requirement of the project.

The above indicated 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 has contributed towards high failure rate of the scheme in previous years.

Recommendation

The Department should ensure that regular site visit is made on SME projects and status reports to be prepared and presented to management regarding the success/failure of the projects.

Department's Comments

- *The comment made by the auditor in regards to the above is duly noted.*
- *We confirm that we had assisted on a 1/3 & 2/3 basis to **youth clubs** and **Individuals** from the 3 provinces of Cakaudrove, Bua and Macuata in 2007 and in 2009 the recipients were to repay 50% of the total amount assisted. We have records of youth clubs and Individuals who were assisted, however, there was very little done by us in terms of following up and site visitations.*
- *There were no site visits carried out in 2010 due to the following reasons:*
 - *There was no budgetary allocation set aside for Monitoring and Evaluation of SMEs funded previously by the Department.*
 - *For the above reason, we were unable to visit projects which required travel out of Labasa, however we were able to visit those within closer vicinity.*
- *Given that we still have records of those who were assisted previously we should be able to monitor and assess the performance of these SMEs since we have funding under Capacity Building & Training allocation in 2011.*

¹¹ Youth and Sports - Guidelines for the Disbursement and Administration of Grants for Project Assistance - Support Services (1)

¹² Youth and Sports - Guidelines for the Disbursement and Administration of Grants for Project Assistance - Support Services (2)

¹³ Section 3.3.4 – Proforma Finance Manual 2011

¹⁴ Section 3.3.5 – Proforma Finance Manual 2011

- *In 2010, the Divisional Youth Office, Western Division had visited past SME projects. In spite of HR and transportation difficulties, a total of 17 past SME Projects were visited and duly documented in our SME project files. These past SME sites ranged from the Yasawa's (Ba Province) to the hinterlands of Nadroga/Navosa Province. The previous Year, we undertook a comprehensive monitoring visit of Ra & Ba Province for their past SME projects.*
- *Last year, some 72 Rural Youth clubs that were registered with the Department of Youth & Sports, Western Division, were monitored as well as part of our Outreach & Monitoring Visits.*
- *We still undertake monitoring visit to our past SME projects when visiting the same SME locality/area since with reduced resources and may not be able to visit all the SME sites monthly given the difficulties as raised earlier.*

Appendix 24.1: Costs Incurred During Annual Staff Workshop

Date	Voucher Number	Payee	Particulars	Amount (\$)
Accommodation Costs				
08/12/10	16801	Dolphins Watching (Fiji)	Payment of 50% deposit for accommodation and meals for the Department's workshop. \$65/night x 2 nights x 65 staff = \$8,450.00	4,225.00
16/12/10	16910	Dolphins Watching (Fiji)	Payment of 50% deposit for accommodation and meals for the Department's workshop. \$65/night x 2 nights x 65 staff = \$8,450.00	4,225.00
13/12/10	18037	Cathy Hotels Fiji Limited (Travel Inn)	Payment for the accommodation of staff from North, West and National Youth Training Centre on 14/12/10 (the night before the annual workshop and retreat)	546.90
17/12/10	Cash advance issued	Dolphins Watching (Fiji)	Payment for the accommodation and meals for National Youth Band performers for one (1) night at the annual retreat.	495.00
Total				9,491.90
Transport Costs				
14/12/10 and 17/12/10	Cash advance issued	Mini van registration numbers LM 109 and LM478	Payment for hire of mini van to transport West staff from Lautoka to Suva and return to attend the annual workshop. (the payment was facilitated through the issuance of accountable advance)	360.00
09/12/10	17846	Northern Travel	Payment for sea passage costs for Labasa staff, from Labasa to Suva – one way, \$1,675.10	2,081.10
		Patterson Shipping	Payment for sea passage costs for Labasa staff, from Labasa to Suva – one way, \$406.00	
13/12/10	16879	Tui Narere Transport Limited	Payment for hire of bus to transport staff from Suva to Dawasamu and return.	750.00
14/12/10	16901	Ravindra's Transport Limited	Payment for hire of bus to transport National Youth Band performers from Suva to Dawasamu and return.	650.00
18/12/10	Cash advance issued	Taxi	Payment of taxi fare from National Youth Band office, Valelevu to Flagstaff.	6.70
Total				3,847.80
Awards				
13/12/10	17639	J R White and Company Limited	Payment for: 1 x gold cup trophy = \$125.00 1 x silver cup trophy = \$110.00	235.00
09/12/10	16831	J R White and Company Limited	Payment for: 1 x gold cup trophy = \$100.00	100.00
14/12/10	16897	J R White and Company Limited	Payment for : 1 x large wooden shield = \$135.00 Engraving on three trophies = \$ 79.50 Engraving on wooden shield = \$ 26.50	241.00
Total				576.00
Entertainment				
17/12/10	Cash advance issued	National Youth Band	Payment of allowance to the eleven (11) National Youth Band performers to perform live band at the annual retreat held on the evening of 17/12/10. \$30.00 x 9 performers = \$270.00 \$36.00 x 2 performers = 72.00	342.00

