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# REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF FIJI

## **Volume 3     Audit Report on Government Ministries and Departments - 2012**

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**Volume 3      Audit Report on Government Ministries  
and Departments – 2012**

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8<sup>th</sup> Floor, Ratu Sukuna House,  
MacArthur Street,  
P. O. Box Z214,  
Government Buildings,  
Suva, Fiji Islands.

REPUBLIC OF FIJI  
OFFICE OF THE AUDITOR GENERAL

Telephone: (679) 330 9032  
Fax: (679) 330 3812  
Email: [info@auditorgeneral.gov.fj](mailto:info@auditorgeneral.gov.fj)  
Website: <http://www.oag.gov.fj>



Excellence in Public Sector Auditing

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28 September, 2012

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

Dear Commodore Bainimarama

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**AUDIT REPORT ON GOVERNMENT MINISTRIES AND DEPARTMENTS 2011  
VOLUME 3**

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

- Volume 1: Whole of Government Financial Statements and Annual Appropriation Statement for 2011
- Volume 2 – 4: Audit Report on Government Ministries and Departments - 2011

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

Tevita Bolanavanua  
Auditor - General



## FOREWORD

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This report covers the results of my audit of the Whole of Government (WOG) Financial Statements and the Annual Appropriation Statement for 2012 and its 35 ministries and departments as provided in the 2012 Appropriation Decree.

The purposes of this report are to:

- report on the audit of the WOG Financial Statements as at 31 December 2012, covered under volume 1 of the report;
- report on the audit of financial statements of ministries and departments as at 31 December 2012, covered under volume 2-4 of the report;
- report on the results of and matters arising from our 2012 audits of ministries and departments, also covered under volume 2-4; and
- raise other matters that I believe warrant consideration by Cabinet.

The WOG Financial Statements for 2012 have been presented in accordance with section 46 of the Financial Management Act 2004 and have been prepared on a cash basis of accounting as full accrual information, including the value of assets and liabilities is not yet available.

These financial statements report the receipts and payments and financial assets and liabilities on a consolidated basis in accordance with Government's move towards accrual accounting and the adoption of international accounting and statistical reporting standards. The format of the financial statements therefore significantly differed from previous years reports of the Accounts and Finances of the Government.

A qualified audit opinion was issued on the WOG Financial Statements for 2012. Issues qualified are as follows:

- bank accounts held with the Ministry of Finance contained errors and omissions that could not be determined due to absence of bank reconciliations;
- government investment in the Sinking Fund is overstated by \$138.5 million
- investments totalling \$42.5 million are not supported by share certificates;
- accounts receivables totalling \$21.3 million and term loan receivables of \$67.8 million could not be substantiated;
- prepayments and accrued income of \$13.7 million, accounts payable of \$17.3 million and accrued expenses and deferred income with a debit balance of \$1.3 million were not supported;
- trust accounts with ministries and departments were overdrawn by \$7.3 million;
- equity opening balance of \$2,815,628,265 could not be substantiated; and
- a variance of \$10 million exists between the Ministry of Finance general ledger balances and the FRCA revenue collection report for 2012.

The preparation of the 2012 accounts was again affected by insufficient and lack of competent manpower and support from ministries and departments. The Ministry of Finance like all ministries and departments also continued to face high staff turnover and staff reshuffles which contributed to a lot of deficiencies in the preparation of the accounts.

Section 70 (3) of the Finance Instructions states that the draft agency financial statements for ministries and departments must be submitted to the Auditor-General by 31 March in the following year, or within such other time as agreed to with the Auditor-General. Of the 35 ministries and departments appropriated in the 2012 appropriation decree, 5 failed to submit their agency financial statements by 31/3/13 delaying the issue of their respective audit reports.



Out of the agency financial statements audited, 15 were issued unqualified audit opinions while 20 were qualified. The qualification issues include: trust fund account balances in the general ledger did not reconcile with bank balances; trust fund account statement of receipts and payments were not provided for audit; financial statements were not presented in accordance with the Finance Management Act 2004 and adequate records were not maintained to support Trading and Manufacturing Account balances.

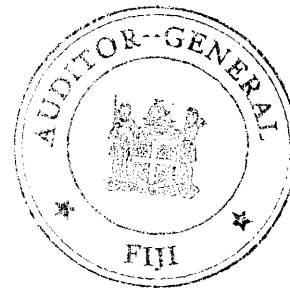
Most issues qualified above were the same as those highlighted in 2011 but at a lesser extent as some ministries and departments had shown some improvement. There however remains a lot of work to improve the requirements of all stakeholders.

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



Tevita Bolanavanua  
**AUDITOR - GENERAL**

Suva, Republic of Fiji  
30 September, 2013



## **EXECUTIVE SUMMARY**

The Whole of Government Financial Statements and the Annual Appropriation Statement of the Government of the Republic of Fiji for the year ended 31 December 2012 have been audited in accordance with section 5 of the State Services Decree No. 6, section 46 & 47 of the Financial Management Act 2004 and section 6 of the Audit Act.

The audit resulted in the issue of a qualified audit report based on the following matters:

- Bank reconciliations were not undertaken for various bank accounts, there were bank balances without any cash held, certain cash at bank balances were not recorded, there were cash at bank with negative balances and material variances were noted between the general ledger and the actual cash.
- Investment in the Sinking Fund was overstated by \$138.5 million with only \$53.7 million supported by independent confirmations.
- Share certificates were not produced for investments totaling \$42.5 million.
- Balances disclosed as accounts receivable totaling \$21.3 million and Term Loan Receivable of \$67.8 million could not be substantiated as supporting schedules for accounts receivables were not provided; errors and omission, receivables with negative balances and the absence of reconciliations to substantiate term loans receivable balances were lacking.
- Prepayments and accrued income balance of \$13.7 million, accounts payable balance of \$17.3 million and accrued expenses and deferred income with a debit balance of \$1.3 million were not supported;
- Trust accounts with Ministries/Departments were overdrawn by \$7.3 million contrary to Finance Circulars 4 of 30/3/98.
- The correctness, completeness and existence of the equity opening balance amounting to \$2,815,628,265 could not be substantiated.
- A variance of \$10 million exists between Ministry of Finance general ledger balances and the FRCA revenue collection report for the year 2012.

The attentions of Ministry of Finance were also drawn to the following matters:

- a) The correctness of operating revenue receipted through the Accounts Receivable Module of the Financial Management Information System, totaling \$10.7 million was not correctly accounted in accordance with cash basis of accounting as stated in Note 1 to the Financial Statements.
- b) Inventory totaling \$7.2 million is misstated by \$978,349. In addition, closing stock of finished goods of \$1,128,750 could not be verified.
- c) Government has recognized trusted assets worth \$781,571 in the statement of assets and liabilities which was not supported by individual asset records.

The following is a summary of the audit observations.

### **2012 Whole of Government Financial Statements**

#### ***Cash at Bank***

The Cash at Bank balance increased significantly from \$80,632,359 in 2011 to \$96,597,006 in 2012. This cash balance is the net off bank balances after offsetting the un-presented cheque amount as at 31/12/12.

This increase was due to a significant increase in domestic bank balance and overseas bank balance by 19% and 248% respectively. However, the trading and manufacturing account bank balance declined by 46%.

### ***Accounts Receivable***

The audit noted that there is no consolidated supporting schedule at whole of government level to substantiate the accounts receivable balance of \$21,252,166 at year end.

The accounts receivable balances are extracted from the FMIS general ledger (GL) however these balances are not properly supported as the FMIS system cannot generate a debtors' schedule/register as at 31/12/12. In addition, Ministries/Departments are not maintaining manual debtors' registers to validate the following balances.

### ***Prepayments and Accrued Income***

There is no consolidated supporting schedule at Whole of Government level to substantiate the Prepayments and Accrued Income balance of \$13,687,618 at year end.

The balances are extracted from the FMIS GL however these balances are not properly supported as agencies are not maintaining prepayments schedules and no consolidation is done by the Ministry of Finance at year end to validate the prepayments balances as at 31/12/12.

### ***Inventory***

The value of inventory held by Government was \$781,571 compared to \$875,150 in 2011. Inventory is measured at cost. The Whole of Government financial statements only showed the ending balances of inventories. It also failed to disclose the accounting policies adopted in measuring inventories including the cost formula used.

### ***Trusted Asset***

The balance of Trusted Asset (SAG 59) as at 31/12/12 totalled \$781,571 compared to \$93,578 in 2011. The audit noted that a balance of \$873,950 for the Ministry of Agriculture has been reflected in the general ledger since 2006 which was in relation to a project for the Alternative Livelihood Project. This balance could not be substantiated.

In addition, the Ministry of Foreign Affairs incorrectly credited \$93,578 to Standard Asset Group (SAG) 59 instead of Standard Liability Group (SLG) 84 funds to facilitate vehicle purchase for the Fiji Embassy in Malaysia. This fund was supposed to be carried over to 2013.

There is also a lack of clear description of the account as the chart of accounts failed to explain what constitutes and/or qualified to be treated as a trusted assets.

### ***Term Loans Receivables***

The outstanding loans made by Government as at 31/12/12 totalled \$67,813,754; a decrease of \$2,563,586 compared to 2011.

The loan balances have decreased steadily over the years except in 2010 which resulted from a loan repayment of \$20,000,000 by the I-Taukei Affairs Board.

### ***Investments***

Government investment in 2012 totalled \$426,197,668 held in 25 companies have decreased by \$12,709,536 or 2.9% compared to 2011. The decrease in government investment in 2012 was due to

the sale of Government shares in Fiji Television Limited and those inoperative entities being struck off.

The dividends on investments have decreased in year 2012 compared to 2011 by \$107,705 or 1%. There was a shortfall of \$16.9 million or by 62% in dividends received compared to the 2012.

The dividend totalling \$10.5 million was received in 2012 from 6 out of the 25 entities.

### ***Term-Loans Payable***

There is an unexplained dormant general ledger account reflected in the borrowing fund account ledger totalling \$46.3 million.

Public debt in 2012 totalled \$3,678,821,497 and comprised of domestic loans of \$2,631,565,650 or 72% of total debt; overseas loans of \$935,524,571 or 25%; and Treasury Bills \$111,731,276 or 3%.

### ***Accounts Payable***

The accounts payable for the Government as at 31/12/12 showed a balance of \$17,321,156 being unutilised project funds at year end which has been approved to be carried over to the next financial year.

Actual verification however showed a total of \$17,429,328 with a variance of \$108,172 as a result of incorrect postings by ministries and departments.

### ***Accrued Expenses and Deferred Income***

The standard liability group (SLG) 85 has been overdrawn by \$1.28 million as at 31/12/12, a decrease of \$666,614 or 34% compared to the overdrawn balance as at 31/12/11.

Majority of the debit balances relate to the Republic of the Military Forces (RFMF) whilst the remainder is for the Department of Water and Sewerage, Ministry of Fisheries and Forests and Ministry of Agriculture.

### ***Trust fund Account***

The Trust Fund Account had a balance of \$73,764,291 as at 31/12/12, an increase of \$12,644,968 or 21% from 2011.

The Main Trust account increased by \$15,069,863 or 39% compared to 2011 and Operating Trust fund account balance increased by \$1,711,057 or 9% from \$18,066,392 in 2011.

### ***Revenue***

A variance of \$10 million exists between Ministry of Finance general ledger balances and the FRCA revenue collection report for the year 2012.

### ***Expenditure***

Government spending for the year ended 31st December 2012 totalled \$2,294,103,654 a decline of \$108.6 million or 5% from \$2,402,752,517 spent in 2011.

Total operating expenditures amounted to \$1,710,220,999 or 75%, capital expenditure totalled \$533,838,990 or 23% and VAT totalled \$ 50,043,665 or 2%.

Compared to 2011, total operating expenditure declined by \$154 million or 8% and capital expenditure increased by \$39 million or 8% from \$494.5 million in 2011 to \$533.8 million in 2012. There was an increase of \$6.1 million or 14% in VAT expenditure from \$43.9m in 2011 to \$50m in 2012.

### ***Equity***

The correctness and existence of the opening equity balance amounting to \$2,815,628,265 cannot be verified as there is no schedule to adequately support these balances at Whole of Government level which is inclusive of accumulated surplus deficits [SLG 91] and Appropriation TMA operations [SLG 94].

### ***Contingent Liability***

The total contingent liabilities as at 31/12/12 amounted to \$2,155,254,122. Domestic loans accounted for \$2,146,810,005 or 99.6% of total liabilities during the year. Overseas loans on the other hand accounted for \$8,444,117 or 0.4% of total liabilities as at 31/12/12. A total of 15 entities were covered under Government guarantee in 2012, compared to 16 entities in 2011.

## **2012 Accounts of Ministries and Departments**

### **Office of the President**

There were account balances recorded in the general ledger that were not reconciled, remained outstanding for long and were recorded erroneously. The carry-over of budget to year 2013 was recorded as current year expenditure contrary section 19 (1) of the Financial Management Act 2004.

A Board of Survey was not carried out contrary to section 49 (1) of the Finance Instructions 2010. Sixteen staffs were occupying the government quarters contrary to General Order 601 and 607.

### **Office of the Prime Minister**

The account balances recorded in the general ledger did not have adequate supporting documents; had un-reconciled variances, were outstanding for long while some had balances that were contrary to the nature of the account.

Capital construction expenditure allocation was over-spent by \$1,243,830 and there was expenditure that was paid contrary to the budget appropriation provided. The Board of Survey of was not carried out contrary to section 49 (1) of the Finance Instructions 2010.

### **Office of the Attorney General and the Solicitor General**

There were journals raised that lacked authority and supporting documents. Government Wage Earners expenditure was overspent by \$49,801.

The Operating grant for Legal Aid Commission was managed by the Attorney General and Solicitor General's office, of which seventy percent related to payroll expenditures that was processed manually.

Fees charged to censor films have not been revised since 1978 resulting in far less censor fees charged than the sitting allowance paid for censoring.

## **Ministry of i-Taukei Affairs**

There were numerous account balances in the general ledger that were not reconciled with the source documents. Some accounts had outstanding balances from previous years while some had balances contrary to the nature of the account.

The Board of Survey was not carried out contrary to section 49 (1) of the Finance Instructions 2010 and the fixed asset and expandable items register was not up-dated. The loss report was not prepared for the loss of the Compact Array Broadband Backend (CABB) software.

The administration of scholarships lacked the planning and monitoring of its desired results. Awareness on the availability of the scholarship was not carried out and funds were allocated to students as funds were available.

Substantial recoveries of bond monies were not recorded as revenue whilst substantial recoveries are yet to be instigated and are increasing as reconciliations are not carried out. The scholarship award management system failed to provide record of students who have absconded their bond.

In addition, there were fifty – two recipients that were not selected by the scholarship committee for the leadership and entrepreneurship training with the Centre of Appropriate Technology and Development (CATD). The result of their training was not provided and only 32% of the approved trainees were trained. The agreement with CATD in Nadave for the scholarship funds provided was lacking.

## **Department of Defense**

The contract and acquittals for projects undertaken were not provided for the National War Memorial and the War Museum project and the construction of perimeter fence and railings respectively.

The Board of survey was not carried out contrary to section 49 (1) of the Finance Instructions 2010.

## **Department of Immigration**

Account balances in the general ledger was not reconciled resulting in unexplained variances from the source documents or records maintained by the department. The board of survey report failed to record the original cost of the boarded of items.

Short term work permit was not provided contrary to the provision of Policies & Management guidelines on Processing and Issuance of Non- Citizen permits, visas & exemptions.

## **Ministry of Labour, Industrial Relations and Employment**

The trust fund account balances in the general ledger was not reconciled resulting in unexplained variances between the source documents or records maintained by the department.

Leave compensations were paid to officers without the approval of the Public Service Commission.

## **Ministry of Foreign Affairs and International Co-operation**

The overseas mission cash at bank balances reflected in the general ledger was not reconciled to the actual cash held in the overseas mission bank accounts. The cash at bank general ledger accounts for embassies in South Korea, Brazil and Abu - Dhabi has not been created. Mission transactions converted to Fiji dollar and recorded in the general ledger was not traceable to source documents. Diplomatic posting to missions were made contrary to the authorised establishment in the diplomatic consular regulations.

The board of survey was not carried out for missions and embassies. Loss reports were not prepared for assets while lost and damaged items recorded in the headquarters board of survey report have not been investigated.

Substantial payments in overtime were made that was retrospectively approved, were paid contrary to general orders and justification was not provided for the non-completion of work during normal working hours. Further, large outstanding account balances existed for trust fund and revolving fund accounts.

### **Elections Office**

There were account balances that were overdrawn and had been outstanding for long.

Various anomalies were noted for the Electronic Voter Registration (EVR) exercise. The master list for the Electronic Voter Registration Clerks was not maintained. Unethical behavior of EVR Clerks causing property damages and thefts were reported. Substantial cash advances were taken for the EVR exercise without retiring the previous advances. Catering expenses incurred during the training of EVR Clerks noted poor management and internal control weaknesses within the payments system.

The motor vehicle accident reports were not submitted to Ministry of Finance and Solicitor General's Office for appropriate action.

### **Judiciary**

The trust fund account balance had a variance between the reconciliation performed by the department and its bank statement balance. The revenue in arrears totalled \$11,341,730.

The cases pending with the courts are accumulating delaying judgement and penalties. Exhibits were not monitored and maintained in accordance with exhibit's maintenance procedure for disposal, retention and distribution of exhibits.

The roof of the government building is leaking and as a result the newly painted walls have been damaged.

Disciplinary procedures for the recovery of damages caused to hired motor vehicle were not followed in accordance with section 12 of the Finance Manual.

### **Legislature**

The operating trust fund for payroll deductions was written off and was recorded as revenue. The board of survey was not carried out contrary to section 49 (1) of the Finance Instructions 2010.

Substantial payments have been made for the renovation of parliamentary complex without much work carried out. The contract has been terminated without any remedy. Numerous procurement and contractual anomalies were evident.

### **Office of Accountability and Transparency**

Grant was provided to the Fiji Human Rights Commission without the grant agreement.

### **Office of the Director of Public Prosecutions**

Exhibits were not monitored and maintained in accordance with exhibit's maintenance procedure. There were exhibits that were not returned despite the conclusion of cases. Some exhibits held dated to year 2002.

## **Department of Justice**

The records and documents for the titles and official receivers office were not backed up for business continuity during recovery from disasters. The company annual returns and status of the bankruptcy and insolvent cases were administered manually through individual files.

There were pending bankruptcy and insolvent cases that dated as far back to 1986. The bankruptcy act has not been revised since 1978.

## **Prison and Corrections Department**

Various accounts balances in the general ledger was not reconciled resulting in unexplained variances with department records and its source documents.

A total of six Trading and Manufacturing Activities (TMA) were carried out without authorised business plans and its quarterly performance reports were not prepared.

Records were not properly kept resulting in missing and misplaced journal vouchers. Further, records relating to the construction of the coffee shop at the Korovou prison compound, contracts for the implementation of the prisons database and motor vehicle records such as running sheets, log books, records relating to accidents was not provided. Various anomalies contrary to the transport rules and regulations in the management of motor vehicle were noted.

Furthermore, the Prisons database remained incomplete as migration of data continued among other various project implementation and testing anomalies. The department's annual corporate plan failed to reflect the completion of the database project as one of the departments' output.

## **Ministry of Information, National Archives and Library Services**

The list of boarded computers replaced with the newly purchased computers was not provided. The fixed asset register was not updated accordingly. Appointment of officers lacked evidence that the positions were advertised, the number of applications that was received for the position, the number of applicants selected and the criteria for the selection, the interview panel and interview scores of the applicants and the staff board decision for the appointment.

The Ministry failed to instigate surcharge on officers responsible for assets that were lost or damaged through motor vehicle accidents. In addition, motor vehicle quarterly returns were not prepared in accordance with that authorized in the transport rules and regulations.

## **Ministry of Provincial Development and Disaster Management**

The journals raised lacked approval and supporting documents. True trust fund account records were not properly kept and reconciled to source documents resulting in unexplained variances.

Reconciliation of projects outstanding was not performed and the project funds were held contrary to section 19 (1) of the Financial Management Act 2004 and Finance Circular 13/2012. Various anomalies were noted in the planning, implementation, monitoring, evaluation and record keeping of capital works related to divisional projects, non-Government schools, provision for rural housing and roads and boarding schools. Also, the statement of acquittals prepared by the divisions for the various projects was not reconciled with the general ledger.

Further, various anomalies were noted in the management of inventories at storehouse in Topyard, Walubay such as damaged and obsolete items, unaccounted materials stacked idly outside the yard, items and materials for the Tropical Cyclone Evan Rehabilitation were stacked inside the store room and some are lying idly outside the yard. In addition, the separation of items purchased by the Ministry



for its community and housing projects and that received through donations was lacking. Stock take of items in the store room and outside the yard has not taken place at the end of the year.

Circumvented financial regulations were noted where cheques were raised but was not released to the suppliers.

### **Fiji Military Forces**

The Force over spent \$2.2 million and had outstanding liabilities totalling \$505,533 at the end of the financial year. There were account balances in the general ledger that were not reconciled, had unexplained balances and some had balances contrary to the nature of the account.

A motor vehicle accident surcharge was not instigated and was awaiting the report from the board of enquiry. Competitive quotations, delivery dockets, assessment of satisfactory services provided and the authorization of payment vouchers was lacking for the goods and services purchased.

The approval of the Ministry of Finance was not provided for operation RFMF Engineers account. In addition, its bank account reconciliation was not performed contrary to section 32 (6) of Finance Instructions 2010, the general ledger account was not created for the operation of the bank account and therefore, was not recorded in the Whole of Government accounts.

Furthermore, the authority for the operation of RFMF farm at the Force Training Group in Nasinu and the sale of farm produce records was not provided. A total of \$135,222 of farm produce was purchased by the Force from the RFMF farm. The approved supplier for whole of Government for farm produce was Fresh'et International.

Conversely, The Royal Fiji Navy Services (RFNS) bought general food items at higher prices from Fresh'et International violating procurement regulation where the purchases of general food items have been contracted to various other suppliers. A total of \$296,114 was paid to Fresh'et International during the year.

### **Fiji Police Force**

The processes for the salary and wages totaling \$69.5 million were not adequately performed. Records such as board of survey reports, payment vouchers, journal vouchers and its supporting documents were kept properly and this was not provided.

Numerous account balances variances between the reconciliations, its source documents and the general ledger remained. Falsified unpresented cheques and its details were recorded in the drawings account reconciliation.

Sixty seven operating trust fund account existed of which some were dormant and overdrawn. The overdrawn balances have increased whilst substantial statutory payments are yet to be paid. Also, substantial advances remained outstanding in the revolving fund account.

There were officers that were recruited in excess of the authorized establishment at lower levels while the higher positions did not adequately have the authorized minimum officers.

Contracts were not entered into with the suppliers for the purchase of equipment and materials. Numerous inactive landlines, mobile and flashnet numbers existed.

### **Ministry of Finance**

Records to substantiate \$4.7 million for the surplus capital transferred to Operating Fund Account and \$15.06 million as TMA accumulated surplus was lacking for the TMA operated by the Government

Printing & Stationery Department and the Fiji Procurement Office in the Trading & Manufacturing Account.

Records to substantiate accounts payable of \$552,955 and account receivable balance of \$3.0 million reflected in TMA Balance Sheet in the Trading & Manufacturing Account was not provided for audit.

There is no acquittal guideline for Ministries/Departments after the release of funds from Head 50 – Miscellaneous Expenditure. As such the actual acquittal for expenditure incurred under Head 50 SEG 10 Item 3 Miscellaneous Aid in Kind of \$2,997,540 and SEG 7 Item 3 General Reserve totalling \$1,518,548 were not maintained.

The consolidated revolving fund account reconciliations for both Ministry of Finance and Government Printing & Stationery Department as at 31/12/12 were not provided for audit.

The absence of reconciling the revenue collected by the Fiji Revenue & Customs Authority with the Ministry's records resulted in double posting of \$3,292,921 revenue in the Ministry of Finance general ledger as per the FRCA revenue report for the year 2012.

TMA cash balance totalling \$1,204,937 million was held in excess of the TMA ceilings appropriated.

A total of \$65,825 is owed by former members of House of Representatives and Senators and there was no segregation of duties at Salaries Section.

Vehicles on lease have incurred excess mileage cost for the year ended 31/12/12 while 1,276 of the Government vehicles currently used by Ministries/Departments are more than 6 years old.

Foreign exchange losses of \$5,204,863.31 were incurred by the Ministry due to fluctuations in exchange rates for overseas loans.

### **Government Printing and Stationery Department (GPSD)**

The Department purchased diary covers from That IT Shop Fiji Ltd totaling \$88,032.50 without tender board approval.

In 2012, the Department sold 9,169 A5 diaries at selling price of \$15.00 each without taking into account the total cost of direct labour, direct material and other overhead cost. The A5 diary covers were sold at a loss.

The Department sold 647 A5 Executive diaries in 2012 which were returned to the Department due to poor quality diary covers.

### **Fiji Procurement Office (FPO)**

Trading & Manufacturing Account (TMA) creditors for FPO showed debit balance of \$552,955 contrary to the nature of the balance that the account should have. TMA debtors for the Office totalled \$2,120,152 whereas the arrears of revenue as at 31/12/2012 showed arrears of \$113,548 only.

Tender process from the advertisement of the tender to the Board approval has gone over period of three months which compromise the fairness and impartiality of the procurement process.

### **Information Technology and Computing Services (ITC)**

There were numerous Officers whose salary were above \$20,295 were granted time-off contrary to General Order 418(b) and the Overtime policy as stated in PSC Circular 52/2011.

## **Ministry of Strategic Planning, National Development and Statistics**

### ***National Planning Office***

Officers were going on leave without any supervisor's approval.

Two officers in the National Planning Office have been holding continuous acting posts for more than two years.

The Office was allowing manual salary payments to staffs without the approval from the Permanent Secretary of Finance. These manual payments were neither updated into the automated payroll system nor the fortnightly salary reconciliation.

Acting allowances paid through cheques were made without any deduction of the Pay As You Earn (PAYE) tax contrary to the Income Tax Act

There was inadequate segregation in the handling of cash from receipting, banking and updating records into the general ledger which was solely handled by the former acting assistant accounts officer.

Official revenue receipts were not immediately issued upon receiving the cash refund from Officers when refunding the unutilized accountable advances. In addition, the revenue receipts are issued to the Officers after a considerable number of days from 21 to 173 days which indicates the risks of misappropriation of funds.

The drawings reconciliation for neither the whole year nor a list of un-presented cheques as at 31/12/12 was provided during the audit.

The one third community contributions towards the Integrated Human Resource Development Program (IHRDP) projects were receipted into the Service Worker Credit Union trust account overstating operating trust fund account.

### ***Fiji Bureau of Statistics***

The Bureau paid a total of \$23,633.94 out from the personal emoluments vote on separate occasions as overtime payments to various staffs even though overtime payment was not provided for in the Bureau's approved budget for the year 2012 and contradicted part 6.3 of the overtime policy issued by Public Service Commission on 6/9/2011.

## **Ministry of Industry and Trade**

The Ministry did not carry out an extensive performance assessment of the Mindpearl Project during the three year period of the project to determine its viability and success.

## **Ministry of Public Enterprises, Tourism and Communications**

For the Telecommunication Development Trust Fund, a significant variance of \$6,326,426 existed between the cash at bank and the general ledger balance. In addition, the bank reconciliation for 2012 was not carried out. Significant un-explained and un-reconciled variances noted between the financial statements, the general ledger and the reconciliation statements.

FREQMAN spectrum management system format is not compatible with current computer applications, the information generated from the system was unreliable and that there were no data backup and recovery plan.

Government Commercial Companies and Commercial Statutory Authorities have not complied with reporting requirements under the Public Enterprises Act.

### **Ministry of Works and Transport**

Trading and Manufacturing Accounts have continuously been operated at a loss. Accounting records were inadequate to provide sufficient appropriate evidence to substantiate the balances reported in the financial statements.

