



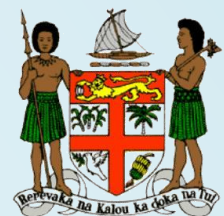
EXCELLENCE IN PUBLIC SECTOR AUDITING

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# **REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF FIJI**

## **Audit Report on Special Projects – December 2014**

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## **Audit Report on Special Projects – December 2014**

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Excellence in Public Sector Auditing

File: 102

31 December 2014

The Hon. Dr. Jiko Luveni  
Speaker of the Parliament of the Republic of Fiji  
Parliament  
Fiji

Dear Dr. Luveni

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**AUDIT REPORT ON PROJECTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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In accordance with section 152 (13) of the Constitution, I am pleased to transmit to you my report on audits of projects undertaken across the public service for the year ended 31 December 2014.

A copy of the report has been submitted to the Minister of Finance who as required under section 152 (14) of the Constitution will lay the report before Parliament within 30 days of receipt, or if Parliament is not sitting, on the first day after the end of that period.

Tevita Bolanavanua  
**AUDITOR -GENERAL**



## **Special Project Audits**

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1. Emergency Flood Recovery Project
2. Fiji Road Upgrading Project (FRUP) Stage III
3. Suva/Nausori Regional Water Supply and Sewerage Project (ADB Funded)
4. Suva/Nausori Regional Water Supply and Sewerage Project (ADB Funded)
5. Suva/Nausori Regional Water Supply and Sewerage Project (ADB Funded)
6. Sustainable Energy Financing Project (World Bank Funded)
7. Fiji Flood Emergency Response Project Grant No. 0283-Fiji (ADB Funded)
8. Institutionalizing the Monitoring of Telecommunications Reform Project

## SECTION 1: EMERGENCY FLOOD RECOVERY PROJECT

### Programme Statement

The Emergency Flood Recovery [Sector] Project is a Government of Fiji project, estimated to cost US\$19.99 million. The Project is being implemented with financial assistance from ADB Loan No. 2541 FIJ for US\$17.56 million, and Government of Fiji funds.

The emergency assistance loan will rehabilitate public infrastructure that was damaged by torrential rains and flooding that occurred over the Fiji Islands in January 2009. The rehabilitation includes main and rural roads – it involves stabilization of landslides, resurfacing, reconstruction of culverts, and repairs and improvements to wet crossings. The Project also rehabilitates agricultural drainage schemes and water supplies. The Project is implemented under a sector approach.

The Project Management Unit of the Fiji Roads Authority (FRA - called the Implementing Agency) implements the Project, effecting payments through the Ministry of Finance (called the Borrower).

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## PART A: FINANCIAL INFORMATION

### 1.1 Audit Opinion

The audit of the Statement of Expenditure for the Emergency Flood Recovery Project for the year ended 31 December 2013 resulted in the issue of an unqualified audit report.

### 1.2 Abridged Statement of Expenditure

Year ended 31 December	2013 (\$)	2012 (\$)
<b>EXPENDITURE</b>		
<b>Civil Works</b>		
Emergency Response	-	33,660
Main Road Rehabilitation	6,158,729	8,013,663
PMU Salary and Wages	-	55,191
Operational Costs	-	22,244
<b>Consultancy Services</b>		
Supervision & Project Management	300,603	-
Project Coordinator	-	110,868
<b>Financing Charges</b>		
Interest and Commitment Charges	108,998	106,180
<b>VAT</b>	923,809	1,210,435
<b>TOTAL EXPENDITURE</b>	<b>7,492,139</b>	<b>9,552,241</b>

Total expenditure decreased by \$2.06 million or 22% in 2013 compared to 2012. This was attributed mainly to the decrease in expenses incurred on main road rehabilitations.

## SECTION 2: FIJI ROAD UPGRADING PROJECT (FRUP) STAGE III

### Programme Statement

The Fiji Road Upgrading Project – Stage III is a government of Fiji project, estimated at appraisal in 1997 to cost \$125 million [US\$90m] excluding interest during construction. The Project is being implemented with financial assistance from Asian Development Bank (ADB) Loan No. 1530-FIJ dated 26 August 1997 for US\$50m and the Fiji Government to meet the remaining 44% of the Project cost.

On 19 March 2010, the ADB refinanced the remaining works for \$US26.8m under the Supplementary Loan No. 2514-FIJ.

The project aims to help the Government to (i) improve efficiency of road sector services and increase private sector participation and (ii) improve management of the road asset and sector resources. It is also expected to reduce transport constraints on economic development, and thus improve returns on transport infrastructure.

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## PART A – FINANCIAL INFORMATION

### 2.1 Audit opinion

The audit of the accounts of the Fiji Road Upgrading Projects Stage III for the period ended 30 June 2014 resulted in the issue of an unqualified audit report.

### 2.2 Abridged Statement of Expenditure

Sub Project Description	18 Months Period 30 June 2014 (\$)	2012 Restated (\$)
<b>ICB Contract</b>		
WSC 13/06(B W Holding Ltd)	-	-
WSC 14/06(Standard Concrete Industries Ltd)	-	313,198
WSC 30/09 (China Railway 5th Group Ltd)	1,427,780	1,518,156
WSC 38/09 (China Railway 1st Group Ltd)	8,324,255	9,242,470
WSC 84/11 (Blacktop Construction Ltd)	1,859,669	4,922,236
Nasinu Quarry	-	323,630
WSC 04/08 (Fairdeal Earthmoving Co)	-	61,338
WSC23/08 (Naim Cenderra Sdn Bhd)	3,752,425	5,009,816
Project Management Unit	357,797	848,586
Technical Support	44,640	275,525

Sub Project Description	18 Months Period 30 June 2014 (\$)	2012 Restated (\$)
ICB Supervision	11,350	515,343
Asset Management Unit	-	83,436
Land Acquisition	-	128,753
Other Miscellaneous Expenses	-	51
Interest and Commitment Charges	210,890	183,556
VAT (Direct Payment by ADB)	1,349,861	1,803,491
VAT (Paid by Fiji Government)	927,059	1,332,604
<b>TOTAL</b>	<b>18,265,726</b>	<b>26,562,189</b>

The 2012 Statement of Expenditure has been restated to account for the re-calculation on VAT paid by ADB in 2012 and to correctly account for the direct payments by ADB to the China Railway First Group in 2012.

The Project expenditure decreased by \$8.3 million or 31% in 2013 compared to 2012. The decrease was attributed by the substantial reduction in the scope of civil works contracts for the Naqia and Wainiboa Bridges (WSC 30/09) and the completion of the Kings Road from Wailotua to Nayavu (WSC 38/09).

## PART B – CONTROL ISSUES

### 2.3 Late payments of ADB portions relating to the 2012 claims

The project Financial Statements is prepared using the cash basis of accounting. Note 1(v) of the Project Financial Statements states that “...all financial transactions under the Project were recorded using the cash basis of accounting in line with the Government of Fiji policy.”

Under the cash basis of accounting, expenditure should be recognized at the time cash is actually paid out.

Audit noted that the ADB’s portion of payments relating to the claims for China Railway First Group for 2012 were applied for and paid in 2013, although the claims have been included in the total expenditure for 2012. Refer to Table 2.1 for details.

**Table 2.1: ADB Portions of 2012 claims paid in 2013**

Date	IPC No.	Contractor	Withdrawal Application No.	Amount (FJ\$)	Comments
01/05/13	18	China Railway 1 <sup>st</sup> Group	85	708,018.39	IPC No. 18 was approved on 01/11/12 and the Fiji portion was paid on 16/11/12 (Chq 887625)
01/05/13	19	China Railway 1 <sup>st</sup> Group	86	554,718.75	IPC No. 19 was approved on 22/11/12 and the Fiji portion was paid on 05/12/12 (Chq 888657)
01/05/13	20	China Railway 1 <sup>st</sup> Group	87	282,966.92	IPC No. 20 was approved on 28/11/12 and the Fiji portion was paid on 14/12/12 (Chq 889239)

Expenditures recorded in the Project Financial Statement at year end may not be fairly reflected in accordance with the cash basis of accounting if submissions of withdrawal applications to the ADB are delayed.

### **Recommendation**

**It is recommended that the Authority reduce the time taken to lodge claims for payments to the ADB after approvals are obtained to ensure that payments are settled within the financial year.**

### **Management Comments**

*FRA agrees with the recommendation that the Authority to reduce the time taken to lodge claims to ADB and shown below is the time lapse of withdrawal applications lodged:*

<i>IPC</i>		<i>WA</i>			<i>ADB</i>	
<i>No.</i>	<i>Period</i>	<i>Approved</i>	<i>No.</i>	<i>Dates</i>	<i>Received WA</i>	<i>Paid</i>
18	31 Aug 12	29 Oct 12	85	22 Mar 13	8 Apr 13	1 May 13
19	30 Sep 12	17 Nov 12	86	22 Mar 13	8 Apr 13	1 May 13
20	31 Oct 12	20 Nov 12	87	22 Mar 13	8 Apr 13	1 May 13

## **2.4 Accessibility to Information**

In the performance of his or her duties, the Auditor General or a person authorized by him or her has access to all records, books, vouchers, stores or other Government property in the possession, custody or control of any person or authority.<sup>1</sup>

Unless otherwise stated in the Particular Conditions, monthly progress reports shall be prepared by the Contractor and submitted to the Engineer in six copies. The first report shall cover the period up to the end of the first calendar month following the Commencement Date. Reports shall be submitted monthly thereafter, each within seven days after the last date of the period to which it relates. Reporting shall continue until the contractor has completed all work which is known to be outstanding at the completion date stated in the Taking-Over Certificate for the Works.<sup>2</sup>

Audit was not able to obtain and review any progress reports from either the Project Management Unit of the FRA or the contractors on the progress of construction and rehabilitation works conducted for the year ended 31 December 2013. Furthermore, minutes of meetings between the FRA, the consulting and supervising engineer and the related contractors for the projects were also not available for review during the audit.

The unavailability of progress reports and minutes of meeting provide a limitation to the scope of our audit.

### **Recommendation**

**All records, including progress reports and minutes, should be made available for audit purposes.**

<sup>1</sup> Section 152(4) – 2013 Constitution

<sup>2</sup> FRUP 3 Contractor's Agreement Guideline Section 4.21 – Progress Report Requirements



**Management Comments**

*We have noted the audit comments and will be submitting the monthly progress report and minutes for ensuing audits.*

## SECTION 3: SUVA/NAUSORI REGIONAL WATER SUPPLY AND SEWERAGE PROJECT (ADB FUNDED)

### Programme Statement

**Suva/Nausori Regional Water Supply and Sewerage** is a Government of Fiji Project and has been implemented with the financial assistance of ADB Loan No. 2055-FIJ for US\$47 million, ADB TA 4270 –FIJ and Government of Fiji Funds. This project was estimated at appraisal in 2003 to cost F\$236.9 million (US\$72.4 million).

The objectives of the Suva/Nausori Regional Water and Sewerage Project are to:

- i. improve and upgrade the borrowers [Fiji Government] water supply system in the Suva/Nausori area;
- ii. improve in the efficient supply of clean water to residents living in the Suva/Nausori area;
- iii. improve in the management and service of water maintenance to residents in the Suva/Nausori area; and
- iv. provide consultancy services in the upkeep, distribution and maintenance of Water Supply and Sewerage in the Suva – Nausori Region.

The major activities of the Project comprise:

- a) Water Supply Rehabilitation and Expansion
- b) Sewerage Works Rehabilitation and Expansion
- c) Equipment and Materials
- d) Consultancy Services

A Project Management Unit (PMU) for Institutional Reforms and Development was established with the objectives to reform the Department of Water and Sewerage into a Commercial Statutory Authority. Thus, in 2009 the Water Authority of Fiji was established and it commenced full operations from January 2010 assuming all the tasks and responsibilities previously handled by the Department of Water and Sewerage.

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## PART A - FINANCIAL INFORMATION

### 3.1 Audit Opinion

The audit of the Statement of Expenditure of the ADB funded Suva/Nausori Regional Water Supply and Sewerage Project for the year (18 months) ended 30 June 2013 resulted in the issue of an unqualified audit report.

### 3.2 Statement of Expenditure

Sub Project Components Description	Allocation USD (\$)	Comparative Expenditures		Cumulative Expenditure as at 30/06/13 (\$)	% Bank Funded
		31/12/2011 (\$)	30/6/2013 (\$)		
Category 1 – Water Supply Scheme					
Waila WTP Rehabilitation		6,622,648	194,609	23,688,991	86%
Tamavua WTP Rehabilitation		---	---	248,942	86%
Rewa Run – Off River Scheme		---	---	83,937	86%
Tovata Reservoir System		---	---	1,672,089	86%
12ML Reservoir Waila WTP		124,948	13,008	4,487,121	86%
DN500 Savura Duplicate Rising Main		---	---	3,012,931	86%
DN450 HW1&2 Raw Water Main		---	---	58,078	86%
DN600 Gravity Main from HW3 to Tamavua		---	---	10,924,449	86%
Pkg. 3A Nagatugatu Reservoir System		439,435	---	3,678,410	86%
Pkg. 3D Rewa Delta Augmentation		232,887	---	8,973,439	86%
Pkg. 3B&E Kalabu PS & Jerusalem Rd Main		---	---	148,607	86%
Pkg. 3F&G Raralevu Inlet & Verarat Bulk		---	---	4,450,834	86%
Pkg. 3C Navitoka & Wainubuku System		557,031	---	7,972,155	86%
Khalsa Rd Rising Main & PS		---	---	880,292	86%
Telemetry		---	---	1,234,533	86%
Leak Detection Programme		---	---	5,476,272	86%
Mains Upgrading/Replacement		---	---	18,194,670	86%
Vesari/Waqanake Water Supply		---	---	1,970,241	86%
Meter Replacement		---	---	3,189,636	86%
New Meter Connection		---	---	3,190,503	86%
Meter Management System		---	---	158,624	86%
Waila Pump Station		---	---	47,068	86%
Kings Road/ Wainibuku PS		---	---	800,769	86%
Waimanu Pump Station		---	---	1,166,984	86%
Pumping Station Minor Upgrade		---	---	1,401,867	86%
Pumping Station Major Upgrade		---	---	308,455	86%
Naboro Water Supply		---	---	211,039	86%
Garrick Estate Reticulation		---	---	443,354	86%
Customer Service Centre		---	---	237,187	86%
Project Assistance SWS		---	---	680,690	86%
Major System Failures Urgent Repairs		---	---	3,846,438	86%
Asset Preventative Maintenance		---	---	252,960	86%
Connections to Subdivisions		---	---	141,247	86%
Other Minor Items		---	---	1,064,625	86%
Miscellaneous		---	---	3,484,971	86%
Sub Totals – Water Supply Scheme	18,730,000	7,976,949	207,617	117,782,408	86%
Category 2 – Sewerage Scheme					
Sewer Rehabilitation & Upgrading Program		---	---	3,783,988	86%
PTC Sewerage PS & Rising Main		---	---	1,473,429	86%
Beach Rd Sewerage Scheme		---	---	1,798,105	86%
Nabukalou Creek Trunk Sewer - Stage 4		---	---	514,648	86%
Edenville Sewerage Connection		---	---	55,226	86%
Vatuwaqa Sewerage Scheme		---	---	560,811	86%
Rehab. & Augmentation of Kinoya STP		5,635,889	1,611,049	9,424,491	86%
Kinoya Pump W/Shop Extension		---	---	208,321	86%

Sub Project Components Description	Allocation USD (\$)	Comparative Expenditures		Cumulative Expenditure as at 30/06/13 (\$)	% Bank Funded
		31/12/2011 (\$)	30/6/2013 (\$)		
Major Pump Station Rehab.		---	---	288,658	86%
Rehab Major Pump Stations		---	31,642	3,697,350	86%
Rehabilitation of Suva City & Nausori Sewers		---	---	108,679	86%
Tacirua/Tamavua Heights Sewer Extension		400,561	213,209	3,768,380	86%
Suva Point Backlog Sewerage Program		---	---	20,000	86%
Minor Pump Station Upgrade		---	---	1,666,849	86%
Financial Management Systems (FMICS)		---	---	264,643	86%
Training (Accounts & Technical)		---	---	125,927	86%
Asset Register & Valuation		---	---	81,182	86%
Other Minor Items		---	---	516,924	86%
Miscellaneous Items (PMU Operational Costs)		---	---	946,801	86%
<b>Sub Totals – Sewerage Scheme</b>	<b>12,167,000</b>	<b>6,036,450</b>	<b>1,855,900</b>	<b>29,304,412</b>	<b>86%</b>
<b>Category 3 – Equipment &amp; Materials</b>					
Equipment for National Water Quality Lab		---	---	676,388	100%
<b>Sub Totals – Equipment and Material</b>		---	---	<b>676,388</b>	<b>100%</b>
<b>Category 4 – Consulting Services</b>					
Project Management Unit - Water		761,982	228,951	2,400,740	100%
Project Management Unit – Reforms (Water)		---	---	991,588	100%
Consultancy Fees - Water		---	---	3,694,260	100%
Project Management Unit - Sewerage		1,069,694	---	2,148,748	100%
Project Management Unit – Reforms (Sewer)		---	---	1,763,530	100%
Consultancy Fees - Sewerage		---	---	3,259,768	100%
<b>Sub Totals – Consulting Services</b>	<b>2,417,000</b>	<b>1,831,676</b>	<b>228,951</b>	<b>14,258,634</b>	<b>100%</b>
Unallocated	5,895,000			---	
<b>TOTAL</b>		<b>15,845,075</b>	<b>2,292,468</b>	<b>162,021,842</b>	
Value Added Tax		2,369,796	343,870	19,475,359	
<b>GRAND TOTAL</b>		<b>18,214,871</b>	<b>2,636,338</b>	<b>181,497,201</b>	

The total cumulative expenditure incurred for the Suva/Nausori Regional Water Supply and Sewerage Project as at 30 June 2013 was \$181,497,201.

Out of the total cumulative expenditure, \$117,782,408 was incurred for the Suva/Nausori Water Supply Scheme, \$29,304,412 for the Sewerage Scheme, \$676,388 for the purchase of equipment for the National Water Quality Laboratory, \$14,258,634 for Consultancy Services and \$19,475,359 was incurred for Value Added Tax.

## PART B – CONTROL ISSUES

### 3.3 Variance Between Reimbursable and Reimbursement Figures in Financial Statements

The total Project Expenses Reimbursed by ADB is determined by adding the Direct Payment by ADB in previous years and total Direct Payment made in the current year.

Total Project Expenses Reimbursed by ADB as at 30/06/13 should be same as Total Reimbursable Expenditure YTD in the financial statements as there are no outstanding claims from ADB.

However, the review of the financial statements revealed variances between the Total Reimbursable Amount and the Total Project Expenses Reimbursed. The total variance between the two records was \$1,621,127. Refer to Table 3.1 for details.

**Table 3.1: Variance between Reimbursable Amount and Amount Reimbursed**

Sub-Project/Component Description	Reimbursable Expenditure YTD (\$)	Total Reimbursed YTD (\$)	Variance (\$)
Waila WTP Rehabilitation	19,243,334	19,228,424	14,910
12ML Reservoir at Waila WTP	3,235,163	3,241,469	(6,306)
Pkg. 3A Nagatugatu Reservoir System	2,964,183	3,025,704	(61,521)
Pkg. 3D Rewa Delta Augmentation	6,296,480	6,329,084	(32,604)
Pkg. 3C Navitoka & Wainubuku System	6,109,749	6,187,733	(77,984)
Rehab. & Augmentation of Kinoya STP	7,334,077	7,333,973	104
Rehab Major Pump Stations	2,927,408	2,919,904	7,504
Tacirua/Tamavua Heights Sewer Extension	3,125,034	3,048,022	77,012
VAT	3,129,711	4,671,953	(1,542,242)
<b>Total</b>	<b>54,365,139</b>	<b>55,986,266</b>	<b>(1,621,127)</b>

The variance indicates that ADB may have reimbursed \$1,621,127 more than the amount that should have been reimbursed as at 30/06/13.

### **Recommendation**

**WAF should investigate the variance to determine whether the amount has actually been over paid by ADB.**

### **Management Comment**

*No comment received from management.*

## **3.4 Delays in Project Completion**

The contract for Augmentation and Rehabilitation of Kinoya Sewerage Treatment Plant was awarded to Technofab Engineering Limited (TEL) on 18/11/09. The TEL was to commence the project on 01/08/10 and complete it in 70 weeks on 01/12/11.

The project comprises stage 1 of the Augmentation and Rehabilitation of Kinoya Sewerage Treatment Plant. This involves: new inlet works, new primary clarifier, new sludge digester, gas storage and gas flare, electrical, mechanical, controls and instrumentation works, a centralized monitoring system and control of the upgraded components of the plant and preparation of operation and maintenance manuals and provision of operator training.

If the contractor fails to comply with the time for completion of the project, it shall be subject to notice under sub clause 2.5, pay delay damages for this default. These delay damages shall be the sum stated in the contract data, which shall be paid for every day which shall lapse between the relevant time for completion and the date stated in the taking over certificate.<sup>1</sup>

The audit noted that the rehabilitation of Kinoya Sewerage Treatment Plant project was delayed due to the following reasons provided by the General Manager Projects:

<sup>1</sup> FIDC Conditions of Contracts for Construction Section 8.7

- WAF was supposed to make advance payment of \$140,181.44 to the contractor, TEL by 23/01/10. The advance payment claim was submitted by the contractor on 23/12/09 with the invoice and advance payment guarantee.

However, the project Engineer, Erasito Beca Consultants Limited (EBCL) requested amendment to the bank guarantee which TEL amended and resubmitted on 27/01/10. WAF paid the advance to TEL 8 months after receiving the invoice. As a result, the effective date of the contract shifted from 18/11/09 to 01/08/10.

- TEL was supposed to submit piping drawings within 15 days on 14/10/10 with effect from 30/09/10. However, TEL submitted the drawings on 03/06/11. This was delayed by 232 days or 8 months.
- TEL was supposed to submit construction drawings within 90 days on 30/10/10 with effect 01/08/10. However, it submitted construction drawings 152 days late on 31/03/12.
- The drawing for the gas holder was supposed to be completed and submitted by 27/10/10. However TEL submitted the drawings on 10/03/11 which was delayed by 134 days or 4.5 months.
- The concreting of the digester tank wall was completed on 30/03/11 but the digester tank wall was delivered to site on 21/04/11. This was delayed by 22 days.

The audit noted that TEL was issued a practical completion date of work on 30/08/13 by WAF Project Manager, Mr. Roly Hayes after several extensions were given for the project. As at the date of audit the following works were completed:

- Completion for the inlets screens, grit removal, clarifier and sludge pumps. This work was completed on 09/09/12.
- Completion of the gas digester and flare on 15/08/13.
- Commissioning of the inlet screens, grit removal, and clarifier and sludge pumps on 9/10/12.
- Commissioning of the gas digester and flare on 25/08/13.

However, the audit noted that the contractor failed to complete all works by the revised completion date of 30/08/13. These included SCADA works, electrical works and rectification and finishing works. As a result of delay in completion of the work, WAF further extended the completion date to 31/10/13.

The audit further noted that WAF did not give notice of delays to the contractor and did not claim damages for delays in the project completion.

The delay in project completion may result in additional expenses for WAF and have impact on other project implementation dates.

### **Recommendations**

#### **WAF must:**

- **ensure better project monitoring, supervision and assist the contractor, where necessary to complete the work on time.**
- **consider invoking the contract clause to claim for delay damages.**

**Management Comment**

*No comment received from management.*

**3.5 Project Physical Assets**

The Senior Accountant shall be responsible for maintaining the fixed assets register. The fixed assets register should provide the following details:

- i. date of acquisition (including if asset was acquired by transfer, gift or second-hand) and cost;
- ii. description;
- iii. serial number and model;
- iv. location;
- v. other relevant information (e.g. if asset is sold or written off).

The Senior Accountant must ensure that the fixed assets register is kept updated. WAF should conduct board of survey annually.

An item of property, plant and equipment should be eliminated from the accounts on disposal or when the asset is permanently withdrawn from use and no future economic benefits are expected to flow to the entity.

The notes to the project financial statements for the year ending 30/06/13 disclosed total project physical assets of \$1,084,141. The following anomalies were noted:

- the WAF did not have a Fixed Assets Register. As a result audit could not verify the physical existence of the assets totalling \$1,084,141 as disclosed in the notes to the project financial statements.
- the ADB funded Suva Nausori Regional Water Supply and Sewerage Statement of Expenditure for the year ending 30/06/13 showed equipment purchased for National Water Quality lab totalling \$676,388. Audit could not establish if the National Water Quality lab equipment is adequately recorded in the project physical asset and included in total cost of assets disclosed in the notes.
- the PMU did not carry out a board of survey as at 30 June 2013 to establish the existence of assets and whether these assets were in unserviceable condition.

The above findings indicate that project asset disclosed at cost in the notes may not be correctly stated.

**Recommendation**

**WAF should ensure that proper records are maintained for all physical assets and carry out a Board of Survey to determine the existences of all physical assets.**

**Management Comment**

*No comment received from management.*

### 3.6 Contract Agreement not provided

PMU should enter into a contract for all project and project consultancy works that are outsourced. Contract agreement should be properly maintained.