Date	Voucher Number	Payee	Particulars	Amount (\$)
Total				342.00
Meal Allowance				
17/12/10	Cash advance issued	West Staff	Payment of meal allowance to six west office staff consisting of four (4) meals by \$9.00	216.00
14/12/10	Cash advance issued	Staff	Payment of meal allowance during annual workshop.	45.00
Total				261.00
Miscellaneous				
14/12/10	Cash advance issued	Staff	Payment for departmental seu seu and I-Tatau from Nataleira Eco-Lodge	70.00
13/12/10	Cash advance issued	Suva Book Shop	Payment for assorted stationery for the annual workshop.	179.40
13/12/10	Cash advance issued	Bondwell Computers Fiji Limited	Payment for toner.	164.00
13/12/10	Cash advance issued	Vodafone Fiji Limited	Payment for Vodafone recharge card.	45.00
Total				458.40
<u>TOTAL COST INCURRED</u>				14,977.10

Appendix 24 2: Staffs Who Attended the Annual Planning Workshop

No	Name	Designation	Location
1	Makereta Sauturaga	Director	HQ
2	I Naba	Accounts officer	
3	Sera Mataele	Assistant Accounts officer	
4	Jeanne Kamoe	Assistant Accounts officer	
5	Venina Nahimo	Purchasing officer	
6	Mere Smith	Purchasing officer	
7	Prem Lata	Administrative officer	
8	Viema Niqara	Administrative officer	
9	Menani Numilevu	Clerical officer	
10	Silivia Rokowassala	Receptionist	
11	Eroni Temesia	Driver	
12	Tevita	Driver	
13	Francis Tadulala	Clerical officer	
14	Elesi Ketedromo	Principal Sports officer	
15	Taniela Tuinaceva	Sports officer	
16	Semi K Biltaki	Senior Youth officer	
17	Emori Yaqona	Messenger	
18	Suliana Bulai	Typist	
19	Sakiusa Regu	Senior Youth officer	
20	Vani Catanisiga	Youth officer	
21	Venina Niumatuwalu	Youth officer	
22	Shalendra Prasad	Youth officer	
23	Vignesh Naidu	I.T officer	
24	Miriama Wasasala	Project officer	
25	Fane Vakaruru	Typist	
26	Isikeli Sivo	Messenger	
27	Naomi Manual	Messenger	
28	William Naisara	Divisional Youth officer	
29	Lowane Soko	Senior Youth officer	
30	Tevita Tokalauvere	Youth Officer	
31	Laini Namauatabu	Typist	
32	Epi Tokonaki	Driver	Lautoka office
33	Timoci	Camp Manger	
34	Patrick Morgam	Divisional Youth officer	
35	Wale Peni	Clerical officer	
36	Seraima R	Typist	
37	Mere Smith	Youth Officer	
38	Akuila S	Youth Officer	
39	Samisoni M	Youth officer	
40	Mosese	Driver	Labasa officer
41	Amele Navunicagi	Divisional Youth officer	
42	George Francis	Senior Youth officer	
43	Eminoni R	Youth officer	
44	Benjamini	Driver	NYTC-Sigatoka
45	Faga	Messenger	

Appendix 24.3: Vatukoula Redundant Workers Rehabilitation Scheme**Tertiary Education Assistance**