The effectiveness of the reconciliation process and the reliability of information provided through the reconciliation of accounts were doubtful as there were variances noted between the various reconciliations statements prepared by the Ministry and the balances reflected in the general ledger (FMIS). These also resulted in the qualification of the Ministry's Agency Financial Statement.

Monitoring for compliance of contracts with suppliers of goods and services to the Ministry before payments are effected should be improved. Proper project estimation, accounting and monitoring of capital works need to be carried out.

Adjustments to the general ledger without approval were prevalent which increases the risk of manipulation of accounting records.

Procurement and payment procedures were being circumvented, increasing the risk of fraud and mismanagement of public funds.

### **Ministry of Agriculture**

The Ministry did not maintain adequate accounting records to provide sufficient and appropriate evidence to substantiate Accumulated Surplus of \$2,265,196.82 and Surplus of \$769,283.74 as stated in the Trading and Manufacturing Account (TMA) Balance Sheet.

The Ministry's stock certificates reflected total closing stock of \$1,128,749. However, reliance on this balance was limited as the stock takes were carried out by officers directly involved in maintaining and accounting for the stock without an independent supervision.

Reconciliations of accounts were not carried out properly and correctly resulting in significant variances between the reconciliation statements and the general ledger (FMIS). In addition, balances in the reconciliation statements and the general ledger were not properly supported with relevant documents. The un-explained and un-reconciled variances were not investigated and resolved.

Overall financial performance of the TMA from previous years has been poor. There were ineffective controls on the management of property, plant and equipment.

\$702,329.61 or 85% of arrears of revenue have been outstanding for more than 5 years. The arrears are mainly related to the outstanding repayments from farmers for assistance provided to them under different agricultural programs in previous years.

There was insufficient information available to determine the extent to which the Rural and Outer Island Programme has been successful in meeting its overall objectives. Individual projects were supposed to result in commercial or semi-commercial benefits but there was little or no evidence of this from the projects sited in Rewa and Tailevu. Weaknesses noted in the selection process and performance management process of monitoring, evaluating and reporting on the progress towards achieving the objectives of the individual projects.

Data from various agricultural programs have not been properly captured and consolidated that could be easily analysed and evaluated for improving policies and procedures and to assist in the decision making process on issues relating to the programs.

TMA stores/stock at the Animal Health & Production Division (AH&P) in Vatuwaqa were not properly accounted for and maintained.

New farming machines that cost thousands of dollars to purchase were lying idle as the machines did not operate as intended.

There were inadequate controls over the custody of stock including fuel at the Lakena Station.

Officers that have retired or resigned from the service were continued to be remunerated resulting in substantial overpayments of salaries.

A total of \$226,976 was paid out as leave compensation to 96 officers. Several officers were compensated outstanding leave on their promotion in 2012. However, the compensations were made using new salary rates instead of the salary rates of the positions they were holding before promotion resulting in substantial overpayments of leave compensations

### **Ministry of Lands and Mineral Resources**

The reconciliation process was ineffective as there were variances noted between the various reconciliation statements prepared by the Ministry and the balances reflected in the General Ledger (FMIS) with some reconciling item still being carried forward over the years.

Adjustments to the general ledger (FMIS) without approval and without supporting documentation were prevalent which increases the risk of manipulation of accounting records to conceal misappropriation and fraud.

Rent arrears for Crown Land lease increased by \$8.5 million or by 44% compared to 2011. Instances were also noted where rents were charged on expired leases.

Breaches of the Crown land residential and agricultural lease conditions.

### ***Ministry of Fisheries and Forests***

Trading Manufacturing Accounts have continuously operated at a loss. Accounting records were inadequate to provide sufficient appropriate evidence to substantiate the balances reported in the financial statements.

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

Officers that have left the service due to retirement or resignation were continued to be remunerated after the retirement/resignation dates resulting in overpayments of salaries.

A number of reproduction ponds for tilapia fish and freshwater prawns at the Naduruloulou Station are not in operation and have been left idle.

Data from various assistance programs provided to farmers including fishing licences issued have not been properly captured and consolidated.

There was lack of coordination between Divisional officers' of the Ministry of Rural and Maritime Development and the Department of Fisheries on the issuing of fishing permits.

Excessive telecommunication expenditure recorded which resulted from ineffective telecommunication policy and controls.

Proper procurement procedures were not followed and cost overruns were incurred for the Colo-i-Suva Forestry road upgrade and maintenance work.

A significant increase of \$297,471 or 185% was noted in the Ministry's fuel expenditure in 2012 compared to 2011.

There are delays in the completion of the Marine Resource Inventory Survey Project.

### **Ministry of Sugar**

Ineffective controls on the management and accounting of fixed assets (property, plant & equipment).

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

Journal vouchers raised by the Ministry during and at year end were not adequately supported with relevant explanations and documents.

The Ministry failed to carry out monthly salaries and wages reconciliation during the year.

Acquittal reports were not provided by the Sugar Research Institute of Fiji and the South Pacific Fertilizer Limited for grants and subsidies provided to agencies in 2011 and 2012.

### **Ministry of Education**

The Ministry lost \$47,674.56 through embezzlement by the Ministry's staff.

Board of survey was not carried out for a number of sections of the Ministry.

Staffs were overpaid salaries totaling \$255,169.29 as at 31/12/12.

The Ministry vired funds from other allocations to provide an additional \$6,758,350 to the bus fare scheme.

The Ministry did not reconcile bus fare coupons distributed to the schools with the used coupons received from transport providers. A significant variance of 3,622,694 coupons with a total value of \$2,035,541 was noted between the two records.

The Ministry paid a total of \$230,312 to Telecom Fiji for e-ticketing cards which were not received by the Ministry. A contract between the Ministry and Telecom Fiji was not produced for audit. The purchase order and the cheque was signed the Senior Accountant in excess of his authorized limit of \$3,000.

The Ministry diverted \$115,156 from tuition fee grant allocation for Secondary Schools and \$115,156 from Primary schools allocation to pay the Telecom Fiji.

The Ministry paid a total of \$376,742.35 to Foneology as cost of top up for bus fare cards without a valid contract.

The Ministry vired funds totaling \$926,365 from various allocations to Other Setup and Implementation allocation which had zero balance according to FMIS records. A total of \$681,099.85 was utilized for various payments during the year.

The Ministry paid a total of \$20,450 to Davui Printery for printing of TVET Achievement Level Booklets without obtaining competitive quotes.

The Ministry paid a total \$1,086,239.91 to Dynamic Solutions during the year 2012 for purchase of goods and services. A review of a sample of items purchased revealed that the items were of inferior quality as some of the items became unserviceable within one year from the date of acquisition.

The TVET Section of the Ministry purchased 60 computers in 2012 from various suppliers. The total cost of the computers was \$78,591.89 for which tenders were not called.

Tenders were not called for contracts awarded for school improvement works exceeding \$50,000.

The Ministry purchased laptops and desktop computers totaling \$50,009.95 in 2012 from suppliers other than the contracted supplier of Office Products.

One notebook computer lost while in the custody of a Senior Education Officer Mr. John Vincent was neither reported to police nor investigated by the Ministry.

The Ministry purchased computers from various suppliers in 2012 at a total cost of \$86,687.03 without seeking approval from the Information Technology and Computing (ITC).

The Ministry paid a total of \$149,219 to Government Printing and Stationery Department for printing of FSLC and FSFE exam papers for 2012 on 30/01/13 using 2013 budget allocation. The payment was made on the strength of the quotation and not the invoice.

The Ministry approved a total of \$90,480 to 31 schools to purchase furniture, however none of the schools assisted provided acquittals.

The Ministry deliberately incorrectly posted expenditure to various allocations to avoid over expenditures in certain allocations.

### **Ministry of Social Welfare, Women and Poverty Alleviation**

The Ministry had a balance of \$1.6m in the revolving fund account as at 31/12/12 of which \$1.4m was carried forward from past years.

Permanent Secretary of Social Welfare, Women and Poverty Alleviation terminated Mr. Ledua Soqonidobui EDP 92264 from his existing appointment as a Network Administrator/Assistant Programmer on 01/10/12 as he did not meet the minimum qualification requirement. However on 04/10/12 the Minister of Social Welfare, Women and Poverty Alleviation withdrew the termination and re-appointed him to its existing post.

Eight officers were recruited during the year as welfare officer II were paid \$15,336 salary instead of the minimum salary scale at \$12,666. The ministry was not able to provide any reasons for paying salaries above the minimum of the salary scale. As a result the officers were overpaid \$13,766.67.

The ministry issues financial assistance to families in destitute conditions. The following anomalies were noted.

- Several instances were noted where recipients of family assistance had same reference number;
- Several instances of recipients of family assistance did not have any reference number; and

- Several instances of recipients of family assistance allowance were double paid by the Ministry in 2012.

Anomalies in the expanded food voucher program.

- Relevant information about the recipients including date of birth, residential address, district and division were not filled in the application form;
- Inconsistent reference number format;
- Same reference number was allocated to two recipients;
- Applicants eligible for food voucher program must be over 70 years of age. However several recipients were below 70 years of age; and
- Date of birth was wrongly stated in the expanded food voucher recipients' database. The date was beyond 2020.

The Ministry allocated \$1,321,200 each to Ministry of Health and Ministry of Education for expended food voucher for children in rural schools administered by Ministry of Education and food Voucher programme for expectant mothers. The Ministry of Health and Ministry of Education were disbursed only \$43,808 and \$440,376.67 respectively as their the submission of acquittals to Ministry of Social Welfare, Women and Poverty Alleviation were delayed.

Community Program Officer Administration did not reimburse balance of funds from accountable advance issued to her. Instead she prepared fake receipts to increase expenditure to offset the balance. As a result the officer embezzled a total \$14,577.

The Ministry does not have any contract with its executing agencies for the facilitation of food voucher program and family allowance.

Several Non government organizations do not provide supporting documents to authenticate expenses in the acquittals report.

Review of Family assistance and Care and Protection recipient's file revealed that applications did not contain all relevant information including birth certificates, death certificates, medical report, community letter, etc and Ministry did not carry out reviews of eligibility for the recipients of family assistance and care and protection allowance for the last 3 – 6 years.

### **Ministry of Local Government, Urban Development, Housing and Environment**

The Department of Environment's true trust fund account reconciliation had a balance of \$1,489,745 and \$1,454,505 in FMIS general ledger as at 31/12/12 while the balance or the true trust fund account bank statement as at 31/12/12 was \$2,037,269.

The Department did not reconcile the true trust fund account balance with FMIS general ledger balance or the FMIS general ledger with the bank statement during the year. An unreconciled variance of \$582,764 was noted between the department's true trust fund account FMIS general ledger balance and the bank statement balance.

The Ministry gave a capital grant of \$295,800 to Rakiraki Town Council for market extension project however there was no grant agreement between the Ministry and Rakiraki Town Council. The council submitted first set of acquittals 7 months after the date of payment of the third and final grant.

The Ministry used \$6,549.25 of public funds to procure t-shirts and caps for its staff for PSC sports day.



The Housing Assistance and Relief Trust (HART) over spent the recurrent expenses budget by \$45,804.40 or 51%. HART did not provide supporting documents to authenticate expenses stated in the acquittals report.

The Ministry's mobile phone charges was \$36,053.51 against the limit of \$11,760.00 resulting in an over expenditure of \$24,293.71 or 207%.

Former Permanent Secretary Ms. Taina Tagicikibau's mobile phone charges totalled \$13,716.63. Out of this \$1,981.53 or 14% appeared to be private calls to her daughter in Vanuatu which was paid by the Ministry.

Former Permanent Secretary Ms. Taina Tagicikibau attended the United Nations Framework Convention on Climate Change/Conference of Parties in Durban, South Africa from 21/11/11 to 16/12/11. In addition to her per diem the former per Former Permanent Secretary took \$12,600 an accountable advance and provided acquittals for \$11,908.12.

### **Ministry of Youth and Sports**

PSC approved Mr. Semi Bilitaki a Senior Youth Officer's secondment to Fiji Boxing Commission from 01/03/12 to 28/02/13 under his current terms and conditions of service. However the Ministry prepared a separate terms and conditions for service which included subsistence allowance of \$2,000 and a salary increase of \$3,155 in addition to his existing salary of \$26,845.

The Ministry appointed Mr. James Henry Giles Smith as the consultant for Situational Analysis of Youth in Fiji and noted the following anomalies. The qualifications and work experience required for the position was not stated in the vacancy advertisement.

Mr. Smith was employed for a period of one year with effect from 01/08/12 without a proper work permit. A total of \$8,418.33 was paid to Mr. Smith in 2012 which was sourced through diversion of funds from short term's allocation as no fund was provide for consultancy services in the budget.

The Ministry provided grants totaling \$181,698 to 11 national sporting organizations during 2012. None of these sporting organizations submitted quarterly acquittals to the Ministry for the use of grant funds.

The ministry diverted \$12,800 from other allocations to purchase a server from Office Products for \$12,800 since purchase of server was not budgeted for by the Ministry. Ministry did not prepare a service agreement to be signed by Data vision Technologies for the project.

### **Ministry of Health**

The Ministry had arrears of revenue totalling \$451,365 as at 31/12/12. The audit further noted that arrears of revenue totalling \$305,526 or 68% have been outstanding for more than a year. The arrears of revenue comprised of revenues from vessel agents, Bulk Purchase Scheme and the revenues from the divisions.

The Ministry was operating several Main Trust Accounts during 2012. The total balance for these trust accounts as per the bank statements was \$559,522.96 as at 31/12/12. However the Ministry did not include a Statement of Receipts and Payments for the Main Trust account in its agency financial statements for the year ending 31/12/12.

The audit noted that rental charges for 2012 in the TMA accounts was \$4,500 as it included the rent paid for October to December only. The rents for the months January to September 2012 totalling

\$13,500 which was still outstanding was not taken into account in the TMA and not recorded as payables in the TMA balance Sheet as at 31/12/12.

The Ministry's total revised budget for payroll expenses in 2012 was \$74,987,447. The Ministry's actual payroll expenses for the year of \$88,793,174 exceeded the payroll budget allocation by \$13,805,727 or 18% in 2012. The budgeted payroll expense was also exceeded in 2011 by \$14,498,121.48.

The actual expenditure of \$1,266,414 was paid in 2012 for in house service trainings included payment of outstanding fees totaling \$697,000 to Fiji National University (FNU) for Semester 2, 2011. Funds totaling \$868,523 were vired from other expenditure allocations to facilitate the settlement of these outstanding fees.

The actual cost of overseas medical treatment was more than the quotation obtained from the hospital in several instances. In some cases the variance in the price quoted and the actual cost was quite significant but was still paid by the Ministry. According to the Ministry the quotations for the medical treatment were obtained based on reports from referral doctors.

The budget allocation for charter flight was overspent by \$296,999 in 2012 despite an increase in the revised budget by \$150,000 during the year. The actual expenditure above excludes the traveling expenses of patients back to their villages once they are recovered.

Tenders were not called by the Ministry for supply of banners and billboards costing \$352,680.31.

A total of \$635,645.86 worth of medical stock expired as at 31/12/12. Although 58% reduction in expired stocks was noted in 2012 compared to 2011, audit is of a view that the value of expired stock is substantial.

Some of the drugs and consumables purchased in 2012 were to expire within 1 – 9 months' time from date of receiving.

Several drugs and consumables costing \$39,516.49 purchased in 2012 were not used at all. As a result 100% of these drugs and consumables expired.

FPS ordered clinical items costing \$46,452.33 in 2012 which were still not delivered as at the date of audit<sup>1</sup>. These items were to be delivered in 2012.

Scrutiny of the Epicor System revealed that several drugs and consumables were out of stock at FPS.

Most of these consumables and drugs were essential and were out of stock due to poor inventory management which includes monitoring stock levels.

Several drugs and consumables were highly overstocked compared to its maximum stock levels.

Review of midyear stocktake report revealed numerous variances between quantity of stock recorded in the Epicor System and quantity available in stock. The stock quantity in the Epicor System was overstated compared to quantity in stock

Fiji Procurement Office charges administration costs totalling 2% of all indent payments to FPS but there was no basis to implement such charges. The administration costs paid in 2012 totalled \$545,668.

The FPS paid CHF608,940 or FJ\$1,194,468.42 on 05/09/12 to Storz Medical for supply, installation, and commissioning of Lithotripter Analyzer. The Lithotripter Analyzer was received on 18/01/13

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<sup>1</sup> Date of Audit – 19/03/13

however is yet to be installed as at date of audit<sup>2</sup>. It is currently stored in the warehouse at Nabua since received on 18/1/13.

None of the contract agreement reviewed was signed by the supplier and the FPS. Audit noted that 80% of these unsigned contract agreements were reviewed by Solicitor General's Office while the other 20% were yet to be reviewed.

FPS had commenced purchasing goods and services from these suppliers even though none of the contract agreements were signed and some were yet to be reviewed by Solicitor General's Office. Instances were also noted where the FPS made payments to a few of these suppliers.

A new Boiler was installed at the Lautoka Hospital in 2011. The Boiler uses fuel to heat water and create pressurized steam.

Our inspection on 21/01/13 noted that the boiler was not connected to the fuel pipe and was not in use since its installation in 2011. The audit was advised that a 'Fuel Ring' which is used to connect the boiler to the fuel pipe has not been purchased.

The Ministry engaged Evergreen Environmental Limited for supply of rubbish bins on rent without obtaining three competitive quotes. The Ministry did not have any contract agreement signed between the Ministry and the supplier.

## **Public Utilities**

The Department maintained security deposits received from the contractors engaged in the water and sewerage projects totalling \$1,162,884 together with the Department's Operating Trust Fund account number 1-41201-85999-860101.

A variance of \$208,142 was noted in the Department of Energy's main trust account GL balance and the financial statement.

Unpresented cheques increased from \$263,801 in 2011 to \$2,584,659 in 2012.

There was a significant delay in the supply of the Wind Telemetry Systems by the supplier. The equipment was ordered on 23/2/12 and arrived in the country on 4/4/12 which was only 15 days before the contract expiry date.

The audit noted that the project was not completed as at the date of audit due to delay in the supply of the equipment. The Department did not take any action against the supplier for the delays in fulfilling its obligations under the contract agreement.

The Department awarded the tender for supply and installation of 15 x 34m Wind Telemetry Systems to Clay Engineering for \$403,750. At the time of the tender submission Clay Engineering clarified with the Department whether the Department needed 34m or 50m Wind Telemetry Systems. The Department opted for 34m Wind Telemetry Systems and paid 50% of the total contract sum totalling \$282,625 to the supplier in 3 installments on 1/12/12, 23/03/12 and 25/05/12.

On the arrival of the equipment in Fiji the Department realized that the World Bank standards required 50m Wind Telemetry Systems and not 34m equipment's.

The Department requested the supplier to return the 34m Wind Telemetry Systems and to get 50m Wind Telemetry Systems. The Department paid additional \$345,345 for replacing the 34m Wind Telemetry Systems with 50m Wind Telemetry Systems. In addition the Department paid \$83,852 to

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<sup>2</sup> Date of Audit – 21/02/13

Clay Engineering for shipping cost to return the 34m Wind Telemetry Systems to the overseas supplier. The Department obtained approval from the Government Tender Board for additional cost incurred.

Anomalies were noted on the electrical works at Nauouo and Rukuruku Villages in Ovalau.

The project was still in progress as date of audit<sup>3</sup> and was behind by 6 months. The MOU did not have any penalty clause for delay in project completion.

As per the contract agreement the Contractor was to complete the installation of 5 biofuel processing units by 30/12/12. However the contractor was not able to meet the deadline and all projects were delayed.

The audit however noted that both buildings were inspected by the Department's Engineers on 17/04/13 where serious structural defects were identified. The Department's Engineers in their inspection report recommended complete demolition and re-construction of both buildings.

The Department met with the Contractor to resolve the issues raised by the Department's Engineer after which the contractor requested 8 weeks to complete the projects. The contractor however failed to respond to the Departments concern.

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<sup>3</sup> 27/05/12

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## Section 20 Ministry of Education

### Role and Responsibilities

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

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## PART A: FINANCIAL STATEMENT

### 20.1 Audit Opinion

The audit of the 2012 accounts of the Ministry of Education resulted in the issue of an unqualified audit report. Management attention however was drawn to that the correctness of the Statement of Losses submitted by the Ministry could not be verified as a Board of Survey was not completed.

### 20.2 Statement of Receipts and Expenditure

The Ministry of Education collected revenue totalling \$1,440,228 and incurred total expenditure of \$270,261,887 in 2012. Refer Table 20.1 for details.

**Table 20.1: Statement of Receipts and Expenditure for 2012**

Description	2012 (\$)	2011 (\$)
<b>RECEIPTS</b>		
<b>State Revenue</b>		
Fees - Examination	27,887	18,206
Fees – Government Day School	22,901	8,388
Fees – Government Boarding Schools	434,268	454,918
Registration – Teacher Registration Board	577,646	377,696
Registration – Higher Education Commission	28,645	103,708
Rent for Official Quarters	850	889
Commission	2,451	6,058
OPR in Previous Years	55,831	36,545
<b>Total State Revenue</b>	<b>1,150,479</b>	<b>1,006,408</b>
<b>Agency Revenue</b>		
Miscellaneous Revenue	281,551	93,731



Description	2012 (\$)	2011 (\$)
Sales of School Farm Produce	8,198	2,693
<b>Total Agency Revenue</b>	<b>289,749</b>	<b>96,424</b>
<b>TOTAL REVENUE</b>	<b>1,440,228</b>	<b>1,102,832</b>
<b>EXPENDITURE</b>		
<b>Operating Expenditure</b>		
Established Staff	210,730,757	198,244,861
Unestablished Staff	2,157,366	1,659,565
Travel & Communication	1,174,940	898,673
Maintenance & Operations	1,223,504	1,234,531
Purchase of Goods & Services	5,723,724	4,871,483
Operating Grants & Transfers	44,538,571	41,428,638
Special Expenditures	1,927,034	1,596,220
<b>Total Operating Expenditure</b>	<b>267,475,896</b>	<b>249,933,971</b>
<b>Capital Expenditure</b>		
Capital Construction	583,826	577,219
Capital Purchases	0	0
Capital Grants & Transfers	587,884	388,653
<b>Total Capital Expenditure</b>	<b>1,171,710</b>	<b>965,872</b>
Value Added Tax	1,614,281	1,381,210
<b>TOTAL EXPENDITURE</b>	<b>270,261,887</b>	<b>252,281,053</b>

The state revenue increased by \$144,071 or 14% in 2012 compared to 2011. The increase was due to:

- increase in the number of schools taking external exams;
- increase in foreign students in government schools;
- increase in teachers paying registration fees; and
- increase in recoveries made for overpayment of salaries.

The agency revenue increased by \$193,325 or 200% in 2012 compared to 2011. The increase was due to request for recount/recheck and certified copies of the exam results (miscellaneous revenue).

Total expenditure increased by \$17,980,834 or 7% in 2012 compared to 2011. The increase was attributed to:

- Payment of location allowance that was approved by the Prime Minister's Office with effect from 1/8/11. Other allowances including Remote/Rural allowances and Boarding allowances were not accurately calculated during the preparation of the person to post listing. The virement of \$4.7 million to the bus fare assistance scheme that was sourced internally;
- Payment of overtime for Government Wage Earners for the various units/sections working overtime to meet the Ministry's output;
- Payment of meal and subsistence allowance for officers working overtime. The increase was also due to the visits to schools and districts by the Minister and Permanent Secretary and increase in payment of telecom charges;
- The increase in cost of goods and services from food ration suppliers resulted in the increase in food and ration expenses for Government Secondary Boarding schools;
- Increase in Ministry's education initiatives;
- Increase in capital works to Government schools and institutions; and
- Grants provided for the infant schools construction in 2012.

## 20.3 Appropriation Statement

The Ministry of Education incurred expenditure totalling \$270,261,887 in 2012 against the revised budget of \$256,663,950 resulting in an over spending of \$13,597,937 or 5%.

**Table 20.2: Appropriation Statement for 2012**

SEG	Description	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	200,469,268	(4,700,000)	195,769,268	210,730,757	(14,961,489)
2	Unestablished Staff	1,882,664	---	1,882,664	2,157,366	(274,702)
3	Travel & Communication	880,725	304,797	1,185,522	1,174,940	10,582
4	Maintenance & Operations	1,238,484	(6,136)	1,232,348	1,223,504	8,844
5	Purchase of Goods & Services	5,505,700	233,187	5,738,887	5,723,724	15,163
6	Operating Grants & Transfers	38,256,900	6,281,405	44,538,305	44,538,571	(266)
7	Special Expenditure	2,790,981	688,151	3,479,132	1,927,034	1,552,098
	<b>Total Operating Costs</b>	<b>251,024,722</b>	<b>2,801,404</b>	<b>253,826,126</b>	<b>267,475,896</b>	<b>(13,649,770)</b>
	<b>Capital Expenditure</b>					
8	Capital Construction	2,300,000	(1,701,755)	598,245	583,826	14,419
9	Capital Purchases	200,000	(200,000)	---	---	---
10	Capital Grants and Transfers	2,118,965	(1,530,000)	588,965	587,884	1,081
	<b>Total Capital Expenditure</b>	<b>4,618,965</b>	<b>(3,431,755)</b>	<b>1,187,210</b>	<b>1,171,710</b>	<b>15,500</b>
13	Value Added Tax	1,698,200	(47,586)	1,650,614	1,614,281	36,333
	<b>TOTAL EXPENDITURE</b>	<b>257,341,887</b>	<b>(677,937)</b>	<b>256,663,950</b>	<b>270,261,887</b>	<b>(13,597,937)</b>

## 20.4 Statement of Losses

A total of \$47,674.56 was lost by the Ministry in 2012 through embezzlement by the Ministry's staff.

The Ministry reported loss of a camera in 2012 valued at \$1,098.00. Also the Board of Survey for 2012 was not carried out for the whole Ministry. A few Sections and Government Schools' Board of Surveys were not done for 2012, thus the correctness of the Statement of Losses on assets as submitted by the Ministry could not be verified.

## PART B: AUDIT FINDINGS

### 20.5 Statement of Losses

An annual losses statement shall be prepared by the Senior Accounts Officer, Operations for inclusion in the Agency's Annual Financial Statement as and when required.<sup>1</sup> The losses statement shall provide information on losses written off during the financial year and the status of recoveries of losses.<sup>2</sup>

All Permanent Secretaries shall appoint a Board of Survey annually to determine whether government plant, equipment and inventories under his or her control are:

- a) In working condition or serviceable;
- b) Unserviceable or obsolete; and

<sup>1</sup> Finance Manual 2011 Section 13.1.8

<sup>2</sup> Finance Manual 2011 Section 13.1.9

- c) Surplus to the requirements of that agency.<sup>3</sup>

The audit noted that the Ministry did not include all the assets written off during the Board of Survey in the Ministry's Statement of Losses for the year ended 31/12/12. The Board of Survey report was yet to be approved by Ministry of Finance.

Furthermore, the Ministry was yet to complete its Board of Survey for 2012 for some of the schools and sections. Refer to table 20.3 below for details.

**Table 20.3: Schools and Sections for which Board of Surveys were yet to be completed**

<b>Schools and Sections</b>
<b>Schools</b>
Laucala Bay Secondary School
Suva Grammar School
Bucalevu Secondary School
Vunisea Secondary School
Natabua Primary School
Queen Victoria School
Ratu Kadavulevu School
Adi Cakobau School
Natabua High School
Labasa College
Suva Vocational School
<b>Sections</b>
Asset Management Unit
Sigatoka Education Office
Suva Education Office

The non- disclosure of all the losses in the Annual Financial Statement of the Ministry indicates non compliance with Finance Instructions 2010.

### **Recommendations**

**The Ministry should ensure:**

- that all loss of assets are included in the Statement of Losses in the Financial Statements; and
- compliance with the Finance Instructions when preparing and submitting its financial statements.