WAF awarded contract for project consultancy services to Harrison and Grierson Consultants Limited for \$1,787,465.25 for the Upgrading of Waila and Tamavua Treatment. However WAF did not provide the contract agreement for our review.

In absence of the contract document audit could not verify whether the projects works were carried out in accordance with the contract agreement.

#### **Recommendation**

**WAF must ensure that all documents pertaining to project are properly maintained and made available for audit inspections.**

#### **Management Comment**

*No comment received from management.*

### 3.7 Monthly Progress Reports

Monthly progress reports shall be prepared by the Contractor and submitted to the Engineer in six copies. Reporting shall continue until the contractor has completed all work which is known to be outstanding at the completion date stated in the taking Over Certificate for Works.<sup>2</sup>

The audit noted that WAF failed to obtain monthly progress reports from J.S Hill, Fletcher Construction and Technofab Engineering Limited for the 18 months ending 30 June 2013.

WAF may not be able to monitor project progress in absence of monthly progress reports from the contractors.

#### **Recommendation**

**WAF must ensure that the contractors provide Monthly Progress Reports.**

#### **Management Comment**

*No comment received from management.*

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<sup>2</sup> FIDC Conditions of Contracts for Construction Section 4.21  
Report of Special Project Audit – December 2014



## SECTION 4: SUVA/NAUSORI REGIONAL WATER SUPPLY AND SEWERAGE PROJECT (ADB FUNDED)

### Programme Statement

Suva/Nausori Regional Water Supply and Sewerage is a Government of Fiji Project and has been implemented with the financial assistance of ADB Supplementary Loan No. 2603-FIJ for US\$23 million and Government of Fiji Funds.

The objectives of the Suva/Nausori Regional Water and Sewerage Project are to improve:

- (i) and upgrade the Borrowers [Fiji Government] water supply system in the Suva/Nausori area;
- (ii) improve in the efficient supply of clean water to residents living in the Suva/Nausori area;
- (iii) improve in the management and service of water maintenance to residents in the Suva/Nausori area; and
- (iv) provide consultancy services in the upkeep, distribution and maintenance of Water Supply and Sewerage in the Suva/ Nausori Region.

The major activities of the Project comprise:

- (a) Water Supply Rehabilitation and Expansion
- (b) Sewerage Works Rehabilitation and Expansion
- (c) Equipment and Materials
- (d) Consultancy Services

As part of this project a Project Management Unit (PMU) for Institutional Reforms and Development was established with the objectives to reform the current Fiji Water and Sewerage Corporation (WSC).

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## PART A - FINANCIAL INFORMATION

### 4.1 Audit Opinion

The audit of the Statement of Expenditure of the ADB funded Suva/Nausori Regional Water Supply and Sewerage Project for the year ended 31 December 2012 resulted in the issue of an unqualified audit report.

## 4.2 Statement of Expenditure

**Table 4.1: Details of Expenditures for 2012**

Sub Project Components Description	Allocation USD  (\$)			Cumulative Expenditure As at 31/12/12 (\$)	% Bank Funded
		2012	2011		
Category 1 – Water Supply Civil Works					
Lagan Holdings Limited	2,800,000	-	3,972,089	3,972,089	83%
Sub Totals – Water Supply Scheme	2,800,000	-	3,972,089	3,972,089	83%
Category 2 – Sewerage Civil Works-Rehabilitation of Sewers					
J S Hill & Associates---CCTV	1,430,000	514,381	2,792,800	3,307,181	83%
Sub Totals – Sewerage Civil Works – Rehabilitation of Sewers	1,430,000	514,381	2,792,800	3,307,181	83%
China Railway—Samabula Blockage—5F	15,030,000	1,779,243	820,579	2,599,822	83%
Fletcher Construction Backlog Sewerage Pckg 5G Pumps	-	1,570,972	-	1,570,972	
Technofab Backlog Sewerage - Suva Point - 5G Pipes	-	6,039,232	-	6,039,232	
Land Compensation	-	468,968	92,701	561,669	
Sub Totals – Sewerage Works-Backlog Sewer Program	15,030,000	9,858,415	913,280	10,771,694	83%
Consultancy Fees -	3,310,000	1,885,829	414,730	2,300,559	83%
Unallocated	430,000	-	-	-	-
Sub Totals – Consulting Services	3,740,000	1,885,829	414,730	2,300,559	83%
TOTAL	23,000,000	12,258,625	8,092,899	20,351,524	
Value Added Tax	-	1,765,261	1,119,785	2,885,046	-
GRAND TOTAL		14,023,856	9,212,685	23,236,570	

## PART B: CONTROL ISSUES

### 4.3 Installation of Sewerage Reticulation Pump Stations - Fletcher Construction Contract No. WAF PMU 11/014

Contract No WAF 11/014 for Pump Stations Suva Point Backlog Sewerage Package 5G (1) was awarded to Fletcher Construction Company (Fiji) Limited on 27/01/12 for \$3,023,616.58 VIP.

The contractor was to install 7 sewerage reticulation pump stations in the Suva point area. The project commenced on 27/02/12 with expected completion date of 25/05/13. The Contract Works included supply and installations of pump stations, including earthworks, drainage, pavements, chambers, pumps, lifting frame, valves, pipe works, access, control panel and cabling including connection to power supply.

The project was divided in 4 categories. Category 1 – Water Supply Civil Works, Category 2 Sewerage Civil Works – Rehabilitation of Sewers, Category 3 – Sewerage Civil Works – Backlog Sewerage Program and Category 4 – Consultancy Services.

Expenditure incurred for the project as at 31/12/12 totalled \$14,023,885. This included a total of \$514,381 incurred for Sewerage Civil Works, \$9,858,414 incurred for Sewerage Civil Works-Backlog, \$1,885,829 incurred for Consultancy Services, and Value Added Tax totalled \$1,765,261.

#### **4.3.1 Failure by WAF to Deduct 10% Retention Sum**

Retention money at the rate of 10% should be deducted from all progress payments made to the contractor for works carried out on a particular project.<sup>1</sup>

During 2012 WAF made 8 progress payments totalling \$345,224.20 to Fletcher Construction for the works completed. The audit noted that WAF did not deduct retention sum totalling \$34,522.42 from the progress payments made in 2012 to Fletcher Construction.

WAF will not be able to hold the Contractor liable should any defect arise in the project during the defect liability period.

#### **Recommendations**

**WAF should ensure:**

- **that the terms and conditions of the contract agreement is complied with at all times; and**
- **10% retention sum for the total contract price is recovered from the payment due to Fletcher Construction.**
- **investigate and take appropriate action against officer responsible for not deducting retention sum.**

#### **Management Comments**

*This is in accordance with the Contract. Note the reference therein to the General Conditions of Contract. It also reduces the amount of Retentions having to be met by WAF instead of ADB Loan.*

*Clause 45 of the General condition of the contract specifies “the contractor may substitute retention money with an on demand bank guarantee”. Refer the bank guarantee for Fletcher construction. Engineer is working on a new revised extension date which will be approved by the management.*

#### **Further OAG Comments**

**The bank guarantee produced for audit expired on 26 October 2012. Hence WAF should have retained 10% from all progress payments. In addition bank guarantee is not a substitute for retention sum.**

#### **4.3.2 Incomplete Works**

The Contractor completed the construction/installation of sewerage reticulation pump stations for Suva Point.

However, the audit visit to Suva Point Sewer Pump Stations project sites on 12/6/13 revealed the following anomalies.

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<sup>1</sup> Particular Conditions of Contract Section 8

### Kumi Street

- The electrical switchboard/control cabinet for pump station was not locked. Intruders may vandalise and damage the equipment in the cabinet.
- The keys for the Electrical switchboard/control panel were left inside the cabinet.
- The pump station was complete and ready to be tested. The pump stations did not have a fence, gate and lifting frame as per bidding documents. Refer to the picture below.



**Figure 4.1: Pump station at Kumi Street**

Note that the fence behind the electrical switchboard/control cabinet belongs to the residential dwelling.

### In front of Fiji Revenue and Customs Authority

- The pump station was complete and ready to be tested but it did not have a fence, gate and lifting frame as per bidding document. Refer to the picture below.



**Figure 4.2: Pump station at FRCA**

The total value of works not completed by the contractor for pump station at FRCA and at Kumi Street site totalled \$30,864. Refer to Table 4.2 for details of works not completed and cost.

**Table 4.2: Value of Works Not Completed For the Pump Stations**

Item	Description	Number of Pump Stations	Rate per pump (\$)	Amount (\$)
2.1.4.1	2.20 m high fence, plastic-coated chain-link, steel posts, three rows barbed wires at the top. 15m long fence.	2	10,560	21,120
2.1.4.2	2.20m high double gate, plastic-coated chain-link, three barb wires at top, 3m total opening	2	2,750	5,500
2.1.5	Pump set lifting frame	2	2,122	4,244
<b>Total</b>				<b>30,864</b>

The findings show that the contract works were not properly carried out by the contractor.

### **Recommendation**

**WAF should ensure that all projects are completed as per the contract.**

### **Management Comments**

*The decision not to fence and lift frame on these two pump stations was made on sound engineering bases. In short, there were good traffic safety reasons for the configuration in Kumi St and the fencing in front of FRCA was unnecessary and would have been ugly. The deletions are noted and will be included with the final quantities variation, yet to be issued. Note that some additional work was involved particularly at Kumi Street where kerb and channel work had to be done for traffic safety.*

### **Further OAG comments**

**These are variations in the project which needs to be properly documented and approved by appropriate authority. Audit is not against any variations as long as it approved. In addition any down variation need to show reduction in project costs which is not the case in this project.**

## **4.3.3 Variations Not Approved By WAF Board For Suva Point Sewage Package 5G**

Any variations to the Contract shall be approved by the WAF Board. The audit noted that the variations to the Contract No 11/014 awarded to Fletcher Construction Limited were not approved by the WAF Board. Refer to Table 4.3 for details.

**Table 4.3: Variations Not Approved By WAF Board**

Variation Number	Description	Amount (\$)	Approved By
V04	Relocate 11KV Cable at Kinoya High Lifts	27,607.93	ADB Project Manager - Roly Hayes
V08	Sewage Spills at Kinoya	2,315.67	ADB Project Manager – Roly Hayes
V06	Relocate 11KV cable at Kinoya High Lifts	3,335.98	ADB Project Manager – Roly Hayes
V07	Power Supply changes excl High Lift	(62,328.48)	ADB Project Manager – Roly Hayes
V012	Sewage Spills at Kinoya, August Dayworks	2,251.03	ADB Project Manager – Roly Hayes

As a result these expenses were not properly authorised. Failure by the WAF Board to approve the variations may result in cost overruns and misappropriation of funds.

### **Recommendations**

- **WAF should ensure that all variations to the contract are approved by the Board through WAF's Tender Committee.**
- **Ministry of Finance should investigate these variations and take appropriate action for noncompliance to procurement procedures.**

### **Management Comments**

- *All Variations issued have been approved by the appropriate party, whether Board, CEO or Project Manager.*
- *VO 4 was approved by Board Subcommittee under delegation. ADB Project Manager could not locate the hard copy from file however he confirms that approval was made by the Board subcommittee.*
- *VO' 6 and 8 were approved by CEO as the amounts were within his delegation.*
- *VO 7 was approved by Project Manager as it was a net deduction.*

**Further OAG Comments**

All variation should be approved by the authority which had initially approved the project, which is the Board in this case unless the Board delegates such powers in writing. In this case variations were not approved by the Board and no delegation of authority by the Board was produced.

In addition the retrospective approval of the Board for the variations was obtained in March 2013. Hence audit still stands by its finding that variations were not approved.

#### **4.4 Package 5F Samabula North Sewer Reticulation – China Railway No. 5 Engineering Group Limited contract No. 44/04/03**

Contract No 44/04/3 for Samabula North Sewer Reticulation was awarded to China Railway No. 5 Engineering Group Limited on 10/03/11 for \$6,293,097. The Contract which was for the construction of new 24km sewer reticulation and pumping station included the following works:

- Supply and installation of new gravity sewers and ancillaries, generally below ground and PVC but with above ground sections in spigot/socket ductile iron pipe at creek crossings.
- Supply and installation of reinforced concrete columns and foundations for support of above ground pipe sections.
- Supply and installations of the new local pump station on Ratu Mara Road, including earthworks, drainage, pavements, chambers, pumps, lifting frame, valves, pipeworks, control panel and cabling including connection to power supply.
- Supply and installation of new sewer rising main and ancillaries including PE rising main and air valve installation.

##### **4.4.1 Variations Not Approved By WAF Board**

Any variations to the Contract shall be approved by the WAF Board through WAF's tender committee.

WAF allowed variations totalling \$1,015,747.02 to the contractor as at 31/12/12 which was not approved by the WAF Board. These variations were approved by ABD Project Manager – Mr. Roly Hayes, General Manger Project Management Unit – Mr. Timoci Turaga, Chief Financial Officer – Mr. Maikali Naikawakawavesi and Acting Chief Executive Officer – Mr. Opetiaia Ravai and Project Engineer – Mr. Alain Morel.

In addition, WAF did not provide three of the variations for review despite several requests to the Project Accountant Ms. Joana Kaloucava and ADB Project Manager Mr. Timoci Turaga. Refer to Table 4.4 for details.

**Table 4.4: Variations Not Approved by WAF Board**

Variation Number	Description	Approved By	Amount (\$)
V02	Supply and installation of adjustable bends	<ul style="list-style-type: none"> <li>• ABD Project Manager – Mr. Roly Hayes</li> <li>• General Manger Project Management Unit Mr Timoci Turaga</li> <li>• Chief Financial Officer Mr. Maikali Naikawakawavesi</li> <li>• Acting Chief Executive Officer Mr Opetiaia Ravai</li> </ul>	170,255

Variation Number	Description	Approved By	Amount (\$)
V03	Dayworks at Ratu Mara Road, 24 April 2012	<ul style="list-style-type: none"> <li>Project Engineer – Mr Alain Morel</li> <li>ABD Project Manager – Mr. Roly Hayes</li> <li>General Manger Project Management Unit Mr Timoci Turaga</li> <li>Chief Financial Officer Mr. Maikali Naikawakawavesi</li> <li>Acting Chief Executive Officer Mr Opetia Ravai</li> </ul>	600.00
V04	Dayworks at Maharaj Place	<ul style="list-style-type: none"> <li>Project Engineer – Mr Alain Morel</li> <li>ABD Project Manager – Mr. Roly Hayes</li> <li>Acting Chief Financial Officer Mr. Maikali Naikawakawavesi</li> <li>Acting Chief Executive Officer Mr Opetia Ravai</li> </ul>	11,255.67
V05	Humes Precast Manholes	<ul style="list-style-type: none"> <li>General Manger Project Management Unit Mr Timoci Turaga</li> <li>Engineer</li> </ul>	281,629.37
V06	Rodding Eyes	<ul style="list-style-type: none"> <li>General Manger Project Management Unit Mr Timoci Turaga</li> <li>Engineer</li> </ul>	102,012.00
V09	Home of Compassion Property additional costs	<ul style="list-style-type: none"> <li>WAF Engineer</li> </ul>	1,189.00
V07	Vertical Drop Structure	Variation order not provided to audit	48,375.00
V08	Construction of Extended Y Junction	Variation order not provided to audit	396,579.55
V10	Site Signage	Variation order not provided to audit	3,851.43
<b>Total</b>			<b>1,015,747.02</b>

The finding shows that proper procedures were not followed by WAF for approving variations. As a result all variations were not properly approved.

Failure by the WAF Board to approve the variations may result in cost overruns and misappropriation of funds.

### **Recommendations**

**WAF should ensure that:**

- all variations to the contract are approved by the Board through WAF's Tender Committee;
- proper documents of all transactions are maintained and submitted for audit verifications; and
- Ministry of Finance should investigate these variations and take appropriate action for noncompliance to procurement procedures.

### **Management Comments**

*All variations are approved either by CEO or the Board depending on the authority limits. As for the nine variations in table 5, these are all approved as confirmed by the documented approvals.*

### **Further OAG Comments**

**Retrospective approval of the Board for Variation Order (V08) amounting to \$396,579.55 was obtained on 3/12/12. Variations should have been approved by the Board. Board's approval for Variation Orders except for V08 was not produced for audit.**

#### 4.4.2 No Expected Completion date for China Railway No 5 Engineering Group Limited

Contract number WSC 44/04/3 for Samabula North Sewer Reticulation Package 5F was awarded to China Railway No. 5 Engineering Group Limited for total sum of \$6,293,097.21 on 10/03/11. The contract start date was 30/05/11. The project was to be completed within 18 months from the start date. The original contract completion date was 30/11/12.

The contractor was not able to complete the works on original completion date of 30/11/12 and the project completion date was extended three times. Refer to Table 4.5 for details.

**Table 4.5: Extension of Times for Contract**

Extension of time No.	Original Date	Amended Date
1	30/11/12	30/12/12
2	30/11/12	23/02/13
3	30/11/12	14/05/13

However the contractor was still not able to complete the contracted works. As of the date of audit<sup>2</sup>, the project was still in progress despite that the final completion date of 14/5/13 had lapsed.

No action was taken by WAF against the contractor for not completing the works on time despite extending the initial completion date for three times.

#### **Recommendation**

**WAF must ensure that all projects are completed on time as per the contract agreement or extensions allowed.**

#### **Management Comments**

*Valid contract extensions were approved as per contract conditions. In this case, extensions were approved by the Consulting Engineers based on inclement weather factors.*

*At the time when WAF took over from Erasito, the Contractor was on the verge of submitting another inclement weather extension to November 30th.*

*WAF is now working with the contractor for works to be completed August 31st.*

## 4.6 Trust Fund Account

All retention funds should be kept in a trust account separate from the entity's operating account. WAF should have a separate bank account to deposit all trust funds which include retention payment owed to the contractor's.

The audit noted that WAF does not have a separate trust fund bank account to deposit retention funds deducted from progress payments to contractors. Retention funds held by WAF as at 31/12/12 totalled \$2,355,193.26 and that sum paid out during 2012 totalled \$380,325.77. Refer to Table 4.6 for details of retention funds held by WAF.

<sup>2</sup> 26/6/13



**Table 4.6: Retention Funds Held by WAF as at 31/12/12**

Contractors Name	Project	Retention Fund Held (\$)
China Railway	Samabula North Sewer Reticulation Package 5F	689,786.14
JS Hill	CCTV	380,325.77
Technofab Engineering	Samabula Backlog Pipes	1,285,081.35
<b>Total</b>		<b>2,355,193.26</b>

According to the Project Accountant, Ms. Joana Kaloucava all retention funds were kept in the operating bank account.

Failure to maintain a trust fund bank account does not ensure the security and availability of funds when payment is due to the contractor.

### **Recommendation**

**WAF should open a separate trust fund bank account to deposit all the retention funds.**

### **Management Comments**

*Recommendation is noted and will be discussed with management.*

## SECTION 5: SUVA/NAUSORI REGIONAL WATER SUPPLY AND SEWERAGE PROJECT (ADB FUNDED)

### Programme Statement

**Suva/Nausori Regional Water Supply and Sewerage** is a Government of Fiji Project and has been implemented with the financial assistance of ADB Supplementary Loan No. 2603-FIJ for US\$23 million and Government of Fiji Funds.

The objectives of the Suva/Nausori Regional Water and Sewerage Project are to improve:

- (i) and upgrade the Borrowers [Fiji Government] water supply system in the Suva/Nausori area;
- (ii) improve in the efficient supply of clean water to residents living in the Suva/Nausori area;
- (iii) improve in the management and service of water maintenance to residents in the Suva/Nausori area;
- (iv) provide consultancy services in the upkeep, distribution and maintenance of Water Supply and Sewerage in the Suva/ Nausori Region.

The major activities of the Project comprise:

- (a) Water Supply Rehabilitation and Expansion
- (b) Sewerage Works Rehabilitation and Expansion
- (c) Equipment and Materials
- (d) Consultancy Services

As part of this project a Project Management Unit (PMU) for Institutional Reforms and Development was established with the objectives to reform the current Fiji Water and Sewerage Corporation (WSC).

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## PART A - FINANCIAL INFORMATION

### 5.1 Audit Opinion

The audit of the Statement of Expenditure of the ADB funded Suva/Nausori Regional Water Supply and Sewerage Project for the year ended 31 December 2013 resulted in the issue of an unqualified audit report.

### 5.2 Statement of Expenditure

**Table 5.1: Details of Expenditures for 2013**

Sub Project Components Description	Allocation USD (\$)			Cumulative Expenditure As at 31/12/12 (\$)	% Bank Funded
		2013	2012		
Category 1 – Water Supply Civil Works					
Lagan Holdings Limited	2,800,000	-	-	3,972,089	83%
Sub Totals – Water Supply Scheme	2,800,000	-	-	3,972,089	83%
Category 2 – Sewerage Civil Works-Rehabilitation of Sewers					
J S Hill & Associates-CCTV	1,430,000	-	514,381	3,307,181	83%
Sub Totals – Sewerage Civil Works – Rehabilitation of Sewers	1,430,000	-	514,381	3,307,181	83%
Category 3 Sewerage Civil Works					
China Railway—Samabula Blockage—5F	15,030,000	3,505,470	1,779,243	6,105,291	83%
Fletcher Construction Backlog Sewerage Pkge 5G Pumps	-	1,585,816	1,570,972	3,156,788	83%
Technofab Backlog Sewerage - Suva Point - 5G Pipes	-	4,098,947	6,039,232	10,138,179	83%
Fletcher Construction Alumn Solid		3,261,311	-	3,261,311	83%
Land Compensation	-	1,087,617	468,968	1,649,286	83%
Sub Totals – Sewerage Works-Backlog Sewer Program	15,030,000	13,539,161	9,858,415	24,310,855	83%
Category 4 Consulting Services					
Consultancy Fees -	3,310,000	1,441,193	1,885,829	3,741,752	83%
Sub Totals – Consulting Services	3,310,000	1,441,193	1,885,829	3,741,752	
Unallocated	430,000	-	-	-	
	430,000	-	-	-	83%
TOTAL	23,000,000	14,980,354	12,258,625	35,331,877	
Value Added Tax	-	2,070,905	1,765,261	4,955,951	
GRAND TOTAL		17,051,259	14,023,886	40,287,828	

### **5.3 Upgrade of Waila and Tamavua Water Treatment Plants (Alum Solid Project) - Fletcher Construction Company (Fiji) Limited – Contract No. WSC 23/04**

The Department of Water and Sewerage in 2009 awarded the contract for upgrading of Waila and Tamavua Water Treatment Plant to Fletcher Construction on 04/12/09 for \$23,935,230.35 VEP. The project was later handed over to Water Authority of Fiji in 2010 when WAF was established. The project was completed on 26/5/13.

The WAF on 24/12/12 made variation to the original contract no. 23/04 to carry out backwash treatment and sludge disposal project (known as Alum Solid project) at Waila and Tamavua water treatment plants. This project was also carried out by Fletcher Construction. The backwash treatment and sludge disposal project included following works at Waila and Tamavua water treatment plants:

#### **Waila**

- Extension of flocculator;
- Construction of new clarifier;
- 3 Sludge collection tank; and

#### **Tamavua**

- Construction of sludge collection tank; and
- Installation of pump

The initial cost of backwash treatment and sludge disposal project work was \$3,429,208 VEP. However from 15/10/2013 to 12/2/2014 several variations totalling \$590,637.85 VEP was allowed to Fletcher Construction Limited. The total cost for the backwash treatment and sludge disposal project work (Alum Solid Project) after additional variations was \$4,019,845.85 VEP.

The contract for design and work supervision for backwash treatment and sludge disposal project was awarded to Kramer Ausenco on 16/2/12 for \$77,165 VIP.

The review of the works carried out by Fletcher Construction for backwash treatment and sludge disposal project at Waila and Tamavua water treatment plant (Alum Solid Project) revealed the following anomalies.

#### **5.3.1 Tenders Not Called For Backwash Treatment And Sludge Disposal Project At Waila And Tamavua Water Treatment Plant (Alum Solid Project)**

The Tender Committee shall consider and may evaluate the acceptance of any tender called for the supply of goods and services where the estimated price of those goods or services exceeds \$20,000.<sup>1</sup> Upon Completion of the evaluation of tenders received, the Tender Committee shall prepare and submit Board Papers for Board approval.<sup>2</sup>

WAF did not call for fresh tenders for capital works at Waila and Tamavua water treatment plant. Instead WAF engaged Fletcher Construction who carried out upgrading works at Waila and Tamavua water treatment plant under contract no WSC 23/04 for \$23,935,230.35 VEP to undertake these works as variations to contract WSC 23/04.

In addition WAF did not invite other Contractors to bid for the Alum Solid Project. Instead WAF obtained bid price for the project from Fletcher Construction Limited only. On 24/12/2012 WAF wrote

<sup>1</sup> WAF Policies and Procedures Procurement and Purchasing Section 6 (2.1)

<sup>2</sup> WAF Policies and Procedures Procurement and Purchasing Section 6 (2.2)

to Fletcher Construction Limited notifying the acceptance of their bid price of \$3,429,208 for Alum Solid project.

Subsequently WAF engaged Fletcher Construction Limited for backwash treatment and sludge disposal project at Waila and Tamavua water treatment plant (Alum Solid Project) for \$3,429,208 VEP.