Name	Assistance Given (\$)	Required 50% Repayment (\$)	Date	Amount Recovered as at 23/05/11	Balance (\$)
Adi Miriama	2,250	1,125	03/07/07	0	1,125
Paula Koro	3,090	1,545	24/05/07	0	1,545
Sanaila Delana	1,250	625	03/12/07	0	625
Semesa Lewai	3,090	1,545	04/07/07	0	1,545
Romeo Baleimakogai	3,090	1,545	24/05/07	0	1,545
Sakiusa Boladai	950	475	06/07/07	0	475
Vinal Sharma	2,150	1,075	20/04/07	0	1,075
Nitesh Sharma	1,650	825	19/04/07	0	825
Sanaila Kenaiboi	2,150	1,075	24/08/07	0	1,075
Emele Buluilagi	1,850	925	01/06/07	0	925
Akanisi R.	2,250	1,125	01/05/07	0	1,125
Maciu Rogoiruwai	3,500	1,750	27/04/07	0	1,750
Aman Bhagwan	2,700	1,350	22/05/07	210	1,140
Kelera Nasilasila	500	250	3/7/2007	0	250
Joeli Senivota	3,700	1,850	27/04/07	0	1,850
Seremaia Ravono	250	125	2007	125	0
Lakesio Katudrau	440	220	24/05/07	0	220
Atunaisa Raralevu	4,000	2,000	23/04/07	0	2,000
Torika Tamanisau	2,010	1,005	23/05/07	15	990
Rt Aca Vitukawalu	2,580	1,290	02/11/07	0	1,290
Krishneel Kumar	300	150	15/08/07	125	25
Rt Revoni N.	1,082	541	10/08/07	0	541
Aisake Bale	2,610	1,305	21/08/07	0	1,305
Paula Tuilau	2,150	1,075	30/03/07	0	1,075
Joni Tabuya	1,500	750	23/05/07	0	750
Filipe Waqatabu	1,740	870	19/10/07	0	870
Rakesh Kumar	2,150	1,075	20/04/07	60	1,015
Miteli Tuirabe	750	375	27/09/07	0	375
Apenisa Ragadi	950	475	28/09/07	0	475
Filipe Waqatabu	1,740	870	19/10/07	0	870
Apenisa Ragadi	950	475	28/09/07	0	475
Kunusi Samisoni	1,550	775	19/10/07	0	775
Sailosi Sirisirivalu	1,550	775	19/10/07	0	775
Timoci Rabuli	750	375	05/11/07	0	375
Filipe Saki	950	475	28/09/07	0	475
Josefa Muana	2,580	1,290	14/10/07	0	1,290
Aviuta Loco	1,250	625	10/09/07	0	625
Joeli Naibilakele	1,910	955	05/02/08	0	955
Vilikesa Ralagakali	885	442.50	02/11/07	0	442.50
Penaia Vakavulibau	1,120	560	05/10/07	0	560
Naveen Chand	1,050	525	01/11/07	64	461
Krishneel Kumar	300	150	15/08/07	125	25
Nilesh Kumar	650	325	06/09/07	0	325
Jone Ramacake	900	450	17/09/07	0	450