### **Ministry's Comments**

*The Ministry is aware that all Assets written – off should be part of the Loss Report in the Financial Statements, however the Ministry due to its large scale involving 2 Govt. Primary Schools ,12 Govt. Secondary Schools , 1 Vocational School , 9 Districts and 9 Sections / Units and it's Geographic locations makes it very difficult to carry out the BOS on time so that it is approved by the Permanent Secretary for Finance and included in the Loss Report before the Financial Statements are prepared and submitted to Auditor General's Office.*

*The Ministry assures Audit that it is trying its best to improve in this area and there has been a slight increase in BOS reports in 2012 compared to 2011. (Appendix 20.1)*

*The Ministry has made every effort to comply with the Finance Instructions whilst preparing the Financial Statements, however incomplete BOS affects the Loss Report.*

<sup>3</sup> Procurement Regulations 2010 Section 24.1

*The Ministry was informed by Ministry of Finance – Internal Audit Division that Fiji Procurement Office will make the necessary amendments to the clause of “ Chairmanship / President of the BOS Team “.*

*We would like to inform Audit that the composition of the BOS Team is the main reason for the delay in carrying out the exercise.*

*Therefore the Ministry requests Auditor General’s Office to have consultations with Ministry of Finance and Fiji Procurement Office as this is an area affecting all Agencies thus having an impact on the Whole of Government report.*

## 20.6 Increase in Unpresented Cheques Listing

The Drawings Account will be operated for all payments except for those payable from petty cash bank accounts, TMA bank account and Trust bank account.<sup>4</sup>

Ministries and Departments are required to plan their expenditure well in order to avoid the accumulation of unpresented cheques at year end. A continuous follow up action by the Accounting Head must be taken to encourage clients to present their cheques to the banks before 31/12/12.<sup>5</sup>

The drawings accounts balance for the Ministry represent the total value of cheques that were issued but not presented to the bank as at 31/12/12. Refer to table 20.4 for the comparison of unpresented cheques between 2011 and 2012.

**Table 20.4: Unpresented Cheques**

Drawings Account	2012 (\$)	2011 (\$)	Increase in Unpresented Cheques (\$)	% Change in the Unpresented cheques
Unpresented Cheques	4,367,708	1,347,618	3,020,090	224%

The audit noted a significant increase in the total amount of unpresented cheques as at 31/12/ by \$3,020,090 or 224% compared to 2011.

### **Recommendation**

**The Ministry should plan its purchases properly to avoid making large volume of purchases towards the end of the year.**

### **Ministry’s Comments**

*Audit concern is noted.*

*The Ministry wishes to inform Audit that the Unpresented Cheque List comprised of Exam claims for Markers, Supervisors, Examiners and other Personnel involved with the Examinations Unit which is mostly paid out in December after the completion of the External Examinations.*

*The increase is also due to the payment of salary grants to Early Childhood Teachers made individually to teachers rather than paying to the school as in the past.*

*Also payment of Tuition grants to schools for Term 3/2012.*

<sup>4</sup> Financial Manual 2011 Section 6.4.3

<sup>5</sup> Finance Circular 13/2012 dated 19/10/12, Section 5.1.3

## 20.7 Significant Balances in Operating Trust Fund Account

Operating Trust Fund Account consists of other moneys that were recorded as trust such as salary deductions payable to other entities, insurance premium deductions from employees, Fiji National Provident Fund deductions from employees etc. The Ministry must ensure that moneys kept in trust fund account are paid to relevant authorities in the following month.

The audit noted that Ministry's several Operating Trust Fund Accounts had large balances over the years. Refer to Table 20.5 below for details.

**Table 20.5: Operating Trust Fund Accounts with Significant Balances**

Account Number	Account Description	Ending Balance						
		2006 (\$)	2007 (\$)	2008 (\$)	2009 (\$)	2010 (\$)	2011 (\$)	2012 (\$)
1-21101-21999-861309	PSC Scholarship Loan	75,740.99	150,753.55	231,037.55	74,236.05	70,337.23	70,320.23	70,043.63
1-21101-21999-861706	Rates - Lautoka	38,294.80	38,228.60	38,153.60	38,116.10	38,116.10	28,849.99	28,849.99
1-21101-21999-861920	Employees FNPF	1,946,876.51	814,658.51	771,551.23	665,370.68	648,690.42	756,235.75	699,460.30
1-21101-21999-861534	Unity Insurance - FTU	0	0	0	12,824.38	12,710.54	39,974.44	111,712.92
1-21101-21999-861902	Depst A/c Recoverable	0	0	0	0	9,299.13	0	7,066.75

Significant balances in the operating trust fund account indicates that monies kept in trust fund were not paid to relevant authorities on time and is held as the Ministry's liabilities.

### Recommendations

#### **The Ministry should:**

- ensure that all salary deductions kept in Trust Fund accounts are paid to the relevant authorities in a timely manner; and
- investigate the significant balances in the Operating Trust Fund account as at 31/12/12 and take appropriate action.

### Ministry's Comments

*The large balances in Operating Trust Accounts will be reconciled and paid to the appropriate authorities. For FNPF & FTU, these are December deductions to be paid in January, 2013.*

## 20.8 Overpayment of Salary

An Officer, who has resigned, deemed to have resigned or terminated shall forfeit all the rights and privileges of his office from the date decided by the Commission.<sup>6</sup> An officer who resigns without giving 30 consecutive days' notice may be required to pay 30 days salary in lieu of notice.<sup>7</sup>

The audit noted that several officers continued to receive salaries after the effective dates of their resignations, terminations, leave without pay and retirement due to delay in ceasing the payment of salaries. In addition several cases were also noted for overpayment of acting allowances and payment of maternity leave on sixth confinements. As a result these officers were overpaid their salaries which was not recovered by the Ministry. The amount overpaid is summarised in Table 20.6. Further details are provided in Appendix 20.1.

<sup>6</sup> General Orders 222 (d)

<sup>7</sup> General Orders 222 (a)

**Table 20.6: Summary of Overpayment for 2012**

Type of Overpayment	Total Overpayment (\$)
Resignation	142,388.35
Termination	696.80
Retirement	6,789.15
Deceased	261.26
Study live without pay	32,030.79
Leave without pay	353.19
Salary	22,650.28
Maternity Leave	2,562.14
Acting allowance	12,233.21
Location Allowance	21,495.77
Forfeitures	13,708.35
<b>Total</b>	<b>255,169.29</b>

The audit also noted that total overpayment of salaries due to delay in ceasing salaries for study leave without pay as at 31/12/12 was understated by the Ministry. According to the Ministry \$26,599.83 was overpaid however the audit noted that the total overpayment was \$32,030.79. Refer to Table 20.7 for details.

**Table 20.7: Overpayment of Salaries for Leave without Pay**

Teacher TPF	Teacher's Name	Amount Overpaid (\$)
81009	Sharmili Radhika	2,700.50
68334	Iferemi Lomavere	2,483.96
81147	Finau Vulivuli	2,090.48
68197	Rajesh Sharma	2,700.46
81767	Lasarusa Cawanibuka	1,371.22
66681	Ulina Vuniulu	1,589.39
82189	Viliame Baleikatubu	1,176.02
69139	Nemani Rokobuli	1,563.21
82020	Shazia Nisha	1,438.90
66323	Salabula Asinate	13,435.90
82501	Miliakere Ravovou	1,480.75
<b>Total</b>		<b>32,030.79</b>

The audit further noted that the total overpayment of salaries increased by \$84,103.42 or 49% to \$255,169.29 as at 31/12/12 compared to the overpayment as at 21/12/11. Refer to [Appendix 20.1](#) for details. Out of the total salary overpayment of \$255,169.29 in 2012 the Ministry managed to recover only \$28,021.88 or 11% of the amount overpaid. Refer to Table 20.8 for details.

**Table 20.8: Overpaid Amount in Comparison With the Amount Recovered For 2012**

Type of Overpayment	Total Overpayment (\$)	Total Recovered (\$)	Percentage Recovered (%)
Resignation	142,388.35	1,050.00	0.73%
Termination	696.80	-	0%
Retirement	6,789.15	100.00	1.5%
Deceased	261.26	-	0%
Study live without pay	32,030.79	-	0%

Type of Overpayment	Total Overpayment (\$)	Total Recovered (\$)	Percentage Recovered (%)
Leave without pay	353.19	-	0%
Salary	22,650.28	6,385.00	28%
Maternity Leave	2,562.14	1,300.00	51%
Acting allowance	12,233.21	4,226.85	35%
Location Allowance	21,495.77	8,447.48	39%
Forfeitures	13,708.35	6,512.55	48%
<b>Total</b>	<b>255,169.29</b>	<b>28,021.88</b>	<b>11%</b>

No effective measure is taken to avoid salary overpayment and it is highly likely that the Ministry may not be able to recover substantial amount of salaries overpaid.

### **Recommendations**

#### **The Ministry should:**

- take appropriate action to ensure that salaries of the Officers are ceased on time to avoid overpayment;
- make every effort to recover salaries overpaid;
- implement strategies to ensure no overpayment is made in future;
- consider getting changes in salaries electronically such as through emails to avoid delays in ceasing salaries; and
- surcharge officers responsible for delays in submitting salary change advices to headquarters.

### **Ministry's Comments**

*No comments received.*

## **20.9 Poor Record Keeping for Unestablished Employees**

Personal files for all the employees should be properly maintained with correspondence properly filed.

Audit noted that personal files for the unestablished employees at the Ministry were not up to date. The latest correspondences in most of the files were dated back to 2009. In addition most files did not have Government Wage Earners appointment letters, overtime details and approval for leave.

Audit further noted that the personal files in respect of a number of officers were not maintained at all by the Ministry. Refer to Table 20.9 for examples of personal files not maintained.

**Table 20.9: Personal Files Not Maintained**

Employee Name	EDP Number	Audit Comments
Rasul Ismail	FY953	No file maintained
Mohammed Yusuf	KZ510	No file maintained
Pailato Nairowai	WT895	Last updated in 2009
Saimoni Qiolevu	11372	Last updated in 2009
Jotame Vasua	NA337	Last updated in 2009
Kitione Kukucawa	TK533	Last updated in 2009
Isireli Nuku	J904	Last updated in 2009
Litiana Natewa	K135	Last updated in 2009

The findings demonstrate lack of monitoring and supervision by Senior Officers. In absence of personal files, important correspondences from personal files such as appointment letters and approval for overtime, audit cannot ascertain whether appropriate approvals were obtained for new appointments and overtime worked. In addition employees without an appointment letter or personal file may not be bona fide employee of the Ministry.

### **Recommendations**

**The Ministry should:**

- ensure that a personal file is properly maintained for each employee of the Ministry; and
- investigate the matter and take appropriate action.

### **Ministry's Comments**

*No comments received.*

## **20.10 Bus Fare Assistance Scheme**

The Bus Fare Assistance Scheme was an initiative to ensure and facilitate education for the children of the poorest of the poor families.<sup>8</sup>

On 19/10/09, government embarked in assisting school students with the provision of free bus fare to and from school. A total of \$3,426,300 was paid out in cash to 490 schools around the country to facilitate the scheme in 2009. The scheme continued in 2010 with the introduction of the coupon system to overcome some of the problems encountered in 2009. Total expenditure of \$17,540,503 and \$18,758,350 was incurred for bus fare scheme in 2011 and 2012 respectively.

### **20.10.1 Over Expenditure**

Each agency must establish a Budget Focus Group comprising of senior management officials responsible for policy planning and budget preparation for the different departments or divisions within the agency.<sup>9</sup>

Each year the Appropriation Act and the Budget Estimates set out details of the appropriations that Cabinet approves for spending by each agency. No officer may incur expenditure, which results in the agency's appropriation being exceeded without the proper authorisation of the Ministry of Finance, pending approval by Cabinet.<sup>10</sup>

The audit noted that the Ministry was initially provided with \$12m for the bus fare scheme for 2012. The budget for the bus fare scheme was revised to \$18,758,350 to meet the expenses for the whole year. The Ministry vired funds from other allocations to provide an additional \$6,758,350 to the bus fare scheme allocation. Refer to Table 20.10 for funds vired from other allocations.

**Table 20.10: Funds Redeployed to Bus Fare Scheme Allocation**

<b>Virement Number</b>	<b>Allocation</b>	<b>Allocation Description</b>	<b>Amount (\$)</b>
DV 2129	1-21101-91012-010101	Personal Emoluments – Non government schools primary	2,250,000
DV 2129	1-21304-91012-010101	Personal Emoluments – Non government schools secondary	2,250,000

<sup>8</sup> Cabinet Memorandum

<sup>9</sup> Finance Instructions 2010, Part 2, Section 6

<sup>10</sup> Finance Instructions 2010, Part 3, Section 7



Virement Number	Allocation	Allocation Description	Amount (\$)
DV2216	1-21101-91012-010101	Personal Emoluments	200,000
V21006/12	1-21101-91018-080425	Maintenance and Upgrading	927,539
V21006/12	1-21101-91012-100299	Building Grant for Construction of Infant Schools	880,246
V21006/12	1-21201-91018-100114	Building grant	150,000
V21006/12	1-21301-91018-080505	Compulsory education	100,565
<b>Total</b>			<b>6,758,350</b>

The Ministry's bus fare scheme allocation was under budgeted by \$6,758,350 or 56% compared to the original budget of \$12m.

A total of \$927,539 and \$1,030,246 was vired from the maintenance and upgrading, and construction of infant schools & building grant respectively. As a result capital works were affected due to diversion of funds.

2012 was the fourth year for the scheme and the Ministry was still not able to provide a proper budget forecast and had to significantly increase the budget for the scheme during the year to meet the actual expense.

The findings show poor planning and forecasting by the Ministry which resulted in virement of funds from capital project allocations.

### **Recommendation**

**The Ministry should ensure to submit proper budget forecast to avoid diversion of funds from capital expenditure allocations.**

### **Ministry's Comments**

*No comments received.*

## **20.10.2 No Reconciliation and Lack of Internal Control**

Each agency must have in place a cost effective system of internal controls which –

- (a) safeguards money and property against loss;
- (b) avoids or detects accounting errors; and
- (c) avoids unfavorable audit reports.

The Accounting Head of an agency is responsible to the Permanent Secretary for the effective design and operation of internal controls across the agency.<sup>11</sup>

The record of bus fare coupons showed that a total of 32,441,871 coupons with a total value of \$18,304,954.85 were distributed to schools around the country in 2012. However, the Ministry's payments record showed that a total of 28,779,177<sup>12</sup> coupons with total value of \$16,269,412.96 was used and funds reimbursed to transport providers. Refer Table 20.11 for details of coupons used and reimbursed.

<sup>11</sup> Financial Instruction 2010, Part 10, Section 59

<sup>12</sup> Data Supplied By The Respective Districts

**Table 20.11: Total Bus Fare Coupons Processed For Payment**

<b>District</b>	<b>Total Coupon Processed</b>	<b>Total Payment (\$)</b>
Suva / Nausori	9,463,280	4,962,092.56
Nadroga / Navosa	1,268,732	1,630,511.30
Nadi / Lautoka / Yasawa	6,132,438	2,926,915.05
Ba / Tavua	2,963,324	1,428,874.35
Ra	1,388,546	759,002.00
Macuata / Bua	3,431,299	1,945,382.90
Cakaudrove / Savusavu	1,228,915	922,507.70
Taveuni	510,763	339,285.05
Rotuma	102,881	82,304.80
Nausori	1,886,234	950,325.25
Eastern	402,765	322,212.00
<b>Total</b>	<b>28,779,177</b>	<b>16,269,412.96</b>

The audit noted that bus fare assistance scheme coupons distributed to schools were not reconciled to used coupons received from transport providers. A significant variance of 3,622,694 coupons with total value of \$2,035,541.89 was noted between the two records.

The audit also noted that the Ministry did not implement adequate controls in the bus fare coupon scheme. As a result there is high risk of double counting the bus fare coupons as coupons are not numbered and unused coupons exchanged for cash with bus operators by the holder of the coupon.

Lack of adequate controls will result in misappropriation of public funds.

### **Recommendations**

#### **The Ministry should:**

- maintain proper record of bus fare coupons issued to each school during the year and total coupons reimbursed. The coupons issued should be reconciled with coupons reimbursed;
- number the coupons to avoid double payments and fraudulent claims submitted; and
- consider electronic ticketing system for all schools.

### **Ministry's Comment**

*No comments received.*

### **20.10.3 Purchase of Smart Cards**

The Ministry is responsible to provide bus fare assistance to school children whose parents' joint income per year is less than \$15,000. This assistance is provided by the Government since October 2009. The students were paid cash for bus fare assistance and from February 2010 the students were given bus fare vouchers. Since November 2012 e-ticketing system was launched. The e-ticketing cards were in use since June 2013.

The Ministry paid 50% of the total cost totalling \$230,312 to Telecom Fiji Limited (TFL) on 6/6/12 for supply of 100,000 electronic bus fare cards. The audit noted that:

- The TFL invoice date was 9/11/11 and the purchase order date was 4/6/12. The purchase order was issued 7 months after the invoice date. This indicates that services were obtained first and the purchase order was issued later.
- The purchase order and the payment voucher for payment of \$230,312 to TFL was approved by the Senior Accountant. The Senior Accountant had authority to make payment up to \$3,000 only.
- The Ministry of Works, Transport and Public Utilities signed a contract with TFL for the supply of 100,000 e-ticketing cards. However a copy of the contract was not made available to audit.

The Ministry diverted \$115,156 from the tuition fee grant for secondary schools and \$115,156 from primary schools allocations and paid \$230,312 to TFL on 6/6/12 for supply of 100,000 electronic bus fare cards.

However the initial contract between TFL and the Ministry Works, Transport and Public Utilities was later terminated by the Ministry of Works, Transport and Public Utilities (MWTPU). The Ministry was not able to provide the exact date the contract was terminated.

No refund was received by the Ministry of Education despite the Ministry writing to TFL on 22/02/13 and 04/06/13. In addition the smart cards were not supplied to the Ministry. It is highly likely that payments made to TFL totaling \$230,312 may not be recovered.

- The Ministry of Works, Transport and Public Utilities terminated the contract with TFL and engaged Foneology for the printing and supply of electronic bus fare cards free of charge. A contract between the Ministry of Education and Foneology was not entered into as at the date of audit on 8/7/13.
- The Ministry of Education was to pay for cost of top up for the cards to Foneology in 2013. As at the date of audit<sup>13</sup> a total of \$376,742.35 was paid to Foneology to top up 10,057 cards which were supplied to the Ministry by Foneology.

The Ministry made payments totaling \$376,742.35 to Foneology without a contract.

The above anomalies indicate that the Ministry failed to exercise due diligence before engaging TFL.

### **Recommendation**

**Ministry of Finance should investigate the termination of contract with TFL and take appropriate action.**

### **Ministry's Comments**

*No comments received.*

## **20.11 Salami Slicing - Funds for Initiatives by Ministry for 2012**

Agencies should prepare their budget submissions in accordance with the Finance Circulars issued by the Permanent Secretary of Finance from time to time.<sup>14</sup> Agencies should ensure that their budget submissions:

<sup>13</sup> 08/07/13

<sup>14</sup> Finance Instructions 2010 Section 6(2)

- a. clearly linked to the policy objective in the National Development Plans;
- b. separately show operating and capital expenditures; and
- c. clearly specify the projects and expenditure to be aid funded.<sup>15</sup>

The budget estimate for allocation number 1-21101-91012-070299 named Other Setup and Implementation as per FMIS general ledger was zero. The Permanent Secretary on 04/01/12 approved virement of funds totalling \$926,365 from various allocations into this allocation via virement number DV2112 of 04/01/12. Refer to **Appendix 20.1** for details. The Ministry identified this allocation as Funds for Initiatives by Ministry of Education.

The audit noted that the Ministry utilised a total of \$681,099.85 from this allocation for various payments during the year. Discussions with the Senior Accountant, Mr. Raveenesh Bharat revealed that the Ministry had been using this allocation from previous years.

Every year the Ministry identifies allocations with savings and surplus funds which are vired into Other Setup and Implementation allocation. The funds are utilised for procurement of goods, services or works that were not budgeted for and payments were approved by the Minister and Permanent Secretary for Education. Refer to table 20.12 for examples of payments made.

**Table 20.12: Funds Utilized For Initiatives by Ministry of Education**

Date	Payment Voucher Number	Payee	Particulars	Amount (\$)
10/01/12	207614 - 207644	Various (Schools list attached)	Payment of grants to purchase furniture for new forms 6 and 7 schools.	90,480.00
16/01/12	208057	Solicitor General's Office	Payment of out of court settlement for Ulaiasi Halofaki Case No MBC 44/2009 for Negligence by Fiji College of Advanced Education for not repairing the broken window.	20,000.00
16/04/12	218534	Office Products	Payment for computers for Executive Support Unit.	4,810.00
16/04/12	218531	Office Products	Payment for computers for Post Processing Unit.	6,780.00
29/3/12	217077	Air Pacific Limited	Payment for Minister's Airfare to Vanuatu to attend USP Council Meeting and Forum Education Ministers Meeting.	2,214.20
23/12/12	246642	Telecom Fiji Limited	Installation-vista & distance learning equipment	48,927.90
17/10/12	239125	Datec (Fiji) Ltd	Computing Kit	39,241.00
18/09/12	236831	Vodafone Fiji Limited	Ministers Blackberry	1,899.00
29/02/12	210589	Jedis Stationery	Textbook for Richmond High School	2,267.11
19/06/12	226855	Northern Air Services	Charter flight for minister	7,200.00
28/06/12	227851	Fiji Arts Council	Festival of Arts	20,000.00

The practice of transferring funds from allocations with savings indicates that the Ministry had surplus funds in those allocations.

The audit is of the view that the Ministry may be overstating the expenses in its budget submission to the Cabinet in an attempt to receive a higher budget.

### **Recommendations**

- **The Ministry of Finance should investigate this matter and take appropriate action.**
- **The Ministry of Education should:**
  - **cease the practice of transferring funds from other allocations into Other Setup and Implementation allocation;**
  - **with immediate effect cease the use of the Other Setup and Implementation allocation.**

<sup>15</sup> Finance Instructions 2010 Section 6(3)  
Ministry of Education

**Ministry's Comments**

*No comments received.*

**20.12 Tuition Fee Free Grant****20.12.1 Non Submission of Audited Financial Statements and AGM Minutes**

The school shall submit the audited financial report endorsed in the Annual General Meeting to the Ministry of Education by the end of February of the following year.<sup>16</sup>

The review of the school financial statements revealed the following anomalies.

- All of the 158 secondary schools submitted audited financial statements, however only 21 or 13% of secondary schools did not submit minutes of their annual general meeting to the Ministry for the year ended 31/12/11. Refer to Appendix 20.3 for examples.
- For 31/12/12, 125 or 79% out of 158 secondary schools did not submit audited financial statements while 126 or 79% did not submit minutes of the annual general meeting as at the date of audit<sup>17</sup>.
- Out of 735 primary schools 59 or 8% did not submit audited financial statements while 76 or 10% did not submit minutes of the annual general meeting for the year ended 31/12/11. Refer to Appendix 20.4 for examples.
- Only 20 primary schools submitted the audited financial statements and 20 primary school submitted minutes of the annual general meeting as at the date of audit<sup>18</sup> to the Ministry for the year ended 2012. The other 715 primary schools did not submit the audited financial statements and the minutes of the annual general meeting.

Furthermore, review of several schools financial statements revealed that schools prepared the financial statements showing total income and total expenses for the year. None of the schools showed tuition fee grant income and expenses incurred from tuition fee grants separately from other school income and expenses in the financial statements.

The current reporting format adopted by schools makes it difficult for the Ministry to determine how the grant funds were used. Hence the Ministry may not be able, to determine whether schools comply with the requirements of the grant policy.

The finding indicates that the Ministry of Education did not monitor record keeping of tuition fee grant given to schools. As a result the Ministry may not be able to determine whether grants are properly used by the schools.

**Recommendations****The Ministry should:**

- ensure that all schools submit the audited financial statements and annual general meeting minutes;
- ensure that all schools maintain proper records of grants received and expenses incurred; and

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<sup>16</sup> Policy In Distribution of Tuition Fees And Supplementary Grant (Per Capita Grants) Using The Differential Resourcing Model Paragraph 7.2.4

<sup>17</sup> 25/04/13

<sup>18</sup> 25/04/13

- provide a format for financial statements to all schools as a guide to ensure schools report the use of grant funds as required by the Ministry.

### **Ministry's Comments**

*No comments received.*

## **20.13 Technical Vocational Education and Training (TVET)**

Vocational Education and Training Programme caters for school leavers who have completed secondary school education up to form four and have reached the age range of 15 to 20 years. The programme provides either a one year or two year intensive skill training aimed at providing the following opportunities:

- Training for self-employment;
- Training for paid employment;
- Training which will lead to further education; and
- Training for life skills useful to those designed to go back to the village or rural setting

Students enrolled in this programme are sponsored in terms of tuition fees and materials for learning purposes.

### **20.13.1 Purchase Order Approved by Other Section Heads**

The Director for TVET has been delegated with the authority to procure goods, services and works up to a limit of \$10,000 till 4<sup>th</sup> July 2012<sup>19</sup> and \$20,000 from 5<sup>th</sup> July 2012<sup>20</sup>. Any request to purchase goods and services must be approved by the respective section heads.<sup>21</sup>

The audit noted that Executive Officer Mrs. Elizabeth Logavatu purchased goods and services on several occasions for the TVET section however no requests were made by TVET section for these purchases.

It was also noted that the Director for TVET had the authority to approve purchase orders for procurement of goods and services up to \$10,000. However the purchase orders for the TVET section were approved by officers from other sections without the Director's knowledge. Refer to table 20.13 for examples.

**Table 20.13: Officer's Bypassing Director's Approvals**

Date	Voucher Number	Purchase Order Number	Particulars	Approved by	Designation	Amount (\$)
30/12/12	248138	PO9101H-001496 of 06/12/12	Payment of Office Equipment for TVET Officers and Text Book Writers	Raveenesh Bharat	Senior Accountant	5,395.03
30/12/12	248479	PO9101H-001475 of 06/12/12	Payment of tools for new carpentry centres	Makarita Fuata	Principal Accountant	5,362.80
30/12/12	248215	PO9101H-001449 of 29/11/12	Payment for 2 desktop computer for TVET Typist and Executive Officer Computer Studies	Makarita Fuata	Principal Accountant	3,990.00

<sup>19</sup> Ministry of Education Finance Manual 2011 Section 2.2

<sup>20</sup> Finance Circular Number 9/2012

<sup>21</sup> Ministry of Education Finance Manual 2011 Section 2.5.14

It was further noted that several purchase orders were issued by senior staffs at the Ministry's accounts section without the approved request from the Director for TVET. Refer to table 20.14 for examples.

**Table 20.14: Purchase Orders Issued Without Requisition**

Purchase Order Number	Date	Particulars	Amount (\$)
P09101H-001256	29/05/12	Repairs to old TVET PC's	800.00
P09101H-001254	29/05/12	Printer Consumables for TVET	2,884.00
P09101H-001324	14/08/12	Toners for TVET	1,194.00
P09101H-001311	06/07/12	Stationery for Nadave workshop	2,198.00
P09101H-001390	12/10/12	Stationery for TVET workshop	2,330.02
P09101H-001396	18/10/12	GM899 Repair and Service	2,070.01

Proper controls were not in place for purchase of goods and services for TVET section. This may result in unauthorised procurement of goods and services.

### **Recommendations**

#### **The Ministry should:**

- ensure that all payments for TVET section have requisition for goods and services approved by the TVET Director;
- ensure that purchase orders are raised after sighting approved requests from the TVET section; and
- investigate this matter and implement appropriate controls.

### **Ministry's Comments**

*No comments received.*

## **20.13.2 Unauthorised Purchase of Items for TVET**

Any request to purchase goods and services must be approved by the section heads.<sup>22</sup>

The Ministry paid \$5,395 to Dynamic Solutions for purchase of 5 HP flatbed G2410 Scanners and 10 x 500 GB Portable Hard Drive for TVET officers on 30/12/12. Review of the purchase revealed the following anomalies.