WAF subsequently obtained approval from ADB for the variations in contract WSC 23/04 amounting to \$3,429,208 even though the variation was 14%. ADB requires variation over 15% for its approval.

Hence WAF intentionally opted for variation to include addition capital works as deadline for supplementary loan was 30/6/14 and there was insufficient time for calling of tenders and awarding fresh tenders.

The finding shows poor planning by WAF in undertaking capital projects. In addition proper procurement procedures were not followed by WAF.

### **Recommendations**

**WAF must ensure:**

- **capital works are properly planned to allow for sufficient time for calling of tenders and awarding of contracts; and**
- **proper procurement procedures are followed at all time.**

### **Authority's Comments**

*No comments provided*

## **5.3.2 Contract Agreement Not Provided**

The WAF engaged Fletcher Construction for backwash treatment and sludge disposal project at Waila and Tamavua water treatment plant (Alum Solid Project). The capital works were carried out by Fletcher Construction for \$3,429,208 VEP.

Review of this project revealed following anomalies.

- Contract agreement should be properly maintained for reference. The WAF claimed that Alum Solid project was a variation to contract no 23/04 awarded to Fletcher Construction and hence there was no separate contract agreement.

However, WAF did not provide the contract agreement for the contract no 23/04 for audit review. In addition there was no terms and condition prepared by the WAF for Alum Solid project given to Fletcher as variation to contract no. 23/04.

As a result audit could not verify the performance security of \$394,359, bank guarantee of \$197,180 and advance payment security of \$788,718 provided by the contractor were of appropriate amounts.

In addition the audit could not substantiate whether the contractor complied with some of the important contract requirements such as project commencement and completion dates, advance payment amount, performance bond amount, repayment of advance payments, retention sum, rate of delay damages, effective date for defect liability and period etc.

- The Contractor provided bank guarantee of \$197,180 instead of allowing retention of payments from progress claims. Retention sum is usually 10% of the total contract price.

However the audit noted that the bank guarantee provided by the contractor for the Alum Solid project was only 5.7% of the total VEP contract price of \$3,429,208. Hence sufficient amount of bank guarantee was not obtained from the Contractor by WAF.

- The Contractor provided bank guarantee of \$197,180 instead of allowing retention of payments from progress claims. The 50% of the retention sum is usually on the completion of the project while the balance of the 50% is paid after the completion of defect liability period.

The Alum Solid project was supposed to complete on 7/4/14. The 50% of the bank guarantee should have expired on 7/4/14 and the balance of the 50% should expire after the defect liability period. However the bank guarantee provided by the contractor would expire on 28/9/14, only 5 months after the expected completion date.

The audit could not ascertain whether the defect liability period is covered within the 5 months bank guarantee validity as WAF was not able to provide the defect liability period for the project.

In absence of the contract agreement the audit could not verify whether the Contractor complied with contract agreement.

### **Recommendations**

#### **WAF must ensure that:**

- all contract documents are properly maintained; and
- at least 50% bank guarantee in place of retention sum is valid until the expiry of retention period.

### **Authority's Comments**

*No comments provided*

### **5.3.3 Variations In Project Costs And Scope of Works Not Approved By WAF Board**

Any variations to the contract shall be approved by the WAF Board through WAF's tender committee.

The Project Engineer, Mr. Sereocokocoko Yanuyanurua made several variations in the project price during the project implementation phase. However four of the variations which included downward variations of \$30,221.65 and upward variations of \$74,268.45 to the contract price were not approved by the WAF Board. Refer to Table 5.2 for details of the variations.

**Table 5.2: Variation Not Approved By Board**

Variation Number	Variation Date	Variation Amount (\$)
4	25/10/13	(25,057.49)
6	6/11/13	(5,164.16)
8	15/11/13	11,550.51
13	7/2/14	62,717.94

Variation Number	Variation Date	Variation Amount (\$)
Total		44,046.80

The finding shows that proper procedures were not followed by the Project Engineer for changes in project costing. In absence of Board approval the variations were unauthorized.

### **Recommendations**

#### **WAF should:**

- ensure that all variations are approved by the WAF Board; and
- investigate and take appropriate action against the Project Engineer responsible for not obtaining Board approvals for the variations.

### **Authority's Comments**

*No comments provided*

### **5.3.4 Variations and Provisional Sum**

Provisional sum or contingency fund is fund approved by the Tender Board and set aside to meet additional expenses arising through legitimate variations in scope of work by the Contractor. Provisional sum or contingency fund should not form part of the total contract price. Provisional sum or contingency fund should not be used if no variation arises.

In the case of contracts subject to prior review, before granting a material extension of the stipulated time for performance of a contract, agreeing to any modifications or waiver of the conditions of such contract, including issuing any change or orders under such contract which would in aggregate increase the original amount of the contract by more than 15 percent of the original price, the borrower shall seek ADB's no objection to the proposed extension.<sup>3</sup>

The audit noted that WAF allowed 8 variations in project cost totaling \$590,637.85 for the Alum Solid project to the Contractor. The audit also noted that no contingency sum was set aside in addition to the contract price for these variations.

Due to these variations WAF incurred total over expenditure of \$590,637.85 or 17.2% of initial project price. Therefore the total project cost increased to \$4,019,845.85 as at the date of audit on 20/6/14 compared to original contract price of \$3,429,208.

The audit also noted that the overall variation for Alum Solid project was in excess of 15% however WAF did not obtain ADB's approval for the variations.

The audit further noted that the total contract price for the Alum Solid project was \$3,429,208 which included preapproved provisional sum of \$836,250. The WAF utilized total of \$754,978.65 of the provisional sum as at 19/12/13. The balance of the provisional sum totaling \$81,271.35 allowed in the contract was not utilized as at 31/12/13.

<sup>3</sup> Guidelines for Procurement under Asian Development Bank dated February 2007 Appendix 1 Clause 3

<sup>4</sup> Date of last Provisional Sum Item No. 16 – Expenditure 3

The audit could not ascertain how the provisional sum included in the contract price benefit WAF. Inclusion of provisional sum in the contract price entitles the contractor to be paid the full contract amount upon successful completion of the project. It also encourages variations from the Contractor to justify using provisional sum.

The significant amount of cost variations allowed for the project indicates that proper bill of quantities was not prepared for the Alum Solid project by WAF or its Project Engineers. This has resulted in unplanned project expenses or cost overruns.

### **Recommendations**

#### **WAF should:**

- **ensure that contingency sum is allowed for capital projects and all additional cost arising through variation to be met from the contingency sum. Contingency sum ensures control over total project cost.**
- **evaluate the benefits of having a provisional sum included in the contract price and consider excluding this amount in contract price.**

### **Authority's Comments**

*No comments provided*

### **5.3.5 Performance Bond**

The Particular Conditions of Contract requires the Contractor to provide a performance security equivalent to 10% of the Contract Price.<sup>5</sup>

The contractor provided a Performance Security from its bank, ANZ Bank New Zealand Ltd for \$394,359 on 4/2/13. The Performance Security was to expire on 28/10/13 based on the initial project completion date of 30/9/13.

However the project's completion date was revised to be completed on 7/04/14. The audit noted that WAF did not require the Contractor to renew its Performance Security expiry date until the date of project completion. Hence there was no valid Performance Security for the period 29/10/13 – 7/4/14.

In absence of valid Performance Security WAF may not be able to recover any sum for Contractor's nonperformance.

### **Recommendation**

**WAF must ensure that all projects have valid Performance Security.**

### **Authority's Comments**

*No comments provided*

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<sup>5</sup> Particular Conditions of Contract GCC 49.1



### 5.3.6 Prolongation Claim

The Contractor should be facilitated with appropriate design and scope of works to carry out its works as planned and in accordance with the contract timelines.

The audit noted that the WAF requested Fletcher Construction to carry out backwash treatment and sludge disposal project at Waila and Tamavua water treatment plant (Alum Solid Project) in March 2013<sup>6</sup>. The project design and scope of works were completed by the Project Engineers, Krammer Ausenco.

However at the time of project commencement, WAF Engineers noted the Clarifier Tank was close to soil slope and was at a risk of falling due to landslide. The WAF decided to reposition the clarifier to allow for ample clearance.

WAF then requested Entec Ltd to review the project site and submit a geotechnical report on the soil type. Based on the geotechnical report WAF decided to relocate the Clarifier Tank a few meters from its original site. This required redesigning the Flocculation and Clarifier Tank by Design and Supervision Consultant for the project, Krammer Ausenco and the project was delayed by estimated 6 ½ months. No additional payments were made to Krammer Ausenco for redesigning.

However due to the redesigning of the Flocculation and Clarifier Tank the Contractor, Fletcher Construction Limited could not proceed to commence the actual project works until the new design was prepared and approved. Hence the Contractor was held up by WAF.

On completion of the project the Contractor, Fletcher Construction Limited made a prolongation claim against WAF totaling \$495,163.22 for loss suffered due to delay in project commencement. WAF wrote to Fletcher Construction on 30/4/14 declining the prolongation claim. As at the date of audit on 20/6/14 WAF has not resolved the prolongation claims.

The audit further noted that the prolongation claim from Fletcher Construction Limited was not disclosed in the Project financial statements as subsequent event.

The finding shows poor supervision and monitoring during initial design phase. As a result the project had to be redesigned which resulted in delays in project commencement date and prolongation claim from the Contractor.

### **Recommendations**

#### **WAF should:**

- **make an effort to resolve the prolongation claim from the Contractor;**
- **disclose the prolongation claim as subsequent event in the Project financial statements; and**
- **ensure proper supervision during project design phase in future.**

### **Authority's Comments**

*No comments provided*

<sup>6</sup> Estimated start date provided by Design Project Engineer, WAF, Mr. Nasir Khan

### 5.3.7 Interest Paid for Delay in Making Progress Payments

Payments should be made within 28 days<sup>7</sup> from the date the claim is submitted by the Contractor. Payments made after 28 days will be subject to interest charges payable to the Contractor at a rate of 9.95% per annum.

The audit noted that WAF paid interest totaling \$29,810.46 on 2/4/14 due to delays in making payments in 2013 to the Contractor, Fletcher Construction Limited from the date the claims were submitted. WAF delayed 6 out of 7 payments made in 2013. Refer to Table 5.3 for details.

**Table 5.3: Details of Interest Paid**

Claim Numbers	Period Ending Date	Engineers Certificates Date	Delays In Days	Claim Amount (\$)	Late Payment Interest
Claim 1	4/2/13	1/2/13	98	788,717.84	19,279.65
Claim 2	28/2/13	28/3/13	43	389,637.71	3,790.86
Claim 3	31/3/13	17/4/13	23	119,806.55	623.47
Claim 5	30/6/13	16/7/13	44	424,386.02	4,539.62
Claim 6	31/7/13	13/8/13	16	366,810.98	1,344.92
Claim 7	31/8/13	23/10/13	2	512,548.35	231.94
<b>Total</b>					<b>29,810.46</b>

According to the Project Accountant the payments were delayed due to late submissions from the WAF's Project Engineers Mr. Nasir Khan and Mr. Sereicokocoko Yanuyanurua for payments. However the reasons for the late submissions were not obtained from the Engineers by WAF before paying interest to the Contractor.

The finding shows laxity on the part of WAF for not making payments on time which resulted in loss of public funds.

### Recommendations

#### **WAF should:**

- investigate the reasons for late payments and surcharge officers responsible for delaying payments; and
- ensure payments are made on time in future.

### Authority's Comments

*No comments provided*

### 5.3.8 Contract for Design and Supervision of Work – Kramer Ausneco – Contract No. WAF 001/12

The WAF awarded the contract no. WAF 001/12 to Kramer Ausneco for design and supervision services for backwash treatment and sludge disposal at Waila and Tamavua water treatment plant on 27/8/12. The contract price was \$77,165 VIP.

<sup>7</sup> FIDIC – Conditions of Contract for Works of Civil Engineering Construction, Part 1 General Conditions, Clause 60.10

The audit noted the following anomalies in design and supervision contract awarded to Kramer Ausenco.

- All contract awarded should have a contract agreement entered into by WAF and the Contractor. Contract agreements should be properly maintained for future reference.
- However WAF did not provide the contract agreement for the contract awarded to Krammer Ausneco for design and supervision services for backwash treatment and sludge disposal at Waila and Tamavua water treatment plant.
- As a result audit could not substantiate some of the important contract requirements such as contract price, scope of works, commencement and completion dates, advance payment amount, performance bond amount, repayment of advance payments, retention sum amount, rate of delay damages, defect liability period, performance bond etc.
- Bid submissions from all bidders should be properly maintained together with tender committees bid evaluation report.

WAF did not provide details of other bidders for the consultancy service. In addition no bid evaluation report was made available for audit review. Hence audit could not establish whether bids were invited for the consultancy services and whether Krammer Ausenco was rightly awarded the contract for design and supervision of Alum Solid project.

The finding shows poor record keeping by WAF. In absence of records audit could not ascertain whether open and transparent bidding process was followed in appointing the Consultant.

### **Recommendations**

**WAF must ensure:**

- **Contract agreements are properly maintained for audit reviews**
- **bid submissions from other bidders and the tender evaluation committee report is maintained for audit reviews.**

### **Authority's Comments**

*No comments provided*

## **5.4 Installation of Sewerage Reticulation Pump Stations - Fletcher Construction Company (Fiji) Limited Contract No. WAF PMU 11/014**

Contract No WAF 11/014 for Pump Stations Suva Point Backlog Sewerage Package 5G (1) was awarded to Fletcher Construction Company (Fiji) Limited on 27/01/12 for \$3,023,616.58 VIP.

The contractor, Fletcher Construction Company (Fiji) Limited was to install 7 sewerage reticulation pump stations in the Suva point area. The project commenced on 27/02/12 with expected completion date of 25/05/13. The Contract Works included supply and installations of pump stations, including earthworks, drainage, pavements, chambers, pumps, lifting frame, valves, pipe works, access, control panel and cabling including connection to power supply.

#### 5.4.1 Tenders Not Called for Trickling Filter at Kinoya Waste Water Treatment Plant

The Tender Committee shall consider and may evaluate the acceptance of any tender called for the supply of goods and services where the estimated price of those goods or services exceeds \$20,000.<sup>8</sup> Upon Completion of the evaluation of tenders received, the Tender Committee shall prepare and submit Board Papers for Board approval.<sup>9</sup>

WAF did not call for fresh tenders for construction of Trickling Filter reactor at Kinoya Wastewater Treatment Plant. Instead WAF engaged Fletcher Construction who carried out construction works at Kinoya Wastewater Treatment Plant under contract no WAF 11/014 for \$2,167,076.85 VIP to undertake these works as variations to contract WAF 11/014.

In addition WAF did not invite other Contractors to bid for the Kinoya Wastewater Treatment Plant. Instead WAF obtained two quotes from Technofab Engineering and Fletcher Construction Limited for the project.

WAF selected Fletcher Construction Limited to undertake the construction of Trickling Filter reactor at Kinoya Wastewater Treatment Plant and subsequently obtained approval from ADB on 21/08/13 for the variations in contract WAF 11/014 amounting to \$2,167,076.85 VIP. WAF issued a variation order to Fletcher Construction Limited on 17/09/2013 notifying the works to be carried out for the Trickling Filter.

Hence WAF intentionally opted for variation to include addition capital works as deadline for supplementary loan was 30/6/14 and there was insufficient time for calling of tenders and awarding fresh tenders.

The finding shows poor planning by WAF in undertaking capital projects. In addition proper procurement procedures were not followed by WAF.

#### **Recommendations**

**WAF must ensure:**

- **capital works are properly planned to allow for sufficient time for calling of tenders and awarding of contracts; and**
- **proper procurement procedures are followed at all time.**

#### **Authority's Comments**

*No comments provided*

#### 5.4.2 Performance Bond Security

The Contractor shall provide a performance security equivalent to 10% of the Contract Price.<sup>10</sup>

WAF issued a variation order for the construction of a third Trickling Filter reactor at Kinoya Wastewater Treatment Plant amounting to \$2,167,076.85 VIP to Fletcher Construction Limited. The Performance Security required for the contract was \$216,707.68.

<sup>8</sup> WAF Policies and Procedures Procurement and Purchasing Section 6 (2.1)

<sup>9</sup> WAF Policies and Procedures Procurement and Purchasing Section 6 (2.2)

<sup>10</sup> Particular Conditions of Contract GCC 49.1

However WAF requested the Contractor to issue performance bond as per the original 5G Conditions of Contract in favor of WAF for \$125,961.50 only which was valid until 31/01/14. On 25/9/13 the Contractor provided a Performance Security from its bank, ANZ Bank New Zealand Ltd for \$144,856.

The audit noted that Project Manager to the Contract requested the Contractor to provide Performance Security which was \$90,746.18 lower than the amount required under the contract agreement. However the Contractor provided the Performance Security for \$144,856 which was still under provided by \$71,851.68 compared to the amount required under the contract conditions

The findings indicate that WAF did not provide for the correct sum of the performance security to be paid by the Contractor.

In absence of valid performance security WAF may not be able to recover any sum from the Contractor for nonperformance.

### **Recommendations**

**WAF should ensure that:**

- **Contractor provide Performance Bond Security in accordance to the contract agreements;**
- **Correct amount of Performance Bond Security is provided as required in the contract.**

### **Authority's Comments**

*No comments provided*

### **5.4.3 Retention Security**

A Variation Order for the construction of a third Trickling Filter reactor at Kinoya Wastewater Treatment Plant amounting to \$2,167,076.85 VIP was issued by WAF to Fletcher Construction Limited. WAF requested the Contractor to issue retention security as per the original 5G Conditions of Contract in favor of WAF for an amount of \$125,961.50 valid until 31/01/14.

However, the Particular Conditions of Contract requires the Contractor to provide a retention security equivalent to 10% of the Contract Price<sup>11</sup> which was \$216,707.68.

The audit noted that the Contractor provided a Retention Bond from its bank, ANZ Bank New Zealand Ltd for \$144,856 on 25/9/13. Even though the Contractor provided \$18,894.50 more than the amount requested by WAF, the Retention Security was underprovided by \$71,851.68 compared to the amount required under the contract conditions.

The findings indicate that the Retention Security requested by WAF was incorrect and less than the amount required under the contract condition.

In absence of appropriate amount of Retention Security WAF may not be able to recover full sum from the contractor for nonperformance.

<sup>11</sup> Particular Conditions of Contract GCC 45.1

**Recommendations**

**WAF should ensure that:**

- **Contractor provide Retention Security in accordance to the contract agreements; and**
- **correct amount of Retention Security is provided as required in the contract.**

**Authority's Comments**

*No comments provided*

**5.4.4 Expiry of Contractor's Insurance Policy**

The amount of the insurance to be affected in respect of the Contract Works and Materials shall be for not less than the sum of the following:

- The Contract Price, after the acceptance of the tender or other offer, excluding any additions or deductions which may be required to be made during the course of the contract;
- For the cost of demolition, disposal and preparation for replacement work, the sum of FJ\$750,000; and
- For professional fees including the cost of clerks of works and inspectors, the sum of FJ\$100,000.

Public Liability insurance shall be effected for an amount not less than FJ\$10,000,000. Motor vehicle third party insurance shall be effected for an amount not less than FJ\$1,000,000.<sup>12</sup>

WAF engaged Fletcher Construction Limited for Pump Stations Suva Point Backlog Sewerage Package 5G with the contract price of \$3,023,616.58 VIP. The project commenced on 23/02/12 and was to be completed on 13/02/13.

The Contractor, Fletcher Construction Company Limited submitted a Certificate of Cover for Motor Vehicle Insurance from Aon New Zealand. The Policy was effective from 01/07/11 to 01/07/12. The audit noted that the policy expired on 02/07/12. However, the WAF did not obtain a renewed insurance policy from the Contractor as at the date of audit on 18/6/14.

The Contractor also submitted Public Liability and Contract Works Policy from Marsh New Zealand. The Policy was effective from 27/02/12 to 30/06/12. The audit noted this policy also expired on 02/07/12 but WAF did not obtain a renewed insurance policy from the Contractor as at the date of audit on 18/6/14.

The audit further noted that even though the contractor provided for the insurance cover however it was grossly underprovided for Demolition and Public Liability compared to the sums required under the contract agreement. Refer to Table 5.4 below for details.

**Table 5.4: Details of Insurance Provided**

Coverage Required	Sum Insured (\$)	Sum Required (\$)	Under Provided (\$)
Demolition	250,000	750,000	(500,000)
Public Liability	5,000,000	10,000,000	(5,000,000)

<sup>12</sup> Particular Conditions of Contract GCC 13.1

The findings indicate that WAF did not verify the insurance policy provided by the Contractor. Hence the Contractor's employees and the public were not covered for workplace accidents.

### **Recommendations**

**WAF should ensure that:**

- **Contractor provide insurance cover in accordance to the contract agreements; and**
- **correct amounts of insurance cover is provided as required in the contract.**

### **Authority's Comments**

*No comments provided*

## **5.5 Package 5G: Suva Point Sewerage – Technofab Engineering Limited - Contract No. WAF PMU 11/013**

The contract for Package 5G (2) Pipeline Suva Point Backlog Sewerage was awarded to Technofab Engineering Limited (TEL) on 27/01/12. TEL was to commence sewer reticulation works on 27/01/12 and complete the work in 18 months on 26/07/13.

The project comprised of a new 32km sewer reticulation. The Contract Works included supply and installation of new gravity sewers and ancillaries, supply and installation of reinforced concrete columns and foundations for support of above ground pipe sections, and supply and installation of new sewer rising mains and ancillaries including uPVC rising mains, and air valve installation.

### **5.5.1 Expiry of Contractor's All Risk Insurance Policy for Technofab Engineering Ltd**

The amount of the insurance to be affected in respect of the Contract Works and Materials shall be for not less than the sum of the following:

- (a) The Contract Price, after the acceptance of the tender or other offer, excluding any additions or deductions which may be required to be made during the course of the contract;
- (b) For the cost of demolition, disposal and preparation for replacement work, the sum of FJ\$750,000; and
- (c) For professional fees including the Cost of clerks of works and inspectors, the sum of FJ\$100,000.

Public Liability insurance shall be effected for an amount not less than \$10,000,000. Motor vehicle third party insurance shall be effected for an amount not less than \$1,000,000.<sup>13</sup>

TEL was to commence sewer reticulation works on 27/01/12 and complete the work in 18 months on 26/07/13. The Contractor Technofab Engineering Ltd submitted a Contractor's All Risk Insurance Policy from New India Assurance effective from 27/01/12 to 26/09/13.

The audit noted that the Contractor was not able to complete the project on expected completion date and WAF allowed extension of time until 30/10/13. As at the date the date of audit on 17/6/14 the project was still not completed.

<sup>13</sup> Particular Conditions of Contract GCC 13.1

However, the WAF did not obtain a renewed Insurance Policy from the Contractor as at the date of audit on 17/6/14.

The audit further noted that the Contractor:

- did not provide any insurance cover for Demolition and Professional fees as required in the contract agreement.
- provided insurance cover for public liability and motor vehicle third party however it was grossly underprovided compared to the sums required under the contract agreement. Refer to table 3 below for details. The Contractor also provided insurance covers for earthquake, material damage, cyclone and flood even though it was not required under the contract agreement. Refer to Table 5.5 below for details of insurance cover provided by the Contractor.

**Table 5.5: Details of Insurance Provided**

Coverage Required	Coverage Provided	Sum Insured (\$)	Sum Required (\$)	(Under)/Over provided (\$)
Demolition	Not provided	0	750,000	(750,000)
Professional Fees	Not provided	0	100,000	(100,000)
Public Liability	Third Party Liability	2,000,000	10,000,000	(8,000,000)
Motor vehicle third party	Contractors Plant and Machineries	20,000	1,000,000	(980,000)
Not required	Earthquake Cover	13,248,261.29	0	13,248,261.29
Not required	Material Damage	13,248,261.29	0	13,248,261.29
Not required	Cyclone	500,000	0	500,000
Not required	Flood	500,000	0	500,000

The findings indicate that WAF did not verify the insurance policy provided by the Contractor. Hence the Contractor's employees and the public were not covered for workplace accidents.

### **Recommendations**

**WAF should ensure that:**

- **Contractor provide insurance cover in accordance to the contract agreements; and**
- **Correct amount of insurance cover is provided as required in the contract.**

### **Authority's Comments**

*No comments provided*

## **5.5.2 No Extension of Time for Technofab Project**

If the contractor fails to comply with the time of completion the contractor shall be subject to notice under sub clause 2.5 employers claims pay delay damages to the employer for this default. These delay damages shall be stated in the contract data, which shall be paid for every day which shall lapse between the relevant time for completion and the date stated in the taking over certificate.<sup>14</sup>

The liquidated damages for the whole of the works are FJ\$2,000 per day. The maximum amount of liquidated damages for the whole of the works is 10% of the final contract price.<sup>15</sup>

<sup>14</sup> FIDIC Conditions of Contracts for Construction Section 8.7

<sup>15</sup> Particular Conditions of Contract GCC 46.1



The Start Date shall be 2 weeks after signing of the Contract Documents.<sup>16</sup> The Intended Completion Date for the whole of the Works shall be 18 months.<sup>17</sup>

The Contractor commenced the project work on 27/01/12. Hence the intended Completion date for project was 26/07/13.