Name	Assistance Given (\$)	Required 50% Repayment (\$)	Date	Amount Recovered as at 23/05/11	Balance (\$)
Eremasi Ratulevu	1,550	775	30/03/07	0	775
Mosese Narogai	2,760	1,380	2007	0	1,380
Osea Sauvi	2,580	1,290	10/08/07	0	1,290
Veresa Taqase	2,250	1,125	09/08/07	0	1,125
James Mcmillan	2,610	1,305	09/08/07	0	1,305
Simeli Navataukalou	2,150	1,075	10/08/07	0	1,075
Melton Robinson	2,150	1,075	2007	0	1,075
Eleni Naidede	2,150	1,075	13/04/07	0	1,075
Suruwaia Moceituba	2610	1,305	7-Nov	0	1,305
Phul Chand	1,450	725	5/9/2007	0	725
Isimeli Fiu	1,207	603.50	25/05/07	0	603.50
Sitiveni Caucau	2,150	1,075	2007	0	1,075
Sikeli Naucubalavu	4750	2,375	21/05/07	0	2,375
Ratu Ilisoni Naiteqe	2,350	1,175	22/06/07	100	1,075
Tevita Gaunavou	1,131	565.50	12/06/07	0	565.50
Jonetani Masi	529	264.50	19/10/07	0	264.50
Amitesh Nand	560	280	2007	0	280
Saveti Walai	234	117	27/07/07	20	97
Tomasi Tamani	717	358.50	27/04/07	0	358.50
Savenaca Rabuka	928	464	27/09/07	50	414
Sanjay SP Singh	1,250	625	23/04/07	170	455.00
Karaisitiana Tuidraki	711	355.50	27/09/07	0	355.50
Eminioni Caucau	364	182	27/09/07	10	172.00
Riteshwar Prasad	374	187	2/11/07	167.5	19.50
Rajnish Chand	364	182	2/11/07	0	182.00
Joseteki Guilevu	434	217	19/01/07	0	217.00
Nemani Baleinaceva	646	323	01/11/07	0	323.00
Qiotaka Naseu	1,700	850	25/05/07	0	850.00
Evia Raiwasa	818	409	23/05/07	0	409.00
Kama Seru	2,150	1,075	04/07/07	50	1,025.00
Setoki Tamani	768	384	13/05/07	0	384.00
Vijay Chand	418	209	10/08/07	209	0
James Peckham	340	170	25/10/07	0	170.00
Vilisi Navue	1,000	500	04/07/07	0	500.00
Miriame Vono	698	349	28/09/07	0	349.00
Alifereti Tuidravuni	4,601	2,300.50	20/04/07	0	2,300.50
Tomasi Tuivuna	1,159	579.50	2007	0	579.50
Kalaveti T.	760	380	24/05/07	0	380
Laisiasi Vinakadina	716	358	23/05/07	0	358
Mohammed Sahiban	400	200	2007	0	200
Reginal Prasad	493	246.50	09/08/07	0	246.50
Ovini Lawaki	701	350.50	06/09/07	70	280.50
Atish Chand	368	184	05/09/07	0	184.00
Mohamed Khan	400	200	06/09/07	0	200.00
Niumaia S.	761	380.50	06/09/07	0	380.50
Harish Kumar	754	377	06/09/07	0	377.00
Tevita R.	1,244	622	29/08/07	0	622.00
Joseph Peckham	1,230	615	2007	50	565.00

Name	Assistance Given (\$)	Required 50% Repayment (\$)	Date	Amount Recovered as at 23/05/11	Balance (\$)
Ralifo Ratusau	600	300	24/08/07	50	250.00
Amendra Singh	348	174	6/9/2007	0	174.00
William Peters	1,013	506.5	20/08/07	0	506.50
Akuila Cika	500	250	4/7/2007	0	250.00
Paniana Siteri	740	370	28/08/07	0	370.00
Isaia Varamusu	740	370	28/08/07	0	370.00
Joseva Walker	2,300	1,150	28/06/07	0	1,150.00
Viliame Rokonui	330	165	19/10/07	0	165.00
Josateki Guivalu	1,400	700	19/10/07	0	700.00
Lelea Malimali	560	280	01/11/07	0	280.00
Ratu Tabakucoro	2,000	1,000	27/09/07	0	1,000.00
Jare Josaia	1,150	575	24/04/07	0	575.00
Jese Rasalato	560	280	2007	0	280.00
Aminisitai Ligairi	500	250	13/07/07	0	250.00
Penaia Tabaucoro	1,250	625	19/10/07	0	625.00
Rebecca Rigamoto	2,000	1,000	3/7/2007	0	1,000.00
Timoci Rasaqanawa	1,250	625	2007	0	625.00
Epi Lailai	2,160	1,080	04/07/07	0	1,080.00
Vilikesa Navesikula	1,400	700	04/07/07	0	700.00
Reena Sharma	2,000	1,000	01/11/07	0	1,000.00
Fredrik Gerad	520	260	19/10/07	100	160.00
Maraia Cagilaba	300	150	28/09/07	0	150.00
Selita Naulumatua	330	165	2007	0	165.00
Samuela Ramalevu	520	260	28/09/07	0	260.00
Bupendra Ram	410	205	27/04/07	0	205.00
Waisea Valutukali	110	55	27/09/07	0	55.00
Apisalome S.	330	165	13/11/07	0	165.00
Wame Tokia	1,150	575	2007	0	575.00
Nemani Vacenayawa	300	150	01/11/07	0	150.00
Jese Tuilau	590	295	2007	0	295.00
Thomas Alic Dyer	1,699.50	849.75	2007	0	849.75
Hemant Kumar	1,986.07	1,986.03	24/05/07	400	1,586.06
	1,986.00		02/11/07		
Sharwan Kumar	2,010	1,005	2007	400	605.00
Avneel Atish Kumar	2,499	1,249.50	28/09/07	0	1,249.50
Wilson Cox Ratudei	2,240	1,120	24/08/07	300.00	820.00
Emosi Mataibau	190	95	06/09/07	0	95.00
Aporosa Kenatale	570	285	01/11/07	0	285.00
Nasoni Tuigaloa	421	210.50	2007	0	210.50
Torika V Nayabo	2,250	1,125	03/07/07	0	1,125.00
Jone Radaniva	1,700	850	2007	0	850.00
David Bhurra	1,200	600	2007	0	600.00
Ana Selaita	290	145	2007	0	145.00
Elenoa Senivota	900	450	04/07/07	0	450.00
Sireli Turagabeci	900	450	04/07/07	0	450.00
Peni Volau	1,200	600	11/10/07	0	600.00
Samuela Naduaono	1,200	600	04/10/07	0	600.00
Aporosa Kenatale	570	285	28/09/07	0	285.00