- The above items were purchased by the Executive Officer for TVET section, Ms. Elizabeth Logavatu. No request was made for the purchase of 5 HP flatbed G2410 Scanners and 10 x 500GB Portable Hard Drive from the staffs at the TVET section.

In addition the Ministry already had 4 scanners and one photocopier with the scanning feature. Out of the four scanners 3 were in use while one was locked in the cabinet. The Ministry also had 2 x 1.0 Terabyte Verbatim brand hard drive held in stock in its storeroom.

- The Ministry obtained four quotations for purchase of the 5 HP flatbed G2410 Scanners and 10 x 500 GB Portable Hard Drive. The purchase order number PO9101H-001496 of 06/12/12 was issued and authorised by Senior Accountant, Mr. Raveenesh Bharat for purchase of these items

<sup>22</sup> Ministry of Education Finance Manual 2011 section 2.5.14

from Dynamic Solutions. However the description and the quantity of the items to be purchased were not stated in the purchase order.

In addition Dynamic Solutions supplied the Ministry with 5 x 1.0 terabyte Toshiba Brand hard drive instead of 10 x 500 GB Portable Hard Drive.

- The Director for TVET, Ms. Alumeci Tuisawau was not aware of the purchase of 5 scanners and 5 hard drives and who kept these items. However the audit noted that these items were not distributed to the TVET officers since purchased on 06/12/12 till the date of audit<sup>23</sup>. Physical verification of the items in the storeroom on 3/5/13 noted that:
  - The 5 newly purchased scanners were kept in the archive room on the ground floor despite TVET having a secured storeroom.
  - The 5 x 1.0 terabyte Toshiba Brand hard drive was kept in the TVET storeroom.
- The Ministry also had 2 x 1.0 Terabyte Verbatim brand hard drive and a scanner held in stock from previous purchase and not issued to staff. The Executive Officer advised that no requests have come for the items and it will be distributed once the requests are received from staff.

The findings show that public funds were used extravagantly as additional scanners and hard drives were purchased by the Ministry without immediate need. In addition purchases by unauthorised personnel may result in unauthorised purchases and misappropriation of funds.

### **Recommendations**

#### **The Ministry should:**

- ensure that purchases are made on request from the section heads;
- items to be purchased are clearly stated on the order with specifications and the cost;
- investigate how scanners and hard drives were purchased without the Director for TVET knowledge and take appropriate action;
- ensure that all purchases are made on the need basis only; and
- keep all the inventory items in the secured store room.

### **Ministry's Comments**

*No comments received.*

### **20.13.3 Printing of Booklets for TVET Achievement Level**

Any procurement of goods, services or works shall be issued so as to promote the following principles:

- (a) value for money;
- (b) maximise economy and efficiency and the ethical use of Government resources;
- (c) promote open and fair competition amongst suppliers and contractors;
- (d) promote the integrity of, fairness and public confidence in the procurement process; and
- (e) achieve accountability and transparency in the procedures relating to procurement.<sup>24</sup>

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<sup>23</sup> 25/04/2013

<sup>24</sup> Procurement Regulations 2010 Section 3



A minimum of three competitive quotes, instead of public tenders may be called for procurements valued at \$1,000 and more but \$50,000 and less unless the Minister of Finance has approved an exemption in accordance with Procurement Regulation 48-(1).<sup>25</sup>

The Ministry paid \$20,450 to Davui Printery for printing of TVET Achievement Levels booklets on 14/03/12. The payment was approved by the Permanent Secretary for Education. The audit noted that the Executive Officer, Mrs. Elizabeth Logavatu did not obtain 3 competitive quotes for the printing of TVET Achievement Levels booklets. According to the Executive Officer, Davui Printery still had the softcopies and printing plates for the booklet from previous year and there were no changes.

The finding shows that the Ministry did not follow the proper procurement process for printing of booklets for TVET Achievement Level. Also in the absence of the memorandum of understanding the Ministry could not exercise its rights against the Printer should any dispute arise.

### **Recommendations**

#### **The Ministry should:**

- **ensure that proper procurement procedures are followed at all times; and**
- **take appropriate action against the Executive Officer for not following proper procedures.**

### **Ministry's Comments**

*No comments received.*

#### **20.13.4 Anomalies in Procurement by Elizabeth Logavatu**

The proper management of expenditure is fundamental to ensuring value for money in delivering services to the community. As well, having cost-effective internal controls within the purchasing and payments system plays an important part in ensuring that waste of funds, over expenditures and corruption do not occur.<sup>26</sup>

The TVET Section purchased 60 computers at a cost of \$78,591.89 in 2012 for schools that have Office Technology Departments. The audit noted the following anomalies in purchases made by Executive Officer, Mrs. Elizabeth Logavatu at TVET Section.

- Out of the 60 computers purchased, 5 computers were purchased for the Ra High School by the Executive Officer. However the Senior Education Officer – Office Technology, Mrs. Seruwaia Raile was not aware that computers were also purchased for Ra High School. In addition Mrs. Raile confirmed that the computers bought for Ra High School were not issued to the School.
- The TVET section was supposed to provide computers only to the schools. Ms. Logavatu purchased two printers costing \$4,238.85 for Naleba High School and Assemblies of God High School but the printers were not issued to the schools and neither Mrs. Logavatu nor Mrs Raile was able to advise audit where these computers and printers are located.

According to the Senior Education Officer - Office Technology, Mrs. Seruwaiwa Raile she did not authorise the purchase of the printers.

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<sup>25</sup> Ministry of Education Finance Manual 2011 section 2.3.2

<sup>26</sup> Ministry of Education Finance Manual, Part 2.

- The TVET Section issues a dispatch form signed by the Senior Executive Officer and the Education Officer when computers are dispatched to schools. The recipient schools are required to acknowledge the receipt of the computers to the TVET Section at the Ministry.

However no acknowledgement letters were received for the issue of 5 computers and two printers with total cost of \$10,321.50. This indicates that computers and printers were not dispatched to the schools. Refer to table 20.15 for details of the computers and printers purchased by Mrs. Elizabeth Logavatu but not dispatched.

**Table 20.15: Computers and Printers Purchased**

Date	Particulars	Voucher Number	School	Amount (\$)
13/03/12	5 Computers	215451	Ra High School	6,082.65
20/07/12	1 printer	230703	Naleba Secondary	1,953.85
08/05/12	1 printer	224528	Assemblies of God	2,285.00
<b>Total</b>				<b>10,321.50</b>

The findings indicate very poor controls over purchase of computers at TVET Section. This may result in fraudulent activities in purchase and distribution of computers.

### **Recommendations**

#### **The Ministry should:**

- investigate how the 5 computers were purchased by the Executive Officer without the Senior Education Officer's approval and take appropriate action;
- ensure that only computers are purchased and distributed to schools; and
- investigate the matter and take appropriate action against the Officers responsible.

### **Ministry's Comments**

*No comments received.*

## **20.14 Purchases from Dynamic Solutions**

### **20.14.1 Poor Quality of Items Purchased from Dynamic Solutions**

The proper management of expenditure is fundamental to ensuring value for money in delivering services to the community, as well as having cost-effective internal controls within the purchasing and payments system plays an important part in ensuring that waste of funds, over expenditures and corruption do not occur.<sup>27</sup>

The Ministry paid a total of \$1,086,239.91 to Dynamic Solutions during 2012 for purchase of goods and services. The audit noted from the review of sample of items purchased from Dynamic Solutions that they were of inferior quality. The items were unserviceable within a span of less than a year. For example:

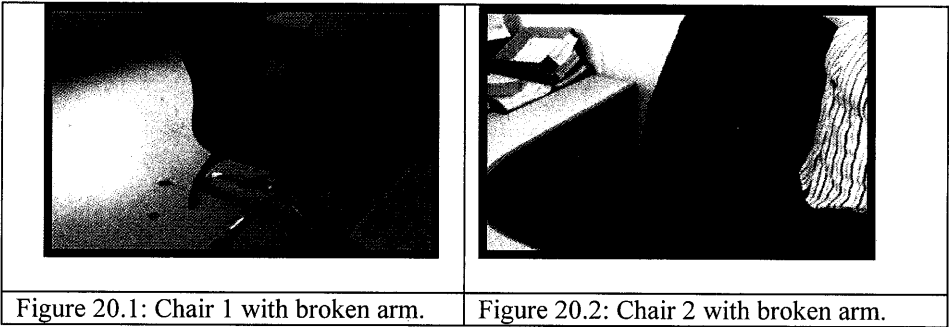
- The Ministry purchased of 15 cordless Uniden phones for the Technical Vocational Education and Training Section for \$2,985.02 from Dynamic Solutions on 17/12/12. Physical verification of the

<sup>27</sup> Ministry of Education Finance Manual, Part 2.  
Ministry of Education

phone on 06/03/13 revealed that they were still in their boxes and stored in the section’s store room.

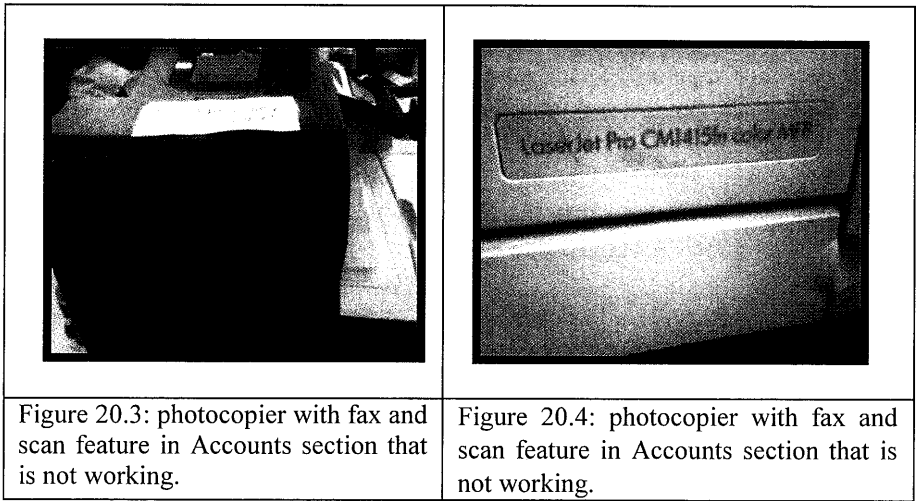
Discussion with Acting Executive Officer for the TVET Section, Mr. Alfred Tausia revealed that the phones were of poor quality. This was also confirmed by the Telecom Fiji Limited’s Technician as it could not connect well with the Telecom Communication line, hence left in the storeroom and not used by the Ministry.

- The Ministry’s Personnel Section purchased 7 high back chairs from Dynamic Solutions on 09/05/12 for \$1,925. The audit noted during physical verification on 06/03/13 that three of the chairs were broken and not serviceable. See Figures 20.1 and 20.2 below.



- A HP Multi-function printer CM1415 photocopy machine with printer, scanner and fax features was purchased from Dynamic Solutions for the accounts section for \$1,999 on 03/05/12. The machine was not able to photocopy 10 months after it was purchased.

The machine was repaired later and is now in use by the Ministry. Refer to Figures 20.3 and 20.4.



The above findings indicate that the poor quality machines may have been purchased by the Ministry.

**Recommendations**

**The Ministry should:**

- ensure that good quality equipment are purchased; and
- investigate purchases of chairs and office equipment from Dynamic Solutions and take appropriate action.

**Ministry's Comments**

*No comments received.*

**20.14.2 Repairs Costing \$5,000 from Dynamic Solutions**

The AAO/Bursars/Vote Controllers shall be responsible for maintaining the fixed asset register. The asset register shall provide the following details:

- date of acquisition and cost
- description
- serial number and model
- location
- other relevant information<sup>28</sup>

The Vote Controllers must ensure that the fixed asset register is kept updated.<sup>29</sup>

The Executive Officer, Mrs. Elizabeth Logavatu paid \$5,000 to Dynamic Solutions on 02/11/12 for repairs to TVET and school computer equipment. Review of the payment revealed the following anomalies.

- Approval was not obtained by the Executive Officer, Mrs. Elizabeth Logavatu from Director TVET before obtaining the services from Dynamic Solutions. Discussion with Director TVET revealed that Ministry was not responsible for repairing computers held by the schools since the schools have separate budget for repairs and maintenance.
- Details of the repair such as requisition for repairs, list of computer equipment to be repaired, and the work to be carried out were not attached to the payment voucher. The detail of the repair work to be carried out was also not stated in the purchase order.
- The Ministry was only able to provide a list of work undertaken by Dynamic Solutions however it was not able to identify which computer equipment was repaired. As a result audit could not verify which computers were repaired and whether the repairs were actually carried out by Dynamic Solutions. Refer to table 20.16 for details of repair work undertaken.

**Table 20.16: Computer Equipment Repairs**

Description	Amount (\$)
Replaced Genuine HP Motherboard	475.00
Replaced Genuine HP Power Supply	185.00
Replaced Genuine HP Intel CPU	195.00
Format Reload Windows 7 Professional	120.00

<sup>28</sup> Ministry of Education Finance Manual 2011 Section 10.2.1

<sup>29</sup> Ministry of Education Finance Manual 2011 Section 10.2.2

Description	Amount (\$)
Replaced Genuine Motherboard	695.00
Replaced LCD Screen 15.6 inch	450.00
Replaced LCD Screen	450.00
Replaced Paper Pick up roller	115.00
Replaced Fuser Unit	495.00
Replaced Pressure Roller	195.00
Replaced Photo Conductor Unit	550.00
Replaced Imaging Unit	295.00
Replaced Transfer Unit	275.00
Replaced Drum Unit	505.00
<b>Total</b>	<b>5,000.00</b>

- The Ministry has an IT Unit but the Executive Officer did not consider the equipment to be repaired by its own IT personnel. The Executive Officer advised that the repair works were not given to the Ministry's IT unit because they used to take months to repair them and the equipment was urgently needed. However the Executive Officer was not able to provide any evidence that she consulted the Ministry's internal IT section for repair works.

The finding shows laxity by the Director TVET as she was not aware of purchases of goods and service made in the section. There is a high risk of misappropriation of funds as necessary supporting documents were not maintained.

### **Recommendations**

**The Ministry should:**

- investigate the matter and take appropriate action against Director for TVET for poor supervision of her section;
- investigate the matter and take appropriate action against Executive Officer for purchase of goods and services without proper approval and poor record keeping;
- first consider repairs of computer equipment to be carried out by its IT Unit; and
- ensure that proper procurement procedures are followed at all times.

### **Ministry's Comments**

*No comments received.*

## **20.15 Tender Process**

### **20.15.1 Tender Not Called for Purchases Exceeding \$30,000**

Public tenders must be called for any procurement of goods, services or works valued at \$30,001 or more effective till 11/06/12.<sup>30</sup> A tender must be called for the procurement of goods, services or works valued at \$50,001 and more effective from 12/06/12.<sup>31</sup>

The Technical Vocational Education and Training (TVET) purchased 60 computers in 2012 from various suppliers and distributed to schools around Fiji. The total cost of the computers was

<sup>30</sup> Ministry of Education Finance Manual 2011 Section 2.3.1

<sup>31</sup> Finance Circular No : 9/2012

\$78,591.89 however tenders were not called by the Ministry for purchase of the computers. Refer to table 20.17 for examples.

**Table 20.17: Tenders Not Called For Purchase of Computers**

Date	Payment Voucher Number	Vendor	Particulars	Quantity Purchased	Amount (\$)
13/03/12	215451	Office Xpress	Desktop computers for Lami High and Ra High School.	10	12,165.30
04/04/12	217820	Dynamic Solutions	Desktop computers for Lomary and Nabala Secondary School.	10	12,165.30
11/04/12	218852	Clariti South Pacific	Desktop computers for Beqa Yanuca and Kamil College.	10	13,391.29
14/06/12	226316	Office Xpress Supplies	Desktop computers for AOG High and William Cross.	10	13,990.00
18/06/12	226641	Digital Sign Tech	Desktop computers for Rewa Secondary and Vashist Muni College.	10	12,890.00
09/07/12	229782	Dynamic Solutions	Desktop computers for Sigatoka Methodist and Nakauvadra High School.	10	13,990.00
<b>Total</b>				<b>60</b>	<b>78,591.89</b>

The finding shows that the Ministry did not follow proper procurement process while procuring the desktop computers.

### **Recommendations**

**The Ministry should ensure that:**

- TVET section plans out its procurement well in order to comply with the Procurement Regulations 2010;
- proper procurement procedures are followed at all times; and
- appropriate disciplinary action is taken against responsible officers.

### **Ministry's Comments**

*No comments received.*

### **20.15.2 No Tender Called For Contracts Exceeding \$50,000**

A tender must be called for the procurement of goods, services or works valued at \$50,001 and more.<sup>32</sup>

The Ministry of Education provided grants to 4 schools with heritage facility, particularly in declared World Heritage Zones. The grant was deposited in the individual schools' bank accounts. The Senior Education Officers from respective districts were one of the signatories to Grant Funds and the approving officer for all purchases made by the schools for school improvement works.

The audit noted that 2 of the schools awarded contracts to Skaffworks for the school improvement works without calling for tenders even though their total contract amount exceeded \$50,000. Refer to table 20.18 for details.

<sup>32</sup> Finance Circular 2012, Circular No : 9/2012  
Ministry of Education

**Table 20.18: No Tender Called By Schools**

Schools	Projects	Contractor	Cost (\$)
Marist Covenant School	Main School Building	Skaffworks	89,420.00
Delana Methodist Primary School	Teacher's Quarters	Skaffworks	50,500.00

The finding shows that the Ministry did not follow the proper procurement process when awarding the contracts for school improvement works.

### **Recommendations**

**The Ministry should:**

- ensure that proper procurement procedures are followed at all times; and
- take appropriate actions against the Senior Education Officers and the schools for not following proper procurement procedures.

### **Ministry's Comments**

*No comments received.*

## **20.16 Engagement of Contractors that do not offer Lowest Quote**

Competitive quotes, instead of public tenders, may be called for procurements below \$50,000 unless the PS has approved an exemption.<sup>33</sup> A local purchase order should be issued when procuring any goods, services or works from an organization within Fiji, unless a contract or agreement has been entered into.<sup>34</sup>

The Ministry of Education provided grants to several schools for school improvement works. The school improvement grant was deposited in the individual schools' bank accounts. The Senior Education Officer from respective districts was one of the signatories and also the approving officer for all purchases made by the schools for improvement works.

The audit noted that several schools obtained the three quotes for the school improvement work however the Ministry did not choose the lowest quote. Refer to table 20.19 for details.

**Table 20.19: Selection of Contractors**

Date	Schools	Work Done	Contractor Engaged	Cost (\$)	Lowest Quote (\$)	Contractor With Lowest Quote	Variance (\$)
21/06/12	Adi Cakobau	Maintenance Work	Ezi Constructions	27,900.00	23,800.00	Waqalevu Contractors	4,100.00
26/06/12	Laucala Bay Secondary	Construction and Repair	Spring Construction	28,000.00	26,489.57	Touchwood Furniture	1,510.43
20/06/12	Nasinu Secondary	Repair Work	Bola Construction	26,656.00	22,910.00	Waqalevu Contractors	3,746.00
31/5/12	Levuka Public	Purchase of Dining Hall utensils	Lala's Store	5,314.30	1,431.48	Rups Big Bear	3882.82

<sup>33</sup> Ministry of Education Finance Manual, Section 2.3.2

<sup>34</sup> Ministry of Education Finance Manual, Section 2.5.1

Date	Schools	Work Done	Contractor Engaged	Cost (\$)	Lowest Quote (\$)	Contractor With Lowest Quote	Variance (\$)
19/06/12	Suva Grammar	Upgrading of Block	Lemon Hill	29,000.00	28,700.00	Hot Spring Investment	300.00
	<b>Total</b>						<b>13,539.25</b>

The Ministry did not provide any reasons for not selecting the contractors with lowest quote. As a result the Ministry incurred additional expenses totalling \$13,539.25.

According to the Ministry the Officer in charge passed away and no other officer could comment on the issue. The findings show that the Ministry's Asset Monitoring Unit failed to monitor and supervise the utilisation of the grants.

### **Recommendations**

**The Ministry should:**

- ensure that goods and services are acquired from the most economical source;
- justify the reasons for not choosing the lowest quote; and
- take appropriate actions against Officers responsible.

### **Ministry's Comments**

*No comments received.*

## **20.17 Purchase of Computers and Laptops from Unapproved Suppliers**

The Fiji Procurement Office issued Tender No. CTN 26/2012 on 18/09/12 which required that the supply of Laptop & Desktop Computers be purchased from Graphic Equipment Limited trading as Office Products.

Permanent Secretaries must ensure that all standing offer contracts executed by the Fiji Procurement Office on behalf of Government pursuant to sub regulations (1) and (2) are complied with at all times.<sup>35</sup>

The audit noted that the Ministry purchased laptops and desktop computers from suppliers other than Office Products. The Ministry did not comply with the tender no. CTN 26/2012. Refer to table 20.20 for examples.

**Table 20.20: Laptops and Desktop Computers Purchased From Other Vendors**

Date	Cheque Number	Vendor	Quantity Purchased	Amount (\$)
27/9/12	974562	Dynamic Solutions	1 HP Probook Laptop	2,499.00
14/12/12	981143	Datec	14 Desktop Computers	27,020.00
20/12/12	980469	Dynamic Solutions	2 Desktop Computers	4,397.95
31/12/12	981906	Dynamic Solutions	7 Laptops	16,093.00
<b>Total</b>				<b>50,009.95</b>

<sup>35</sup> Procurement Regulations 2010 – Section 35  
Ministry of Education



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

### **Recommendations**

**The Ministry should:**

- investigate purchases made from unauthorized suppliers and take appropriate action against officers responsible; and
- ensure that computers and laptops are purchased from the approved and contracted suppliers only.

### **Ministry's Comments**

*No comments received.*

## **20.18 Notebook Stolen But Police Report Not Submitted**

An employee must use Government resources and assets in a proper way.<sup>36</sup>

The Ministry of Education purchased 2 notebooks for Team Leader Management Trainer workshop that were usually conducted by the Senior Education Officers in the different divisions. The notebooks were purchased on 06/06/12 costing \$1,850.00 each.

One of the notebooks was issued to Mr. John Vincent, Senior Education Officer based at Standard Monitoring Unit. Mr. John Vincent lost his notebook while travelling to Labasa on Pacific Sun airline to attend Leader's Management Training Workshop.

The matter was not reported to police by Mr. Vincent. In addition the Ministry did not investigate the matter and no action was taken against the Officer for loss of state asset.

The Ministry did not comply with the procedures on loss of state assets.

### **Recommendation**

**The Ministry should investigate the matter and take appropriate actions.**

### **Ministry's Comments**

*No comments received.*

## **20.19 Purchase of IT Equipment without ITC Approval**

Departments should work with Information Technology and Computing (ITC) services in preparing appraisals for all new IT initiatives. ITC services will help ensure that departments' proposals are aligned to current Fiji Government IT policies and standards. Competitive purchasing practices may also be possible on standard products through ITC services.<sup>37</sup>

<sup>36</sup> PSC Act 1999 Part 2(6) 8

<sup>37</sup> The Fiji Government Information Technology Policies and Principles

There were several instances where the Ministry purchased computers without seeking approval from the ITC. Refer to table 20.21 for examples.

**Table 20.21: Purchase of Computers without ITC Approval**

Date	Payee	Particulars	Amount (\$)
13/03/12	Datec Fiji Limited	Payment for purchase 8 laptops for CDU IA Primary Workshops	12,400.08
16/04/12	Office Products	Payment for 1 computer and 1 laptop for Executive Support Unit	4,810.00
16/04/12	Office Products	Payment for 4 Computers for Post Processing Unit	6,780.00
06/06/12	Daltron	Purchase of 2 laptops for Leadership and Management Trainers	3,700.00
18/10/12	Dynamic Solutions	Purchase of laptop for Examination Assessment Unit Workshops	2,499.00
17/12/12	Datec	Payment of 3 IBM Express X3200 M3 servers for OLPC Project	11,997.00
20/12/12	Dynamic Solutions	Purchase of 2 desktop computers	4,397.95
26/12/12	Datec	Purchase of 14 HP6300 PC for all Districts	20,020.00
30/12/12	Office Products	Payment of 2 Desktop Computers for TVET Typist and EO Computer	3,990.00
31/12/12	Dynamic Solutions	Purchase of 7 laptops for District Education Office	16,093.00
<b>Total</b>			<b>86,687.03</b>

Failure by the Ministry to obtain ITC approval could result in the purchase of computers and other IT equipment that are not compatible with ITC network.

### **Recommendations**

#### **The Ministry should:**

- ensure that prior approval is sought from ITC when purchasing computers and other IT equipment;
- comply with the requirements of the ITC policies and guidelines at all times; and
- take appropriate actions against Officers responsible for purchase without ITC'S approval.

### **Ministry's Comments**

*No comments received.*

## **20.20 Printing of Examination Papers**

The PAO, SAO and AO must not certify a payment as correct unless they are satisfied that:

- it is in accordance with an LPO, indent, contract, invoice or other authorisation;
- there is documentation that the goods, services and works have been received;
- sufficient uncommitted funds are available for payment of the account;
- the account is not fraudulent and has not been previously paid;
- the expenditure account it is charged to is correct.<sup>38</sup>

The Government Printing and Stationery Department (GPSD) prints exam papers for the Ministry of Education. The following anomalies were noted:

- The Ministry was allocated \$152,029 in 2012 budget for printing of examination papers. The Ministry however paid \$117,038 to GPSD on 05/09/12 for printing Fiji School Leaving Certificate (FSLC) and Fiji Seventh Form Examination (FSFE) papers for 2011.

<sup>38</sup> Ministry of Education Finance Manual 2011 Section 2.8.3  
Ministry of Education

In addition the Ministry issued purchase order for printing Fiji School Leaving Certificate (FSLC) and Fiji Seventh Form Examination (FSFE) papers for 2011 after the exam papers were printed and invoice was sent to the Ministry for payment. The invoice was sent by GPSD on 21/12/11 and the Ministry issued purchase order number PO91013-001585 on 11/1/12. The purchase order was issued 21 days after the date of the invoice.

- The Ministry paid a total of \$149,219 for the printing of FSLC and FSFE examination papers for 2012 on 30/01/13 using 2013 budget allocation. In addition the payment was made on the strength of the quotation and not the invoice.

The Ministry had an ongoing trend for making payments for the printing of examination papers for previous year using the current year's budget.

According to the Ministry's Senior Accountant, Mr. Raveenesh Bharat significant amount of the printing of examination papers allocation was used to pay for the exam markers and supervisors allowances. Due to limited budget, the Ministry was unable to cater for printing costs for examination papers within the same year.

### **Recommendations**

#### **The Ministry should:**

- utilise the funds within the year it has been allocated; and
- submit a request to Ministry of Finance to increase the budget for printing of examination paper expenses.

### **Ministry's Comments**

*No comments received.*

## **20.21 Purchase Order Issued After Procurement of Goods and Services**

A local Purchase Order shall be issued when procuring goods, services or works from a business within Fiji, unless a contract or agreement has been entered into.<sup>39</sup>

Several instances were noted where the Ministry issued the purchase orders after the invoice date or after goods and services were acquired. Refer to table 20.22 for examples.