The WAF allowed two extensions to the Contractor to complete the project from 26/07/13 to 25/09/13 and from 25/09/13 to 30/10/13. According to the Project Engineer Mr. Munue Memaofa the extensions of time was allowed to the Contractor due to delays in the works and finishing creek crossing and pipelines in Division 10 and Queen Elizabeth Drive.

The audit noted that no extension for project completion was allowed by WAF after the expiry of the second extension of time on 30/10/13. As at the date of audit on 17/6/14 the Contractor was yet to complete the project. However WAF did not charge delay damages to the Contractor for delaying the projects.

The findings indicate that the Project Engineer did not monitor the progress of works for the project and take appropriate action for Contractors inability to complete the project works after allowing 2 extensions.

The delay in project completion may result in additional expenses for WAF.

### **Recommendations**

**WAF should ensure that:**

- **project is completed as planned to avoid additional expenses; and**
- **delay damages is charged for undue delays from the Contractors if delays are due to Contractors laxity.**

### **Authority's Comments**

*No comments provided*

## **5.6 Package 5F Samabula North Sewer Reticulation – China Railway No. 5 Engineering Group Limited Contract No. 44/04/03**

WAF awarded the Contract No 44/04/3 for Samabula North Sewer Reticulation to China Railway No. 5 Engineering Group Limited on 10/03/11. The Contract was for construction of new 24km sewer reticulation and pumping station at Samabula North. The Contract works included:

- Supply and installation of new gravity sewers and ancillaries, generally below ground and Poly Vinyl Chloride (PVC) but with above ground sections in spigot/socket ductile iron pipe at creek crossings.
- Supply and installation of reinforced concrete columns and foundations for support of above ground pipe sections.

<sup>16</sup> Particular Conditions of Contract GCC 1.1 (u)

<sup>17</sup> Particular Conditions of Contract GCC 1.1 (ff)

- Supply and installations of the new local pump station on Ratu Mara Road, including earthworks, drainage, pavements, chambers, pumps, lifting frame, valves, pipe works, control panel and cabling including connection to power supply.
- Supply and installation of new sewer rising main and ancillaries including protective equipment rising main and air valve installation.

The total contract price for this project was \$6,293,097.21 (VIP).

### 5.6.1 Variations Exceeding 15 Per Cent of the Contract Sum

In case of contracts subject to prior review, before granting a material extension of the stipulated time for performance of a contract, agreeing to any modification or waiver of the conditions of such contract, including issuing any change order or orders under such contract which would in aggregate increase the original amount of the contract by more than 15 percent of the original price, the borrower shall seek ADB's no objection to the proposed extension.<sup>18</sup>

WAF awarded the contract for Samabula North Sewer Reticulation Package 5F contract number WSC 44/04/3 to China Railway No. 5 Engineering Group Limited for total sum of \$6,293,097.21 on 10/03/11.

WAF allowed several variations to the Contractor during the project implementation phase totalling \$2,317,545.39 as at 31/12/13. The total variation allowed by WAF was 36.83% of the initial contract price of \$6,293,097.21. However WAF did not obtain ADB's approval for the variation even though the total variations exceeded the 15% variation allowed by ADB. Refer to Table 5.6 for details for variation made to initial contract price.

**Table 5.6 Variations Allowed**

Date	Variation Order Number	Variation Amount (VIP) (\$)
Variation order not provided	V02	195,793.25
17/05/12	V03	690.00
12/06/12	V04	12,944.02
28/06/12	V05	323,873.78
28/06/12	V06	117,313.80
28/06/12	V07	55,631.25
Variation order not provided	V08	456,066.48
16/07/12	V09	1,367.35
08/08/12	V10	4,428.68
Variation order not provided	V15	27,838.63
Variation order not provided	V16	32,867.21
Variation order not provided	V17	1,053,684.29
Variation order not provided	V19	21,534.15
Variation order not provided	V20	13,512.50
<b>Total</b>		<b>2,317,545.39</b>

WAF did not comply with the ADB Procurement Guidelines by failing to seek ADB's no objection to the variations in excess of 15%. WAF may have misprocured for \$2,317,545.39 in absence of ADB's approval.

<sup>18</sup> Guidelines for Procurement under Asian Development Bank dated February 2007 Appendix 1 Clause 3

**Recommendations****WAF should:**

- seek prior approval from ADB for variation exceeding 15% of the original contract price in future; and
- inform ADB on variation allowed to China Railway and seek their approval.

**Authority's Comments**

*No comments provided*

**5.6.2 Variations not Approved by WAF Board**

All variations to the Contract shall be approved by the WAF Board through WAF's tender committee.

Contract number WSC 44/04/3 for Samabula North Sewer Reticulation Package 5F was awarded to China Railway No. 5 Engineering Group Limited for total sum of \$6,293,097.21 on 10/03/11. WAF allowed variations totalling \$2,317,545.39 to the Contractor as at 31/12/13.

The audit noted that the variation to the contract price totalling \$210,827.52 was not approved by the WAF Board. These variations were approved by Project Manager – Mr. Roly Hayes, General Manger Project Management Unit – Mr. Timoci Turaga, Chief Financial Officer – Mr. Maikali Naikawakawavesi and Acting Chief Executive Officer – Mr. Opetai Ravai and Project Engineer – Mr. Alain Morel.

The audit further noted that 4 variations totaling \$95,106.58 was not provided by WAF for audit review despite several requests to the Project Accountant Ms. Joana Kaloucava and ADB Project Manager Mr. Timoci Turaga. Hence the audit could not substantiate whether these variations were properly approved. Refer to Table 5.7 for details.

**Table 5.7: Variations Not Approved by WAF Board**

Variation Number	Description	Approved By	Amount (\$)
V02	Supply and installation of adjustable bends	<ul style="list-style-type: none"> <li>• ABD Project Manager – Mr. Roly Hayes</li> <li>• General Manger Project Management Unit Mr Timoci Turaga</li> <li>• Chief Financial Officer Mr. Maikali Naikawakawavesi</li> <li>• Acting Chief Executive Officer Mr Opetai Ravai</li> </ul>	195,793.25
V03	Dayworks at Ratu Mara Road, 24 April 2012	<ul style="list-style-type: none"> <li>• Project Engineer – Mr Alain Morel</li> <li>• ABD Project Manager – Mr. Roly Hayes</li> <li>• General Manger Project Management Unit Mr Timoci Turaga</li> <li>• Chief Financial Officer Mr. Maikali Naikawakawavesi</li> <li>• Acting Chief Executive Officer Mr Opetai Ravai</li> </ul>	690.00
V04	Dayworks at Maharaj Place	<ul style="list-style-type: none"> <li>• Project Engineer – Mr Alain Morel</li> <li>• ABD Project Manager – Mr. Roly Hayes</li> <li>• G-Chief Financial Officer Mr. Maikali Naikawakawavesi</li> <li>• Acting Chief Executive Officer Mr Opetai Ravai</li> </ul>	12,944.02
V09	Home of Compassion Property additional costs	<ul style="list-style-type: none"> <li>• WAF Engineer</li> </ul>	1,367.35

Variation Number	Description	Approved By	Amount (\$)
<b>Total variations not approved by Board</b>			<b>210,794.62</b>
V07	Vertical Drop Structure	Variation order not provided to audit	55,631.25
V10	Site Signage	Variation order not provided to audit	4,428.68
V19	Mobilisation, Sewer Relining, Removal Rock	Variation order not provided to audit	21,534.15
V20	Demolition and Construction Staircase	Variation order not provided to audit	13,512.50
<b>Total variation not provided</b>			<b>95,106.58</b>
<b>Total variations</b>			<b>305,901.20</b>

The finding shows that those proper procedures were not followed by WAF for approving variations. As a result expenses incurred through these variations were not properly authorised.

Failure by the WAF Board to approve the variations may result in cost overruns and misappropriation of funds.

### **Recommendations**

**WAF should ensure that:**

- all variations for contracts approved by the WAF Board is approved by WAF's Tender Committee;
- variations are properly maintained and submitted for audit verifications; and
- Ministry of Finance should investigate these variations and take appropriate action for noncompliance to procurement procedures.

### **Authority's Comments**

*No comments provided*

### **5.6.3 Non Payment of Insurance by Contractor**

The amount of the insurance to be affected in respect of the Contract Works and Materials shall be for not less than the sum of the following:

- (d) The Contract Price, after the acceptance of the tender or other offer, excluding any additions or deductions which may be required to be made during the course of the contract;
- (e) For the cost of demolition, disposal and preparation for replacement work, the sum of FJ\$750,000; and
- (f) For professional fees including the Cost of clerks of works and inspectors, the sum of FJ\$100,000.

Public Liability insurance shall be effected for an amount not less than \$10,000,000. Motor vehicle third party insurance shall be effected for an amount not less than \$1,000,000.<sup>19</sup>

<sup>19</sup> Particular Conditions of Contract GCC 13.1

Contract number WSC 44/04/3 for Samabula North Sewer Reticulation Package 5F was awarded to China Railway No. 5 Engineering Group Limited for total sum of \$6,293,097.21 on 10/03/11.

The audit noted that the Contractor did not provide for any insurance cover as required under the Particular Conditions of the Contract. WAF did not take any action against the Contractor, China Railway No. 5 Engineering Group Limited for not complying with the requirements.

The findings indicate that WAF did not verify the insurance policy provided by the Contractor. Hence the Contractor's employees and the public were not covered for workplace accidents.

### **Recommendations**

**WAF should ensure that:**

- **Contractor provide insurance cover in accordance to the contract agreements; and**
- **correct amounts of insurance cover are provided as required in the contract.**

### **Authority's Comments**

*No comments provided*

#### **5.6.4 No Expected Completion Date**

If the contractor fails to comply with the time of completion the contractor shall be subject to notice under sub clause 2.5 employers claims pay delay damages to the employer for this default. These delay damages shall be stated in the contract data, which shall be paid for every day which shall lapse between the relevant time for completion and the date stated in the taking over certificate.<sup>20</sup>

The liquidated damages for the whole of the works are FJ\$2,000 per day. The maximum amount of liquidated damages for the whole of the works is 10% of the final contract price.<sup>21</sup>

Contract number WSC 44/04/3 for Samabula North Sewer Reticulation Package 5F was awarded to China Railway No. 5 Engineering Group Limited for total sum of \$6,293,097.21 on 10/03/11. The contract start date was 30/05/11. The project was to be completed within 18 months from the start date. The original contract completion date was 30/11/12.

The Contractor was not able to complete the works on original completion date of 30/11/12 and the project completion date was extended 5 times by WAF. Refer to Table 5.8 for details of extensions allowed.

**Table 5.8: Extension of Project Completion Date**

Extension of Time Number	Original Date	Amended Date
1	30/11/12	30/12/12
2	30/11/12	23/02/13
3	30/11/12	14/05/13
4	30/11/12	30/09/13
5	30/11/12	29/12/13

<sup>20</sup> FIDC Conditions of Contracts for Construction Section 8.7

<sup>21</sup> Particular Conditions of Contract GCC 46.1

However the Contractor completed the project on 30/01/14 which was 32 months instead of 18 months from the date of commencement. The Contractor took an additional 14 months to complete the project.

In addition the final extension of completion date provided by WAF was 29/12/13. However the Contractor was still not able to meet this deadline and completed the project on 30/1/14. No action was taken by WAF against the Contractor for not completing the works on time despite extending the initial completion date for five times.

The audit further noted that WAF did not charge delay damages to the Contractor for completing the project 1 month later than the final completion date of 29/12/13.

The findings indicate that the Project Engineer did not monitor the progress of works for the project and take appropriate action for Contractors inability to complete the project works after allowing 5 extensions.

The delay in project completion may result in additional expenses for WAF.

### **Recommendations**

**WAF should ensure that:**

- **project is completed as planned to avoid additional expenses; and**
- **delay damages is charged for undue delays from the Contractors if delays are due to Contractors laxity.**

### **Authority's Comments**

*No comments provided*

## **5.6.5 Estimated Cost of Works to be Contracted**

Contract number WSC 44/04/03 for Samabula North Sewer Reticulation Package 5F was awarded to China Railway No. 5 Engineering Group Limited for total sum of \$6,293,097.21 on 10/03/11.

The Bill of Quantities to estimate the cost of works to be contracted out should be undertaken with due care and diligence. Qualified professionals should be used to estimate project cost to ensure bids submitted by the bidders are reasonable and reflects as closely as possible the realistic cost of the project.

The audit noted that the project cost estimated by WAF's Consulting Engineers, Erasito/Beca totalled \$18,842,645.93 for Samabula North Sewer Reticulation Package 5F project. However after the WAF's evaluation of the estimates provided Consulting Engineers, Erasito/Beca WAF in consultation with its Consulting Engineers revised the project's estimated cost to \$22,837,500.

At the time of bid invitation following companies bid for the project.

- |   |                       |
|---|-----------------------|
| • Fletcher Building (Fiji) Limited (FBFL) | \$16,005,746.03 (VIP) |
| • JS Hill & Associates Limited (JSHAL)    | \$ 8,711,603.06 (VIP) |
| • Delta Utility services limited (DUSL)   | \$31,216,928.23 (VIP) |
| • China Railway No. 5 (CR 5)              | \$ 5,667,160.31 (VIP) |

However the contract for Samabula North Sewer Reticulation Package 5F project was awarded to China Railway No. 5 Engineering Group Limited which was the lowest bidder with bid price of \$6,293,097.21(VIP). The Contractor was able to complete the project for \$9,399,594.10 (VIP)<sup>22</sup> after total variations of \$3,160,496.89 VIP as at 13/12/13. The variations were mostly due to changes in the project designs and scope of works.

WAF is yet to make the payment for final claim of \$842,951.50 (VIP) which is under dispute with the Contractor.

Even though China Railway No. 5 Engineering Group Limited completed the project with upward variation in price totalling \$3,160,496.89 (VIP) the final project cost of \$9,399,594.10 (VIP) was \$13,437,905.90 (VIP) or 58.84% lower than the cost estimates provided by the WAF's Consulting Engineer, Erasito/Beca.

The above finding indicates that the WAF's Consulting Engineers had highly overstated the estimated project cost hence provided misleading information to WAF. Such inaccurate estimates may result in incorrect decision making by WAF. In addition there is a high risk of collusion between the Consulting Engineers and the Contractors.

### **Recommendations**

**WAF should:**

- **cease to engage Erasito/Beca for consultancy services; and**
- **investigate this matter and take appropriate action against the Consulting Engineers, Erasito/Beca for providing misleading information to the WAF Board.**

### **Authority's Comments**

*No comments provided*

## **5.7 Other Project Issues**

### **5.7.1 Trust Fund Account**

WAF should have a trust fund account to deposit all retention sums deducted from the progress payments to the Contractors where applicable.

The receipt and payment of trust money must be recorded in a separate cashbook or set of ledger accounts. Each month, the trust account must be balanced and reconciled with the trust bank account. Any variance identified should be investigated and resolved promptly.

The audit noted that WAF did not have Trust Fund bank account to deposit retention funds deducted from progress payments made to the Contractors since the provision of ADB supplementary loan in 2009 to complete the outstanding projects under the original loan for Suva Nausori Regional Water Supply project.

<sup>22</sup> Includes final claim of \$842,951.50 VIP for 2014 which is not yet paid by WAF

As of the date of audit on 18/06/14 WAF deducted retention sums totalling \$1,951,481.83<sup>23</sup> from progress payments made to China Railway and Technofab Engineering. Refer to Table 5.9 below for details

**Table 5.9: Details of Retention**

Contractors	Retention Sum (\$)
China Railway	799,177.94 (VIP)
Technofab Engineering	1,152,303.89 (VEP)
<b>Total</b>	<b>1,951,481.83</b>

However the retention sums were not kept separately as trust funds by WAF.

The audit further noted that WAF was not consistent with the amount deducted as retention funds from the Contractor's progress claims. Funds retained from progress payments made to China Railway were VAT inclusive while funds retained from Technofab was VAT exclusive.

Failure to maintain a Trust Fund bank account does not ensure availability of funds when defect liability period finishes and retention fund falls due.

### **Recommendation**

**WAF must have a Trust Fund bank account to deposit all the retention funds. Trust funds should be available when it falls due to the Contractors.**

### **Authority's Comments**

*No comments provided*

## **5.7.2 Overpayment to Senior Technical Engineer Mr. Roly Hayes**

Other than exempt statutory dues the Senior Technical Engineer was responsible for any other statutory deductions and payments.<sup>24</sup>

WAF engaged Mr. Roly Hayes as the Senior Technical Engineer from 01/01/13 to 31/12/13. The total salary and allowances for the Consultant was \$25,200 per month. WAF paid 100% of the consultancy cost from 01/01/13 to 14/05/13. From 15/05/13 to 31/12/13 ADB agreed to pay the 83% of the consultancy cost.

The audit noted that Senior Technical Engineer, Mr. Roly Hayes was overpaid his consultancy fees totalling \$45,900 for the period 01/01/13 to 30/11/13. The overpaid amount included 83% or \$20,393.10 of ADB portion and 17% or \$25,506.90 for WAF portion. Refer to Table 5.10 for details.

**Table 5.10: Details of Overpayment**

Paid By	Amount Paid (\$)	Amount Required to be paid (\$)	Overpaid (\$)
ADB	135,954.00	115,560.90	20,393.10

<sup>23</sup> Includes retention sums since the project commenced in 2012

<sup>24</sup> Consultancy Employment Agreement Roly Hayes Section 4



<b>Paid By</b>	<b>Amount Paid (\$)</b>	<b>Amount Required to be paid (\$)</b>	<b>Overpaid (\$)</b>
WAF	145,566.00	120,059.10	25,506.90
<b>Total</b>	<b>281,520.00</b>	<b>235,620.00</b>	<b>45,900.00</b>

The overpayment was made due to the double payment of 15% Withholding Tax. The Consultant's claim included 15% Withholding Tax and was paid by WAF. In addition WAF also paid 15% Withholding Tax to Fiji Revenue and Customs Authority on behalf of the Consultant. Under the Consultants terms of agreement Withholding Tax was to be paid by the Consultant.

The audit further noted that the Consultant was paid \$25,200 as advance payment. The advance payment was not included in the Consultants contract. The advance payment was approved by WAF Chief Executive Officer without the approval of the Board.

The findings indicate that the Project Accountant was not vigilant while paying the Consultant which resulted in overpayment.

### **Recommendations**

#### **WAF should:**

- **recover the overpayment made to the Consultant; and**
- **surcharge the Officer responsible for processing and approving payments to the Consultant; and**
- **ensure that proper approval is obtained for advance payment.**

### **Authority's Comments**

*No comments provided*

### **5.7.3 Unavailability of Information – Consultant Mr. David Zoellener**

WAF initially engaged Dr. David Zoellner as a Senior Environmental Engineer to WAF for its Environmental Management Project from 01/09/11 to 31/12/12. Dr. Zoellner's contract was further extended for a period of one year from 28/01/13 to 31/12/13. The total salary for the consultant was US\$15,700 per month.

The audit review of Dr. Zoellner's appointment and contract of engagement revealed the following anomalies.

- WAF did not provide details of the advertisement such as date of advertisement, position, minimum qualification requirement for the position, work experience, duties to be performed by the applicant.

Hence the audit could not establish whether proper and transparent recruitment process was followed by WAF in recruiting Dr. Zoellner as Senior Environmental Engineer.

- During his engagement with WAF the Senior Environmental Engineer, Dr. Zoellner was required to carry out the following works.
  - Review the existing legislation relevant to the Environment factors relevant to WAF in Fiji.
  - Provide advice on what compliance issues WAF may need to address;

- Provide advice on other environmental issues that WAF should address as a good corporate citizen;
- Assess how much of what WAF must do and should do is being done now and identify the difference and the things to change;
- Assess the structure and capabilities of present in-house resources and recommend ways to improve WAF Environmental Management; and
- Act as a mentor and leader to existing WAF Environmental staff to improve WAF in-house capability.

On 11/07/13 Dr. David Zoellner employment agreement was extended for a further 5 months period starting from 29/07/13 to 31/12/13 together with his revised terms of reference as following.

- Design and document a process and plan for the treatment of trade waste within the completion of the first 2 months of the extended contract;
- Design and documentation of a trade waste treatment facility, including a pricing structure for trade waste disposal at WAF; and
- To oversee WAF compliance of environmental safeguards under the loan covenants.

However WAF did not provide any evidence that these works were completed by the Dr. Zoellner on completion of his term. Hence the audit could not substantiate whether the Senior Environmental Engineer completed his task and responsibilities as per his engagement contract.

- The Senior Environmental Engineer was entitled to 25 days leave allowance according to his contract agreement. In addition he was also allowed sick leave in accordance with WAF standard employment condition relating to sick leave.

However WAF did not provide any record for Dr. Zoellner's leave. Hence the audit could not establish number of leave days utilised by the Consultant during his engagement or whether any leave days was compensated to the Senior Environmental Engineer at the end of his term.

- The Senior Environmental Engineer was required to act as a mentor and provide training to WAF graduate engineers during his term of employment.

However WAF did not provide any details about how many WAF's officers were mentored or trained by the Senior Environmental Engineer and to what extent such mentoring or training was provided. The audit could not ascertain whether the Senior Environmental Engineer complied with this requirement as per his engagement contract.

- The Senior Environmental Engineer submitted monthly progress claims for payment for his consultancy services. However the Senior Environmental Engineer did not submit any progress report with his claims and WAF continued to pay the consultancy services without the progress claims.

The audit could not ascertain whether the payments made to the Senior Environmental Engineer were for the work completed by him.

The findings show that WAF did not monitor the Senior Environmental Engineer on the work performed by him. In addition relevant records to substantiate the work carried by the Senior Environmental Engineer was not maintained.

**Recommendations**

WAF should ensure that:

- all reports prepared and submitted by the Senior Environmental Engineer are made available for audit reviews;
- Senior Environmental Engineer comply with their terms of engagement;
- Senior Environmental Engineer provide mentoring and training to WAF staff and proper records of such mentoring or training be maintained; and
- all progress payment to the Senior Environmental Engineer are made based on the progress reports submitted.

**Authority's Comments**

*No comments provided*

**5.7.4 Non Preparation of Annual Procurement Plan**

As part of the preparation of the project the borrower shall prepare and, before loan negotiations, furnish to ADB for its approval, a procurement plan acceptable to ADB setting forth:

- a) the particular contracts for the goods, works, and/or services required to carry out the project during the initial period of at least 18 months;
- b) the proposed methods for procurement of such contracts that are permitted under the financing agreement, and
- c) the related ADB review procedures. The borrower shall update the procurement plan annually or as needed throughout the duration of the project. The borrower shall implement the procurement plan in the manner in which it has been approved by ADB.<sup>25</sup>

WAF undertook a number projects for the Suva/Nausori Regional Water Supply and Sewerage Projects from loan funds provided by the ADB. As part of its commitment the ADB approved a supplementary loan of US\$23m in 2009 to complete the on-going projects.

The audit noted that WAF failed to prepare initial Procurement Plan for the projects financed from the ADB Supplementary Loan. In addition WAF did not prepare Annual Procurement Plans to update ADB throughout the project implementation phase to ensure project procurements were carried out as planned.

The audit further noted that three projects financed from the ADB supplementary loan funds exceeded its original contracted amounts. This may have resulted due to procurement plan not developed by WAF. Refer to Table 5.11 for details.

**Table 5.11: Projects with Total Cost In Excess of Contract Amount**

Project	Contractor	Contracted Amount (VIP) (\$)	Variations (VIP) (\$)	Variation (%)	Total Amount Paid (VIP) (\$)
Samabula North Sewer Reticulation Contract No 44/04/3	China Railway No. 5 Engineering Group Limited	6,293,097.21	3,106,496.89 <sup>26</sup>	49.36	9,399,594.10

<sup>25</sup> Guidelines for Procurement under Asian Development Bank dated April 2010 Section 1.16

<sup>26</sup> Included in this total is amount of \$842,951.50 yet to be paid to the Contractor

Project	Contractor	Contracted Amount (VIP) (\$)	Variations (VIP) (\$)	Variation (%)	Total Amount Paid (VIP) (\$)
Construction Of Alum Solids Work At Waila & Tamavua Treatment Plants	Fletcher Construction Limited	3,943,589.20	679,233.53	17.22	4,622,822.73
Suva Point Sewerage 5G Pipelines Contract No: WAF 11/013	Technofab Engineering Limited	12,850,813.45	496,396.43	3.86	13,347,209.88
Installation Of Sewerage Reticulation Pump Stations	Fletcher Construction Company(Fiji) Limited	3,023,616.58	2,167,076.85	71.67	5,190,693.43
<b>Total</b>		<b>26,111,116.44</b>	<b>6,449,203.70</b>		<b>32,560,320.14</b>

WAF did not comply with ADB Procurement Guideline on developing procurement plan. Absence of Procurement Plan may result in unplanned procurement and project cost overruns.

### **Recommendations**

**WAF should ensure that:**

- **procurement plans are prepared and submitted for ADB'S approval in future prior to loan negotiation; and**
- **annual procurement plans are prepared and submitted to ADB.**

### **Authority's Comments**

*No comments provided*

## **5.7.5 Nitrogen/Phosphorous Discharge Study – Contract No. WAF11/026**

Aquatic Science Pacific Consultant was awarded the contract in 2012 (contract number WAF 11/026) for \$56,400 (VIP) to carry out a study of the nitrogen/phosphorous discharges in the Laucala Bay area. In addition to the contract price of \$56,400 the contractor was provided \$15,000 provisional sum to use local facilities for laboratory testing and boat hire.