Name	Assistance Given (\$)	Required 50% Repayment (\$)	Date	Amount Recovered as at 23/05/11	Balance (\$)
Total	188,427.57	94,213.78		2,870.50	91,343.31

Small Micro Enterprises (SME's) Scheme Assistance

SME Recipients	Assistance Provided \$	50% Repayment \$	Date	Recovered as at 23/05/11 \$	Balance \$
Nemani Cakau	1,669.00	834.5	13/07/07	150	684.50
Ilisabeta Buta Naituku	2,000.00	1,000.00	27/07/07	500	500.00
Josateki Koroiwaca	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	0	2,500.00
Rajeshwar P.	5,000.00	2,500.00	31/07/07	2,500	0
	5,000.00	2,500.00	Jan, 2008	221	2,279.00
Akuila Tawakedrau	5,000.00	2,500.00	August, 2007	220	2,280.00
Sanjay Kumar	5,000.00	2,500.00	August, 2007	1,950	550.00
Iiavi Nawaga	2,500.00	1,250.00	3/8/2007	1,250	0
Sainivalati Kenatale	2,500.00	1,250.00	3/8/2007	0	1,250.00
Jale Uluafe	2,500.00	1,250.00	3/8/2007	0	1,250.00
Sagaitu Petero	2,000.00	1,000.00	3/8/2007	0	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	0	2,165.00
Akanisi Samanunu	2,500.00	1,250.00	31/08/07	112	1,138.00
Joseph Peckham	5,000.00	2,500.00	31/08/07	550	1,950.00
Suliasi Nataucema	5,000.00	2,500.00	September, 2007	0	2,500.00
Wainikiti Cavalevu	3,500.00	1,750.00	September, 2007	0	1,750.00
Teresia Daraga	2,500.00	1,250.00	September, 2007	170	1,080.00
Vilisi Navue	2,500.00	1,250.00	September, 2007	1,250	0
Josese Naliva	5,000.00	2,500.00	September, 2007	0	2,500.00
Aminisitai Rakoli	5,000.00	2,500.00	7/9/2007	170	2,330.00
Kalinisei Noa	2,500.00	1,250.00	14/09/07	200	1,050
Jimione Mata	1,500.00	750.00	28/09/07	20	730.00
Shalvin Prakash	4,666.04	2,333.02	Oct-07	1100	1,233.02
Aminisitai Ligari	2,500.00	1,250.00	October, 2007	0	1,250.00
Malakai Koroi	2,500.00	1,250.00	2/10/2007	0	1,250.00
Anare Kolinio	1,500.00	750.00	5/10/2007	120	630.00
Vijay Kumar	5,000.00	2,500.00	Nov, 2007	2,500	0
	5,000.00	2,500.00		330	2,170.00
Krishna Reddy	2,245.00	1,122.50	December, 2007	360	762.50
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	150	1,828.43
Laisiasa Vinakadina	5,000.00	2,500.00	Nov-07	358	2,142.00
Elesi Vuru	2,500.00	1,250.00	Oct-07	40	1,210.00
Jare Pantrict	2,448.00	1,224.00	Nov-07	340	884.00
Lekima Rokolisoa	5,000.00	2,500.00	Sep-07	0	2,500.00
Pita Rawaibula	5,000.00	2,500.00	December, 2007	500	2000.00
Kalyam Suman	3,672.00	1,836.00	December, 2007	320	1,516.00
Shiu Goundar	3,656.90	1,828.45	January, 2008	300	1,528.45
Seremaia Ravula	2,438.02	1,219.01	January, 2008	165	1,054.01
Pauliasi Qio	2,500.00	1,250.00	December, 2007	0	1,250.00
Merewai Motea	2,425.30	1,212.65	January, 2008	120	1,092.65