**Table 20.22: Purchase Orders Issued After Procurement**

Purchase Order Date	Purchase Order Number	Payee	Particulars	Invoice Date	Invoice Number	Delivery Date	Amount (\$)
12/01/12	PO91013-001593	Office Mart Limited	Purchase of Stationeries	13/01/12	12663	11/01/12	4,168.24
12/01/12	PO91013-001592	Office Mart Limited	Purchase of Stationeries	11/01/12	12647	Not Attached	3,160.26
11/01/12	PO91013-001587	Office Mart Limited	Purchase of Stationeries	10/01/12	12443	28-29/12/11	4,168.24
18/09/12	PO914822-000474	Dynamic Solutions	Purchase of Stationeries	14/09/12	3159	Not Attached	576.00
21/08/12	PO91021-000205	Dynamic Solutions	Purchase of Stationeries & Toner Cartridges	01/08/12	2892	01/08/12	471.35
21/08/12	PO91021-000206	Dynamic Solutions	Purchase of Stationeries &	23/07/12	3033	23/07/12	198.75

<sup>39</sup> Ministry of Education Finance Manual 2011 Section 2.5.1

Purchase Order Date	Purchase Order Number	Payee	Particulars	Invoice Date	Invoice Number	Delivery Date	Amount (\$)
			Toner Cartridges				
21/08/12	PO91021-000204	Dynamic Solutions	Purchase of Stationeries	31/07/12	2876	31/07/12	675.95
14/09/12	PO9101B-000412	Dynamic Solutions	Purchase of Toner	12/09/12	3145	12/09/12	360.00
17/02/12	PO91012-001246	Dynamic solutions	Purchase of Stationeries	03/02/12	2008	16/02/12	4,875.00
26/03/12	PO94832-000580	Dynamic Solutions	Purchase of Toners	14/02/12	2052	Not Attached	370.00
26/03/12	PO91013-001740	Dynamic Solutions	Purchase of Stationeries	23/03/12	2247	27/03/12	779.85
26/03/12	PO91013-001742	Dynamic Solutions	Purchase of wall fan and mini bar freezer	23/03/12	2246	27/03/12	649.00
<b>Total</b>							<b>20,452.64</b>

The purchase orders were issued by the Ministry just to regularise the procurement process.

The findings indicate that proper procurement procedures were not followed, lack of supervision by senior officers and disregard to accounting procedures.

### **Recommendations**

#### **The Ministry should:**

- ensure that purchase orders are issued prior to acquiring good and services;
- ensure that the supervisors carry out their duties vigilantly; and
- take appropriate disciplinary action against responsible officers for not issuing purchase order when acquiring goods and services.

### **Ministry's Comments**

*No comments received.*

## **20.22 Non Submission of Acquittals by Schools for Furniture Grant**

The furniture assistance will be deposited into the respective school's development grant and purchase of the desks and chairs will be acquitted in accordance to the Ministry's acquittal system.

The Permanent Secretary for Education approved \$90,480 to assist 31 schools to purchase the desks and chairs for the newly established forms 6, 7 and new secondary schools. Refer to *Appendix 5* for details.

Review of the grants files for schools who were assisted revealed that there was no memorandum of understanding between the schools and the Ministry for the use and acquittal of grants funds.

The audit also noted that the Ministry did not obtain acquittal from any of the schools provided with furniture grant to substantiate how the grants funds were used.

Failure by the Ministry to prepare a memorandum of understanding has resulted in the schools not submitting the acquittals. As a result audit cannot establish whether the funds were used for the intended purpose.

The finding shows that the Ministry itself does not have strict reporting requirements for the schools provided with government grants.

## **Recommendations**

**The Ministry should ensure that:**

- memorandum of understanding is drawn between the Ministry and respective schools prior to disbursements of grants;
- school submit acquittals for all grant given; and
- appropriate action is taken against officers responsible for disbursement of grant funds and not obtaining acquittals from the schools.

## **Ministry's Comments**

*No comments received.*

## **20.23 Anomalies Noted In Vehicle Repairs**

The Senior Clerical Officer (SCO), Supplies/Executive Officers/Clerks of various units shall obtain quotes from two reputable companies for servicing or repair works. Once quotes have been obtained, the SCO, Supplies/ Executive Officers/Clerks of various units shall submit a requisition to the respective unit heads for approval for servicing or repair works.<sup>40</sup> In the event of an accident involving a government vehicle, the driver must immediately report the accident to the Police and inform the SCO, Supplies.<sup>41</sup>

The Ministry usually obtained services from Korea Auto Traders for repair and servicing of its vehicles. The audit reviewed the payments to Korea Auto Traders for the repair and servicing of some of the ministry's vehicles.

### **Vehicle registration number GM 899**

Vehicle number GM 899 was allocated to the Ministry's TVET Section. The following anomalies were noted relating to the vehicle.

- The Transport Officer, Mr Josaia Dinono on 06/09/12 authorised the vehicle's engine to be replaced at Korea Auto Traders at a cost of \$4,950. The vehicle was repaired on 21/08/12 and handed over to the Ministry. The Ministry paid \$4,950 to Korea Auto Traders on 06/09/12.

However review of the supplier invoice revealed that the engine was not replaced but instead it was overhauled.

In addition the vehicle was repaired on 21/8/12 however the Transport Officer submitted the request for repairs for the Director's approval on 28/8/12 which was 7 days after the vehicle was repaired.

- The Ministry used the vehicle for 8 months before it again broke down on 20/04/13 and was towed to Korea Auto Traders. The audit noted that the Executive Officer, Ms. Elizabeth Logavatu again obtained a quote from Korea Auto Traders for replacing the engine for \$4,835 on 20/04/13.

As of the date of audit on 25/04/13 the vehicle was still garaged at Korea Auto Traders and has not been repaired

<sup>40</sup> Ministry of Education Finance Manual 2011 Section 11.5.2

<sup>41</sup> Ministry of Education Finance Manual 2011 Section 11.6.1

- The expenditure for the vehicle repair totalling \$4,950 was posted to Job Training for Youths allocation number 1-21501-9101H-060141. This was due to Ministry's budget for Spare Parts and Maintenance of \$2,000 been exhausted.
- The Ministry paid a total of \$2,070 to Korea Auto Traders on 22/10/12 for repairs and servicing the vehicle. The requisition for the repairs was not attached to the payment voucher. In addition a retrospective approval from the Director TVET for repairs through purchase order number PO9101H-001396 of 18/10/12 was obtained by the Executive Officer.

Scrutiny of the tax invoice from Korea Auto Traders revealed that the windscreen for the vehicle was replaced costing \$480. However no accident report was provided by the TVET section to substantiate that the windscreen was actually damaged. Moreover no accident report was submitted by the driver or the Transport Officer.

### **Vehicle Registration GN168**

The Ministry paid a total of \$2,295 to Korea Auto Traders on 06/09/12 for repair of vehicle registration number GN168. The total cost of repairs included \$550 for front windscreen replacement and \$480 for dashboard upholstery. The following anomalies were noted.

- The payment of \$2,295 was approved by the Accounts Officer Payments, Ms Ranjila Singh. However, request for the repairs was not attached to the payment voucher.

Discussions with the Senior Accountant, Mr. Raveenesh Bharat revealed that the windscreen was damaged by a stone while the vehicle was driven and the dashboard upholstery was done because the vehicle was really old. However no vehicle accident reports were filled in for damage to the windscreen. As a result the audit could not substantiate whether the Senior Accountant, Mr. Raveenesh Bharat's claims were correct.

- The Ministry paid a total of \$1,675 to Korea Auto Traders on 06/09/12 for service and change of timing belt, air conditioning and power steering belts. The purchase order dated 06/09/12 was raised after the invoice dated 05/09/12 was received.

In addition there was no requisition attached to the payment voucher for service and change of belts from the Transport officer. The payment of \$1,675 to Korea Auto Traders was approved by Accounts Officer Payments, Ms Ranjila Singh.

### **Vehicle Registration GN967**

The Ministry paid a total of \$3,107 to Korea Auto Traders on 06/09/12 for service and repair of vehicle registration number GM967. The following anomalies were noted.

- The purchase order was issued by the Ministry on 06/09/12 after the invoice dated 05/09/12 was received from the Korea Auto Traders. This indicates that purchase order was issued after the services were obtained.
- The purchases order number PO91013-002114 was issued for the replacement of windscreen at a cost of \$1,035.66. However, the invoice from Korea Auto Traders did not state that the windscreen was replaced.
- The requisition for repair and servicing of vehicle was issued by the Clerical Officer Transport/Supplies, Mr Josaia Dinono. The requisition was not approved by any other Senior Officer of the Ministry.

The above anomalies indicate that repair and maintenance were not properly supervised. In addition proper procurement procedures were not followed by the Ministry and there is a high risk of misappropriation of funds through collusion.

### **Recommendations**

#### **The Ministry should:**

- **investigate why vehicle's engine was overhauled at the cost of changing the engine;**
- **ensure expenses are posted to correct allocations;**
- **investigate the replacement of windscreens as no accident report was filed;**
- **ensure at least 3 competitive quotes are obtained before purchase of goods and services;**
- **ensure that an accident report is filed immediately after damage to government vehicle;**
- **ensure that all repairs are carried out on request from Transport Officer and approval from a Senior Officer;**
- **purchase orders are issued before obtaining goods and services; and**
- **take appropriate action against officers for not following proper procedures.**

### **Ministry's Comments**

*No comments received.*

## **20.24 Unauthorised Use of ERC Allocation by Transport Officer / Supplies Officer**

An employee must behave honestly and with integrity in the course of employment in the public service.<sup>42</sup> An employee, when acting in the course of employment in the public service, must comply with all applicable Acts and subordinate legislation.<sup>43</sup>

The Education Resource Centre was allocated a budget of \$600,000 for 2012. Our review of the expenses incurred noted the following anomalies.

- The Education Resource Centre purchased two sets of stationeries on the same day totalling \$7,000 on 01/05/12. There was no internal request or approval from the Head of the Section attached to the payment voucher for purchase of stationeries. According to the Clerical Officer at the Education Resource Centre, Ms. Savaira Tukana the stationeries were purchased for Headquarters using the Education Resource Centre budget allocation by Transport Officer/Supplies Officer, Mr. Josaia Dinono.
- The Ministry did not maintain any record of the stationery purchased. Therefore audit could not verify whether the stationeries were actually received by the Ministry.
- The Ministry incurred expenses totalling \$60,303.20 for headquarters which was paid from Education Resource Centre allocation. Refer to Appendix 20.6 below for examples of expenditure for Head Quarters charged to the Education Resource Centre.

The unauthorised use of funds may affect the funding for the activities to be carried out by the Education Resource Centre. In addition there is a high risk of misappropriation of inventories if proper records are not maintained.

<sup>42</sup> PSC Act 1999 Part 2 (6) (1)

<sup>43</sup> PSC Act 1999 Part 2 (6) (4)

**Recommendations****The Ministry should:**

- **investigate the purchase of inventory and take appropriate actions;**
- **ensure that funds for the Education Resource Centre allocation are used for the purpose it has been allocated for; and**
- **investigate the use of funds from Education Resource Centre allocation to meet the expenses for headquarters and take appropriate action.**

**Ministry's Comments**

*No comments received.*

**20.25 Anomalies in Procurement of Stationery**

Inventory purchasing, storage and recording should be efficiently managed to ensure that there is sufficient level of inventories when needed, while minimising the cost of holding inventory and the risk of stock becoming obsolete or damaged.<sup>44</sup>

The audit noted the following anomalies in the procurement of stationery by the Supplies/Transport Officer, Mr. Josaia Dinono.

- Mr. Dinono incurred expenses for office stationery and printing totalling \$26,993.31 in 2012 for the Ministry's headquarters. This did not include the office stationery inventory purchased and charged to other Office Stationery and Printing allocation for other sections in the Ministry.
- Mr. Dinono did not maintain any stock cards to record all stationery stocks purchased and distributed to staffs.
- Several office stationery and printing items were available in stock in large quantities. However Mr. Dinono bought more of these items. Refer to Appendix 20.7 for examples of several office stationery and printing purchased despite large quantities were in stock.
- On several occasions toners and stationeries were purchased by Mr. Dinono without any requisition from the section heads or any other officer. As a result audit could not establish who requested the items and who approved the request.

The above finding implies there were inadequate controls over purchase, receipt and distribution of stationery items. There is a high risk of misappropriation of funds through fraudulent activities. In addition public funds were unnecessarily tied up in excessive stock of stationaries purchased by the Ministry.

**Recommendations****The Ministry should:**

- **implement adequate controls in purchase/payments system; and**
- **investigate the matter and take appropriate action against officers responsible.**

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<sup>44</sup> Ministry of Education Finance Manual 2011, Section 7  
Ministry of Education



**Ministry's Comments**

*No comments received.*

**20.26 Short Supply of Rations**

If the quantity of the goods received is less than the quantity shown in the supplier's invoice or delivery note, the receiving officer shall furnish a report to the Director, Admin/Finance who shall arrange a claim against the supplier or carrier. In boarding schools, it is the responsibility of the Bursar to ensure the documentations are in order so that payments of accounts are made correctly.<sup>45</sup>

The Principal Accounts Officer, Senior Accounts Officer and Accounts Officer must not certify a payment as correct unless they are satisfied that:

- i. it is in accordance with an LPO, indent, contract, invoice or other authorisation;
- ii. there is documentation that the goods, services or works have been received;

The Ministry paid \$1,701 to Fresh'et International Limited on 13/09/12 for the purchase of 1,260 kg of frozen cassava for Adi Cakabau School. The following anomalies were noted:

- Request for the purchase of cassava was not attached to the payment voucher.
- Purchase order number 91023-001565 dated 13/09/12 stated sugar as the item ordered. However Fresh'et International Limited supplied frozen cassava to the school.
- The tax invoice number 154388 of 13/09/12 from Fresh'et International Limited stated that 1,260kg of Frozen Cassava at \$1.35 per kg totalling \$1,701 was supplied. However as per the delivery docket number 112788 dated 13/9/12 only 100 kg of Frozen Cassava was delivered which was received by Storeman, Mr. Sakeo Moto. The Ministry paid \$1,701 to Fresh'et International Limited but the school was short supplied 1,160 kg of cassava costing \$1,566.

The storeman did not inform anyone or prepare relevant documents for the short supply of goods to the school.

The finding shows that purchase order, invoice and the delivery dockets were not properly reviewed by the Accounts Officer, Ms. Ranjila Singh before payment was made. There is a high risk of fraud through collusion.

**Recommendations****The Ministry should:**

- investigate the matter and take appropriate actions; and
- ensure effective internal controls are in place to avoid any fraudulent activities.

**Ministry's Comments**

*No comments received.*

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<sup>45</sup> Ministry of Education Finance Manual 2011 Section 2.5.16  
Ministry of Education

## 20.27 Unauthorised Purchase

Upon receipt of goods, services or works, the receiving officer of the unit from where the Purchase Order originated other than the buyer shall verify that their receipt is in good order and that the invoice is in accordance with the LPO.<sup>46</sup>

The receiving officer must be an officer other than the officer authorizing the LPO.<sup>47</sup>

If the quantity of the goods received is less than the quantity shown in the supplier's invoice or delivery note, the receiving officer shall furnish a report to the Director, Admin/Finance who shall arrange a claim against the supplier or carrier. In boarding schools, it is the responsibility of the Bursar to ensure the documentations are in order so that payments of accounts are made correctly.<sup>48</sup>

The audit noted a number of instances where the Ministry purchased items that were neither requested for by the section heads nor included in the quotations obtained from the suppliers. These items were purchased by the Clerical Officer who was processing the payments.

In addition details such as quantity and cost of the items ordered were not stated in the purchase orders. Refer to table 20.23 for details.

**Table 20.23: Items Purchased not in the Quotations Obtained**

Date	Voucher Number	Items Purchased Not in Quote	Quantity	Unit Price (VIP) (\$)	Total Cost (\$)
5/10/12	238349	Tombo Hedge Shear 17"	13	9.90	128.70
		Hawk File Cleaning Brush	13	4.85	63.05
25/9/12	237562	Tombo Hedge Shear 17"	17	9.90	168.30
		Hawk File Cleaning Brush	17	4.85	82.45
17/1/12	208156	Calculator	4	78.00	312.00
		USB	4	38.00	152.00
17/01/12	208152	Uniball Gel Pen	6	35.00	210.00
17/01/12	208154	Desk Calendar Stand	15	15.95	239.25
03/05/12	220010	HP85A Genuine Toner	2	330.44	660.87
		Energizer Battery	1	67.83	67.83
		Packets of Black Pen	2	9.57	19.13
		Packets of Blue Pen	2	9.57	19.13
19/04/12	220031	Manila Folder	8	30.44	243.48
		Transparency	5	31.26	156.30
		Stapler with Remover	5	16.48	82.39
		HP Genuine Toner	3	132.30	396.91
30/12/12	248479	Piagor Sliding Level	72	8.90	640.80
		China Band Drill	24	21.00	504.00
		Tombo Measuring Tape	24	4.95	118.80
<b>Total</b>					<b>4,265.39</b>

The finding indicates poor control in the purchases and payments system. This may result in unauthorised purchases by the Ministry.

<sup>46</sup> Ministry of Education Finance Manual 2011 Section 2.5.14

<sup>47</sup> Ministry of Education Finance Manual 2011 Section 2.5.15

<sup>48</sup> Ministry of Education Finance Manual 2011 Section 2.5.16

### **Recommendations**

**The Ministry should:**

- **investigate the matter and take appropriate action against Officers responsible for breach of finance policies;**
- **ensure that for each item, description, price and quantity are entered in the Purchase Orders so that the receiving officer is able to verify the items supplied against the order;**
- **implement internal controls in purchases and payments system;**
- **ensure that only items included in the quotations are purchased; and**
- **ensure that any variance between the items ordered and supplied is properly investigated and necessary action taken.**

### **Ministry's Comments**

*No comments received.*

## **20.28 Non - Preparation of Fuel Card Reconciliation**

Each month the Reconciliation Clerk/Transport Officer will review the monthly account statement against all original receipts. The reconciliation clerk/transport officer will then certify by signature their accuracy and completeness in accordance with the financial regulations, policies and procedures for all transactions using the card.<sup>49</sup> The Transport Officer or designee will receive detailed transactions of their account from Total Fiji Limited. At the end of each month the transactions must be reconciled within five working days of receipt of the statement.<sup>50</sup>

The Ministry of Education incurred total expenditure of \$97,117.81 for the year 2012 for Fuel and Oil.

The audit noted that the Ministry did not prepare fuel card expenses reconciliations for all vehicles during 2012.

According to the current Transport Officer, Mr. Josaia Bainivalu he assumed the role of the Transport Officer from 13/1/12. The previous Transport Officer Mr. Josaia Dinono did not prepare any fuel card expenses reconciliations.

However the audit noted that the fuel card expenses reconciliations was also not prepared by the current Transport Officer since his appointment as Transport Officer.

The finding shows that the Transport Officers work were not reviewed by a senior officer at the Ministry. Failure to prepare fuel card expenses reconciliations may result in incorrect billing and overpayment. In addition the fuel cards may be misused but not detected by the Ministry.

### **Recommendations**

**The Ministry should:**

- **prepare the fuel card expenses reconciliations at the end of each month;**
- **ensure that a Senior officer monitors and reviews the work of the Transport Officer; and**

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<sup>49</sup> Fuel Card Policy 2009. Section 7.1

<sup>50</sup> Fuel Card Policy 2009. Section 13.1.1

- investigate the matter and take appropriate action against the Transport Officers for not discharging their duties.

### Ministry's Comments

*No comments received.*

## 20.29 Expenditure Mispostings

All payments, including VAT, must be immediately recorded in the Financial Management Information System and Expenditure Ledger.<sup>51</sup> Expenses should be posted to correct allocations.

The audit noted several instances of misposting of expenses by the Ministry. Refer to table 20.24 for examples.

**Table 20.24: Expenditure Misposting**

Accounts Description	Allocation to which Expenses were Posted	Amount (\$)	Allocation in which Expenses should have been Posted
Repairs to Vehicle	1-21101-21999-030301	1,675.00	1-21101-91013-040361
Subsistence	1-21101-91013-030405	150.00	1-21101-91012-030301
Purchase of Goods and Services	1-21101-91013-030405	2,980.00	1-21101-91013-040201
Electricity Bill	1-21101-91013-030405	2,107.13	1-21101-00000-040000
Subsistence	1-21201-93831-040101	645.00	1-21101-91012-030301
Purchase of Toners	1-21501-9101H-050502	1,194.00	1-21401-91014-059199
Purchase of Printer consumables	1-21501-9101H-050502	2,884.00	1-21401-91014-059199
Repairs to Old Personal Computers	1-21501-9101H-050502	800.00	1-21401-91014-040351
Purchase of Stationery	1-21501-9101H-050502	2,198.50	1-21401-91014-059199
Reimbursement of Bus Fare Coupons	1-21501-9101H-050502	1,937.00	1-21101-91012-060201
Repairs to Vehicle FF937	1-21401-91014-070405	2,850.00	1-21401-91014-040361
Purchase of Office Equipment	1-21401-91014-070405	4,645.00	1-21401-91014-040351
Purchase of toners	1-21302-91025-020101	3,200.00	
<b>Total</b>		<b>27,265.63</b>	

The audit further noted that mispostings to other allocations were deliberate to avoid over expenditures in certain allocations as these allocations were overspent. Refer to table 20.25 for examples.

**Table 20.25: Overspent Allocations**

Allocation In Which Expenses Should Have Been Posted	Over Expenditure Amount (\$)
1-21101-91013-040201	6.69
1-21401-91014-059199	5.00
1-21401-91014-040351	398.56
1-21101-91012-060201	4,366.42
1-21401-91014-040361	475.08
1-21101-91013-040201	6.69
1-21401-91014-059199	5.00
1-21101-91013-040201	398.56
1-21401-91014-059199	4,366.42
1-21401-91014-040351	475.08

<sup>51</sup> Finance Instructions 2010 Section 15  
Ministry of Education

The finding shows that postings to general ledger were not reviewed by a senior officer to ensure all transactions were posted to their correct allocations.

### **Recommendation**

**The Ministry should ensure that all transactions are posted to correct allocations.**

### **Ministry's Comments**

*No comments received.*

## **20.30 Weakness in Internal control**

### **20.30.1 Discrepancies in Purchase of Goods/Services**

A local purchase order shall be issued when procuring any goods, services or works from an organisation within Fiji, unless a contract or agreement has been entered into.<sup>52</sup>

The Senior Accountant must not certify a payment as correct unless he/she is satisfied that:

- i) it is in accordance with an LPO, indent, contract, invoice or other authorisation;
- ii) there is documentation that the goods, services or works have been received;
- iii) sufficient uncommitted funds are available for payment of the account;
- iv) the account is not fraudulent and has not been previously paid;
- v) the expenditure account it is charged to is correct.<sup>53</sup>

Immediately after payment has been effected, the AP/Clerk must stamp "PAID" on all vouchers and supporting documentation to avoid any double payments.<sup>54</sup> Items ordered in the purchase order must be quoted at the VAT exclusive price per item with VAT shown separately.<sup>55</sup>

A minimum of three competitive quotes must be obtained for the procurement of goods, services or works valued at \$100 and more but \$30,000 and less unless the Minister of Finance has approved an exemption in accordance with Procurement Regulation 48-(1).<sup>56</sup>

Review of payment vouchers revealed the following anomalies.

- On several instances the supporting documents such as internal requests, quotations, purchase orders, invoices and delivery dockets were not attached to the payment vouchers. Refer to Appendix 20.8 for examples.
- On several instances payment vouchers and supporting documents were not stamped "PAID" after payment were made. Refer to table 20.26 for examples.

**Table 20.26: Payment Vouchers and Supporting Documents Not Stamped "PAID"**

Date	Voucher Number	Payee	Particulars	Amount (\$)
27/06/12	227721	Northern Air	Payment of charter flight from Nausori/Moala/Nausori on 28/06/12.	12,600.00

<sup>52</sup> Financial Manual 2011 Section 2.5.1

<sup>53</sup> Financial Manual 2011 Section 2.8.4

<sup>54</sup> Financial Manual 2011 Section 2.8.9

<sup>55</sup> Notes in the System Generated Purchase Order

<sup>56</sup> Finance Manual 2011 Section 2.3.2

Date	Voucher Number	Payee	Particulars	Amount (\$)
04/07/12	228376	Monfort Boys Town - Veisari	Payment of third quarter grant 2012.	112,500.00
10/04/12	218858	Office Mart Limited	Payment for Industrial Art equipment for Schools.	18,584.00
27/11/12	244617	Vinod Patel	Payment for the purchase of Home Economic Equipments for Schools.	11,480.40
09/07/12	229744	Kimono Sales Limited	Payment for the purchase of Home Economic Equipments for Schools.	14,020.00
02/11/12	241998	Office Mart Limited	Payment for Stationeries and Toners for TVET.	2,330.02
24/10/12	240721	Korea Auto Traders	Payment for repairs & servicing of vehicle registration number GN899.	2,070.00
30/11/12	244887	Alumeci Tuisawau	Per diem for DIR TVET/ CAS to attend TVET workshop in Honiara.	4,202.25
02/11/12	242014	Dynamic Solutions	Payment for repairs to TVET and Schools Computers.	5,000.00
13/04/12	218852	Clariti South Pacific Limited	Payment for purchase of 10 HP6005 PC's for Beqa Yanuca Secondary School & Kamil College.	15,400.00
24/10/12	240885	Office Mart Limited	Payment for purchase of Toners.	3,669.00
13/09/12	236267	Office Mart Limited	Payment for purchase of Stationeries and Toners for Head Quarters.	2,963.58
29/11/12	244605	Unique Office Supplies	Payment for Toners and Vanguard for Schools.	1,800.00
26/12/12	247328	Office Mart Limited	Payment Stationery and Toners for Head Quarters.	13,755.50

- Purchases were made by the Ministry on few occasions without obtaining competitive quotations. Refer to table 20.26 for examples.

**Table 20.26: Competitive Quotations Not Obtained**

Date	Voucher Number	Payee	Particulars	Amount (\$)
19/04/12	219607	Jad International Travel Services	Payment for return air fare for Director Fiji Higher Education Commission to attend the 11 <sup>th</sup> session of regional committee meeting on the regional convention on the recognition of studies, diplomas, degrees in Asia and the Pacific in Seoul from 23 to 24 May 2012.	2,959.00
17/02/12	211882	Print House	Payment for printing forms 3 & 4 learning records for physical education.	25,090.01

- The Ministry issued local purchase orders for purchase of goods and services. However several purchase orders were not properly filled. For instance the cost of goods and services were stated at VAT exclusive prices instead of VAT inclusive prices and the description of goods and services ordered were incorrect. Refer to [Appendix 20.9](#) for examples of orders not properly filled.

The findings indicate that proper payment procedures were not always followed by the Ministry 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**

**The Ministry should ensure that:**

- proper procedures are followed for procurement of goods and services; and
- appropriate disciplinary action is taken against officers for not following proper procurement procedures.

**Ministry's Comments***No comments received.***20.30.2 Competitive Quotations Not Obtained**

A minimum of three competitive quotes must be obtained for the procurement of goods, services or works valued at \$100 and more but \$30,000 and less unless the Minister of Finance has approved an exemption in accordance with Procurement Regulation 48-(1).<sup>57</sup>

The audit noted instances where the Ministry did not obtain quotations for purchases of goods and services. However the Ministry used quotations obtained in 2011 to procure these goods and services in 2012. Refer to table 20.27 for examples.

**Table 20.27 Using Quotations from 2011 to Procure Goods and Services in 2012**

Date	Purchase Order Number	Payee	Particulars	Amount (\$)	Comments
20/12/12	246846	Dynamic Solutions	Purchase of toners	5,888.00	The quotation was obtained on 13/07/11 for purchase of toners.
20/12/12	246848	Dynamic Solutions	Purchase of toners	4,492.00	The quotation was obtained on 12/04/11 for purchase of toners
09/05/12	219195	Dynamic Solutions	Purchase of 7 high back chairs	1,925.00	The quotation was obtained on 12/04/11 for high back chairs at \$275.00 each.

Failure to obtain quotations may lead to purchase of goods and services at higher prices from previous suppliers and the absence of supporting effective control over purchases could encourage misappropriation and fraud.

**Recommendation**

The Ministry should ensure that at least three quotes are obtained for purchase of goods and services.

**Ministry's Comments***No comments received.***20.30.3 Purchase Order**

After the payment is made for the good and services the transaction is completed and the FMIS Purchase order panel number PO401 should reflect the status as "CLOSED" for each transaction under a specific purchase order number.

Several instances were noted where goods and services were purchased and payments made, however the status of the purchase order in the FMIS purchase order panel PO401 was not changed and remained as "OPEN/RELEASED". Refer to Table 20.28 for examples.