The audit review of the terms of reference of the contract of engagement revealed the following anomalies.

- The study was to be initiated on or about third week in June 2012 and completed on or about the first week of September 2012.<sup>27</sup>

However the study was incomplete as at the date of audit 27/6/14 and there were no extension of time given to the Consultant for the completion of the study. According to the Acting Manager Wastewater Mr. Mitesh Baran, the progress of works was monitored by Project Manager Mr. Roly Hayes and Senior Environmental Engineer Mr. David Zoellner and no extension of time was issued by them to the Consultant.

- During his engagement with WAF the Consultant was required to represent graphically by a chart and text that involve at least the following:
  - Based on background analysis and discussion with WAF, a work plan to be developed;

<sup>27</sup> Terms of Reference of Contract No. 11/026

- A field sampling process to be designed for a period of 4 to 6 weeks, with specific sites, specific water quality parameters to be sampled, specific frequencies and other important features;
- A field impact assessment process to be designed for the same period of 4 to 6 weeks, with specific sites, specific benthic parameters to be sampled, specific frequencies and other important features;
- Processes to be reviewed and approved by WAF and the survey is carried out;
- Study to be periodically reviewed with WAF and any appropriate revisions are made;
- Final data analysis to be made and compared with historical data with particular features for ambient environmental conditions of runoff from fields and forests upstream in regional creeks, streams and rivers, ambient environmental conditions of receiving waters, treatment plant loadings and discharge;
- A comparison and analysis of the data results is to be made with environmental standards for coastal and fresh water, as well as discharge standards;
- Conclusions will include implications for environmental health.

However, the Consultant was yet to complete the following tasks:

- the field impact assessment for benthic parameters;
- final data analysis for benthic, a comparison and analysis of the data results with environmental standards for coastal and fresh water and discharge standards; and
- provide conclusion including implications for environmental health.

In addition the Consultant submitted a draft report on Dissolved Nitrogen and Phosphorous in Suva Harbour and Laucala Bay dated 29/11/13 and another report on Heavy Metals in Suva Harbour and Laucala Bay dated 06/05/14. The two reports were not reviewed by Senior Management of WAF at the time of the audit on 17/6/14.

As at the date of audit on 27/6/14, the Consultant was paid a total of \$47,589.40 or 84% of total contract price. The findings show that WAF did not monitor the Consultant on the work performed by him.

### **Recommendations**

**WAF should ensure that:**

- **the Consultant comply with the terms of engagement; and**
- **reports submitted by the Consultant are reviewed on a timely manner to achieve the desired objectives.**

### **Authority's Comments**

*No comments provided*

## SECTION 6: SUSTAINABLE ENERGY FINANCING PROJECT (WORLD BANK FUNDED)

### Programme Statement

The objective of the program is to increase significantly the adoption and use of renewable energy technologies and the more efficient use of energy in participating Pacific Island States through a package of incentives to encourage local financial institution to participate in sustainable energy finance.

The multi – party Sustainable Energy Financing Program which is funded by the World Bank and supervised by the Department of Energy aims to promote the financing of Sustainable Energy and energy efficiency investments in Fiji. This program is quite new and apart from Fiji it has also been introduced to four (4) other participating island states: the Solomon Islands; the Independent State of Papua New Guinea; the Republic of the Marshall Islands and the Republic of Vanuatu.

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## PART A - FINANCIAL INFORMATION

The Sustainable Energy Financing Project was enacted by an agreement between the Fiji Government and the World Bank in 2007 in accordance with the provisions of Standard Conditions in the Global Environment Facility Grant Agreement.

### 6.1 Audit Opinion

The audit of the financial statements of the Sustainable Energy Financing Project (SEFP) for the year ended 31 December 2013 resulted in the issue of an unqualified audit report.

### 6.2 Abridged Statement of Financial Performance

Year ended 31 December	2013 (\$)	2012 (\$)
<b>Income</b>		
World Bank Grant	119,133	224,505
<b>Total Income</b>	<b>119,133</b>	<b>224,505</b>
<b>Expenditure</b>		
Goods	983	55,699
Consultant	98,676	72,256
Incremental Costs	52,302	48,780
<b>Total Expenditure</b>	<b>151,961</b>	<b>176,735</b>
<b>Net (Deficit)/Surplus For The Year</b>	<b>(32,828)</b>	<b>47,770</b>

A net deficit of \$32,828 was recorded in 2013 compared to a surplus of \$47,770 in 2012. This was due to the decrease in World Bank grant by \$105,372 or 47% in 2013.

### 6.3 Abridged Statement of Financial Position

As at 31 December	2013 (\$)	2012 (\$)
<b>Assets</b>		
Cash at Bank	212,749	245,577
<b>TOTAL ASSETS</b>	<b>212,749</b>	<b>245,577</b>
<b>ACCUMULATED FUNDS</b>	<b>212,749</b>	<b>245,577</b>

The current asset (cash at bank) decreased by 13% or \$32,828 in 2013 due to a decrease in World Bank grant for Sustainable Energy Financing Project.

## SECTION 7: FIJI FLOOD EMERGENCY RESPONSE PROJECT GRANT NO. 0283-FIJ (ADB FUNDED)

### Programme Statement

The Objectives of the Fiji Flood Emergency Response Project was:

- (i) To provide in a timely fashion, incremental grant resources to developing member country (DMC) affected by a natural disaster.
- (ii) That the proposed Asia Pacific Disaster Response Fund (APDRF) will help bridge the gap between existing ADB arrangements that assist (DMCs) to reduce disaster risk through hazard mitigation loans and grants, and longer term post disaster reconstruction lending.
- (iii) That the APDRF will provide quick disbursing grants to assist DMCs in meeting immediate expenses to restore life-saving services to affected populations following a declared disaster and in augmenting aid provided by other donors in times of national crisis (e.g. purchase of water purification and sanitation systems).

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## PART A - FINANCIAL INFORMATION

### 7.1 Audit Opinion

The audit of the Statement of Expenditure of the Fiji Flood Emergency Response Project for the period 12 March to 6 September 2012 (Grant No. 0283-FIJ) resulted in the issue of disclaimer of opinion audit report. The disclaimer of opinion was due to the following issues:

1. Tenders were not called for services obtained from Vuksich and Borich (Fiji) Limited, Dayals Quarries Ltd and Waste Clear to undertake flood rehabilitation works in the Western parts of Fiji. The total cost of purchases made during the year from these unapproved suppliers exceeded



\$20,000. In addition several purchase orders issued to Vuksich & Borich (Fiji) Limited were not authorized at all for payment.

2. The daily machine tally sheets have provisions for idle and waiting time. None of the tally sheets had entry for idle or waiting time recorded.
3. On several occasions the works completed at the site were certified by officers other than the Engineer/Supervisor.
4. The contract for vehicle/plant hire expired on 15/6/12. Since then WAF did not take any action to call for fresh tenders and award new contracts. The contract for vehicle/plant hire was extended four times by the Chief Executive Officer (CEO) without the Board's approval after it expired on 15/06/12.
5. Zohil Motors was contracted to supply vehicles for hire in the Western division. However the vehicle registration numbers were not stated in the WAF plant hire contract documents. Instead the word "unregistered" was stated in place of vehicle registration numbers. Since the inception of the contract in June 2011 WAF did not verify with LTA to confirm the registration of these plants as of the date of audit.
6. Several cases were noted where purchase orders were issued for hire of plant and equipment after invoices were received for payment from the suppliers of plant and equipment. Purchase orders were issued only to fulfill the requirement of issuing purchase orders.
7. Adequate supporting documents such as daily vehicle running sheets and three quotations were not always attached to the payment vouchers.
8. Expenses incurred using the grant funds for flood rehabilitation works were posted in the general ledger according to expenditure allocations. WAF was not able to provide details such as grant funds used per Depot, list of projects funded from grant funds and amount of grant funds used for each project.
9. The WAF failed to produce the following documents for audit inspection.
  - The periodic progress reports for the flood rehabilitation works carried out.
  - Details of rehabilitation works such as repairs and maintenance plan/design, contractors hired, duration of works, progress report and funds utilised for following projects.
    - Waiwai dam and pipeline
    - Vaturu bulk supply
    - Varaciva pump station
    - Moto bridge
    - Buried meters in various locations

## 7.2 Statement of Expenditure

**Table 7.2: Details of Expenditures for 2012**

Sub Project Components Description	2012 (\$)
Plant Hire	1,425,375
Materials	361,467
<b>TOTAL</b>	<b>1,786,842</b>

The expenditure was divided in 2 categories being plant hire and materials. This is a one off account therefore no comparisons of figures.

## PART B: CONTROL ISSUES

### 7.3 Tenders Not Called For Purchases in Excess of \$20,000

The tender committee shall consider and may evaluate the acceptance of any tender called for the supply of goods and services where the estimated price of those goods or services exceeds twenty thousand dollars (\$20,000).<sup>1</sup>

The audit noted that WAF obtained services from Vuksich and Borich (Fiji) Limited, Dayals Quarries Ltd and Waste Clear to undertake flood rehabilitation works in the western parts of Fiji during the year 2012. These suppliers were not approved by the WAF Tender Board. The purchases made during the year from these unapproved suppliers exceeded \$20,000. Refer to Table 7.2 below for details.

**Table 7.2: Purchases Made from Unauthorised Suppliers**

Name	Amount (\$)
Vuksich and Borich (Fiji) Limited	72,234.43
Dayals Quarries Ltd	45,000.00
Waste Clear	62,650.00

According to the Team Leader Finance calling for tenders required lengthy time period and a short time was allocated by ADB to utilise funds.

Procurement of goods and services from suppliers other than those approved by the WAF Tender Board is an unauthorised purchase.

### Recommendations

#### WAF should:

- **investigate purchases made from unauthorized suppliers and take appropriate action against responsible officers; and**
- **ensure that purchases of goods and services are made from approved contracted suppliers only.**

### Management Comments

*Vuksich & Borish was used during Flood on Quotations. Note that all the Purchase orders as stated in the Audit Report did not exceed \$20,000. The comparison is based on Cash and Treasury Policy but this should have been compared to Procurement and Purchasing Policy (D – 31/03/2012). Please find citation from the policy below:*

#### Functions of Tender Committee

*The Tender Committee shall consider and may evaluate the acceptance of any tender called for the supply of goods and services where the estimated price of those goods or services exceeds twenty thousand dollars (\$20,000).*

<sup>1</sup> Water Authority of Fiji Cash Management and Treasury Policy Section 2.1

*Thus this is within the procurement policy and this does not exceed purchase of \$20,000.*

*Waste Clear was used on Quotation basis and it was used during Flood emergency in Nadi since Carpenters was used in Lautoka and it is for bailing out sewer from Pump Stations during power shutdown. There is no tender for bailing Trucks. Due to the emergency situation bailing of sewer was urgently needed and this minute was approved by CEO. Note on this payment only 1 Purchase Order (PO17829) exceeds \$20,000 due to the urgency of this service and Waste Clear was the only Company to respond to the request as per the attached minute in the source document.*

*Dayals Quarries was also used during the flood on Quotation basis. Please note that the minute was approved by CEO for purchase due to the urgency of the Flood Rehab works. The boulders were purchased for the vital works carried out on Moto Bridge as Waiwai TP was washed away during the January Floods thus approval from the Board was not sought due to the urgency.*

## **7.4 Machine Tally Sheet and Certification of Works Done**

Idle time refers to the time when a machine is not working on the job but is refuelling, machine breakdowns, maintenance and unavailability of driver(s). Waiting time refers to where a machine after carrying out certain task awaits while other non-machine work is done.

Tallyman is required to enter details such as vehicle registration number, contractor name, date, plant hire instruction number, contractor plant hire/delivery docket number, start and end time and total hours worked by the contractor into the daily machine tally sheet.

On the daily machine tally sheet a separate section is allocated for the engineer/supervisor to certify if work had been satisfactory done. As per OHS act all day workers are entitled to one hour lunch.

Review of the daily machine tally sheets revealed the following anomalies:

- The daily machine tally sheets have provision for idle and waiting time. However not a single tally sheet out of so many tally sheets had an entry for idle or waiting time recorded. Audit is of the view that in a practical scenario machine(s) on the job site would definitely have some idle and/or waiting time.

For instance, if a damaged valve is to be replaced, a digger would be used to dig out until the damaged valve is sighted. The machine would then be on waiting time while the damaged valve is dismantled and replaced. The digger would then be required to cover the repaired valve with sand and soil.

- On several occasions the works completed at the site were certified by officers other than the engineer/supervisor. Refer to *Appendix I* for examples.
- Contractors were claiming for lunch hour indicating that the machine operators did not even take lunch breaks. However WAF did not allow for this and treated this as idle time during 1 hour lunch break when processing payments for contractors' claim.
- Several instances were noted where the engineers/supervisors did not sign the daily machine tally sheets on the day of work. The tally sheets were signed after the day of actual work.

The finding indicates that WAF engineers/supervisors were not always at the project site to properly supervise the project work. In addition with no idle or waiting time recorded at all there is a high risk of overstated machine hours in the tally sheets and possible collusion between the tallymen, supervisors and contractors.

## **Recommendations**

**WAF should ensure that:**

- **engineers/supervisors are always present at the job site to ensure correct machine hours are recorded in the tally sheets and tally sheet are signed by the engineers/supervisors on the day the work is carried;**
- **engineers/supervisors certify work carried out by the contractor on a daily basis; and**
- **take appropriate disciplinary action against engineers/supervisors for delegating their responsibility of supervising the job on site to junior officers.**

## **Management Comments**

*Diggers and excavators do not have mileage thus they are paid on an hourly basis. The officer on site is the right person to certify the work carried out he can be called as Tallyman.*

*Normally during emergency and urgency of work contractors are asked to have working lunch. The engineers/supervisor signs after the tally man countersign on the invoices and mostly these are verified by Regional Manager West.*

## **Further OAG Comments**

**In this case the works were not certified by the engineer/supervisor.**

## **7.5 Plant Hire Contract Extension**

WAF vehicle/plant hire contract for the three Divisions namely the Central, Western and Northern was approved by the Board in June 2011 and was valid till 15 June 2012.

The audit noted that the vehicle/plant hire contract was extended four times by the CEO after its expiry date on 15/06/12 without the board's approval. Refer to Table 7.3 below for extension of contract.

**Table 7.3: Extensions to Vehicle/Plant Hire Contract**

<b>Extensions</b>	<b>Extension Dates</b>
First extension	16/06/12 – 31/08/12
Second extension	01/09/12 – 14/09/12
Third extension	15/09/12 – 14/10/12
Fourth extension	15/10/12 – 23/11/12

The audit is of the view that any extensions to the contract for vehicle/plant hire should be approved by WAF Board and not the CEO since the initial contract was approved by the Board.

Continued extension of vehicle/plant hire contract by CEO indicates that proper procurement processes were not followed for hire of vehicles/plant.

Audit further noted that the contract for vehicle/plant hire expired on 15/06/12 and that WAF did not take any action to call for fresh tenders and award new contracts.

The non-renewal and continued extension of the expired contract indicates poor planning by WAF for outsourcing the vehicle/plant hire.

**Recommendations**

**WAF should ensure that:**

- **all dealings with the contractors are ceased unless the contracts are renewed/extended by the Board and not the CEO;**
- **fresh tenders are called and new contracts are awarded; and**
- **in future proper planning for renewing or calling for fresh tenders is done to avoid extension of contracts.**

**Management Comments**

*In 2012 tender for vehicles and machines for 3 Division was evaluated by previous Project Accountant and was not approved by the tender Committee. This tender was called again in January for 2013. Note that the contract was extended four times during the year due to the urgency of the work in both Operations/Projects and also since the tender was approved by the Tender committee as they were not satisfied with the specifications stated. Thus approval was sought from CEO to extend the validity of tender in order for operations to function efficiently.*

**7.6 Standby Time**

The principal will not pay the contractor for any standby time.<sup>2</sup>

The audit noted that WAF's general conditions of contract for vehicle/plant hire states that WAF will not pay any standby time to the contractors. However the WAF's contract for vehicle/plant hire included standby rate for following plant.

- 3 ton double cab;
- Back hoe;
- Excavator – medium, large and extra-large; and
- Dump truck 6 wheeler.

Including contradictory conditions for payment of standby time in the contract for plant hire could result in misinterpretations by accounting staff whilst processing contractual claims. This may result in paying for standby charges while it's not permitted by WAF.

**Recommendation**

**WAF should rectify the issue on payment of standby time to contractors and amend plant hire contract accordingly to exclude the standby rate.**

**Management Comments**

*WAF is paying the contractors on hourly basis which covers both for standby and idle time as approved on hourly basis by the tender board.*

<sup>2</sup> Water Authority of Fiji General Conditions of Contract - Plant Hire Section 6.1  
Report of Special Project Audit – December 2014

## 7.7 Zohil Motors – Unregistered Vehicles

WAF vehicle/plant hire contract for the three Divisions namely the Central, Western and Northern was approved by the Board in June 2011 and expired on 15 June 2012. The contract was extended by the WAF CEO thereafter.

Zohil Motors was contracted to supply vehicles for hire in the Western division. However the audit noted that the vehicle registration numbers were not provided in the WAF plant hire contract documents. Instead the word “unregistered” was stated in place of vehicle registration numbers. Refer to Table 7.4 below for examples.

**Table 7.4: List of Unregistered Vehicles in WAF Plant Hire Contract 2011**

Location	Vehicle Type	Quantity of Vehicles Contracted	Vehicle Registration Numbers	Tendered Price Per Hour (\$)
Ba	Excavator - Small	1	Unregistered	35.50
Lautoka	Excavator - Medium	2	Unregistered	55.50
Nadi	Excavator - Medium	2	Unregistered	55.50
Ba	Excavator - Medium	2	Unregistered	55.50

Audit further noted that since the inception of the contract in June 2011 WAF did not verify with LTA to confirm the registration of these plants as of the date of audit.

In the absence of vehicle registration numbers in the plant hire contract there is a high risk that the contractor may supply unregistered/private plant for hire, subcontract to other supplier to fulfil WAF’s contractual obligation or not have those plant available.

### **Recommendations**

#### **WAF should:**

- **not consider unregistered plant/vehicles for contracts;**
- **verify the registration of plants/vehicles with LTA before awarding the contract; and**
- **update its plant hire contract to ensure that it reflects registration numbers of all the vehicles hired.**

### **Management Comments**

*The contractors were called to provide the vehicle # during the hiring period since they never specified the vehicle # while applying for tender.*

- *This means that the contract did not specify the vehicle number and would provide as per our request. The contractor provided a valid third party during use.*
- *This does not mean that the vehicles were unregistered from LTA.*

## 7.8 Discrepancies in Purchase of Goods/Services

The finance officer should ensure that purchase orders are authorised by officers who have been delegated authority to procure goods, services and works before issuing it. Purchase orders should be issued when procuring any goods, services or works from an organization, unless a contract or agreement has been entered into. Immediately after payment has been effected, the payment officer must stamp “PAID” on all vouchers and supporting documents to avoid any double payments.

The review of payment vouchers revealed the following anomalies in purchases of goods and services.

- Several instances were noted where the purchase orders issued to Vuksich & Borich (Fiji) Limited were not authorised for payment at all. Refer to Table 7.5 below for examples.

**Table 7.5: Purchase Order Not Authorised**

Date	Purchase Order Number	Particulars	Amount (\$)
26/04/12	PO18588	Payment for hire of excavator for earth works.	13,972.50
26/04/12	PO18586	Payment for cartage of excavator from yard to field and return.	1,840.00
26/04/12	PO18587	Payment for hire of excavator for earth works.	13,627.50
21/05/12	PO19220	Payment for hire of excavator for digging and back filling.	12,187.15
23/05/12	PO19250	Payment for earth works.	16,611.77

- Several cases were noted where purchase orders were not issued for hire of plant and equipment but were issued after invoices were received for payment from the suppliers of plant and equipment only to fulfill the requirement of issuing purchase orders.

According to the Financial Accountant, they were not able to ascertain the length of time plant and equipment were required to be hired. As such the purchase orders were issued after the job was completed. Refer to Appendix 7.2 for examples.

- Adequate supporting documents such as daily vehicle running sheets and three quotations were not always attached to the payment vouchers. Refer to Table 7.6 below for examples.

**Table 7.6: Supporting Documents Not Attached To Payment Vouchers**

Date	Cheque Number	Payee	Particulars	Amount (\$)	Comments
16/5/12	18254	Fairdeal Earthmoving Contractors Ltd	Hire of extra-large excavator for digging and backfilling.	33,600.00	Only one quote attached No daily vehicle running sheet attached.
16/8/12	19450	Sudhesh Transport	Plant Hire for cleaning flood silt/sludge and dredging along the river bank at the Matavo Bore field during flood rehab.	14,072.50	Only one quote attached No daily vehicle running sheet attached.
30/8/12	19703	Amar's Digging Works	Plant Hire payment for various jobs that was carried out during flood rehab in Lautoka.	30,840.50	No daily vehicle running sheet attached.
20/8/12	19506	Vinay Vikash Hire Truck	Payment for extra-large excavator during flood.	17,600.00	No daily vehicle running sheet attached.

- Payment vouchers and supporting documents were not always stamped "PAID". Refer to Table 7.7 below for examples.

**Table 7.7: Payment Vouchers and Supporting Documents Not Stamped "PAID"**

Date	Cheque Number	Payee	Particulars	Amount (\$)
16/04/12	17889	Waste Clear	Payment for bailing out various locations in Nadi.	62,650.00
11/07/12	18885	Aggreko (NZ) Limited	Payment for hire of 320 KVA generator.	2,323.04
27/04/12	18037	Vuksich & Borich	Payment for hire of excavator for digging and back filling.	13,972.50

Date	Cheque Number	Payee	Particulars	Amount (\$)
		(Fiji) Limited	Payment to cart excavator from Nadi to Ba and return.	1,840.00
			Payment for hire of excavator for digging and backfilling.	13,627.50
24/05/12	18325	Vuksich & Borich (Fiji) Limited	Payment for hire of excavator for digging and back filling.	12,187.15
			Payment for earth works.	16,611.77
06/08/12	19272	Amar's Digging Works	Payment for earth works.	25,537.75
08/02/12	17337	Carpenters Shipping	Payment for hire of 40ft trailer to cart water tanks from Laucala Beach Estate and Wailoku stores to WAF Ba depot on 27/01/12 and 29/01/12.	5,175.00
13/03/12	17621	Roadworks Safety & Civil Products Limited	Payment for 10 x 12" supa coupling 300mm (OD 327mm – 350mm).	9,500.00
			Payment for 2 x 12' x 45 degrees FL-FL bend (300mm x 45 degrees).	5,800.00

The findings indicate that proper payment procedures were not always followed by WAF and adequate internal controls does not exist in the purchase and payments system. The risk of fraud, misappropriation of funds and double payments are high with inadequate internal controls.

### **Recommendations**

**WAF should ensure that:**

- **purchase order is properly authorized by officers when procuring goods, services and works;**
- **purchase orders are issued prior to acquiring goods and services to ensure no unauthorized purchases are paid for;**
- **payment vouchers are adequately supported to avoid fictitious payments; and**
- **all payment vouchers and supporting documents are stamped "PAID" after payment has been made to avoid double payments.**

### **Management Comments**

*Table 4: Purchase Order Not Authorised*

- *This was a practice from previous years for Plant Hire. Instructions were issued in order to carry out the work, and when completed contractor have to submit invoice for payment. This procedure has changed and currently the process is that a requisition is generated before the invoices are received for payments.*
- *Responsible staff has been advised and the stamping process is still going on.*
- *Vukish & Borish Ltd cheque had PO not signed, this was overlooked by person checking the vouchers and appropriate measures have been taken to rectify this in future.*

*Table 5: Supporting Documents Not Attached To Payment Vouchers*

- *For Excavators and Backhoes, delivery dockets are used instead of daily running sheets.*
- *Quotations are always sited when approval for the requisitions is sought. The quotations are filed in the quotations file for our record purpose. Note that sometimes when quotations are called only 1 supplier responses to the request thus only one quotation is used.*

## **7.9 General Ledger Posting**

All payments, including VAT, must be immediately recorded in the general ledger system ensuring that these are posted to the correct allocations.



General ledger posting should reflect all account numbers as this ensures that expenses are posted to the correct account area. The WAF's general ledger uses 18 digit account number. Refer to Table 7.8 below for details of the account number.

**Table 7.8: General Ledger Account Structure**

Account Number	Description
66652-01-03-05-06-2005 (example)	
66652	GL code
01	Business unit
03	Region
05	Depot
06	Process
2005	Activity

The audit noted that WAF posted flood rehabilitation expenditure to the general ledger account titled Repair & Maintenance Disaster Risk Management totalling to \$3,396,586.68.

Out of this \$ 2,407,095.93 or 71% of expenditure was posted to general ledger with 'Depot' and 'Process' codes in account numbers set to default value of zero. This made it difficult to determine the amount of grant funds used at various Depots. Refer to Table 7.9 for details.