SME Recipients	Assistance Provided \$	50% Repayment \$	Date	Recovered as at 23/05/11 \$	Balance \$
Vinesh Kumar	5,000.00	2,500.00	Nov-07	1,000	1,500.00
Semi Delai	2,500.00	1,250.00	December, 2007	0	1,250.00
Rohit Sanjay Kumar	2,500.00	1,250.00	Nov-07	1,200	50.00
Nil Arun Kumar	2,500.00	1,250.00	December, 2007	0	1,250.00
Ben Peckham	2,500.00	1,250.00	December, 2007	0	1,250.00
Jone Havea	2,500.00	1,250.00	Nov-07	0	1,250.00
Lemeki Koro	2,500.00	1,250.00	December, 2007	0	1,250.00
Waisea Bainivalu	1,210.00	605.00	December, 2007	0	605.00
Josua Dugu	2,500.00	1,250.00	January, 2008	50	1,200.00
Tevita Moce	2,500.00	1,250.00	January, 2008	0	1,250.00
Praveen Kumar	2,500.00	1,250.00	December, 2007	0	1,250.00
Melenia Waqa	2,500.00	1,250.00	Nov-07	0	1,250.00
Naveen Chand	2,499.00	1,249.50	December, 2007	15	1,234.50
Shalend Raju	4,666.54	2,333.27	December, 2007	600	1,733.27
Epeli Nailatikau	5,000.00	2,500.00	March, 2008	0	2,500.00
Salote Marama	4,066.02	2,033.01	March, 2008	0	2,033.01
Ravindra	2,500.00	1,250.00	January, 2008	0	1,250.00
Kishore Chand	4,000.00	2,000.00	February, 2008	300	1,700.00
Rajesh Prasad	4,000.00	2,000.00	January, 2008	0	2,000.00
Eroni Kau	3,429.70	1,714.85	January, 2008	0	1,714.85
Penaia Vakavulibau	3,908.80	1,954.40	January, 2008	0	1,954.40
Sikeli Namotokalou	1,500.00	750.00	April, 2008	0	750.00
David Kafoa	1,000.00	500.00	January, 2008	0	500.00
Sireli Lawa Turagabeci	1,000.00	500.00	February, 2008	0	500.00
Manand Kumar	2,000.00	1,000.00	January, 2008	0	1,000.00
Ajeshni Ashika Nand	4,000.00	2,000.00	April, 2008	120	1,880.00
Hari Krishna	4,000.00	2,000.00	Feb-08	0	2,000.00
Wilisoni tuiketeli	2,000.00	1,000.00	February, 2008	0	1,000.00
George Mario	3,000.00	1,500.00	March, 2008	250	1,250.00
Paula Nasuku	1,499.98	749.99	January, 2008	0	749.99
Salote Koro	1,500.00	750.00	Feb-08	60	690.00
Total	240,477.16	120,238.58		20,769	99,469.58