<sup>57</sup> Finance Manual 2011 Section 2.3.2  
Ministry of Education

**Table 20.28: Purchase Order Status Reflected as “OPEN/RELEASED”**

<b>Date</b>	<b>Purchase Order Number</b>	<b>Payee</b>	<b>Particulars</b>	<b>Amount (\$)</b>
20/12/12	PO91015-001350	Brij Lal and Company limited	Payment for 6 cameras for district offices.	1,374.00
20/12/12	PO91012-001643	Mass Stationery Supplies	Payment for supply of 20 heavy duty conference chairs.	3,900.00
20/12/12	PO91012-001647	3SA Carpets	Payment for supply of carpets for headquarters conference room.	6,999.98
20/12/12	PO91012-0001642	Lala's Bargain Centre	Payment for supply and fitting of carpets for headquarters conference room	2,850.00

The finding shows that postings to purchase order panel in the FMIS were not reviewed by the Ministry to ensure all transactions are closed off after payment for goods and services.

Failure by the Ministry to close the purchase order panel may lead to fraudulent activities.

### **Recommendation**

**The Ministry should ensure that all transactions are closed in the purchase order panel after payment of goods and services.**

### **Ministry's Comments**

*No comments received.*



## APPENDICES

## Appendix 20.1: Salary Over-Payment Balances

TPF	Name	Reason	Balance Due (\$)
<b>Resignations</b>			
68899	Sanjeshni Devi	Resigned wef 5/1/12. Salary ceased on 29/1/12. OP wef 5/1-28/1/12	1,381.84
81930	Rohini Devi Prasad	Resigned wef 1/9/11. Salary ceased on 15/1/12. OP wef 1/9/11 - 14/01/12	7,739.37
66374	Raijeli Rokowaqa	Resigned wef 26/1/12. Salary ceased on 12/2/11. OP wef 26/1-11/2/12	770.34
66064	Mitili Nacagilevu	Resigned wef 23/01/12. Salary ceased on 29/01/12. OP wef 23/01-28/01/12	292.78
68276	Paula Seruvatu	Resigned wef 23/01/12. Salary ceased on 12/02/12. OP for 20days.	801.26
65081	Salesh Chandra	Resigned wef 10/02/12. Salary ceased on 12/02/12. OP wef 10/02-11/02/11	101.07
54122	Lekima Tuevu	Resigned wef 21/01/12. Salary ceased on 29/01/12. OP of 8days	626.66
81430	Kamanieli Veibataki	Resigned wef 19/01/12. Salary ceased on 12/02/12. OP of 24days	1,045.28
68830	Roshni Lata Raj	Resigned wef 13/12/11. Salary ceased on 29/01/12. OP wef 13/12/11-14/01/12 (Pay02/12 reversed)	2,293.82
57238	Maika N Tota	Resigned wef 20/01/12. Salary ceased on 12/02/12. OP wef 20/01-11/02/12	1,567.10
66976	Arvind Prakash	Resigned wef 19/01/12. Salary ceased on 29/01/12. OP wef 19/01-28/01/12	588.65
84697	Sera Vaucove	Resigned wef 16/01/12. Salary ceased on 24/01/12. OP wef 16/01-23/01/12	459.67
55153	Viliame Kaiyabia	Resigned wef 13/02/12. Salary ceased on 26/02/12. OP wef 13/02-25/02/12	765.21
09413	Vijay Kumar	Resigned wef 28/6/11. Salary ceased on 2/7/11. OP wef 28/6/01/07/11.	331.41
69174	Apisalome Damuyawa	Resigned wef 02/12/11. Salary ceased on 15/1/12. (P01/12 reversed). OP wef 2/12/11-31/12/12	1,657.33
62797	Ravuama Matakada	Resigned wef 9/2/12. Salary ceased on 26/2/12. (P04/12 reversed). OP wef 09/02-11/02/12	95.44
83492	Vasemaca Y Levuimata	Resigned wef 22/12/11. Salary Ceased on 11/03/12. (P03 & P05/12 reversed). OP wef	2,252.22
83042	Prashant P Kumar	Resigned wef 22/01/12. Salary ceased on 12/2/12. P03/12 reversed. OP for 7days wef 22/01-28/1/12	377.30
83379	Teresia Q Powell	Resigned wef 01/03/12. Salary ceased on 11/03/12. OP of 10days wef 01/03-10/03/12	539.04
80570	Aneel Rai	Resigned wef 23/01/12. Salary ceased on 12/02/12. OP of 20days wef 23/01-11/02/12.	801.26
67995	Mohini Devi	Resigned wef 23/02/12. Salary ceased on 26/02/12. OP of 3days wef 23/02-25/02/12	218.60
66241	Daniel V Chandra	Resigned wef 08/03/12. Salary ceased on 25/03/12. OP of 17days wef 08/03-24/03/12	1,000.67
67898	Ruci Tukana	Resigned wef 31/01/12. Salary ceased on 11/03/12. OP of 40 days wef 31/01-10/03/12	1,742.23
84842	Deepika Devi	Resigned wef 15/5/12. Salary ceased on 20/5/12. OP wef 15/5-20/5/12	217.73
65903	Unaisi Verebalavu	Resigned wef 31/07/12. Salary was ceased on 30/07/11 since the teacher was on LWOP Abroad. OP for 5days wef 25/07/11-29/07/11	285.71
65624	Amelia Siga	Owes PSC Bond.	19.00
81890	Seema Singh	Resigned wef 18/01/09, Salary ceased wef 17/12/11	8,916.27
85806	Waisea Bolatolu	Resigned wef 02/08/12 and salary ceased wef 02/08/12. Due to double payment of salary	554.61
82303	Rohini Lata Karan	Resigned wef 14/10/11. Salary ceased wef 22/10/11	103.33
83650	Anuragh Anil Narayan	Salary ceased wef 06/1/10 after contract expires and was reactivated from 21/05/10.	18,448.20
83359	Pita Qasevakatini	Resigned wef 4/9/12. Salary ceased on 8/9/12. OP of 5days wef 4/9-8/9/12	269.48
82307	Mohammed Farik	Resigned wef 29/3/12. Salary ceased on 20/5/12. OP of 52days wef 29/3-19/5/12	3,061.01

TPF	Name	Reason	Balance Due (\$)
68173	Asinate Volavola	Failed to resume duty on time i.e. w.e.f 1/3/12 . Salary ceased on 23/09/12 . OP of 206days	12,126.37
67125	Saleshni Devu	Resigned wef 14/9/12. Salary ceased on 7/10/12. 9days overpayment	360.53
67372	Lindha Mandhu F	Resigned wef 14/10/12. Salary ceased on 21/10/12. 7dys overpayment	593.13
82604	Nalini Lata	Resigned wef 29/1/10 - 22/9/12. Salary ceased on 07/10/12. 866 days overpayment	50,876.61
67741	Jeshna Bai	Not reporting to duties.Salary ceased on 01/07/12	10,559.54
67867	Lemeki Savua	Resigned wef 10/09/12. Salary ceased on 18/11/12	3,005.31
83119	Radhika Singh	Resigned wef 5/11/12. Salary ceased on 5/12/12	1,209.89
44713	Jone Ravuikadavu	Resigned wef 19/11/12. Salary ceased on 16/12/12. 58days overpayment	3,038.04
44556	Jasmine Mohammed	Resigned wef 12/05/12. Salary ceased on 02/06/12.	1,295.04
<b>Total</b>			<b>142,388.35</b>
<b>Retirement</b>			
54574	Sashi L Dutt	Retired wef 02/01/12.OP due to 10days of unauthorised leave for year 2010	792.16
42700	Keteta Teai	Retired wef 24/01/12.Salary ceased on 1/03/12.OP of 47days wef 24/01/12-10/03/12	3,946.96
55157	Joep Seniloli	Unauthorised leave on 19/04/10.	50.85
57311	Epeli Nabatisila	Retired wef 30/05/12. OPR balance for previous year as per Pay11/12	785.04
55769	Suresh Chand	Forfeiture for 15 days for 2010.	1,214.14
<b>Total</b>			<b>6,789.15</b>
<b>Terminations</b>			
82657	Roneel Chandra	Suspension without pay wef 2/10-6/10/12	217.73
82848	Michelle Menot	Salary ceased on medical ground as inpatient sick leave is exhausted	479.07
<b>Total</b>			<b>696.80</b>
<b>Employees Not Entitled to Location Allowances However Were Paid</b>			
43577	Kalisi S Draunidalo	Location allowance paid as husband is also receiving it.	736.98
54067	Pauline Tudreu	Not entitled for location allowance	736.98
54066	Amalaini Vakatale	Not entitled for location allowance	1,036.06
84571	Sereana Vetaukula	Not entitled for location allowance	721.44
55236	Pranesh P Sharma	Not entitled for location allowance	539.37
56574	Josua Raikabakaba	Not entitled for location allowance upon transfer	584.17
55964	Kavekini Tanivanuakula	Not entitled for location allowance upon transfer	555.41
66280	Apisai Qereqeretabua	Not entitled for location allowance upon transfer	270.55
55175	Mei Waqatabu	Not entitled for location allowance upon transfer	779.66
82414	Sangeeta Devi Singh	Not entitled for location allowance upon transfer	630.16
85227	Laita Valerau	Not entitled for location allowance upon transfer	375.52
82531	Rajnish Sharma	Not entitled to location allowance upon transfer	669.30
82113	Lesikilomaloma Tiko	Not entitled to location allowance upon transfer	854.49
80747	Bobby Dhirendra M	Not entitled to location allowance upon transfer	1,153.57
83962	Kelera Adi	Not entitled to location allowance upon transfer	683.53
82996	Liviana Fipe	Not entitled to location allowance upon transfer	445.05
68940	Manasa Kikau	Not entitled to location allowance upon transfer	1,377.82
82708	Napolioni Tavuki	Not entitled to location allowance upon transfer	968.38
84865	Merewatisoni Vunatoto	Not entitled to location allowance upon transfer	569.63
84779	Anishkaar Amit Lal	Double payment of location allowance paid on both categories	352.46
85051	Reema Reshmi Mala	Double payment of location allowance paid on both categories	532.23
69404	Alumita Salaba	Not entitled to location allowance upon transfer	779.66
82743	Gita Anjali	Not entitled to location allowance upon transfer	1,527.41
82799	Ratu Josai Volavola	Not entitled to location allowance upon transfer	968.38

TPF	Name	Reason	Balance Due (\$)
68936	Sainimili Mae	Not entitled to location allowance upon transfer	1,527.41
69518	Lepani Nalase	Not entitled to location allowance upon transfer	1,527.41
82953	Elenoa Rasoki	Double payment of location allowance	592.74
<b>Total</b>			<b>21,495.77</b>
<b>Late Arrivals And Non Attendance Of Workshops By Teachers</b>			
91134	Vasita Qasiwale	Unauthorised leave for 13 days for 2011	321.44
54858	Sujen Kumar	Unauthorised leave for 12days & 15hrs in 2010 & 2days in 2011	866.32
84441	Margaret Matakotoga	3 days forfeiture for 2011	156.98
83800	Sela Metui	6 days of unauthorised leave	261.26
84372	Timoci Latianara	8 days forfeiture for 2011	418.63
84105	Penieli Semate	6 days of forfeiture for 2010	253.66
83570	Losana Tuilevuka	4 days forfeiture for 2011	209.28
83962	Kelera Adi	17 days of forfeiture for 2009	718.86
66752	Joyce Prasad	17 days unauthorised leave for 2009	833.47
66280	Apisai Qereqeretabua	Not entitle to location allowance upon transfer to MGM	270.55
68551	Shivanjee Singh	Officer on leave without pay	765.21
65701	Apolonia Koroitawamudu	Salary not reduced on 4th confinement	3,397.98
85306	Taniela Tailavu	Wrongly upgraded to ED8G05 as it was suppose to be ED8G04	1,304.02
82241	Lilieta Vueti	2days unauthorised leave wef 21/5-22/5/12	87.06
85251	Roselyn R Prasad	10 days unauthorised leave for 2012	435.54
85465	Rohit Ajay Kumar	5 days forfeiture for 2012	294.29
85360	Ashneel K Goundar	19 days forfeiture for 2012	827.54
40661	Kelera Naikarua	17hrs 20mins due to late arrival	177.21
64627	Jacoro Sucu	16hrs 20mins due to late arrival	308.30
83416	Esala Tokaseu	4days excessive leave	281.58
84980	Alefoso Waqanikalou	Not reporting to duties wef 3/9 - 1/10/12	1,219.55
82600	Kumar Priya Pratika	4 days sick leave without sick sheet	174.20
82993	Akeneta Marama	3days leave without pay	125.42
<b>Total</b>			<b>13,708.35</b>
<b>Salary Overpayment</b>			
68760	Mere A Rokowati	Paid on wrong scale i.e on ED8G \$19840 instead of ED8A \$14680	14,764.27
91309	Semi Nabalarua	OP of 11 days upon resignation from 10/5/11 \$264.06 & OP due to SLWOP \$6154.69.	6,418.75
90714	Serufoama Dakuna	Double payment of salary wef 01/01-14/01/12	346.18
68396	Rajina Reshmi Lata	Termination of salary in 2011 due to Leave without pay abroad	857.20
55549	Lydia Praise	Double payment of salary	263.88
<b>Total</b>			<b>22,650.28</b>
<b>Overpayment of Acting Allowances</b>			
90970	Loata T Nakalevu	OP of acting allowance wef 03/05-08/05/12	147.68
82035	Waisale R Buli	OP of actg allowance wef 14/5-08/09/12	3,287.08
82324	Roshni Lata Reddy	OP of Acting Allowance wef 23/1-28/07/12	1,102.75
81310	Siman Sanjeet Singh	OP of Acting allowance wef 14/5-30/6/12	526.40
82688	Zulfikar Mohammed	OP of Acting allowance wef 24/1-22/9/12	2,665.05
80352	Priti Poonma	Rescindment of Acting appointment wef 14/5/12 - 22/09/12	1,757.26
68870 i	Meli Livailag	Rescindment of ET Appointment wef 19/6 - 16/10/12	652.71
56136	Yavala Irene	OP of ET allowance wef 25/05 - 14/07/12	302.62
56568	Viliame Tokalau	OP of Acting Allowance wef 07/7 - 22/09/12	1,791.66
<b>Total</b>			<b>12,233.21</b>
<b>Deceased</b>			

TPF	Name	Reason	Balance Due (\$)
84170	Senimili Kaveni D	Officer passed away wef 1/6/12 and salary ceased wef 17/06/12.	261.26
<b>Maternity Leave</b>			
66407	Elenoa Sogo	Outstanding as at 31/12/12.	2,562.14
<b>Salary not Ceased for Officer who went on Leave Without Pay</b>			
83452	Sisilia Racule	Outstanding as at 31/12/12.	353.19
<b>Study Leave Without Pay</b>			
	Various		32,030.79
<b>Total</b>			<b>255,169.29</b>

**Appendix 20.2: Details Of Amounts Vired To Allocation No. 1-21101-91012-070299**

Allocation Virement From	Allocation Description	Amount (\$)
1-21101-91012-059199	Sundry Expenses	800.00
1-21101-91012-059199	VAT	120.00
1-21101-91012-050402	Fiji National Research Council	50,000.00
1-21101-91012-130101	VAT	7,500.00
1-21101-91015-060219	Tuition Free Fee 1-8	50,000.00
1-21202-91015-060135	Education Grant-LT- Govt School	7,500.00
1-21203-91015-060139	Per Capita Grant- Primary School	10,000.00
1-21301-91016-060212	Remission of Fees Secondary	50,000.00
1-21301-91016-060205	Tuition Grant/ Fee Form 1	50,000.00
1-21301-91016-060206	Tuition Grant/ Fee Form 2	50,000.00
1-21301-91016-060207	Tuition Grant/ Fee Form 3	30,000.00
1-21301-91016-060208	Tuition Grant/ Fee Form 4	30,000.00
1-21301-91016-060209	Tuition Grant/ Fee Form 5	30,000.00
1-21301-91016-060210	Tuition Grant/ Fee Form 6	30,000.00
1-21302-91019-050199	Hostel & Inst- Furniture/ Equipment	3,000.00
1-21302-91012-130101	VAT	450.00
1-21303-91016-060137	Per Capita Grant- Junior Secondary School	30,000.00
1-21304-91016-060138	Per Capita Grant- Day Sec School	400,000.00
1-21304-91016-060139	Per Capita Grant- Boarding School	15,000.00
1-21401-91014-050499	Expense for Refresher Courses	20,000.00
1-21401-91012-130101	VAT	3,000.00
1-21401-91014-059199	Compulsory Education Form 3 & 4	30,000.00
1-21401-91012-130101	VAT	4,500.00
1-21401-91014-070499	BEMTUP	20,000.00
1-21401-91012-130101	VAT	3,000.00
1-21601-91018-040299	Incidentals	800.00
1-21601-91012-130101	VAT	120.00
1-21601-91018-059999	Minor Works	500.00
1-21601-91012-130101	VAT	75.00
<b>Total</b>		<b>926,365.00</b>

### Appendix 20.3: Secondary School Submission of Audited Financial Statements and AGM Minutes

School	Submission of AGM Minutes 2011
Ahmadiya Muslim School	x
Ballantine Memorial School	x
Bemana Secondary School	x
Champagnat Institute	x
Gau Secondary School	x
Kalabu Secondary School	x
Kavanagasau	x
Labasa Muslim College	x
Lomaiwai Secondary School	x
Naikavaki Junior Secondary School	x
Namosi Secondary School	x
Rabi High School	x
Ratu Luke Memorial School	x
Ratu Luke Memorial School	x
Ratu Finau Secondary School	x
Saint John's College	x
Swami Vivekananda College	x
Valebasoga Technical College	x
Vunimoli Secondary School	x
Wainimala Secondary School	x
Yat Sen Secondary School	x
<b>Key</b>	
X	Record not submitted

## Appendix 20.4: Primary School Submission Of Audited Financial Statements and AGM Minutes

Schools	Audited Financial Report 2011	AGM 2011
Kocoma Village Sch	x	√
Laucala District Sch	x	√
Qilo Primary Sch	x	x
Qilo Primary Sch	x	x
Batiki District Sch	x	x
Butoni Village	x	x
Rt Mocevakaca Mem Sch	√	x
Bulou Dolele Primary sch	x	x
Adi Maopa Primary Sch	x	x
Babasea Primary Sch	x	x
Christ the King	√	x
Cikobia Village Sch	x	x
Daliconi Fijian Sch	x	x
Fulaga District School	x	x
Levuka Fijian Sch	x	x
Mabula District sch	x	x
Maloku District Sch	x	√
Moce District Sch	√	x
Mualevu Village Sch	x	x
Nabasovi District sch	√	x
Naceva District Sch	x	x
Navikadi Primary School	x	x
Namara District Sch	√	x
Natokalau Primary Sch	x	x
Natusara Primary Sch	x	x
Navukailagi District Sch	x	√
Oneata District sch	x	x
Onolevu District Sch	√	x
Qalikarua District Sch	x	x
Susui Village Sch	√	x
Tabutoga Village Sch	x	x
Tiliva Village Sch	x	x
Tovu Village Sch	x	x
Uluibau Primary Sch	x	x
Uluqalau District Sch	x	x
Vabea District Sch	x	x
Vacalea District Sch	√	x
Vanuavatu District Sch	x	x
Vatoa District Sch	x	√
Vunuku Village Sch	x	x
Levuka School -Handicapped	x	x
Levuka School -Handicapped	x	x
Uciwai District Sch	√	x
Koroqaga Indian Sch	√	x
Toga District Sch	√	x
Namata District School	x	x
Fulton Primary Sch	x	√
Naitavuni District Sch	√	x
Naivacula District Sch	x	x
Krishna Vedic Sch	x	√
Naillili St Joseph Primary	x	x

Schools	Audited Financial Report 2011	AGM 2011
Vuci Methodist Sch	√	x
Draiba Fijian Sch	√	x
St John's Bosco Primary	x	x
Veinuga District Sch	x	x
Ahmadiyya Muslim Prim	√	x
John Wesley Prim School	x	x
Makoi Methodist Prim[WilliamGross]	x	x
Suva SDA Prim School	√	x
Vatuwaqa Primary School	x	x
Seaqaga Primary School	x	√
Wainunu S D A	x	x
Wairiki Distict School	√	x
Bua District School	x	x
Koroinasolo Village School	x	x
Labasa School for Hand	x	x
Nawailevu Village	x	x
Lautoka S D School	x	x
Namara Village School	x	x
Sunshine Special School	x	x
Drasa Indian Prim School	√	x
Buruwa Youth Memorial School	x	x
Lololo Primary School	√	x
Nadi Center School	√	x
Gandhi Bhawan School	√	x
Nadi Christian academy	x	x
Nawaka District School	√	x
Navoli Indian School	√	x
Ba School For Special School	√	x
Nadarivatu Fijian School	x	x
Naloto District School	x	x
Namosau Methodist School	√	x
Rarawai FSC Prim School	x	x
Savatu Prim School	x	x
<b>Key</b>		
√	Record submitted	
X	Record not submitted	



**Appendix 20.5: Schools Assisted With Furniture Grant**

Number	School	District	Amount (\$)
1.	Batinikama Secondary School	Macuata/ Bua	3,600.00
2.	Bualevu Secondary	Nausori	3,600.00
3.	Bemana Secondary School	Nadroga/ Navosa	3,000.00
4.	Dawasamu Secondary School	Nausori	3,600.00
5.	Lomary Secondary School	Suva	3,600.00
6.	Maharishi College	Lautoka/ Yasawa	2,400.00
7.	Nabala Secondary	Macuata/ Bua	3,000.00
8.	Nadarivatu High School	Ba/ Tavua	2,400.00
9.	Nadroga/ Navosa Pro	Nadroga/ Navosa	3,600.00
10.	Naitasiri Secondary School	Nausori	3,600.00
11.	Naiyala Secondary School	Nausori	2,400.00
12.	Nakasi High School	Suva	3,600.00
13.	Napuka Secondary School	Cakaudrove	3,600.00
14.	Navatu Secondary School	Macuata/ Bua	3,000.00
15.	Navosa Central College	Nadroga/ Navosa	3,600.00
16.	Nawai Secondary School	Lautoka/ Yasawa	2,400.00
17.	Noco Secondary School	Nausori	1,200.00
18.	Richmond Methodist	Eastern	2,400.00
19.	Ratu Litianara Secondary School	Nausori	3,000.00
20.	Saqani High School	Cakaudrove	3,000.00
21.	Sigatoka Valley High	Nadroga/ Navosa	3,600.00
22.	Saint Bedes College	Cakaudrove	3,600.00
23.	Saint Vincent College	Nausori	3,600.00
24.	Tabia Sanatan College	Macuata/ Bua	3,600.00
25.	Thomas Baker Secondary	Nadroga/ Navosa	960.00
26.	Vaturova Koroalau	Macuata/ Bua	3,000.00
27.	Vunimoli Secondary School	Macuata/ Bua	2,400.00
28.	Wainimakutu Secondary	Suva	2,400.00
29.	William Cross	Suva	2,400.00
30.	Yasawa Secondary School	Lautoka/ Yasawa	2,400.00
31.	Yasayasa Moala Secondary	Eastern	1,920.00
<b>Total</b>			<b>90,480.00</b>

## Appendix 20.6: Purchases Made By Josaia Dinono To Unauthorised Allocation

Date	Voucher Number	Vendor	Amount (\$)
20/01/12	208403	Office Mart	3,143.48
29/02/12	213128	Dynamic Solutions	2,780.87
19/03/12	214785	Office Mart	2,695.65
21/06/12	225603	Dynamic Solutions	2,850.00
26/06/12	226910	Dynamic Solutions	3,000.00
28/06/12	224682	Dynamic Solutions	3,150.00
18/07/12	231374	Dynamic Solutions	2,800.00
31/07/12	231375	Dynamic Solutions	3,200.00
31/07/12	231995	Office Mart	2,782.61
20/06/12	226752	Office Mart	2,582.61
20/06/12	226754	Office Mart	1,304.35
07/06/12	225754	Office Mart	2,972.70
07/06/12	225755	Office Mart	3,030.44
07/06/12	225756	Office Mart	3,407.00
18/05/12	223445	Dynamic Solutions	3,304.35
12/07/12	228974	Office Mart	2,700.00
22/08/12	233890	Dynamic Solutions	1,533.91
22/08/12	234082	Dynamic Solutions	2,565.22
24/08/12	234383	Xbyte Office Technology	3,237.40
18/07/12	230064	Dynamic Solutions	2,800.00
18/07/12	230394	Dynamic Solutions	3,500.00
21/08/12	233933	Korea Auto Traders	962.61
<b>Total</b>			<b>60,303.20</b>

**Appendix 20.7: List Of Excess Stationery Purchased By Mr.Josaia Dinono**

Date	Cheque Number	Invoice Number	Inventory Purchased	Quantity Purchased	Quantity in Store Room	Cost of Inventory Bought (\$)
3/5/12	958547	2323	Manila Folder	800	5,131	243.48
3/5/12	958547	2323	Stapler Remover	5	10	82.39
3/5/12	958547	2107	Newsprint	200	500	217.39
16/4/12	955668	2245	Manila Folder	1,000	5,331	334.78
16/4/12	955668	2244	Blue Pen	160	1,352	90.09
16/4/12	955668	2244	Black Pen	160	504	90.09
16/4/12	955668	2244	Red Pen	160	572	90.09
16/4/12	955668	2244	File Covers	500	900	847.82
16/4/12	955668	2247	Blue Ball Pen	40	1,352	27.74
16/4/12	955668	2247	Black Ball Pen	40	504	27.74
16/4/12	955668	2247	Pencil	24	186	10.43
16/4/12	955668	2247	Pencil	24	186	10.43
16/4/12	955668	1993	Masking Tape	20	46	67.39
16/4/12	955668	1993	Scissors	5	78	12.18
16/4/12	955668	1993	Blue Ball Pen	100	1,352	69.35
16/4/12	955668	1993	Black Pen	100	504	69.35
16/4/12	955668	1993	Red Pen	100	572	69.35
16/4/12	955668	1993	Correction Pen	5	11	52.18
16/4/12	955668	1993	Glue	5	30	29.78
16/4/12	955668	1993	Stamp Pad	12	21	103.82
06/09/12	970593	14027	Paper Masking Tape	12	102	83.40
06/09/12	970593	14027	Manila Folder	500	4,431	190.00
1/5/12	957932	13186	Manila Folder	1,000	5,331	307.50
1/5/12	957932	13186	Newsprint	100	500	90.25
<b>Total</b>						<b>3,217.02</b>

**Appendix 20.8: Supporting Documents Not Attached To Payment Vouchers**

Date	Voucher Number	Payee	Particulars	Amount (\$)	Comments
17/02/12	211882	Print House	Payment for printing forms 3 & 4 learning records for physical education.	25,090.01	• Delivery docket not attached.
20/12/12	246829	Dynamic Solutions	Payment for toner and cartridges.	2,500.00	• Delivery docket not attached.
20/12/12	247109	Ashwinesh Sharma TPF 69935	Reimbursement for payment for one battery for vehicle registration number GM490, Rakiraki.	225.00	• Purchase order not attached • Invoice not attached • Delivery docket not attached.
11/4/12	222910	Office Products Limited	Payment for the purchase of 2 Dell Projectors for CDU/TVET curriculum awareness workshop.	2,990.00	• Delivery docket not attached. • Request not attached. • Quotes not attached.
14/8/12	233357	Office Mart Limited	Payment for the purchase of Toners (TN217) for TVET.	1,194.00	• Delivery docket not attached
31/12/12	248869	Dynamic Solutions	Payment for the purchase of office equipment.	4,645.00	• Request not attached.
28/12/12	248234	East Coast Transport Limited	Payment for the repairs and maintenance of FF937.	2,580.00	• Request not attached.
9/7/12	229145	Vinod Patel	Payment for the purchase of agricultural tools for Schools.	26,166.85	• Distribution list not attached.
29/11/12	244617	Vinod Patel	Payment for the purchase of agricultural tools for Schools.	11,840.40	• Quotes not attached. • Distribution list not attached.
1/11/12	241728	Kimono Sales Limited	Payment for the purchase of Home Economic Equipments for Schools.	14,821.00	• Quotes not attached. • Distribution list not attached.
16/7/12	229744	Kimono Sales Limited	Payment for the purchase of Home Economic Equipments for Schools.	14,020.00	• Quotes not attached.
1/6/12	225319	Office Express Supplies Limited	Payment for purchase of Printer consumables and repair of computers.	3,684.00	• Request is not attached.
09/07/12	229751	Office Mart Limited	Payment for stationery for Nadave and TVET workshops.	2,198.50	• Quotes not attached. • Request not attached. • Delivery docket not attached
14/3/12	214298	Davui Printery	Payment for printing of TVET achievement Levels.	20,450.00	• Quotes not attached. • Delivery docket not attached.
23/3/12	216000	Print House Limited	Payment for Art and Craft Learning for Form 3 and 4.	29,320.00	• Delivery docket not attached. • Distribution list not attached.
02/11/12	241998	Office Mart Limited	Stationery for TVET Workshop.	2,330.02	• Request not attached.
30/12/12	248479	Vinod Patel	Payment for Tools for new Carpentry and Joinery Schools.	5,362.80	• Distribution list not attached
30/12/12	248215	Office Products	Purchase of 2 Desktop Computers for TVET.	3,990.00	• Request not attached.
02/11/12	242014	Dynamic Solution	Payment for repairs to TVET Computers.	5,000.00	• Request not attached.
21/06/12	226711	Dynamic Solution	Payment for 6 Digital Cameras.	3,594.00	• Quotes not attached. • Delivery docket not attached.
21/06/12	226661	Dynamic Solution	Payment for 6 Digital Recorders for Secondary.	2,394.00	• Delivery docket not attached.
23/04/12	218334	Kaith Trading & Hardware Supplies	Purchase of 6 Digital Recorders for Primary Section.	3,540.02	• Delivery docket not attached.