**Table 7.9: Posting to Repair & Maintenance Disaster Risk Management General Ledger Account**

Account Number	Amount Posted (\$)
66652-01-03-00-00-2000	164,964.76
66652-01-03-00-00-2001	189,108.27
66652-01-03-00-00-2002	4,256.50
66652-01-03-00-00-2003	524,936.27
66652-01-03-00-00-2004	337,399.45
66652-01-03-00-00-2005	222,529.99
66652-01-03-00-00-2006	133,298.87
66652-01-03-00-00-2007	180,888.70
66652-01-03-00-00-2008	322,674.50
66652-01-03-00-00-2009	12,240.96
66652-01-03-00-00-2010	4,281.74
66652-01-03-00-00-2011	5,032.18
66652-01-03-00-00-2012	122,860.20
66652-01-03-00-00-2013	87,456.90
66652-01-03-00-00-2014	52,266.12
66652-01-03-00-00-2015	42,900.52
<b>Total</b>	<b>2,407,095.93</b>

In addition audit noted that expenses incurred using the grant funds for flood rehabilitation works were posted in the general ledger according to expenditure allocations. WAF was not able to provide details such as grant funds used per Depot, list of projects funded from grant funds and amount of grant funds used for each project.

In absence of these information audit was not able to establish how much of the grant funds was allocated to each Depot Fiji wide, how much was used on each project and how many projects were funded using the grant funds.

**Recommendations**

**WAF should ensure that:**

- expenses are correctly posted to their respective depot or process account; and
- it is able to provide details such as how much of the grant funds was used at each Depot Fiji wide, how much was used on each project and how many projects were funded using the grant funds.

**Management Comments**

*A manual report can be generated to reflect the amount of Grant allocated for each Depot. This can be done through checking the source documents. A list of projects funded and how much funds were used can also be generated from this manual report. Some of the works were done outside the depot area, which cannot be expensed to a specific depot thus; a default depot and process were used.*

**7.10 Access to Records**

In the exercise of his duties, the Auditor-General may call upon any officer for any explanation and information he may require or may authorise any officer on his behalf to conduct any enquiry, examination or audit.<sup>3</sup>

The audit noted that the Project team failed to produce the following documents for audit inspection.

- The periodic progress reports for the flood rehabilitation works carried out. In the absence of progress report audit could not establish if flood rehabilitation works were properly planned and completed on time.
- Details such as repairs and maintenance, design, contractors hired, duration of works, progress report and funds utilised for the following projects.
  - Waiwai dam and pipeline
  - Vaturu bulk supply
  - Varaciva pump station
  - Moto bridge
  - Buried meters in various locations

In absence of these records audit could not verify whether the projects were carried out according to plan. In addition audit could not establish whether appropriate quantity and quality of materials were supplied.

**Recommendation**

**WAF must ensure that all documents pertaining to flood rehabilitation works including repairs and maintenance, design, progress reports and funds utilized are properly maintained and made available for audit inspections.**

**Management Comments**

*In response to the above a manual report could be generated for each individual projects (in excel) when required. This can be prepared after checking the source documents for payments.*

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<sup>3</sup> Audit Act 7 (1) (a) & (b)

## 7.11 Anomalies in Vehicle/Plant Hire

The Contractor must not assign, transfer or sub – contract any of its rights or obligations under the Contract without the Principal's prior written consent, which the Principal may in its absolute discretion either refuse to give or grant subject to any condition as the Principal thinks fit.<sup>4</sup>

The records contained on the registration certificate shall be kept and maintained in accordance with the provisions of this Act and include, but not be limited to renewal of registration, current expiry date and date of next inspection; changes of ownership or financial interest; modifications to the vehicle; and changes in the licence class, and any exemptions and conditions.<sup>5</sup>

The Authority may register motor vehicles under the provisions of this Act to operate a private licence which authorizes the use of the motor vehicle subject to this Act and the conditions of the licence; and does not authorize the use of the motor vehicle for commercial purposes, or as a public service vehicle; and a commercial licence authorizes the use of the motor vehicle for the carriage of goods in relation to the business of the owner, subject to this Act and the conditions of the licence; and limits the carriage of passengers to bona-fide employees and other persons directly involved in the carrying on of the business of the owner...<sup>6</sup>

WAF hired vehicles/plant from its contracted suppliers during flood rehabilitation works in the western division in 2012. The audit noted the following anomalies relating to vehicle/plant hire.

- Several approved suppliers of vehicle/plant sub contracted its obligations to supply the vehicles/plants to other suppliers, particularly individuals who were not the approved vehicle/plant suppliers as per WAF Vehicle/Plant Hire contract agreement. Refer to Table 7.10 for examples.

**Table 7.10: Vehicle/Plant Sub Contracted**

Vehicle Registration Numbers	Make of the Vehicle	Vehicle/ Plant Body Type	Vehicle Usage Class	Registration Validity As At 31/12/12	Owner of The Vehicle As At LTA Records	Owner as per WAF Vehicle/ Plant Hire Contract	Comments
BO 820	Hino	Tray Truck	Commercial	Yes	Shiu Nadan	Amar's Digging Works	Hire of truck to cart water in Lautoka. PO21415 of 20/08/12. Amar's Digging Works statement number 899 of 04/07/12 amounting to \$1,080.
BY 376	Nissan	Flat top truck	Commercial	Yes	Shiu Nadan	Not listed	Hire of truck to load loose soil around Lautoka depot perimeter. PO21438 of 21/08/12. Amar's Digging Works statement number 795 of 07/05/12 amounting to \$1,120.00
CL 503	Mitsubishi	Tray Truck	Commercial	Yes	Hari Chand	Not listed	Hire of truck for water carting in Ba. PO21425 of 20/08/12. Amar's Digging Works

<sup>4</sup> WAF Vehicle/Plant Hire Contract Paragraph 18

<sup>5</sup> Land Transport Act 1998 Section 51 (2)

<sup>6</sup> Land Transport Act 1998 Section 53 (1)

Vehicle Registration Numbers	Make of the Vehicle	Vehicle/ Plant Body Type	Vehicle Usage Class	Registration Validity As At 31/12/12	Owner of The Vehicle As At LTA Records	Owner as per WAF Vehicle/ Plant Hire Contract	Comments
							statement number 607 of 27/02/12 amounting to \$2,460.00
DA 837	Isuzu	Tray Truck	Commercial	Yes	Sushil Kumar	Not listed	Hire of truck for flood rehabilitation. Amar's Digging Works statement number 851 of 14/06/12 amounting to \$2,922.50.
EB 583	Hitachi	Excavator	Commercial	Yes	Sushil Kumar	Not listed	Hire of excavator for flood rehabilitation. Amar's Digging Works statement number 713 of 02/04/12 amounting to \$1,184.00.
EC 385	Hino	Tray truck	Commercial	Yes	Sumeet Kumar	Not listed	Hire of truck for flood rehabilitation. Amar's Digging Works statement number 730 of 02/04/12 amounting to \$1,487.50.
EG 224	Mitsubishi	Tray truck	Commercial	Yes	Shiu Nadan	Not listed	Hire of truck for flood rehabilitation. Amar's Digging Works statement number 761 of 21/04/12 amounting to \$2,625.00.
EO 888	Isuzu	Tray truck	Commercial	Yes	Abhay Chand	Not listed	Hire of truck for flood rehabilitation. Amar's Digging Works statement number 755 of 18/04/12 amounting to \$3,736.25.
EP 543	Hitachi	Excavator	Commercial	Yes	Sushil Kumar	Not listed	Hire of excavator for digging and loading soil at Buabua WTP road, PO21375 of 20/08/12. Amar's Digging Works statement number 1207 of 06/02/12 amounting to \$962.00.
EP 325	Mitsubishi	Mobile crane	Commercial	Yes	Laser Motor Rewinders and Electrical Services Limited	Not listed	Hire of hype truck for loading fittings to job site. PO21454 of 21/08/12. Amar's Digging Works statement number 1269 of 30/01/12 amounting to \$1,277.50.
FA 018	Hino	Dump truck	Commercial	Yes	Sushil Kumar	Not listed	Hire of truck for flood rehabilitation. Amar's Digging Works statement number 734 of 02/04/12 amounting to \$1,120.00.

- The contract agreement required that all plants/vehicles provided by the contractor to have valid registration. The registrations of several plants/vehicles sub contracted by the main contractors were expired prior to 2012 and were not renewed as per Land Transport Authority records. These plants/vehicles with invalid registrations were continued to be hired by WAF. Refer to Table 7.11 for examples.

**Table 7.11: Expired Registrations of Vehicle/Plant Sub Contracted**

Vehicle Registration Numbers	Make of the Vehicle	Vehicle/ Plant Body Type	Vehicle Usage Class	Registration Validity As At 31/12/12	Owner of The Vehicle As At LTA Records	Owner as per WAF Vehicle/ Plant Hire Contract	Comments
EA 422	Hitachi	Excavator	Commercial	No 24/06/09 –	Vinay Vikash Hire Truck Services	Not listed	Hire of excavator at Waiwai dam. PO21268 of 14/08/12. Vinay Vikash Hire Truck Services delivery/invoice number 2878 of 30/07/12, 2879 of 31/01/07, 2880 of 01/08/12, 2881 of 02/08/12 and 2882 of 03/08/12. Statement 9324 amounting to \$4,400.
EU 370	Hitachi	Excavator	Commercial	No 05/02/10 –	Vuksich and Borich (Fiji) limited	Not listed	Hire of excavator for digging and backfilling for job site. PO19250 of 21/05/12. Vuksich and Borich (Fiji) Limited invoice number WAF002 of 20/02/12 amounting to \$12,187.12.
FB 298	Hitachi	Excavator	Commercial	No 24/06/09 –	Vuksich and Borich (Fiji) limited	Not listed	Hire of excavator for digging and backfilling for job site. PO19220 of 21/05/12. Vuksich and Borich (Fiji) Limited invoice number WAF002 of 20/02/12 amounting to \$12,187.12.
FJ 587	Kato	Excavator	Commercial	No 23/01/09 –	Sudesh chand	Not listed	Hire of excavator registration number FJ 587 and EV 511 during flood rehabilitation. PO20844 of 30/07/12. Sudesh Transport company statement number 440 of 30/04/12 amounting to \$6,750.00.

- WAF was to hire commercial vehicles only. One of the contractors, Amar's Digging Works subcontracted two vehicles from Kavici Ledua and Richard C Hargrove. These subcontracted vehicles were classed as private vehicles. The contractor continued to supply private vehicles to WAF. Refer to Table 7.12 for examples.

**Table 7.12: Vehicle/Plant Classified As Private Class**

Vehicle Registration Numbers	Make of the Vehicle	Vehicle/ Plant Body Type	Vehicle Usage Class	Registration Validity As At 31/12/12	Owner of The Vehicle As At LTA Records	Owner as per WAF Vehicle/ Plant Hire Contract	Comments
EP 136	Nissan Sedan	Excavator	Private	Yes	Kacivi ledua	Not listed	Hire of excavator for digging and backfilling at Buabua intake. PO21416 of 20/08/12.

Vehicle Registration Numbers	Make of the Vehicle	Vehicle/ Plant Body Type	Vehicle Usage Class	Registration Validity As At 31/12/12	Owner of The Vehicle As At LTA Records	Owner as per WAF Vehicle/ Plant Hire Contract	Comments
							Amar's Digging Works statement number 790 of 05/05/12 amounting to \$1,406.00.
DA 387	Mitsubishi	Sedan car with extra boot	Private	Yes	Richard Hargrove C	Not listed	Hire of Tipper truck for carting soil for repair work. PO21421 of 20/08/12. Amar's Digging Works statement number 786 of 07/05/12 amounting to \$1,785.00.  As per LTA records vehicle registration number DA387 is a car with extra boot however as per WAF purchase order the same vehicle is referred to as a tipper truck.

- The vehicle class stated in the WAF's contract agreement for three of the vehicles was incorrectly stated. In WAF's contract agreement these vehicles were classified as tipper truck and excavator when the class of vehicle should be either private/commercial. WAF is supposed to hire commercial vehicles only however WAF does not know whether these vehicles are private or commercial. Refer to Table 7.13 for examples.

**Table 7.13: Deviating Class of Vehicle/Plant between WAF and LTA Records**

Vehicle Registration Numbers	Make of the Vehicle	Vehicle/ Plant Body Type	Vehicle Usage Class	Registration Validity As At 31/12/12	Owner of The Vehicle As At LTA Records	Owner as per WAF Vehicle/ Plant Hire Contract	Comments
DA 387	Mitsubishi	Sedan car with extra boot	Private	Yes	Richard Hargrove C	Not listed	Hire of Tipper truck for carting soil for repair work. PO21421 of 20/08/12. Amar's Digging Works statement number 786 of 07/05/12 amounting to \$1,785.00.  As per LTA records vehicle registration number DA387 is a car with extra boot however as per WAF purchase order the same vehicle is referred to as a tipper truck.
EQ 986	Toyota	Van	Commercial	No – 10/02/11	Uno limited	Not listed	Hire of excavator for digging and clearing stones and debris from Buabua dam. PO21419 of 20/08/12. Amar's Digging Works statement number 721 of 02/04/12 amounting to \$5,440.00.

Vehicle Registration Numbers	Make of the Vehicle	Vehicle/ Plant Body Type	Vehicle Usage Class	Registration Validity As At 31/12/12	Owner of The Vehicle As At LTA Records	Owner as per WAF Vehicle/ Plant Hire Contract	Comments
							As per LTA records vehicle registration number EQ 986 is a van however as per WAF purchase order the same vehicle is referred to as an excavator.
FK 687	Caterpillar	Fork lift	Commercial	Yes	Golden Manufacturers Limited	Not listed	<p>Hire of excavator for digging and backfilling for job site. PO18588 of 26/04/12. Vuksich and Borich (Fiji) Limited invoice number WAF001 of 20/02/12 amounting to \$13,972.50.</p> <p>As per LTA records vehicle registration number FK 687 is a forklift however as per WAF purchase order the same vehicle is referred to as an excavator.</p>

- Several vehicles were hired by WAF from the approved contractors which were not listed in the contract agreement. The rate charged by the contractors for these vehicles may not be correct. Refer to Table 7.14 below for examples.

**Table 7.14: Vehicle/Plant Sub Contracted Not Listed In WAF Vehicle/Plant Hire Contract**

Vehicle Registration Numbers	Make of the Vehicle	Vehicle/ Plant Body Type	Vehicle Usage Class	Registration Validity As At 31/12/12	Owner of The Vehicle As At LTA Records	Owner as per WAF Vehicle/ Plant Hire Contract	Comments
DK 371	Kato	Excavator	Commercial	Yes	Dayal Quarries Limited	Not listed	Hire of excavator to work at Moto bridge. PO20774 of 26/07/12. Dayal Quarries Limited statement number of 05/05/12 amounting to \$3,410.00.
EA 422	Hitachi	Excavator	Commercial	No – 24/06/09	Vinay Vikash Hire Truck Services	Not listed	Hire of excavator at Waiwai dam. PO21268 of 14/08/12. Vinay Vikash Hire Truck Services delivery/invoice number 2878 of 30/07/12, 2879 of 31/01/07, 2880 of 01/08/12, 2881 of 02/08/12 and 2882 of 03/08/12. Statement 9324 amounting to \$4,400.
EU 370	Hitachi	Excavator	Commercial	No – 05/02/10	Vuksich and Borich (Fiji) limited	Not listed	Hire of excavator for digging and backfilling for job site. PO19250 of 21/05/12. Vuksich and Borich (Fiji) Limited invoice number WAF002 of 20/02/12 amounting to \$12,187.12.
FB 298	Hitachi	Excavator	Commercial	No – 24/06/09	Vuksich and Borich (Fiji)	Not listed	Hire of excavator for digging and backfilling for job site.

Vehicle Registration Numbers	Make of the Vehicle	Vehicle/ Plant Body Type	Vehicle Usage Class	Registration Validity As At 31/12/12	Owner of The Vehicle As At LTA Records	Owner as per WAF Vehicle/ Plant Hire Contract	Comments
					limited		PO19220 of 21/05/12. Vuksich and Borich (Fiji) Limited invoice number WAF002 of 20/02/12 amounting to \$12,187.12.
FJ 587	Kato	Excavator	Commercial	No – 23/01/09	Sudesh chand	Not listed	Hire of excavator registration number FJ 587 and EV 511 during flood rehabilitation. PO20844 of 30/07/12. Sudesh Transport company statement number 440 of 30/04/12 amounting to \$6,750.00.

The finding indicates that contractors did not always comply with the terms of the contract agreement. In addition WAF did not verify that the contractors were complying with the contract agreements when supplying plants/vehicles as per the contract agreement.

### **Recommendations**

#### **WAF should:**

- **ensure that vehicle/plant contractors avoid sub-contracting other suppliers as this may result in additional hire charges imposed by the contractors;**
- **ensure that vehicles/plant hired have valid registrations;**
- **ensure that the contractors comply with the requirements of the contract at all times;**
- **carry out a thorough investigation on the matter and take necessary actions; and**
- **terminate the contracts of suppliers who do not comply with the requirements of the contract.**

### **Management Comments**

*No comments provided.*



**APPENDICES****Appendix 7.1: Works Certified By Officer other than the Engineer/Supervisor**

Date	Cheque Number	Payee	Plant/Vehicle Instructions	Supplier Plant Hire/Delivery Docket/Invoice Number	Amount (\$)	Comments
24/05/12	18325	Vuksich & Borich (Fiji) Limited	51777 of 9/2/12	5102 of 9/2/12	12,187.12	Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time.
			42359 of 15/02/12	5104 of 15/2/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time.
			42371 of 16/02/12	5105 of 16/02/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time.
			42385 of 16/02/12	5107 of 17/02/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time.
			31002 of 18/02/12	5109 of 18/02/12		Start time, stop end and hours worked not filled in the machine tally sheet. Machine tally sheet signed on behalf of the engineer/supervisor. No time allocated for Idle and waiting time.
			31050 of 20/02/12	5111 of 20/02/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time.
			31086 of 21/02/12	5114 of 21/02/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time.
24/05/12	18325	Vuksich & Borich (Fiji) Limited	51693 of 02/03/12	5058 of 02/03/12	16,611.77	Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time.
			51694 of 03/02/12	5059 of 03/03/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time.
			51695 of 06/03/12	5060 of 06/03/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time.
			928960 of 08/03/12	5061 of 08/03/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time. Use of Fiji Public Works Department Plant/Vehicle job instructions.
			928906 of 09/03/12	5062 of 09/03/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time. Use of Fiji Public Works Department Plant/Vehicle job instructions.
			928920 of 10/03/12	5063 of 10/03/12		Machine tally sheet certified on behalf of the engineer/supervisor.

Date	Cheque Number	Payee	Plant/Vehicle Instructions	Supplier Plant Hire/Delivery Docket/Invoice Number	Amount (\$)	Comments
						No time allocated for Idle and waiting time.
			928936 of 12/03/12	5064 of 12/03/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time. Use of Fiji Public Works Department Plant/Vehicle job instructions.
			928947 of 13/03/12	5065 of 13/03/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time. Use of Fiji Public Works Department Plant/Vehicle job instructions.
			928966 of 14/03/12	5066 of 14/03/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time. Use of Fiji Public Works Department Plant/Vehicle job instructions.
			928978 of 15/03/12	5067 of 15/03/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time. Use of Fiji Public Works Department Plant/Vehicle job instructions.
			928990 of 16/03/12	5069 of 16/03/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time. Use of Fiji Public Works Department Plant/Vehicle job instructions.
			122870 of 17/03/12	5069 of 17/03/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time. Use of Fiji Public Works Department Plant/Vehicle job instructions.
			1228718 of 19/03/12	5070 of 19/03/12		Machine tally sheet certified on behalf of the engineer/supervisor. No time allocated for Idle and waiting time. Use of Fiji Public Works Department Plant/Vehicle job instructions.
06/08/12	19272	Amar's Digging Works	944322 of 29/03/12	2798 of 29/03/12	280.00	Use of Fiji Public Works Department Plant/Vehicle job instructions.
			944274 of 09/04/12	2912 of 09/04/12	1,360.00	Use of Fiji Public Works Department Plant/Vehicle job instructions.
			943745 of 11/04/12	2914 of 11/04/12	1,530.00	Use of Fiji Public Works Department Plant/Vehicle job instructions.
			943787 of 13/04/12	2975 of 13/04/12	1,870.00	Use of Fiji Public Works Department Plant/Vehicle job instructions.
			940435 of 14/04/12	2994 of 14/04/12	1,870.00	Use of Fiji Public Works Department Plant/Vehicle job instructions.
			944331 of 02/04/12	1860 of 02/04/12	420.00	Use of Fiji Public Works Department Plant/Vehicle job instructions.
			944334 of 03/04/12	1861 of 03/04/12	490.00	Use of Fiji Public Works Department Plant/Vehicle job instructions.
			944350 of 04/04/12	1862 of 04/04/12	525.00	Use of Fiji Public Works Department Plant/Vehicle job instructions.
			944364 of 05/04/12	1863 of 05/04/12	525.00	Use of Fiji Public Works Department Plant/Vehicle job instructions.
			944386 of 06/04/12	1864 of 06/04/12	595.00	Use of Fiji Public Works Department Plant/Vehicle job instructions.
			944208 of 07/04/12	1865 of 07/04/12	612.50	Use of Fiji Public Works Department Plant/Vehicle job instructions.

Date	Cheque Number	Payee	Plant/Vehicle Instructions	Supplier Plant Hire/Delivery Docket/Invoice Number	Amount (\$)	Comments
			944232 of 08/04/12	1866 of 08/04/12	568.75	Use of Fiji Public Works Department Plant/Vehicle job instructions.