Date	Voucher Number	Payee	Particulars	Amount (\$)	Comments
13/03/12	214925	Datec (Fiji) Limited	Purchase of 8 Laptops for CDU Internal Assessment Workshop.	12,400.08	• Delivery docket not attached.
14/03/12	214926	Dynamic Solutions	Purchase of 6 Acer Multimedia for CDU Internal Assessment Primary Workshop.	12,400.08	• Delivery docket not attached.
24/10/12	240885	Office Mart Limited	Purchase of Toners.	3,669.00	• Request not attached.
13/09/12	236267	Office Mart Limited	Purchase of Toners for Head Quarters.	2,963.58	• Request not attached. • Delivery docket not attached.
18/10/12	240023	Dynamic Solutions	Purchase of Laptop for EAU Workshop	2,499.00	• Request not attached.
25/10/12	240082	Fresh'et International Limited	Payment for purchase of Food Ration	9,128.00	• Delivery docket not attached.
25/10/12	236942	Fresh'et International Limited	Payment for purchase of Food Ration	4,687.40	• Delivery docket not attached.
19/09/12	237685	Fresh'et International Limited	Payment for purchase of Cassava.	1,701.00	• Delivery docket not attached. • Request not attached.
06/12/12	245450	Unique Foods	Payment for purchase of Food Ration	1,900.00	• Delivery docket not attached. • Request not attached. • Invoice not attached.
29/11/12	1,800.00	Unique Office Supplies	Payment for purchase of Toners and Vanguard Sheet	1,800.00	• Request not attached.
21/11/12	243883	Incredible IT Solutions	Payment for purchase of Stationeries.	4,400.00	• Delivery docket not attached. • Request not attached.
28/11/12	243880	Incredible IT Solutions	Payment repair of Computers.	4,600.00	• Delivery docket not attached. • Request not attached.
21/11/12	243707	Incredible IT Solutions	Payment for purchase for Toners and Stationery.	1,853.60	• Delivery docket not attached. • Request not attached.
01/05/12	220142	Copier Marketing Limited	Payment for purchase for services rendered.	1,943.50	• Delivery docket not attached.
26/12/12	247328	Office Mart Limited	Payment for purchase of Toners and Stationeries.	13,755.50	• Delivery docket not attached. • Request not attached.
09/08/12	246100	Janty Kanvan Limited	Payment for the purchase of photocopying papers.	1,563.75	• Delivery docket not attached. • Quotes not attached.
12/12/12	246365	Janty Kanvan Limited	Payment for the purchase of photocopying papers.	2,085.00	• Delivery docket not attached. • Quotes not attached. • Request not attached.
12/12/12	246374	Janty Kanvan Limited	Payment for the purchase of Stationeries.	1,147.27	• Delivery docket not attached. • Quotes not attached. • Request is attached but has no items listed.
12/12/12	246376	Janty Kanvan Limited	Payment for the purchase of photocopying papers.	347.50	• Delivery docket not attached. • Quotes not attached. • Request not attached.
12/12/12	246376	Janty Kanvan	Payment for the purchase of	6,426.20	• Delivery docket not attached.

Date	Voucher Number	Payee	Particulars	Amount (\$)	Comments
		Limited	photocopying papers.		<ul style="list-style-type: none"> <li>• Quotes not attached.</li> <li>• Request not attached.</li> </ul>
27/07/12	248172	Huawei Technologies Aust. Pty Limited	Transportation and Installation of E- Education	27,144.39	<ul style="list-style-type: none"> <li>• Quotes not attached.</li> </ul>
06/09/12	235298	Office Limited Mart	Payment for stationeries for Head Quarters.	2,862.50	<ul style="list-style-type: none"> <li>• Delivery docket not attached.</li> <li>• Request not attached.</li> </ul>
06/09/12	235311	Office Limited Mart	Payment for purchase of Toner for Minister.	1,880.00	<ul style="list-style-type: none"> <li>• Request not attached</li> </ul>
05/09/12	235324	Office Limited Mart	Payment for purchase of Stationeries for Ledgers and ESU's.	1,680.00	<ul style="list-style-type: none"> <li>• Delivery docket not attached.</li> </ul>

**Appendix 20.9: Local Purchase Orders Not Properly Filled**

Date	Purchase Order Number	Payee	Particulars	Amount (\$)	Comments
20/12/12	PO91012-001642	Lala's Bargain Centre	Payment for supply and fitting of carpets for headquarters conference room	2,850.00	<ul style="list-style-type: none"> <li>VAT component not separately shown on Purchase Order</li> </ul>
20/12/12	PO91012-001647	3SA Carpets	Payment for supply of carpets for headquarters conference room.	6,999.98	<ul style="list-style-type: none"> <li>VAT component not separately shown on Purchase Order</li> <li>Item description not entered.</li> </ul>
20/12/12	PO91012-001643	Mass Stationery Supplies	Payment for supply of 20 heavy duty conference chairs.	3,900.00	<ul style="list-style-type: none"> <li>VAT component not separately shown on Purchase Order</li> <li>Item description not entered.</li> </ul>
20/12/12	PO91015-001350	Brij Lal and Company limited	Payment for 6 cameras for district offices.	1,374.00	<ul style="list-style-type: none"> <li>VAT component not separately shown on Purchase Order</li> </ul>
20/12/12	PO91012-001627	Dynamic Solutions	Payment for toners	5,888.00	<ul style="list-style-type: none"> <li>VAT component not separately shown on Purchase Order</li> <li>Item description not entered.</li> </ul>
20/12/12	PO91012-001631	Dynamic Solutions	Payment for toners	4,492.00	<ul style="list-style-type: none"> <li>VAT component not separately shown on Purchase Order</li> </ul>
20/12/12	PO91014-001512	Kaith Trading Supplies	Purchase of stationery and Cartridges	3,590.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> </ul>
6/12/12	PO9101H-001494	Dynamic Solutions	Payment for office equipment.	4,645.03	<ul style="list-style-type: none"> <li>Item description not entered.</li> </ul>
27/12/12	PO91014H-001534	East Coast Trading Limited	Repairs to FF 937	2,580.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
26/6/12	PO9101H-001291	Vinod Patel	Purchase of Agricultural Tools for Schools.	22,830.15	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
8/3/12	PO9101H-001121	Office Mart Limited	Purchase of Industrial Arts Equipments.	18,584.13	<ul style="list-style-type: none"> <li>VAT component not separately shown on Purchase Order.</li> </ul>
26/6/12	PO9101H-001294	Vinod Patel	Purchase of Agricultural Tools for Schools.	17,458.35	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
20/4/12	PO9101H-001204	Vinod Patel	Purchase of Agricultural Tools for Schools.	26,166.85	<ul style="list-style-type: none"> <li>Item description not entered</li> <li>VAT component not separately shown on Purchase Order.</li> </ul>
20/08/12	PO9101H-001347	Vinod Patel	Payment for the purchase of Home Economic Equipments for Schools.	11,480.40	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
24/2/12	PO9101H-001348	Kimono Sales Limited	Payment for the purchase of Home Economic Equipments for Schools.	14,821.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
20/4/12	PO9101H-001205	Kimono Sales Limited	Payment for the purchase of Home Economic Equipments for Schools.	14,070.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
14/8/12	PO9101H-001324	Office Mart Limited	Purchase of Toners	1,194.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> </ul>
29/5/12	PO9101H-001256	Office Xpress Supplies	Repairs to TVET Personal Computers.	800.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
29/5/12	PO9101H-	Office	Purchase of Printer	2,884.00	<ul style="list-style-type: none"> <li>Item description not entered</li> </ul>

Date	Purchase Order Number	Payee	Particulars	Amount (\$)	Comments
	001256	Xpress Supplies	consumables.		<ul style="list-style-type: none"> <li>VAT component not separately shown on Purchase Order</li> </ul>
6/7/12	PO9101H-001311	Office Mart Limited	Purchase of Stationery.	2,198.51	<ul style="list-style-type: none"> <li>Item description not entered.</li> </ul>
29/02/12	PO9101H-001104	Davui Printery	Printing of TVET achievement levels	1,100.01	<ul style="list-style-type: none"> <li>Item description not entered.</li> </ul>
13/03/12	PO91014-001112	PrintHouse Limited	Printing of Learning records for Art & Craft.	29,320.19	<ul style="list-style-type: none"> <li>Item description not entered.</li> </ul>
06/09/12	PO9101H-001371	Korea Auto Traders Limited	For maintenance of GM899	4,950.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order.</li> </ul>
12/10/12	PO9101H-001390	Office Mart Limited	Purchase of Stationeries for TVET Workshop.	2,330.02	<ul style="list-style-type: none"> <li>Item description not entered.</li> </ul>
18/10/12	PO9101H-001396	Korea Auto Traders	Repair and servicing of GM 899.	2,070.01	<ul style="list-style-type: none"> <li>Item description not entered.</li> </ul>
06/12/12	PO9101H-001475	Vinod Patel	Hand Tools for New CJ Schools.	5,362.83	<ul style="list-style-type: none"> <li>Item description not entered.</li> </ul>
19/10/12	PO9101H-001400	Dynamic Solutions	Repair of Computers and Laptops.	4,999.99	<ul style="list-style-type: none"> <li>Item description not entered.</li> </ul>
21/06/12	PO91014-001289	Dynamic Solutions	Purchase of 6 Digital Cameras.	3,594.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
01/06/12	PO91014-001292	Dynamic Solutions	Purchase of 6 Digital Recorders for Secondary.	2,394.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
05/03/12	PO91014-001063	Datec (Fiji) Limited	Purchase of 6 Laptops.	12,400.08	<ul style="list-style-type: none"> <li>Item description not entered.</li> </ul>
05/03/12	PO91014-001059	Dynamic Solutions	Purchase of 6 Multimedia for Internal Assessment primary.	9,594.06	<ul style="list-style-type: none"> <li>Item description not entered.</li> </ul>
24/10/12	PO91013-002147	Office Mart Limited	Purchase of Stationeries.	3,669.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
07/09/12	PO91012-001522	Office Mart Limited	Purchase of Toners.	2,963.58	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
03/12/12	PO91017-000904	Dynamic Solutions	Purchase of 2 Desktop Computers.	4,397.95	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
27/09/12	PO91017-000844	Dynamic Solutions	Purchase of Laptops for Education Assessment Unit.	2,499.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
30/01/13	PO91017-000933	Govt Printing & Stationery Department	Printing of FSFE and FSLC Exam papers.	149,219.00	<ul style="list-style-type: none"> <li>Item description entered but not specifically listed with respective quantities</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
19/06/12	PO91017-000734	Govt Printing & Stationery Department	Printing of Literacy and Numeracy Assessment Exam papers.	46,849.39	<ul style="list-style-type: none"> <li>Item description entered but not specifically listed with respective quantities</li> </ul>
18/09/12	PO91025-001718	Fresh'et International Limited	Purchase of Garlic, Haldi & Potatoes.	1,287.20	<ul style="list-style-type: none"> <li>Item description entered but not specifically listed with respective quantities.</li> </ul>
02/10/12	PO91023-	Fresh'et	Fresh'et International Limited.	9,128.00	<ul style="list-style-type: none"> <li>Item description entered but not</li> </ul>



Date	Purchase Order Number	Payee	Particulars	Amount (\$)	Comments
	001568	International Limited			specifically listed with respective quantities
03/09/12	PO910125-001692	Fresh'et International Limited	Fresh'et International Limited.	4,687.40	<ul style="list-style-type: none"> <li>Item description entered but not specifically listed with respective quantities</li> </ul>
4/12/12	PO91023-001592	Unique Foods	Purchase of Food Ration	1,900.00	<ul style="list-style-type: none"> <li>Item description entered but not specifically listed with respective quantities</li> </ul>
27/11/12	PO91025-001838	Unique Office supplies	Stationeries for Schools	1,800.00	<ul style="list-style-type: none"> <li>Item description entered but not specifically listed with respective quantities</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
21/11/12	PO9101B-000430	Incredible IT Solutions	Purchase of Stationeries.	4,400.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order.</li> </ul>
08/11/12	PO91025-001818	Incredible IT Solutions	Purchase of Stationeries.	1,853.60	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order</li> </ul>
07/12/12	PO91013-002280	Office Mart	Purchase of Toners.	13,755.50	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order.</li> </ul>
01/11/12	PO91014-001480	Janty Kanvan Limited	Purchase of 25 reams of Photocopying Paper.	1,563.75	<ul style="list-style-type: none"> <li>Item description entered but not specifically listed with respective quantities</li> <li>VAT component not separately shown on Purchase Order.</li> </ul>
21/11/12	PO91013-002260	Janty Kanvan Limited	Purchase of 300 reams of Photocopying Paper.	2,085.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order.</li> </ul>
14/09/12	PO91014-001453	Janty Kanvan Limited	Purchase of Stationeries.	1,147.27	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order..</li> </ul>
22/08/12	PO91013-002077	Office Mart Limited	Purchase of Stationeries.	2,862.50	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order.</li> </ul>
29/08/12	PO91013-002099	Office Mart Limited	Purchase of Toners.	1,680.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order.</li> </ul>
05/09/12	PO91013-002093	Office Mart	Purchase of Stationeries for Ledgers and ESU's.	1,680.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order.</li> </ul>
06/09/12	PO9101H-001371	Korea Auto Traders	Repair of GM 899.	4,950.00	<ul style="list-style-type: none"> <li>Item description not entered.</li> <li>VAT component not separately shown on Purchase Order.</li> </ul>



## Section 21 Ministry of Health

### Role and Responsibilities

The Ministry of Health's goal is to provide a health care system that is accessible, affordable, responsive, equitable and of a high quality to the people. In doing so, the Ministry of Health will address its strategic themes of provision of health services, protection of health, promotion of health, productivity in health and people in health to achieve the major outcomes summarized below. To achieve this goal, the Ministry will develop from available resources a comprehensive health delivery system dedicated to primary health care, health promotion and disease prevention. Improvements to the delivery of health services will continue to be pursued by the Ministry and in partnership with key stakeholders including the private sector and development partners. The Ministry will also continue with the training of personnel to address critical staff shortages in health institutions, together with the maintenance and upgrading of health facilities in the rural areas. In addition, services will continue to be provided for the care of the elderly.

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## PART A FINANCIAL STATEMENT

### 21.1 Audit Opinion

The audit of the 2012 accounts of the Ministry of Health resulted in the issue of a qualified audit report. The issues qualified are as follows:

- The agency financial statements did not include a Statement of Receipts and Payments for the main Trust Fund Account as required under section 71 (g) of Finance Instruction 2010.
- Included in the TMA Balance Sheet to balance the account is an amount of \$49,902 being TMA Surplus Capital Retained to CFA.
- Deposits and Deductions of \$32,493 in 2011 which comprised of VAT collected in 2011 were incorrectly transferred to TMA Accumulated Surplus in 2012. As a result, the TMA Accumulated Surplus amount for 2012 was overstated by \$32,493.

### 21.2 Statement of Receipts and Expenditure

The Ministry collected revenue amounting to \$6,071,122 and incurred expenditure totalling \$158,348,450 in 2012. Details are provided in Table 21.1 below.

**Table 21.1: Statement of Receipts and Expenditure for 2012**

Description	2012 (\$)	2011 (\$)
<b>RECEIPTS</b>		
<b>State Revenue</b>		
Operating Revenue	301,649	1,539,198
<b>Total State Revenue</b>	<b>301,649</b>	<b>1,539,198</b>
<b>Agency Revenue</b>		
Hospital Fees	1,402,187	1,743,678
Fumigation & Quarantine	2,098,305	1,564,660
License & Others	994,973	842,878
Fiji School of Nursing	99,823	299,095
Miscellaneous Revenue	1,174,185	182,266

Description	2012 (\$)	2011 (\$)
Total Agency Revenue	5,769,473	4,632,577
<b>TOTAL REVENUE</b>	<b>6,071,122</b>	<b>6,171,775</b>
<b>EXPENDITURE</b>		
<b>Operating Expenditure</b>		
Established Staff	76,216,424	72,989,484
Unestablished Staff	12,576,750	12,909,145
Travel & Communication	3,843,930	3,408,296
Maintenance & Operations	10,798,208	10,465,683
Purchase of Goods & Services	29,413,026	27,161,305
Operating Grants & Transfers	671,008	535,273
Special Expenditures	7,246,655	4,590,805
<b>Total Operating Expenditure</b>	<b>140,766,001</b>	<b>132,059,991</b>
<b>Capital Expenditure</b>		
Capital Construction	4,089,327	5,275,078
Capital Purchases	5,222,347	5,861,256
<b>Total Capital Expenditure</b>	<b>9,311,674</b>	<b>11,136,334</b>
Value Added Tax	8,270,775	6,587,707
<b>TOTAL EXPENDITURE</b>	<b>158,348,450</b>	<b>149,784,032</b>

The Ministry's revenue increased by \$100,653 or 2 % in 2012 compared to 2011 as a result of increase in revenue from health fumigation and quarantine services, hospital services and licences fees.

The Operating Expenditure increased by \$8,706,010 or 7% in 2012 compared to 2011 due to the increase in:

- Established Staff by \$3,226,940 due to the 6% increase in salary for nurses and doctors as well as the regularisation of all vacant positions in 2012.
- Purchase of Goods and Services by \$2,251,721 or 8.3% due to increase in the number of charter flights, the clearance of previous year's pending payments and increased supply of rations and oxygen.
- Special Expenditure by \$2,655,850 or 57.9% due to the new expenditure incurred on Global Fund.

The Capital Expenditure declined by \$1,824,660 or 16.4% in 2012 due to:

- Redeployment of funds under Capital Construction to Head 40 in 2012.
- Decrease in expenditure on purchases of dental equipment.

### 21.3 Appropriation Statement

The Ministry of Health incurred expenditure totalling \$158,348,450 in 2012 against the budget of \$151,546,149 resulting in over expenditure of \$6,802,301 or 4.5%. Details are provided in Table 21.2.

**Table 21.2: Appropriation Statement for 2012**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	65,138,935	---	65,138,935	76,216,424	(11,077,489)
2	Unestablished Staff	9,848,512	---	9,848,512	12,576,750	(2,728,238)
3	Travel & Communication	3,948,260	(23,000)	3,925,260	3,843,930	81,330
4	Maintenance & Operations	10,865,500	196,839	11,062,339	10,798,208	264,131
5	Purchase of Goods & Services	28,917,006	(78,578)	28,838,428	29,413,026	(574,598)

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
6	Operating Grants & Transfers	756,000	(50,000)	706,000	671,008	34,992
7	Special Expenditure	12,476,666	(195,000)	12,281,666	7,246,655	5,035,011
	<b>Total Operating Costs</b>	<b>131,950,879</b>	<b>(149,739)</b>	<b>131,801,140</b>	<b>140,766,001</b>	<b>(8,964,861)</b>
	<b>Capital Expenditure</b>					
8	Capital Construction	6,120,000	(1,183,147)	4,936,853	4,089,327	847,526
9	Capital Purchases	5,796,430	14,604	5,811,034	5,222,347	588,687
10	Capital Grants and Transfers	---	---	---	---	---
	<b>Total Capital Expenditure</b>	<b>11,916,430</b>	<b>888,950</b>	<b>10,747,887</b>	<b>9,311,674</b>	<b>1,436,213</b>
13	Value Added Tax	9,206,905	(209,783)	8,997,122	8,270,775	726,347
	<b>TOTAL EXPENDITURE</b>	<b>153,074,214</b>	<b>(1,528,065)</b>	<b>151,546,149</b>	<b>158,348,450</b>	<b>(6,802,301)</b>

A sum of \$1,648,326 was redeployed out of the Ministry in 2012. Details are shown below:

SEG	Description	Amount (\$)
6	Subsidy to St. Johns	40,000
9	Incinerator Lautoka/Labasa	215,396
8	Maintenance of Health Centres/Nursing stations	292,677
8	Namua Health Centre	170,000
8	Urban and Rural Lab	210,470
8	Cikobia Nursing station	170,000
8	Bagasau Nursing station	170,000
8	Tonia Nursing station	170,000
13	VAT	209,783
	<b>TOTAL</b>	<b>1,648,326</b>

## 21.4 Statement of Losses

There was no loss of money recorded for the year ended 31 December 2012. However, items worth \$1,611,526 were written off, following the Ministry's Board of Survey conducted on 31/12/12. Expired drugs as at 31/12/12 were valued at \$635,646.

## 21.5 Trade and Manufacturing Account (TMA)

Table 21.3: Trading Account

	2012 (\$)	2011 (\$)
Sales	396,357	591,886
Miscellaneous revenue	263	0
<b>Total Revenue</b>	<b>396,620</b>	<b>591,886</b>
Opening Stock of Finished Goods	30,539	38,722
Add: Purchases	344,899	330,105
<b>Cost of goods available for sale</b>	<b>375,438</b>	<b>368,827</b>
Less: Closing Stock of Finished Goods	40,974	30,539
<b>Cost of Goods Sold</b>	<b>334,464</b>	<b>338,288</b>
<b>Gross Profit transferred to P &amp; L</b>	<b>62,156</b>	<b>253,598</b>

**Table 21.4: Profit and Loss Statement**

	2012 (\$)	2011 (\$)
<b>Income</b>		
Gross Profit transferred from Trading A/C	62,156	253,598
<b>Total Income</b>	<b>62,156</b>	<b>253,598</b>
<b>Expenses</b>		
Salaries and related payments	101,264	0
Travel Domestic	261	0
Telecommunication	7,726	1,906
Office Upkeep and Supplies	5,208	25,263
Power Supplies	196	0
VAT	0	4,075
<b>Total Expenses</b>	<b>114,655</b>	<b>31,244</b>
<b>Net (Loss)/Profit</b>	<b>(52,499)</b>	<b>222,354</b>

**Table 21.5: TMA Balance Sheet**

	2012 (\$)	2011 (\$)
<b>Current Assets</b>		
Cash at Bank	938,001	950,740
Accounts Receivable	9,588	58,207
Finished Goods	40,974	30,539
<b>Total Current Assets</b>	<b>988,563</b>	<b>1,039,486</b>
<b>Current Liabilities</b>		
Deposits and Deductions	(8,498)	32,493
<b>Total Current Liabilities</b>	<b>(8,498)</b>	<b>32,493</b>
<b>Net Assets</b>	<b>997,061</b>	<b>1,006,993</b>
<b>Equity</b>		
TMA Accumulated Surplus	947,158	967,165
TMA Surplus	49,903	39,828
<b>Total Assets</b>	<b>997,061</b>	<b>1,006,993</b>

## PART B: AUDIT FINDINGS

### 21.6 Arrears of Revenue

A credit policy must specify-

- The types of revenue it applies to;
- The limits on the value of credit per transaction and per person or entity;
- The criteria for approving credit and the officers who can approve credit;
- The type of security, if any, required to prevent bad debts;
- The settlement (payment) period of any credit sale; and
- The interest to be charged on arrears<sup>1</sup>

The Ministry had arrears of revenue totalling \$451,365 as at 31/12/12. Arrears of revenue totalling \$305,526 or 68% have been outstanding for more than a year. This comprised of revenues from vessel agents, Bulk Purchase Scheme and the divisions. Refer to Table 21.6 below for the aging of arrears of revenue for the past five years.

<sup>1</sup> Finance Instruction 2010 - Section 24 (2)

**Table 21.6: Arrears of Revenue Aging for the last five years**

Descriptions	Years				Total (\$)
	< 1	> 1	2 - 5	> 5	
	(\$)	(\$)	(\$)	(\$)	
Arrears of revenue	145,839	191,722	58,914	54,890	451,365
Percentage of total revenue	32.3	42.47	13.05	12.16	100

In addition the arrears of revenue for the Ministry increased by \$64,003 or 17% in 2012 compared to 2011. Refer to Table 21.7 for details.

**Table 21.7: Increase in Arrears of Revenue from 2011 to 2012**

Arrears of Revenue as at 31/12/2011 (\$)	Arrears of Revenue as at 31/12/2012 (\$)	Increase in Arrears (\$)	Percentage Increase (%)
387,362	451,365	64,003	17

Delay in collecting the outstanding revenues increases the risk of revenues not likely to be collected which could result in write offs.

### **Recommendations**

#### **The Ministry should:**

- take appropriate action to collect arrears of revenue; and
- consider writing off arrears of revenues which is not recoverable.

### **Ministry's Comments**

*Audit recommendations have been acknowledged.*

1. *The increase of revenue is due to increase from CWMH through hyperbaric fees and electricity bills owed by FNU.*
2. *The hyperbaric fees will be recovered through the insurance company however; the FNU bills cannot be recovered to date since there is no MOU binding the institution with MOH so that we can recover through other means.*
3. *The Ministry has informed all divisional accounting officers responsible to strengthen its revenue collection process and to take a more proactive stance prompt settlement of debts. In order to maintain a speedy repayment rate we have requested our officers collecting outstanding debts to send follow up notices at the earliest possible time and if possible pay a visit in person to the debtors or the respective island embassy.*
4. *To strengthen revenue collection the doctors/nurses on duty have been informed to notify accounts personnel before discharging patients.*
5. *To draw up and a standard discharge document that binds patients, next of kin or the island states themselves responsible parties for outstanding bills.*
6. *FPBS has reverted terms of sales from credit to cash basis.*
7. *In respect of quarantine fees our officers have informed registrar of companies to assist in recovery for such monies.*
8. *Follow up and reminders is given to debtors and we make sure they meet deadlines this applies to resident and non-residents patients.*
9. *Succession of his tools we have manage to recover in 2013 from FNU the sum of \$140K and it be receipted to the consolidated accounts and kidney foundation able to pay 50% cost of total bills.*
10. *Discussions and submission given legal officer to seek legal opinions for the options Small Claim Tribunal.*



11. The Ministry will consider a write off submission to Ministry of Finance for all age of debtors 5 years and above.

## 21.7 Overdrawn Operating Trust Fund Account

Trust fund compromise monies which are not the property of the state and should not be utilized for the purpose of government. In addition, trust money is to be separate from public money and other money, and by convention should always have credit balances. Thus, the trust fund accounts should not at any time is overdrawn.<sup>2</sup>

The Ministry's operating trust fund account was overdrawn by \$49,994.58 as at 31/12/12. Refer to Table 21.8 below for details.