**Appendix 7.2: Purchase Orders Issued After Services Rendered**

Purchase Order		Invoice		Cheque		
Date	Number	Date	Number	Date	Number	Amount (\$)
<b>Fairdeal Earthmoving Contractors Limited</b>						
10/05/12	PO18933	21/02/12	6236	16/05/12	18254	4,875.00
10/05/12	PO 18934	15/02/12	6218	16/05/12	18254	4,940.00
10/05/12	PO18935	15/02/12	6219	16/05/12	18254	6,565.00
10/05/12	PO18936	15/02/12	6258	16/05/12	18254	6,240.00
10/05/12	PO18937	21/02/12	6235	16/05/12	18254	1,170.00
10/05/12	PO18938	15/02/12	6221	16/05/12	18254	630.00
10/05/12	PO18939	27/02/12	6265	16/05/12	18254	5,220.00
10/05/12	PO18940	21/02/12	6233	16/05/12	18254	3,960.00
<b>Karan Brothers Co. Ltd</b>						
31/01/12	PO16921	04/01/12	6467	24/05/12	18324	464.00
31/01/12	PO16921	05/01/12	6468	24/05/12	18324	464.00
21/05/12	PO19199	26/01/12	6469	24/05/12	18324	464.00
21/05/12	PO19199	27/01/12	6470	24/05/12	18324	493.00
21/05/12	PO19199	28/01/12	6471	24/05/12	18324	609.00
21/05/12	PO19199	29/01/12	6472	24/05/12	18324	667.00
21/05/12	PO19199	30/01/12	6473	24/05/12	18324	638.00
21/05/12	PO19199	31/01/12	6474	24/05/12	18324	551.00
21/05/12	PO19198	02/02/12	6475	24/05/12	18324	435.00
21/05/12	PO19198	03/02/12	6476	24/05/12	18324	580.00
21/05/12	PO19198	04/02/12	6477	24/05/12	18324	493.00
21/05/12	PO19198	05/02/12	6478	24/05/12	18324	580.00
21/05/12	PO19200	06/02/12	6479	24/05/12	18324	551.00
21/05/12	PO19200	07/02/12	6480	24/05/12	18324	609.00
21/05/12	PO19200	08/02/12	6481	24/05/12	18324	667.00
21/05/12	PO19200	09/02/12	6482	24/05/12	18324	638.00
21/05/12	PO19200	10/02/12	6483	24/05/12	18324	899.00
21/05/12	PO19200	11/02/12	6484	24/05/12	18324	841.00
21/05/12	PO19200	12/02/12	6485	24/05/12	18324	870.00
21/05/12	PO19191	13/02/12	6486	24/05/12	18324	696.00
21/05/12	PO19191	14/02/12	6487	24/05/12	18324	725.00
21/05/12	PO19191	15/02/12	6488	24/05/12	18324	725.00
21/05/12	PO19191	18/02/12	6489	24/05/12	18324	696.00
21/05/12	PO19191	19/02/12	6490	24/05/12	18324	580.00
03/07/12	PO20304	04/06/12	7353	11/07/12	18905	440.00
03/07/12	PO20304	05/06/12	7355	11/07/12	18905	440.00
03/07/12	PO20304	06/06/12	7357	11/07/12	18905	440.00
03/07/12	PO20304	07/06/12	7359	11/07/12	18905	440.00
03/07/12	PO20304	08/06/12	7361	11/07/12	18905	440.00
03/07/12	PO20305	12/06/12	7363	11/07/12	18905	440.00
03/07/12	PO20305	13/06/12	7365	11/07/12	18905	440.00
03/07/12	PO20305	14/06/12	7367	11/07/12	18905	440.00
03/07/12	PO20305	15/06/12	7369	11/07/12	18905	440.00
03/07/12	PO20306	13/06/12	7401	11/07/12	18905	880.00
03/07/12	PO20306	14/06/12	7402	11/07/12	18905	880.00
03/07/12	PO20306	15/06/12	7403	11/07/12	18905	880.00
18/07/12	PO20617	25/06/12	7409	25/07/12	19099	880.00
18/07/12	PO20617	26/06/12	7410	25/07/12	19099	880.00
18/07/12	PO20617	27/06/12	7411	25/07/12	19099	880.00

Purchase Order		Invoice		Cheque		
Date	Number	Date	Number	Date	Number	Amount (\$)
18/07/12	PO20617	28/06/12	7412	25/07/12	19099	880.00
18/07/12	PO20617	29/06/12	7413	25/07/12	19099	880.00
18/07/12	PO20616	18/06/12	7404	25/07/12	19099	880.00
18/07/12	PO20616	19/06/12	7405	25/07/12	19099	880.00
18/07/12	PO20616	20/06/12	7406	25/07/12	19099	880.00
18/07/12	PO20616	21/06/12	7407	25/07/12	19099	880.00
18/07/12	PO20616	22/06/12	7408	25/07/12	19099	880.00
18/07/12	PO20615	25/06/12	7381	25/07/12	19099	440.00
18/07/12	PO20615	26/06/12	7383	25/07/12	19099	440.00
18/07/12	PO20615	27/06/12	7385	25/07/12	19099	440.00
18/07/12	PO20615	28/06/12	7387	25/07/12	19099	440.00
18/07/12	PO20615	29/06/12	7389	25/07/12	19099	440.00
18/07/12	PO20614	18/06/12	7371	25/07/12	19099	440.00
18/07/12	PO20614	19/06/12	7373	25/07/12	19099	440.00
18/07/12	PO20614	20/06/12	7375	25/07/12	19099	440.00
18/07/12	PO20614	21/06/12	7377	25/07/12	19099	440.00
18/07/12	PO20614	22/06/12	7379	25/07/12	19099	440.00
21/05/12	PO19193	13/02/12	6654	24/05/12	18324	464.00
21/05/12	PO19193	14/02/12	6655	24/05/12	18324	464.00
21/05/12	PO19193	15/02/12	6656	24/05/12	18324	464.00
21/05/12	PO19193	16/02/12	6657	24/05/12	18324	464.00
21/05/12	PO19193	17/02/12	6658	24/05/12	18324	464.00
21/05/12	PO19197	08/02/12	6651	24/05/12	18324	464.00
21/05/12	PO19197	09/02/12	6652	24/05/12	18324	464.00
21/05/12	PO19197	10/02/12	6653	24/05/12	18324	464.00
21/05/12	PO19192	20/02/12	6659	24/05/12	18324	464.00
21/05/12	PO19192	21/02/12	6660	24/05/12	18324	464.00
21/05/12	PO19192	22/02/12	6661	24/05/12	18324	464.00
21/05/12	PO19192	23/02/12	6662	24/05/12	18324	464.00
21/05/12	PO19192	24/02/12	6663	24/05/12	18324	464.00
21/05/12	PO19213	05/03/12	6669	24/05/12	18324	464.00
21/05/12	PO19213	06/03/12	6670	24/05/12	18324	464.00
21/05/12	PO19213	07/03/12	6671	24/05/12	18324	464.00
21/05/12	PO19213	08/03/12	6672	24/05/12	18324	464.00
21/05/12	PO19213	09/03/12	6673	24/05/12	18324	464.00
21/05/12	PO19196	27/02/12	6664	24/05/12	18324	464.00
21/05/12	PO19196	28/02/12	6665	24/05/12	18324	464.00
21/05/12	PO19196	29/02/12	6666	24/05/12	18324	464.00
21/05/12	PO19196	01/03/12	6667	24/05/12	18324	464.00
21/05/12	PO19196	02/03/12	6668	24/05/12	18324	464.00
13/06/12	PO19863	21/05/12	7233	19/06/12	18658	440.00
13/06/12	PO19863	22/05/12	7235	19/06/12	18658	440.00
13/06/12	PO19863	23/05/12	7237	19/06/12	18658	440.00
13/06/12	PO19863	24/05/12	7239	19/06/12	18658	440.00
13/06/12	PO19863	25/05/12	7241	19/06/12	18658	440.00
13/06/12	PO19871	28/05/12	7243	19/06/12	18658	440.00
13/06/12	PO19871	29/05/12	7245	19/06/12	18658	440.00
13/06/12	PO19871	30/05/12	7247	19/06/12	18658	440.00
13/06/12	PO19871	31/05/12	7249	19/06/12	18658	440.00
13/06/12	PO19871	01/06/12	7351	19/06/12	18658	440.00
04/08/12	PO21040	09/07/12	7424	13/08/12	19412	880.00
04/08/12	PO21040	10/07/12	7426	13/08/12	19412	880.00
04/08/12	PO21040	11/07/12	7428	13/08/12	19412	880.00
04/08/12	PO21040	12/07/12	7430	13/08/12	19412	880.00

Purchase Order		Invoice		Cheque		
Date	Number	Date	Number	Date	Number	Amount (\$)
04/08/12	PO21040	13/07/12	7432	13/08/12	19412	880.00
04/08/12	PO21039	09/07/12	7425	13/08/12	19412	440.00
04/08/12	PO21039	10/07/12	7427	13/08/12	19412	440.00
04/08/12	PO21039	11/07/12	7429	13/08/12	19412	440.00
04/08/12	PO21039	12/07/12	7431	13/08/12	19412	440.00
04/08/12	PO21039	13/07/12	7433	13/08/12	19412	440.00
09/08/12	PO21204	16/07/12	7651	20/08/12	19485	1,040.00
09/08/12	PO21204	17/07/12	7652	20/08/12	19485	1,040.00
09/08/12	PO21204	18/07/12	7653	20/08/12	19485	1,040.00
09/08/12	PO21204	19/07/12	7654	20/08/12	19485	1,040.00
09/08/12	PO21204	20/07/12	7655	20/08/12	19485	1,040.00
09/08/12	PO21205	23/07/12	7656	20/08/12	19485	1,040.00
09/08/12	PO21205	24/07/12	7658	20/08/12	19485	1,040.00
09/08/12	PO21205	25/07/12	7660	20/08/12	19485	1,040.00
09/08/12	PO21205	26/07/12	7662	20/08/12	19485	1,040.00
09/08/12	PO21205	27/07/12	7664	20/08/12	19485	1,040.00
09/08/12	PO21207	23/07/12	7657	20/08/12	19487	1,040.00
09/08/12	PO21207	24/07/12	7659	20/08/12	19487	1,040.00
09/08/12	PO21207	25/07/12	7661	20/08/12	19487	1,040.00
09/08/12	PO21207	26/07/12	7663	20/08/12	19487	1,040.00
09/08/12	PO21207	27/07/12	7665	20/08/12	19487	1,040.00
09/08/12	PO21202	23/07/12	7445	20/08/12	19487	440.00
09/08/12	PO21202	24/07/12	7447	20/08/12	19487	440.00
09/08/12	PO21202	25/07/12	7449	20/08/12	19487	440.00
09/08/12	PO21202	26/07/12	7701	20/08/12	19487	440.00
09/08/12	PO21202	27/07/12	7703	20/08/12	19487	440.00
09/08/12	PO21203	16/07/12	7435	20/08/12	19487	440.00
09/08/12	PO21203	17/07/12	7437	20/08/12	19487	440.00
09/08/12	PO21203	18/07/12	7439	20/08/12	19487	440.00
09/08/12	PO21203	19/07/12	7441	20/08/12	19487	440.00
09/08/12	PO21203	20/07/12	7443	20/08/12	19487	440.00
09/08/12	PO21201	02/07/12	7415	20/08/12	19487	440.00
09/08/12	PO21201	03/07/12	7417	20/08/12	19487	440.00
09/08/12	PO21201	04/07/12	7419	20/08/12	19487	440.00
09/08/12	PO21201	05/07/12	7421	20/08/12	19487	440.00
09/08/12	PO21201	06/07/12	7423	20/08/12	19487	440.00
09/08/12	PO21200	02/07/12	7414	20/08/12	19487	880.00
09/08/12	PO21200	03/07/12	7416	20/08/12	19487	880.00
09/08/12	PO21200	04/07/12	7418	20/08/12	19487	880.00
09/08/12	PO21200	05/07/12	7420	20/08/12	19487	880.00
09/08/12	PO21200	06/07/12	7422	20/08/12	19487	880.00
09/08/12	PO21199	16/07/12	7434	20/08/12	19487	880.00
09/08/12	PO21199	17/07/12	7436	20/08/12	19487	880.00
09/08/12	PO21199	18/07/12	7438	20/08/12	19487	880.00
09/08/12	PO21199	19/07/12	7440	20/08/12	19487	880.00
09/08/12	PO21199	20/07/12	7442	20/08/12	19487	880.00
09/08/12	PO21198	23/07/12	7444	20/08/12	19487	880.00
09/08/12	PO21198	24/07/12	7446	20/08/12	19487	880.00
09/08/12	PO21198	25/07/12	7448	20/08/12	19487	880.00
09/08/12	PO21198	26/07/12	7450	20/08/12	19487	880.00
09/08/12	PO21198	27/07/12	7702	20/08/12	19487	880.00
13/08/12	PO21239	30/07/12	7705	22/08/12	19531	440.00
13/08/12	PO21239	31/07/12	7707	22/08/12	19531	440.00
13/08/12	PO21239	01/08/12	7709	22/08/12	19531	440.00

Purchase Order		Invoice		Cheque		
Date	Number	Date	Number	Date	Number	Amount (\$)
13/08/12	PO21239	02/08/12	7711	22/08/12	19531	440.00
13/08/12	PO21239	03/08/12	7713	22/08/12	19531	440.00
13/08/12	PO21240	30/07/12	7704	22/08/12	19531	880.00
13/08/12	PO21240	31/07/12	7706	22/08/12	19531	880.00
13/08/12	PO21240	01/08/12	7708	22/08/12	19531	880.00
13/08/12	PO21240	02/08/12	7710	22/08/12	19531	880.00
13/08/12	PO21240	03/08/12	7712	22/08/12	19531	880.00
13/08/12	PO21241	30/07/12	7667	22/08/12	19531	1,040.00
13/08/12	PO21241	31/07/12	7669	22/08/12	19531	1,040.00
13/08/12	PO21241	01/08/12	7671	22/08/12	19531	1,040.00
13/08/12	PO21241	02/08/12	7673	22/08/12	19531	1,040.00
13/08/12	PO21241	03/08/12	7675	22/08/12	19531	1,040.00
13/08/12	PO21238	30/07/12	7666	22/08/12	19530	1,040.00
13/08/12	PO21238	31/07/12	7668	22/08/12	19530	1,040.00
13/08/12	PO21238	01/08/12	7670	22/08/12	19530	1,040.00
13/08/12	PO21238	02/08/12	7672	22/08/12	19530	1,040.00
13/08/12	PO21238	03/08/12	7674	22/08/12	19530	1,040.00
16/08/12	PO21288	06/08/12	7676	22/08/12	19542	1,040.00
16/08/12	PO21288	07/08/12	7678	22/08/12	19542	1,040.00
16/08/12	PO21288	08/08/12	7680	22/08/12	19542	1,040.00
16/08/12	PO21288	09/08/12	7682	22/08/12	19542	1,040.00
16/08/12	PO21288	10/08/12	7684	22/08/12	19542	1,040.00
16/08/12	PO21285	06/08/12	7677	21/08/12	19512	1,040.00
16/08/12	PO21285	07/08/12	7679	21/08/12	19512	1,040.00
16/08/12	PO21285	08/08/12	7681	21/08/12	19512	1,040.00
16/08/12	PO21285	09/08/12	7683	21/08/12	19512	1,040.00
16/08/12	PO21285	10/08/12	7685	21/08/12	19512	1,040.00
16/08/12	PO21284	06/08/12	7801	21/08/12	19512	1,040.00
16/08/12	PO21284	07/08/12	7802	21/08/12	19512	1,040.00
16/08/12	PO21284	08/08/12	7803	21/08/12	19512	1,040.00
16/08/12	PO21284	09/08/12	7804	21/08/12	19512	1,040.00
16/08/12	PO21284	10/08/12	7805	21/08/12	19512	1,040.00
16/08/12	PO21287	06/08/12	7714	21/08/12	19512	880.00
16/08/12	PO21287	07/08/12	7716	21/08/12	19512	880.00
16/08/12	PO21287	08/08/12	7718	21/08/12	19512	880.00
16/08/12	PO21287	09/08/12	7720	21/08/12	19512	880.00
16/08/12	PO21287	10/08/12	7722	21/08/12	19512	880.00
16/08/12	PO21286	06/08/12	7715	21/08/12	19512	440.00
16/08/12	PO21286	07/08/12	7717	21/08/12	19512	440.00
16/08/12	PO21286	08/08/12	7719	21/08/12	19512	440.00
16/08/12	PO21286	09/08/12	7721	21/08/12	19512	440.00
16/08/12	PO21286	10/08/12	7723	21/08/12	19512	440.00
<b>Vuksich &amp; Borich (Fiji) Ltd</b>						
21/05/12	PO19202	28/03/12	7	24/05/12	18325	6,442.88
21/05/12	PO19203	21/03/12	5	24/05/12	18325	1,121.25
21/05/12	PO19220	20/02/12	2	24/05/12	18325	12,187.15
23/05/12	PO19250	21/03/12	6	24/05/12	18325	16,611.77
26/04/12	PO18586	20/02/12	3	27/04/12	18037	1,840.00
26/04/12	PO18587	29/02/12	4	27/04/12	18037	13,627.50
26/04/12	PO18588	20/02/12	1	27/04/12	18037	13,972.50
20/06/12	PO20033	02/04/12	4290	09/08/12	19343	160.13
20/06/12	PO20033	03/04/12	4291	09/08/12	19343	1,785.38
20/06/12	PO20033	04/04/12	4292	09/08/12	19343	1,242.00

Purchase Order		Invoice		Cheque		
Date	Number	Date	Number	Date	Number	Amount (\$)
20/06/12	PO20033	05/04/12	5078	09/08/12	19343	1,397.25
20/06/12	PO20033	06/04/12	5079	09/08/12	19343	2,173.50
20/06/12	PO20033	07/04/12	5080	09/08/12	19343	1,552.50
20/06/12	PO20033	09/04/12	5081	09/08/12	19343	1,242.00
<b>Amar's Digging Works</b>						
21/08/12	PO21484	07/02/12	930	27/08/12	19610	280.00
21/08/12	PO21484	09/02/12	945	27/08/12	19610	175.00
21/08/12	PO21484	10/02/12	1379	27/08/12	19610	280.00
21/08/12	PO21484	11/02/12	950	27/08/12	19610	245.00
21/08/12	PO21484	12/02/12	955	27/08/12	19610	280.00
16/07/12	PO20575	12/04/12	2963	27/08/12	19610	315.00
16/07/12	PO20575	13/04/12	2976	27/08/12	19610	280.00
16/07/12	PO20575	14/04/12	3312	27/08/12	19610	315.00
16/07/12	PO20575	15/04/12	3334	27/08/12	19610	315.00
16/07/12	PO20575	16/04/12	335	27/08/12	19610	280.00
16/07/12	PO20575	17/04/12	3336	27/08/12	19610	315.00
16/07/12	PO20575	18/04/12	3355	27/08/12	19610	280.00
16/07/12	PO20575	19/04/12	3359	27/08/12	19610	315.00
16/07/12	PO20575	20/04/12	3360	27/08/12	19610	280.00
01/08/12	PO20981	01/05/12	3384	27/08/12	19614	216.00
01/08/12	PO20981	02/05/12	3514	27/08/12	19614	216.00
01/08/12	PO20981	03/05/12	3385	27/08/12	19614	216.00
01/08/12	PO20981	04/05/12	3392	27/08/12	19614	216.00
01/08/12	PO20980	09/04/12	537	27/08/12	19614	420.00
01/08/12	PO20980	10/04/12	538	27/08/12	19614	400.00
01/08/12	PO20980	11/04/12	539	27/08/12	19614	520.00
01/08/12	PO20980	12/04/12	540	27/08/12	19614	600.00
01/08/12	PO20980	13/04/12	541	27/08/12	19614	460.00
19/07/12	PO20655	09/04/12	2857	27/08/12	19614	420.00
19/07/12	PO20655	10/04/12	2847	27/08/12	19614	455.00
19/07/12	PO20655	11/04/12	2853	27/08/12	19614	455.00
19/07/12	PO20655	12/04/12	2854	27/08/12	19614	420.00
19/07/12	PO20655	13/04/12	2973	27/08/12	19614	420.00
01/08/12	PO20982	01/04/12	2966	27/08/12	19614	315.00
18/07/12	PO20636	19/03/12	434	27/08/12	19614	280.00
18/07/12	PO20636	20/03/12	435	27/08/12	19614	297.50
18/07/12	PO20636	21/03/12	436	27/08/12	19614	227.50
01/08/12	PO20979	09/04/12	442	27/08/12	19614	551.25
01/08/12	PO20979	10/04/12	443	27/08/12	19614	630.00
01/08/12	PO20979	11/04/12	444	27/08/12	19614	560.00
01/08/12	PO20979	12/04/12	445	27/08/12	19614	525.00
01/08/12	PO20979	13/04/12	446	27/08/12	19614	560.00
01/08/12	PO20979	14/04/12	2896	27/08/12	19614	175.00
01/08/12	PO20979	15/04/12	2986	27/08/12	19614	350.00
21/08/12	PO21450	20/02/12	6100	27/08/12	19624	120.00
21/08/12	PO21450	21/02/12	1515	27/08/12	19624	560.00
21/08/12	PO21450	22/02/12	1516	27/08/12	19624	320.00
21/08/12	PO21450	23/02/12	1517	27/08/12	19624	320.00
21/08/12	PO21450	24/02/12	1518	27/08/12	19624	480.00
21/08/12	PO21450	25/02/12	1519	27/08/12	19624	420.00
21/08/12	PO21450	26/02/12	1520	27/08/12	19624	440.00
20/08/12	PO21377	27/02/12	524	27/08/12	19624	560.00
20/08/12	PO21377	28/02/12	525	27/08/12	19624	560.00



Purchase Order		Invoice		Cheque		
Date	Number	Date	Number	Date	Number	Amount (\$)
20/08/12	PO21377	29/02/12	526	27/08/12	19624	590.00
20/08/12	PO21377	01/03/12	527	27/08/12	19624	440.00
20/08/12	PO21377	02/03/12	528	27/08/12	19624	490.00
20/08/12	PO21377	03/03/12	529	27/08/12	19624	360.00
21/08/12	PO21498	26/03/12	1543	27/08/12	19624	300.00
21/08/12	PO21498	27/03/12	1544	27/08/12	19624	280.00
21/08/12	PO21498	28/03/12	1545	27/08/12	19624	340.00
21/08/12	PO21498	29/03/12	1546	27/08/12	19624	320.00
01/08/12	PO20978	09/04/12	2906	28/08/12	19641	464.00
01/08/12	PO20978	10/04/12	2926	28/08/12	19641	522.00
01/08/12	PO20978	11/04/12	2927	28/08/12	19641	522.00
01/08/12	PO20978	14/04/12	3338	28/08/12	19641	464.00
01/08/12	PO20978	15/04/12	3339	28/08/12	19641	522.00
21/08/12	PO21448	26/04/12	2287	28/08/12	19641	248.00
21/08/12	PO21448	27/04/12	2288	28/08/12	19641	248.00
21/08/12	PO21448	30/04/12	3531	28/08/12	19641	248.00
21/08/12	PO21503	14/02/12	6095	29/08/12	19652	380.00
21/08/12	PO21503	15/02/12	6096	29/08/12	19652	400.00
21/08/12	PO21503	16/02/12	6097	29/08/12	19652	240.00
21/08/12	PO21503	18/02/12	6098	29/08/12	19652	400.00
21/08/12	PO21503	19/02/12	6099	29/08/12	19652	360.00
05/06/12	PO19713	03/04/12	683	28/08/12	19640	280.00
05/06/12	PO19713	04/04/12	684	28/08/12	19640	280.00
05/06/12	PO19713	05/04/12	696	28/08/12	19640	280.00
22/08/12	PO21546	06/02/12	924	28/08/12	19648	888.00
22/08/12	PO21546	07/02/12	927	28/08/12	19648	888.00
22/08/12	PO21546	08/02/12	1363	28/08/12	19648	962.00
22/08/12	PO21546	09/02/12	941	28/08/12	19648	962.00
22/08/12	PO21546	10/02/12	1375	28/08/12	19648	814.00
22/08/12	PO21546	11/02/12	947	28/08/12	19648	814.00
22/08/12	PO21546	12/02/12	954	28/08/12	19648	814.00
21/08/12	PO21438	10/04/12	2263	29/08/12	19666	280.00
21/08/12	PO21438	11/04/12	3106	29/08/12	19666	280.00
21/08/12	PO21438	12/04/12	3107	29/08/12	19666	280.00
21/08/12	PO21438	13/04/12	3108	29/08/12	19666	280.00
20/08/12	PO21414	05/03/12	2413	29/08/12	19666	592.00
20/08/12	PO21414	06/03/12	2414	29/08/12	19666	592.00
20/08/12	PO21414	07/03/12	2415	29/08/12	19666	592.00
20/08/12	PO21414	08/03/12	2421	29/08/12	19666	592.00
20/08/12	PO21414	09/03/12	2420	29/08/12	19666	592.00
21/08/12	PO21439	30/04/12	3015	29/08/12	19666	592.00
21/08/12	PO21452	02/04/12	690	29/08/12	19666	592.00
21/08/12	PO21452	03/04/12	691	29/08/12	19666	592.00
21/08/12	PO21452	04/04/12	692	29/08/12	19666	592.00
21/08/12	PO21452	05/04/12	693	29/08/12	19666	592.00
21/08/12	PO21453	10/04/12	3001	29/08/12	19666	592.00
21/08/12	PO21453	11/04/12	3002	29/08/12	19666	592.00
21/08/12	PO21453	12/04/12	3003	29/08/12	19666	592.00
21/08/12	PO21453	13/04/12	3004	29/08/12	19666	592.00
20/08/12	PO21426	12/03/12	647	29/08/12	19666	280.00
20/08/12	PO21426	13/03/12	652	29/08/12	19666	280.00
20/08/12	PO21426	14/03/12	650	29/08/12	19666	280.00
20/08/12	PO21426	15/03/12	657	29/08/12	19666	280.00
20/08/12	PO21426	16/03/12	659	29/08/12	19666	280.00

Purchase Order		Invoice		Cheque		
Date	Number	Date	Number	Date	Number	Amount (\$)
21/08/12	PO21489	17/02/12	1388	29/08/12	19654	1,360.00
20/08/12	PO21338	20/02/12	423	29/08/12	19658	592.00
20/08/12	PO21338	21/02/12	424	29/08/12	19658	592.00
20/08/12	PO21338	22/02/12	425	29/08/12	19658	592.00
20/08/12	PO21338	23/02/12	426	29/08/12	19658	592.00
20/08/12	PO21338	24/02/12	427	29/08/12	19658	592.00
20/08/12	PO21338	25/02/12	428	29/08/12	19658	592.00
20/08/12	PO21338	26/02/12	429	29/08/12	19658	592.00
20/08/12	PO21339	27/02/12	631	29/08/12	19658	280.00
20/08/12	PO21339	28/02/12	632	29/08/12	19658	280.00
20/08/12	PO21339	29/02/12	633	29/08/12	19658	280.00
20/08/12	PO21339	01/03/12	634	29/08/12	19658	280.00
20/08/12	PO21340	25/06/12	4029	29/08/12	19658	216.00
20/08/12	PO21340	26/06/12	4030	29/08/12	19658	216.00
20/08/12	PO21340	27/06/12	4031	29/08/12	19658	216.00
20/08/12	PO21340	28/06/12	4032	29/08/12	19658	216.00
20/08/12	PO21340	29/06/12	4033	29/08/12	19658	216.00
20/08/12	PO21342	14/02/12	1826	29/08/12	19658	280.00
20/08/12	PO21342	15/02/12	1827	29/08/12	19658	280.00
20/08/12	PO21342	16/02/12	1828	29/08/12	19658	280.00
20/08/12	PO21342	17/02/12	1829	29/08/12	19658	280.00
20/08/12	PO21343	05/03/12	641	29/08/12	19658	280.00
20/08/12	PO21343	06/03/12	642	29/08/12	19658	280.00
20/08/12	PO21343	07/03/12	2416	29/08/12	19658	280.00
20/08/12	PO21343	08/03/12	2418	29/08/12	19658	280.00
20/08/12	PO21345	07/03/12	2457	29/08/12	19658	592.00
20/08/12	PO21345	08/03/12	2460	29/08/12	19658	592.00
20/08/12	PO21345	09/03/12	2458	29/08/12	19658	592.00
20/08/12	PO21346	10/04/12	3102	29/08/12	19658	280.00
20/08/12	PO21346	11/04/12	3103	29/08/12	19658	280.00
20/08/12	PO21346	12/04/12	3104	29/08/12	19658	280.00
20/08/12	PO21346	13/04/12	3202	29/08/12	19658	490.00
20/08/12	PO21348	01/05/12	3380	29/08/12	19658	248.00
20/08/12	PO21348	02/05/12	3383	29/08/12	19658	248.00
20/08/12	PO21348	03/05/12	3386	29/08/12	19658	248.00
20/08/12	PO21348	04/05/12	3558	29/08/12	19658	248.00
20/08/12	PO21348	05/05/12	3559	29/08/12	19658	248.00
20/08/12	PO21353	26/03/12	679	29/08/12	19658	280.00
20/08/12	PO21353	27/03/12	680	29/08/12	19658	280.00
20/08/12	PO21353	28/03/12	681	29/08/12	19658	280.00
20/08/12	PO21353	29/03/12	682	29/08/12	19658	280.00
20/08/12	PO21409	25/06/12	4024	29/08/12	19658	592.00
20/08/12	PO21409	26/06/12	4025	29/08/12	19658	592.00
20/08/12	PO21409	27/06/12	4026	29/08/12	19658	592.00
20/08/12	PO21409	28/06/12	4027	29/08/12	19658	592.00
20/08/12	PO21409	29/06/12	4028	29/08/12	19658	592.00
20/08/12	PO21410	12/06/12	3760	29/08/12	19658	248.00
20/08/12	PO21410	13/06/12	3761	29/08/12	19658	248.00
20/08/12	PO21410	14/06/12	3762	29/08/12	19658	248.00
20/08/12	PO21410	15/06/12	3763	29/08/12	19658	248.00
20/08/12	PO21411	22/02/12	626	29/08/12	19658	280.00
20/08/12	PO21411	23/02/12	627	29/08/12	19658	280.00
20/08/12	PO21411	24/02/12	628	29/08/12	19658	280.00
20/08/12	PO21411	25/02/12	629	29/08/12	19658	280.00

Purchase Order		Invoice		Cheque		
Date	Number	Date	Number	Date	Number	Amount (\$)
20/08/12	PO21411	26/02/12	630	29/08/12	19658	280.00
20/08/12	PO21423	02/04/12	686	29/08/12	19658	280.00
20/08/12	PO21423	03/04/12	687	29/08/12	19658	280.00
20/08/12	PO21423	04/04/12	688	29/08/12	19658	280.00
20/08/12	PO21423	05/04/12	689	29/08/12	19658	280.00
20/08/12	PO21424	19/03/12	660	29/08/12	19658	280.00
20/08/12	PO21424	20/03/12	662	29/08/12	19658	280.00
20/08/12	PO21424	21/03/12	665	29/08/12	19658	280.00
20/08/12	PO21424	22/03/12	666	29/08/12	19658	280.00
20/08/12	PO21424	23/03/12	667	29/08/12	19658	280.00
20/08/12	PO21375	05/02/12	1334	30/08/12	19703	962.00
20/08/12	PO21415	25/06/12	4009	30/08/12	19703	216.00
20/08/12	PO21415	26/06/12	4010	30/08/12	19703	216.00
20/08/12	PO21415	27/06/12	4011	30/08/12	19703	216.00
20/08/12	PO21415	28/06/12	4012	30/08/12	19703	216.00
20/08/12	PO21415	29/06/12	4013	30/08/12	19703	216.00
20/08/12	PO21416	04/05/12	2091	30/08/12	19703	592.00
20/08/12	PO21416	05/05/12	2092	30/08/12	19703	814.00
20/08/12	PO21417	12/03/12	714	30/08/12	19703	3,552.00
20/08/12	PO21419	02/04/12	721	30/08/12	19703	5,440.00
20/08/12	PO21420	26/03/12	716	30/08/12	19703	3,626.00
20/08/12	PO21421	07/05/12	786	30/08/12	19703	1,785.00
21/08/12	PO21445	19/03/12	715	30/08/12	19703	3,552.00
21/08/12	PO21446	19/03/12	719	30/08/12	19703	8,160.00
21/08/12	PO21454	30/01/12	1269	30/08/12	19703	1,277.50
21/08/12	PO21451	14/05/12	3525	30/08/12	19700	216.00
21/08/12	PO21451	15/05/12	3526	30/08/12	19700	216.00
21/08/12	PO21451	16/05/12	3565	30/08/12	19700	216.00
21/08/12	PO21451	17/05/12	3566	30/08/12	19700	216.00
21/08/12	PO21451	18/05/12	3567	30/08/12	19700	216.00
20/08/12	PO21378	17/04/12	3372	30/08/12	19700	372.00
20/08/12	PO21378	18/04/12	3373	30/08/12	19700	248.00
20/08/12	PO21378	19/04/12	3374	30/08/12	19700	372.00
20/08/12	PO21378	20/04/12	3375	30/08/12	19700	341.00
21/08/12	PO21486	26/01/12	903	30/08/12	19700	472.50
21/08/12	PO21486	27/01/12	906	30/08/12	19700	525.00
21/08/12	PO21486	28/01/12	1984	30/08/12	19700	507.50
21/08/12	PO21488	26/01/12	904	30/08/12	19700	507.50
21/08/12	PO21488	27/01/12	907	30/08/12	19700	630.00
20/08/12	PO21376	03/04/12	1547	30/08/12	19700	320.00
20/08/12	PO21376	04/04/12	1548	30/08/12	19700	310.00
05/06/12	PO19710	15/03/12	2915	30/08/12	19700	350.00
05/06/12	PO19710	16/03/12	2916	30/08/12	19700	350.00
20/08/12	PO21388	26/04/12	3376	30/08/12	19700	200.00
20/08/12	PO21388	30/04/12	3377	30/08/12	19700	200.00
20/08/12	PO21374	07/02/12	601	30/08/12	19700	280.00
20/08/12	PO21374	08/02/12	604	30/08/12	19700	280.00
20/08/12	PO21374	02/02/12	610	30/08/12	19700	280.00
20/08/12	PO21374	10/02/12	605	30/08/12	19700	280.00
20/08/12	PO21374	11/02/12	611	30/08/12	19700	280.00
20/08/12	PO21374	12/02/12	606	30/08/12	19700	280.00
20/08/12	PO21379	19/03/12	2733	30/08/12	19700	592.00
20/08/12	PO21379	20/03/12	663	30/08/12	19700	592.00
20/08/12	PO21379	21/03/12	673	30/08/12	19700	592.00

Purchase Order		Invoice		Cheque		
Date	Number	Date	Number	Date	Number	Amount (\$)
20/08/12	PO21379	22/03/12	674	30/08/12	19700	592.00
20/08/12	PO21379	23/03/12	675	30/08/12	19700	592.00
21/08/12	PO21455	23/04/12	3010	30/08/12	19700	592.00
21/08/12	PO21455	24/04/12	3011	30/08/12	19700	592.00
21/08/12	PO21455	25/04/12	3012	30/08/12	19700	592.00
21/08/12	PO21455	26/04/12	3013	30/08/12	19700	592.00
21/08/12	PO21455	27/04/12	3014	30/08/12	19700	592.00
21/08/12	PO19707	26/03/12	676	30/08/12	19700	280.00
21/08/12	PO19707	27/03/12	677	30/08/12	19700	280.00
21/08/12	PO19707	28/03/12	678	30/08/12	19700	280.00
21/08/12	PO21442	19/03/12	654	30/08/12	19700	280.00
21/08/12	PO21442	20/03/12	664	30/08/12	19700	280.00
21/08/12	PO21442	21/03/12	668	30/08/12	19700	280.00
21/08/12	PO21442	22/03/12	669	30/08/12	19700	280.00
21/08/12	PO21442	23/03/12	670	30/08/12	19700	280.00
20/08/12	PO21429	16/04/12	3005	30/08/12	19700	592.00
20/08/12	PO21429	17/04/12	3006	30/08/12	19700	592.00
20/08/12	PO21429	18/04/12	3007	30/08/12	19700	592.00
20/08/12	PO21429	19/04/12	3008	30/08/12	19700	592.00
20/08/12	PO21429	20/04/12	3009	30/08/12	19700	592.00
<b>All Engineering</b>						
09/08/12	PO21151	17/03/12	45685	20/08/12	19492	472.50
09/08/12	PO21151	16/03/12	45686	20/08/12	19492	280.00
09/08/12	PO21151	15/03/12	45687	20/08/12	19492	437.50
09/08/12	PO21151	14/03/12	45688	20/08/12	19492	297.50
09/08/12	PO21151	13/03/12	45689	20/08/12	19492	367.50
09/08/12	PO21151	12/03/12	45690	20/08/12	19492	280.00
09/08/12	PO21152	03/03/12	45700	20/08/12	19492	245.00
13/08/12	PO21245	18/03/12	46895	22/08/12	19517	402.50
13/08/12	PO21245	19/03/12	46896	22/08/12	19517	402.50
13/08/12	PO21245	20/03/12	46897	22/08/12	19517	402.50
13/08/12	PO21245	21/03/12	46898	22/08/12	19517	402.50
13/08/12	PO21245	22/03/12	46899	22/08/12	19517	402.50
13/08/12	PO21245	23/03/12	46900	22/08/12	19517	402.50
23/08/12	PO21573	27/01/12	45310	29/08/12	19663	280.00
23/08/12	PO21573	04/02/12	45361	29/08/12	19663	440.00
23/08/12	PO21573	14/02/12	45626	29/08/12	19663	340.00
23/08/12	PO21573	15/02/12	45629	29/08/12	19663	340.00
23/08/12	PO21575	07/05/12	47017	29/08/12	19663	490.00
23/08/12	PO21575	08/05/12	47016	29/08/12	19663	490.00
23/08/12	PO21575	11/05/12	47015	29/08/12	19663	490.00
23/08/12	PO21575	12/05/12	47014	29/08/12	19663	490.00
01/08/12	PO20971	01/06/12	47509	29/08/12	19663	402.50
01/08/12	PO20971	31/05/12	47510	29/08/12	19663	367.50
01/08/12	PO20971	30/05/12	47511	29/08/12	19663	402.50
01/08/12	PO20971	29/05/12	47512	29/08/12	19663	437.50
01/08/12	PO20971	28/05/12	47513	29/08/12	19663	332.50
23/08/12	PO21574	07/04/12	4634	29/08/12	19663	360.00
09/08/12	PO21174	03/04/12	46441	29/08/12	19660	385.00
09/08/12	PO21174	04/04/12	46442	29/08/12	19660	385.00
09/08/12	PO21174	05/04/12	46443	29/08/12	19660	385.00
09/08/12	PO21174	06/04/12	46444	29/08/12	19660	595.00
23/08/12	PO21578	14/04/12	46381	29/08/12	19660	320.00

Purchase Order		Invoice		Cheque		
Date	Number	Date	Number	Date	Number	Amount (\$)
23/08/12	PO21578	13/04/12	46380	29/08/12	19660	350.00
23/08/12	PO21578	12/04/12	46379	29/08/12	19660	530.00
23/08/12	PO21578	10/04/12	46378	29/08/12	19660	120.00
23/08/12	PO21578	07/04/12	46372	29/08/12	19660	520.00
23/08/12	PO21578	06/04/12	46370	29/08/12	19660	660.00
23/08/12	PO21578	06/04/12	46369	29/08/12	19660	640.00
23/08/12	PO21578	05/04/12	46367	29/08/12	19660	600.00
23/08/12	PO21572	03/06/01	46866	29/08/12	19660	520.00
23/08/12	PO21572	01/05/00	46869	29/08/12	19660	122.50
23/08/12	PO21572	14/04/00	46868	29/08/12	19660	105.00
23/08/12	PO21572	04/01/01	46870	29/08/12	19660	370.00
23/08/12	PO21572	03/06/01	46871	29/08/12	19660	520.00
23/08/12	PO21572	13/06/01	46872	29/08/12	19660	530.00
23/08/12	PO21572	15/11/00	46874	29/08/12	19660	320.00
23/08/12	PO21572	03/02/01	46875	29/08/12	19660	400.00
23/08/12	PO21572	15/03/01	46876	29/08/12	19660	440.00
23/08/12	PO21572	07/08/00	46877	29/08/12	19660	220.00
16/08/12	PO21921	15/04/12	46341	29/08/12	19680	280.00
16/08/12	PO21921	14/04/12	46342	29/08/12	19680	315.00
16/08/12	PO21921	12/04/12	46344	29/08/12	19680	455.00
16/08/12	PO21921	11/04/12	46345	29/08/12	19680	280.00
16/08/12	PO21921	10/04/12	46346	29/08/12	19680	245.00
16/08/12	PO21921	09/04/12	46347	29/08/12	19680	350.00
16/08/12	PO21921	08/04/12	46348	29/08/12	19680	455.00
16/08/12	PO21921	07/04/12	46349	29/08/12	19680	350.00
16/08/12	PO21293	16/04/12	46386	29/08/12	19680	332.50
16/08/12	PO21293	17/04/12	46387	29/08/12	19680	420.00
16/08/12	PO21293	18/04/12	46388	29/08/12	19680	236.25
16/08/12	PO21293	19/04/12	46389	29/08/12	19680	332.50
16/08/12	PO21293	20/04/12	46390	29/08/12	19680	428.75
16/08/12	PO21293	21/04/12	46391	29/08/12	19680	367.50
16/08/12	PO21293	22/04/12	46392	29/08/12	19680	253.75
16/08/12	PO21296	28/04/12	46848	29/08/12	19680	280.00
16/08/12	PO21296	27/04/12	46849	29/08/12	19680	280.00
16/08/12	PO21296	26/04/12	46850	29/08/12	19680	183.75
16/08/12	PO21296	25/04/12	46851	29/08/12	19680	350.00
16/08/12	PO21296	24/04/12	46852	29/08/12	19680	332.50
16/08/12	PO21296	23/04/12	46853	29/08/12	19680	402.50
16/08/12	PO21297	29/04/12	46841	29/08/12	19680	253.75
16/08/12	PO21297	28/04/12	46842	29/08/12	19680	490.00
16/08/12	PO21297	27/04/12	46843	29/08/12	19680	455.00
16/08/12	PO21297	26/04/12	46844	29/08/12	19680	472.50
16/08/12	PO21297	25/04/12	46845	29/08/12	19680	428.75
16/08/12	PO21297	24/04/12	46846	29/08/12	19680	350.00
16/08/12	PO21297	23/04/12	46847	29/08/12	19680	367.50
16/08/12	PO21299	25/03/12	46017	29/08/12	19680	280.00
16/08/12	PO21299	23/03/12	46018	29/08/12	19680	332.50
16/08/12	PO21299	22/03/12	46019	29/08/12	19680	332.50
16/08/12	PO21300	14/04/12	46327	29/08/12	19680	280.00
16/08/12	PO21300	13/04/12	46328	29/08/12	19680	490.00
16/08/12	PO21300	12/04/12	46329	29/08/12	19680	437.50
16/08/12	PO21300	11/04/12	46330	29/08/12	19680	297.50
21/08/12	PO21465	24/04/12	46878	29/08/12	19680	280.00
21/08/12	PO21465	26/04/12	46879	29/08/12	19680	580.00

Purchase Order		Invoice		Cheque		
Date	Number	Date	Number	Date	Number	Amount (\$)
21/08/12	PO21465	30/04/12	46880	29/08/12	19680	280.00
21/08/12	PO21466	16/04/12	46808	29/08/12	19680	350.00
21/08/12	PO21466	18/04/12	46809	29/08/12	19680	402.50
21/08/12	PO21466	19/04/12	46810	29/08/12	19680	350.00
21/08/12	PO21466	20/04/12	46811	29/08/12	19680	402.50
21/08/12	PO21466	21/04/12	46812	29/08/12	19680	385.00
21/08/12	PO21466	22/04/12	46813	29/08/12	19680	332.50
21/08/12	PO21467	21/03/12	46020	29/08/12	19680	332.50
21/08/12	PO21467	20/03/12	46021	29/08/12	19680	280.00
21/08/12	PO21467	19/03/12	46022	29/08/12	19680	420.00
<b>Dayals Quarries Ltd</b>						
26/07/12	PO20775	31/01/12	38402	01/08/12	19194	1,725.00
26/07/12	PO20775	31/01/12	38408	01/08/12	19194	900.00
26/07/12	PO20775	11/02/12	38467	01/08/12	19194	1,125.00
26/07/12	PO20775	11/02/12	38470	01/08/12	19194	1,125.00
26/07/12	PO20775	11/02/12	38471	01/08/12	19194	2,175.00
26/07/12	PO20775	11/02/12	38472	01/08/12	19194	900.00
26/07/12	PO20774	31/01/12	38401	01/08/12	19194	100.00
26/07/12	PO20774	31/01/12	38404	01/08/12	19194	1,265.00
26/07/12	PO20774	31/01/12	38407	01/08/12	19194	1,045.00
26/07/12	PO20781	31/01/12	38405	01/08/12	19194	640.00
26/07/12	PO20781	31/01/12	38409	01/08/12	19194	1,520.00
26/07/12	PO20775	31/01/12	38402	01/08/12	19194	1,725.00
26/07/12	PO20775	31/01/12	38408	01/08/12	19194	900.00
26/07/12	PO20775	11/02/12	38467	01/08/12	19194	1,125.00
<b>Construction Equipment</b>						
24/05/12	POP19325	20/02/12	2803	18/06/12	18636	2,622.00
24/05/12	POP19324	20/02/12	2805	18/06/12	18636	2,622.00
24/05/12	POP19344	25/02/12	2813	18/06/12	18636	664.13
24/05/12	POP19346	25/02/12	2814	18/06/12	18636	708.40
24/05/12	POP19348	25/02/12	2815	18/06/12	18636	796.95
24/05/12	POP19349	25/02/12	2816	18/06/12	18636	531.30
24/05/12	POP19374	25/02/12	2817	18/06/12	18636	1,125.56
24/05/12	POP19336	25/02/12	2818	18/06/12	18636	833.75
24/05/12	POP19334	25/02/12	2819	18/06/12	18636	1,167.25
24/05/12	POP19339	25/02/12	2820	18/06/12	18636	229.28
24/05/12	POP19380	25/02/12	2832	18/06/12	18636	759.00
24/05/12	POP19314	24/05/12	2833	18/06/12	18636	619.85
24/05/12	POP19324	20/02/12	2805	18/06/12	18636	2,622.00
24/05/12	POP19287	27/02/12	2840	18/06/12	18636	833.75
24/05/12	POP19289	27/02/12	2841	18/06/12	18636	708.69
24/05/12	POP19338	05/03/12	2855	18/06/12	18636	1,271.47
24/05/12	POP19341	05/03/12	2856	18/06/12	18636	708.69
24/05/12	POP19342	05/03/12	2857	18/06/12	18636	541.94
24/05/12	POP19337	05/03/12	2858	18/06/12	18636	667.00
24/05/12	POP19343	05/03/12	2859	18/06/12	18636	1,042.19
24/05/12	POP19340	05/03/12	2860	18/06/12	18636	833.75
24/05/12	POP19347	24/05/12	2861	18/06/12	18636	708.40
24/05/12	POP19350	05/03/12	2862	18/06/12	18636	487.03
24/05/12	POP19349	05/03/12	2863	18/06/12	18636	265.65
24/05/12	POP19352	05/03/12	2864	18/06/12	18636	708.40
24/05/12	POP19351	05/03/12	2865	18/06/12	18636	708.40

Purchase Order		Invoice		Cheque		
Date	Number	Date	Number	Date	Number	Amount (\$)
24/05/12	POP19355	05/03/12	2870	18/06/12	18636	729.53
24/05/12	POP19288	07/03/12	2890	18/06/12	18636	1,012.00
24/05/12	POP19316	20/03/12	2921	18/06/12	18636	708.40
24/05/12	POP19316	20/03/12	2922	18/06/12	18636	221.38
<b>Zohil Motors</b>						
26/06/12	PO20150	04/06/12	389A	12/07/12	18911	204.00
26/06/12	PO20150	05/06/12	389A	12/07/12	18911	204.00
26/06/12	PO20150	06/06/12	389A	12/07/12	18911	204.00
26/06/12	PO20150	07/06/12	389A	12/07/12	18911	204.00
26/06/12	PO20150	08/06/12	389A	12/07/12	18911	204.00
26/06/12	PO20149	28/05/12	380	12/07/12	18911	204.00
26/06/12	PO20149	28/05/12	380	12/07/12	18911	204.00
26/06/12	PO20149	28/05/12	380	12/07/12	18911	204.00
26/06/12	PO20149	28/05/12	380	12/07/12	18911	204.00
26/06/12	PO20149	28/05/12	380	12/07/12	18911	204.00
26/06/12	PO20149	28/05/12	380	12/07/12	18911	204.00
03/07/12	PO20301	18/06/12	442	24/07/12	19065	204.00
03/07/12	PO20301	19/06/12	442	24/07/12	19065	204.00
03/07/12	PO20301	20/06/12	442	24/07/12	19065	204.00
03/07/12	PO20301	21/06/12	442	24/07/12	19065	204.00
03/07/12	PO20301	22/06/12	442	24/07/12	19065	204.00
03/07/12	PO20302	18/06/12	443	24/07/12	19065	204.00
03/07/12	PO20302	19/06/12	443	24/07/12	19065	204.00
03/07/12	PO20302	20/06/12	443	24/07/12	19065	204.00
03/07/12	PO20302	21/06/12	443	24/07/12	19065	204.00
03/07/12	PO20302	22/06/12	443	24/07/12	19065	204.00
10/07/12	PO20478	12/06/12	435	24/07/12	19078	204.00
10/07/12	PO20478	13/06/12	435	24/07/12	19078	204.00
10/07/12	PO20478	14/06/12	435	24/07/12	19078	204.00
10/07/12	PO20478	15/06/12	435	24/07/12	19078	204.00
26/07/12	PO20809	02/07/12	449	01/08/12	19239	1,020.00
18/07/12	PO20613	02/02/12	450	25/07/12	19102	1,020.00
13/06/12	PO19864	21/05/12	378	19/06/12	18667	1,020.00
04/06/12	PO19663	27/04/12	360	14/06/12	18605	1,020.00
04/06/12	PO19661	04/05/12	362	14/06/12	18605	1,020.00
04/06/12	PO19651	11/05/12	365	14/06/12	18605	1,020.00
04/06/12	PO19659	20/04/12	785	14/06/12	18605	1,020.00
04/08/12	PO21049	06/07/12	705	13/08/12	19395	1,020.00
04/08/12	PO21048	06/07/12	706	13/08/12	19395	1,020.00
04/08/12	PO21047	13/07/12	719	13/08/12	19395	1,020.00
13/08/12	PO21237	03/08/12	742	21/08/12	19507	1,020.00
09/08/12	PO21188	08/06/12	387	22/08/12	19525	816.00
09/08/12	PO21190	13/07/12	721	22/08/12	19525	1,020.00
09/08/12	PO21189	20/07/12	724	22/08/12	19525	1,020.00
09/08/12	PO21187	20/07/12	726	22/08/12	19525	1,020.00
09/08/12	PO21186	27/07/12	731	22/08/12	19525	1,020.00
09/08/12	PO21185	27/07/12	732	22/08/12	19525	1,020.00
<b>Total</b>						<b>458,986.70</b>

## SECTION 8: INSTITUTIONALIZING THE MONITORING OF TELECOMMUNICATIONS REFORM PROJECT

### Programme Statement

The objective of the project, which is funded by a World Bank grant, is to develop the capacity of the Telecommunications Authority of Fiji and thereby to monitor and assess the performance of the telecommunications industry operators in their delivery of services to households and businesses, particularly in rural and remote areas.

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## PART A – FINANCIAL INFORMATION

### 8.1 Audit Opinion

The audit of the financial statements for institutionalizing the Monitoring of Telecommunications Reform Project for the year ended 31 December 2013 and for the period ended 31 May 2014 resulted in the issue of unqualified audit reports.

### 8.2 Abridged Statement of Receipts and Payments

Year ended 31 December	2014 (5 months) (\$)	2013 (\$)	2012 (\$)
World Bank grant	180,944	228,236	249,663
Miscellaneous	-	497	266
<b>Total Receipts</b>	<b>180,944</b>	<b>228,733</b>	<b>249,929</b>
Consultant fees	170,421	241,713	225,467
Refund to World Bank	26,580	-	-
Other expenses	2,025	2,051	595
<b>Total Payments</b>	<b>199,096</b>	<b>243,764</b>	<b>226,062</b>
<b>Net (deficit)/surplus</b>	<b>(18,082)</b>	<b>(15,031)</b>	<b>23,867</b>

The net deficits recorded in 2013 and 2014 were mainly due to the decrease in grants from the World Bank for the project. World Bank's funding of the project concluded in May 2014.

The increase in travel costs and per diem allowances paid to individual consultants resulted in the increase in consultant fees by \$16,246 or 7% in 2013 compared to the previous year.



**8.3 Statements of Financial Position**

<b>As at 31 December</b>	<b>2014 (5 Months) (\$)</b>	<b>2013 (\$)</b>	<b>2012 (\$)</b>
Cash at bank	-	18,082	33,113
<b>Total current assets</b>	<b>-</b>	<b>18,082</b>	<b>33,113</b>
<b>Net Assets</b>	<b>-</b>	<b>18,082</b>	<b>33,113</b>

The decrease in cash at year end was largely attributed by the reduction in the grant from the World Bank and the increase in payments during the year.

World Banks's funding of the project concluded in May 2014.