**Table 21.8: Overdrawn Operating Trust Fund Account**

Account Number	Description	Amount (\$)
1-22101-22999 - 861101	202 PD OPR current year	474.42
1-22101-29999 - 861106	390 PD Government Water Rates Charges	9,527.56
1-22101-29999 - 861914	389 PD Court Bankruptcy	195.00
1-22101-29999 - 861915	400 PD Fines and Treasury	3,569.60
1-22101-29999 – 861920	501 PD Employees FNPF	36,228.00
<b>Total</b>		<b>49,994.58</b>

The overdrawing of operating trust fund account may have resulted from mispostings by the Ministry. The finding indicates that proper reconciliation were not carried out and corrective action not taken by the Ministry.

### Recommendations

The Ministry should ensure that:

- trust funds are not overdrawn at any time;
- trust fund account is properly reconciled and any variance is investigated and appropriate action taken; and
- the overdrawn trust fund account balance as at 31/12/12 is investigated and appropriate action taken.

### Ministry's Comments

*Recommendations have been acknowledged.*

*Operating Trust Account is not overdrawn. The payments are made from the correct trust accounts however the deductions are loaded to other trust allocations.*

*To rectify these problems effective from January 2013, the reconciliation proper is now handled A/AAO (LP) where she will be deactivating all non-active allocations and journalising the misposting to the correct allocation. Previously reconciliation of this account was done by the clerks.*

<sup>2</sup> Section 25 (1) of the Financial Management Act

## 21.8 Operating Trust Fund Account

Each month, the Ministry's trust account must be balanced and reconciled with the FMIS general ledger account. The names and balances of each account must be listed and the reconciliation should be signed by the responsible officer. Un-reconciled items must be investigated and resolved promptly.<sup>3</sup>

The Trust Officer shall keep a trust ledger to record movements of trust money<sup>4</sup>.

The following anomalies for operating trust accounts were noted.

- The opening balance in the operating trust fund account reconciliation for January 2012 differed from the closing balance as at 31/12/11. Refer Table 21.9 below for details.

**Table 21.9: Variance between Ministry's records and FMIS Ledger**

Details	Closing FMIS Balance 31/12/11 (\$)	Opening Balance Taken in January Reconciliation (\$)	Variance (\$)
Operating Trust Fund	282,385	875,252	(592,867)

- A variance of \$515,902 was noted between the closing balance for March and the opening balance for May in the operating trust fund reconciliation. Refer Table 21.10 below for details.

**Table 21.10: Variance between Ministry's records and FMIS Ledger**

Details	Closing Balance of March as per Reconciliation (\$)	Opening Balance of April as per Reconciliation (\$)	Variance (\$)
Operating Trust Fund	2,190,386	1,674,484	515,902

- The Ministry did not produce the operating trust account reconciliations for the month of February and July 2012 for review.
- Two of the Ministry's operating trust accounts were not operative in 2012. These accounts had a total balance of \$1,078.30 as at 31/12/11. Refer Table 21.11 for details:

**Table 21.11: Stagnant Trust Account**

Account Number	Balance as per 2011 (\$)	Balance as per 2012 (\$)	Comments
1-22101-22999-861521	205.00	205.00	No movement in the account since 2011
1-22101-22999-861901	878.30	878.30	No movement in the account since 2011

The Ministry did not provide any explanation for the variances discussed and indicated that reconciliations were not properly carried out.

In absence of proper reconciliations, the Ministry may not be able to detect misappropriation or theft of Trust Fund money.

<sup>3</sup> Finance Instructions 2010 - Section 58 (3)

<sup>4</sup> Ministry of Health Financial Manual 2011 Section 15.3.2

**Recommendations****The Ministry should:**

- ensure that trust fund account balance is reconciled with the trust fund FMIS ledger balance on a monthly basis;
- take appropriate action against responsible officers; and
- establish the reasons for non operating trust accounts and take appropriate action.

**Ministry's Comments**

*Recommendations have been acknowledged.*

*The variance in the closing balance as at 31/12/11 and opening balance as at January 2012 is a result of reconciliation done on first report loaded however, a revised report was loaded later after adjustments were made for the closing of the year accounts.*

*Adjustments are also made after the Auditor General completes an audit hence another reconciliation should have been prepared. The officer responsible has been informed by Ministry of Finance that reconciliation should be based on reports amended.*

*The officer responsible has been informed to reconcile the amounts in the proper manner and will be monitored from 2013 onwards.*

*The officer responsible while in process of doing 2013 monthly reconciliation will ensure that Journal Vouchers are raised to rectify the errors on the amounts. All inactive accounts will be zerorized after the reconciliation is done and Ministry of Finance will be informed to inactivate the accounts.*

**21.9 Main Trust Account**

The receipts and payments of trust money must be recorded in a separate cashbook or set of ledger accounts<sup>5</sup>. Each month the trust account must be balanced and reconciled with trust bank account. The names and balances of each account must be listed and the reconciliation shall be signed by the responsible officer.<sup>6</sup>

Each agency must include the following statements in its annual financial statements:

- g) a trust account statement of receipts and payments (where applicable)<sup>7</sup>

Our review of the main trust account revealed that the Ministry was operating several main trust accounts. Refer Table 21.12 for details.

**Table 21.12: Main Trust Accounts**

Division	Account Description	Amount (\$)
Colonial War Memorial Hospital	CWM Hospital Cardiac Force	10,198.01
	Fiji Children's Overseas Treatment Fund	136,420.98
	CWM Hospital Staff Fund	17,189.91
	Cardiology Services Account	388,648.92
St. Giles Hospital	Mental Hospital Patients Comfort Trust	6,297.82

<sup>5</sup> Finance Instruction 2010 Section 58(2)

<sup>6</sup> Finance Instruction 2010 Section 58 (3)

<sup>7</sup> Finance instruction 2010 Section 71 (1)

Division	Account Description	Amount (\$)
	Patients Cash	678.67
	National Advisory Council	88.65
	<b>Total</b>	<b>559,522.96</b>

- The total balance for these trust accounts as per the bank statements was \$559,522.96 as at 31/12/12. The Ministry did not include a Statement of Receipts and Payments for the main trust accounts in its agency financial statements for the year ending 31/12/12.
- No reconciliation was prepared for the main trust accounts operating during 2012. As a result the audit could not substantiate the closing balances of these accounts as at 31/12/12.
- There was no evidence that the operations of these main trust accounts were monitored by the Ministry's headquarters.
- The Ministry's general ledger was not updated. As a result the general ledger balance for the main trust accounts totalled \$169,975 compared to the bank statement balance of \$559,522.96 as at 31/12/12.

In absence of reconciliations, the Ministry may not be able to detect misappropriation or theft of trust account monies. In addition the Ministry did not submit the full set of agency financial statements in absence of Statement of Receipts and Payments for the main trust accounts.

### **Recommendations**

**The Ministry should ensure that:**

- **that the statement of receipts and payments of the main trust accounts are included in the annual financial statements;**
- **all trust accounts balances are included in the General Ledger; and**
- **monthly reconciliation is prepared for all trust accounts.**

### **Ministry's Comments**

*Ministry noted Auditors comments and all government regulations and policies will be strictly adhered to in future.*

*Reconciliation was submitted last year without the receipts and payments. These have been submitted this year for verification of funds received and utilized. Refer appendix – 1 for the breakdown of reconciliations.*

*Agency trust accounts on bank account only will need to be captured on the general ledger system.*

- 1. Submission has been given to HQ make submission to MOF for creating the GL accounts for the three trust accounts and this has operative for more than 10 years.*

*For the current all pending reconciliations for CWMH have been updated and receipts and payment vouchers attached.*

*Main Trust Account – St Giles Hospital*

*Patients comfort and Patients Cash Trust Fund had been reconciled and updated until November 2011.*

*Refer Appendix 21.2 for the breakdowns of reconciliations.*

## TRADING AND MANUFACTURING ACCOUNT

The Bulk Purchase Scheme (BPS) is the commercial arm of the Fiji Pharmaceutical Services that is operated under the Trading and Manufacturing Account (TMA). TMA takes care of the supply of drugs and consumables to the wholesalers and retailers locally and also regionally.

On 01/02/11, Cabinet endorsed the recommendations from the review of the BPS to assess its financial viability as follows:

- a) Full cost of operation to be accounted for by BPS;
- b) Review of organisation structure and operations including stock management processes to ensure its effective operations;
- c) BPS to procure and pay for its own stock through the Fiji Pharmaceutical and Biomedical Supplies centre (FPBSC) procurement process (consolidated orders); and
- d) BPS to be fully accountable for meeting customer needs both locally and regionally.

The audit of TMA revealed the following anomalies.

### 21.10 Unaccounted Rent

On 15/08/11, based on a valuation report by the Lands Department, the Public Service Commission<sup>8</sup> advised that rental charges of \$1,500 per month (\$18,000 per annum) be implemented subject to separate water and electricity services.

Rental charges of only \$4,500 for October to December 2012 were recorded with telecommunication expenses in the TMA. The Ministry did not book the rental charges from January to September 2012 totalling \$13,500. .

As a result the telecommunication expense was overstated by \$4,500 and rental charges understated by \$18,000 in the TMA.

### Recommendations

**The Ministry should:**

- ensure that all outstanding payment relating to TMA operation are accrued and reflected in the accounts; and
- ensure that expenses are recorded in correct expense allocations.

### Ministry's Comments

*Auditor's comments are noted and will be complied with.*

*Other expenses which include rent, power supply, water bill, transportation and office cleaning now have been paid back to FPBS in addition to the other expense such as drugs supplies.*

*BPS is in the process of securing a separate allocation to properly account all expense made by BPS.*

---

<sup>8</sup> PSC Letter Reference 29/501/5

## 21.11 Expenses Relating to 2011

All transactions should be recorded in the period in which the transactions take place.

Expenses totalling \$132,648.21 paid in 2012 were related to the 2011 payables. However, these payables were not recorded in the 2011 TMA balance sheet and general ledger. Refer to Table 21.13 for details.

**Table 21.13: 2011 Expenses Paid in 2012**

Date	Cheque #	Details	Amount (\$)
23/04/12	001298	Payment of drug Purchases in October 2011	32,852.77
23/04/12	001299	Payment of drug Purchases in November 2011	27,061.83
23/04/12	001300	Payment of drug Purchases in December 2011	14,166.90
21/03/12	Not known	Salary & Wages from January – September 2011	36,178.95
21/03/12	Not known	Salary & Wages from October – December 2011	22,387.76
<b>Total</b>			<b>132,648.21</b>

The above accrued expenses from 2011 were paid in the 2012 which contributed to the operating loss of \$52,768 in 2012 compared to the profit of \$222,354 in 2011.

### **Recommendation**

**The Ministry must ensure that all expenses are recognised within the relevant accounting period.**

### **Ministry's Comments**

*The Management acknowledged the findings and recommendations of the Auditor's report.*

*BPS noted the unpaid expense in 2012 for 2011 and have done due diligence to clear the outstanding expenses and this has affected balance statements at end of 2012 as a major loss.*

*BPS has put in place policies that monthly expenses to be paid within the same month to avoid incurring losses which has enable BPS also to report true profit and losses quarterly.*

## 21.12 TMA Balance Sheet

To be reliable, information must represent faithfully the transactions and other events it either purports to represent or could reasonably be expected to represent. For example, a balance sheet represent faithfully the transactions and other events that result in assets, liabilities and equity of the enterprise at the reporting date which meet the recognition criteria.<sup>9</sup>

Each agency operating a trading and manufacturing activity must prepare –

- (a) quarterly profit and loss statement;
- (b) a balance sheet on an annual basis.<sup>10</sup>

BPS TMA Balance Sheet had two equity accounts namely, TMA Accum Surplus/Deficit and TMA Surplus Capital retnd to CFA. The Ministry of Health cannot make any postings into these two accounts. All postings into these two accounts are done by the Ministry of Finance.

<sup>9</sup> Fiji Accounting Standards

<sup>10</sup> Finance Instructions 2010 – Section 30 (1)

The audit noted that the TMA Balance Sheet was not balanced as at 31/12/12 and had a variance of \$49,902. The Ministry of Finance used TMA Surplus Capital retnd to CFA of \$49,902 to balance the TMA Balance Sheet. If this amount is removed from the Balance Sheet there will be a variance for the same amount between the TMA net assets and the total equity.

The audit could not verify the balance of \$49,902 disclosed as TMA surplus in the balance sheet.

It was further noted that deposits and deduction of \$32,493 in 2011 which comprised of VAT collected in 2011 was incorrectly transferred to TMA Acc Surplus in 2012. As a result the TMA Acc Surplus amount was overstated by \$32,493.

The finding showed that Ministry of Finance is employing unprofessional accounting procedures to show that TMA account is balanced when in fact it is not balanced.

### **Recommendations**

**The Ministry of Health together with Ministry of Finance should investigate and correct the equity accounts reflected in the TMA,**

### **Ministry's Comments**

*The audit recommendation is acknowledged.*

*BPS will write to the Ministry of Finance to seek explanation of the fictitious report and request for Ministry of Health to control its own TMA equity account.*

## **HEADQUARTERS**

### **21.13 Over expenditure in Payroll**

Each year the Appropriation Act and the Budget Estimate set out details of the appropriation that Cabinet approves for spending by each agency. No officer may incur expenditure, which results in the agency's appropriation being exceeded without the proper authorisation of the Ministry of Finance, pending approval by the Cabinet.<sup>11</sup>

The Ministry's total revised budget for payroll expenses in 2012 was \$74,987,447. The Ministry's actual payroll expenses for the year of \$88,793,174 exceeded the payroll budget allocation by \$13,805,727 or 18% in 2012. The payroll expense was also exceeded in 2011 by \$14,498,121.48. Refer to Table 21.14 below for details of payroll expenses for 2012.

**Table 21.14: Over Expenditure in Payroll**

Description	Actual (\$)	Revised Budget (\$)	Variance (\$)
Personal Emoluments	66,043,518.21	56,754,902.00	9,288,616.21
Fiji National Provident Fund	5,223,895.32	4,538,833.00	685,062.32
Allowance	2,225,394.79	1,898,400.00	326,994.79
Overtime	2,276,068.39	1,710,800.00	565,268.39
Relieving Staff	447,546.98	236,000.00	211,546.98
<b>Total Established staff</b>	<b>76,216,423.69</b>	<b>65,138,935.00</b>	<b>11,077,488.69</b>
Wages	11,361,735.85	8,918,274.00	2,443,461.85
Fiji National Provident Fund	1,042,422.51	709,764.00	332,658.51

<sup>11</sup> Finance Instructions 2010 Section 7

Description	Actual (\$)	Revised Budget (\$)	Variance (\$)
Allowance	165,861.28	97,000.00	68,861.28
Overtime	13,285.41	6,974.00	6,311.41
Relieving Staff	-6,554.63	116,500.00	-123,054.63
Mis Established Staff Expenses	-0.43	0.00	-0.43
<b>Total Government Wage Earners</b>	<b>12,576,749.99</b>	<b>9,848,512.00</b>	<b>2,728,237.99</b>
<b>TOTAL</b>	<b>88,793,173.68</b>	<b>74,987,447</b>	<b>13,805,726.68</b>

The Ministry also could not establish the number of vacant positions as at 31/12/12 as it was not able to provide this information to audit.

### **Recommendations**

- The Ministry of Finance should investigate the significant over expenditure in payroll and take appropriate action.
- The Ministry of Health must ensure that payroll expenses are not over spent in the future.

### **Ministry's Comments**

*Audit recommendations are acknowledged.*

*We are now carrying out the regularized exercise where we are filling up all the vacant positions.*

*Our budgetary provisions for 2012 do not match the total cost of our establishment as per the P2P listings. We need to submit a true costing for the 2014 budget submissions.*

*Some of the factors that resulted in the over expenditure of salaries is:*

1. Newly appointed nurses, doctors, paramedics' staff and projected officers paid from Personal emoluments due to late submission of project funds.
2. Accumulated salary arrears for suspended officers after reinstatement.
3. Salary arrears for confirmation of medical officers and nurses.
4. Payment of remote, consolidated allowances backdated 3 to 4 years.

## **21.14 In House Service Training**

The proper management of expenditure is fundamental to ensuring value for money in delivering services to the community. As well, having cost effective internal controls within the purchasing and payments system play an important part in ensuring that waste of funds, over expenditures and corruption do not occur.<sup>12</sup>

The budget allocation for In House Service Training for the Ministry in 2012 is as shown in Table 21.15 below.

**Table 21.15: Budget Allocation for In Service Training**

Budget	Amount (\$)
Original Budget	\$400,000
Revised Budget	\$1,268,523
Actual Expenditure	1,266,414.77

<sup>12</sup> Ministry of Health Finance manual 2011 Part 2: Expenditure



The actual expenditure of \$1,266,414 paid in 2012 for in house service trainings included payment of outstanding fees totalling \$697,000 to Fiji National University (FNU) for Semester 2, 2011. Funds totalling \$868,523 were vired from other expenditure allocations to facilitate the settlement of these outstanding fees.

The finding indicates poor planning and budgeting by the Ministry. The diversion of funds into In House Service Training allocation has forced the Ministry to forgo other important activities planned for the year.

### **Recommendations**

**The Ministry should:**

- **ensure that proper plan and budget is prepared for In House Service Trainings; and**
- **consider funds available in the budget when nominating officers for training.**

### **Ministry's Comments**

*Audit recommendations are acknowledged.*

*There is proper planning and budget analysis conducted. The issue here is that the Ministry of Health has never been granted the budget request it has asked for, thus, over expenditure.*

*The Ministry of Health nominates officers for training based on the clinical needs at hospitals. Our business is saving lives. There is a criterion that is used in the policy documents.*

## **21.15 Water Bills paid by Ministry**

Officers occupying Government Quarters will be required to pay water, electricity, telephone and other charges unless their terms of service provide otherwise.<sup>13</sup>

The Ministry has been paying excessive water bills for some of the hospitals. Refer to Table 21.16 for examples.

**Table 21.16: Water Bills Paid by the Ministry**

Date	Cheque No	Particulars	Amount (\$)
13/02/12	262145	Payment of water bills for Labasa Hospital from October 2011 to January 2012	15,932.34
17/02/12	262330	Payment of water bill for CWMH from October 2011 to January 2012	22,211.00
11/05/12	267186	Payment of water bills for Labasa Hospital from January to April 2012	13,726.00
21/06/12	269381	Payment of water bills for Lautoka Hospitals from February to May 2012	62,629.85
28/08/12	273238	Payment of water bills for Labasa hospital for the months of April to July 2012	20,234.17

These hospitals have centralised water meters which also supply water to quarters used by the doctors and nurses for which water charges were also paid by the Ministry. Refer to Table 21.17 for details.

<sup>13</sup> General Orders 2011 Section 614(a)

**Table 21.17: Sharing of Water Meter**

Hospitals	Meter Location	Water supply areas paid by Ministry on behalf of Staff and Institution
Lautoka Hospital	New Hospital Master Meter	Lautoka Hospital including the Laundry, Kitchen, new dental, FNU McGregor house with FNU Coordinators and Lautoka Special Schools.
	Old Hospital Meter	Lomolomo House, Sinclair and Collette and FNU Mc Gusty Block
	Masonite Meter 1	Nursing Quarter 425
	Masonite Meter 2	Nursing Quarters 426
	Masonite Meter 3	Nursing Quarters 427
Labasa Hospital	Labasa Hospital Water meter	Hospital, Nurses quarters, Sisters Quarters(Cubicles 6nox 1 bedroom), Doctors quarters,
CWM Hospital	10 water meters for the CWM hospital.	Hospital, Sister and Intern quarters

The Ministry will be installing separate water meters in 2013 as funds have been allocated however as at the date of audit on 25/1/13, no work has been carried out.

### **Recommendations**

The Ministry should install separate water meters for nurses and doctors quarters at all the hospitals as soon as practical.

### **Ministry's Comments**

*Audit recommendations are acknowledged.*

*The initial set up of the utility service for all health facilities are including provisions of all utility connections into the main facility. This has been rectified and gradually ministry is conducting this separation of utilities in each facility. Since there is no separate allocation for this work and it requires private companies as well as statutory bodies , the costing are exorbitant, but still Ministry is able to fund some gradually and progressing well. Notably, St.Giles Hospital and Tamavua Quarters are done whereas CWMH, Lautoka Hospital and Labasa Hospital are progressing well depending on the funding availability.*

## **21.16 Overseas Medical Treatment**

The quotation process is intended to ensure that the agencies receive value for money based on fair competition and ethical dealing.<sup>14</sup>

A sum of \$1,300,000 was allocated in the 2012 budget for overseas medical and consultancy services. The amount was fully utilized during the year.

The audit noted that in several instances the actual cost of overseas medical treatment was more than the quotation obtained from the hospital. In some cases the variance in the price quoted and the actual cost was quite significant but was still paid by the Ministry. According to the Ministry the quotations for the medical treatment were obtained based on reports from referral doctors. Refer to Table 21.18 for examples of overseas treatment with cost variations.

<sup>14</sup> Procurement ( Amendments ) Regulations 2012 Section 4

**Table 21.18: Examples of Overseas Medical Treatment with Variations in Cost**

Date	Cheque No	Particulars	Quoted Amount (\$)	Actual Cost (\$)	Over Expenditure (\$)
24/08/12	273079	Payment of cost for overseas medical treatment for Mr Joseva Racus who was sent to Balaji Hospital in India for Brain Tumour treatment.	32,592.00	80,446.93	47,854.93
22/02/12	262612	Payment of cost for overseas medical treatment for Mr, Frances Celane who was sent to Balaji Hospital in India for Parotoid Cancer treatment.	12,800.00	43,862.93	31,062.93
		Payment of cost for overseas medical treatment for Mr. Etuate Waqa who was sent to Balaji Hospital in India for Posterior Fossa Occupying Lesion treatment	11,943.00	124,610.00	112,667.00
27/04/12	266316	Payment of cost for overseas medical treatment for Ms. Maya Wati who was sent to Balaji Hospital in India for cervix treatment.	9,889.00	15,443.81	5,554.81
28/02/12	263020	Payment of cost for overseas medical treatment for Ms. Nalin Prasad who was sent to Balaji Hospital in India for hip replacement treatment.	18,182.00	20,827.77	2,645.77
28/02/12	263021	Payment of cost for overseas medical treatment for Mr. Naushad Ali who was sent to Balaji Hospital in India for Coronary Angioplasty treatment.	16,835.00	21,468.62	4,633.62
<b>Total</b>			<b>102,241</b>	<b>306,660.06</b>	<b>204,419.06</b>

All cases reported above were from Balaji Hospital in India. According to the Ministry the additional costs were due to treatment and the seriousness of the illness, drugs, durations and admission of the patient.

The audit further noted that no independent verification was made on the final claims submitted by overseas hospitals to justify variations in costs.

There is lack of adequate control in the overseas medical treatment process and there is a risk that the Ministry may be overcharged by Balaji Hospital. In addition patients may not have been properly examined locally resulting in local referral doctors not highlighting the seriousness of the disease.

### **Recommendations**

#### **The Ministry should:**

- ensure that patients are properly examined before sending them for overseas medical treatment;
- consider other hospitals in India and other countries for better pricing;
- ensure that final claims by overseas hospitals are properly scrutinised before payment is made; and
- investigate why there are variations in treatment costs at Balaji Hospital only.

**Ministry's Comments**

*Audit recommendation is acknowledged.*

*There are many factors associated with referral patients to overseas countries for medical treatment. In other words referring of patients for overseas countries will allow Ministry to pay more expenditure. From the above reports here are some of the findings;*

- 1. Estimate Quotation –An opinion or judgement on the medical reports submitted by local doctors to the referral hospital with determine the estimate cost of treatment. The estimate quotation is always more or less whilst the actual costs/ amount paid or incurred, as opposed to estimated/ standard cost. In contracting, actual costs amount includes direct treatment, direct materials, physical appeared of the patients and other direct charges.*
- 2. We should upgrade the reporting system, health facilities and improve PATIS in our major hospitals*
- 3. Most of the funding we spend on cancer and brain tumour patients due to radiotherapy, chemotherapy, hospitalizations costs and duration of medical treatment i.e. 3 – 7 months at the most.*
- 4. If the Government. Ministry wishes to reduce ending of funds on overseas referral of patients we have to stop sending cancer and brain tumour patients.*
- 5. The demanding and increasing of cases received from this unit, the government should upgrade and train our doctors to meet the demand of our citizen.*

**21.17 Charter of Aircraft**

Public tenders must be called for any procurement of goods, services or works valued at \$50,001 or more, unless a Tender Board has approved an exemption in accordance with Procurement Regulation 30-(1).<sup>15</sup>

Each year the Appropriation Act and the Budget Estimate set out details of the appropriation that Cabinet approves for spending by each agency. No officer may incur expenditure, which results in the agency's appropriation being exceeded without the proper authorisation of the Ministry of Finance pending approval by the cabinet.<sup>16</sup>

A sum of \$600,000 was allocated in the 2012 budget and was later revised to \$750,000 during the year for charter of aircraft to cater for medical evacuation from maritime islands to CWM hospital.

The Ministry has been engaging the services of Island Hoppers, Northern Airways and Fiji Navy for the past years for medical evacuations from maritime islands. The budget allocation and actual expenditure on the charter of aircraft from 2009 to 2012 are shown in Table 21.19 below.

**Table 21.19: Budget Allocation for Charter of Aircraft 2009 – 2012**

Details	2012	2011	2010	2009
Original Budget	600,000	500,000	500,000	500,000
Revised Budget	750,000	900,000	500,000	500,000
<b>Total Virements</b>	<b>150,000</b>	<b>400,000</b>	<b>0</b>	<b>0</b>
Revised budget	750,000	900,000	500,000	500,000
Actual Expenditure	1,046,999.59	887,114	885,794	854,387

<sup>15</sup> Ministry of Health Finance Manual 2011, Section 2.3.1

<sup>16</sup> Finance Instructions 2010 Section 7

Details	2012	2011	2010	2009
Over-expenditure	(296,999.59)	12,886	(385,794)	(354,387)

The audit noted the following anomalies.

- The budget allocation for charter flight was overspent by \$296,999 in 2012 despite an increase in the revised budget by \$150,000 during the year. The actual expenditure above excludes the travelling expenses of patients back to their villages after treatment.
- Island Hoppers had been claiming fuel surcharge in addition to its charges for charter flights in 2012. There was no contract agreement or formal approval regarding the payment of fuel surcharge. The Ministry did not provide any explanation about the payment of fuel surcharge. Refer to the Appendix 21.1 for the examples of fuel surcharge payments made.

The Ministry will divert funds from other allocation to cover this excess expenditure which will result in forgoing other important activities that had been planned for the year.

### Recommendations

**The Ministry should:**

- **ensure that appropriate level of funding is requested for charter flights;**
- **cease payment of fuel surcharge without proper approval; and**
- **investigate payment of fuel surcharge and take appropriate action.**

### Ministry's Comments

*Audit recommendations are acknowledged.*

*CWM hospital does not have any control on medical evacuations and only one supplier was providing this services. Now there three companies who can provide this services and the hospital is in the process of obtaining relevant quotations once the other two companies fulfil the criteria from CAAF.*

*The Ministry is the processes of submitting a proposal to Ministry of Finance in regards to funding where we have notified the urban hospitals to provide a cost analysis for the last three years.*

*We cannot cease the fuel surcharge applied by the aircraft as they are based in Nadi when they called for evacuations that start charging from the Departure until arrival.*

*Since they are only Monopolist Company in Fiji MOH need to seek consultations with companies on the signing of agreement for charter flight for medical.*

## **21.18 Engagement of Architect**

A minimum of three competitive quotes must be obtained for the procurement of goods, services or works valued at \$100 and more but \$50,000 and less.<sup>17</sup>

The Ministry engaged Sharma & Associates for the upgrading of CWMH Accident and Emergency Unit. However the architect, Sharma & Associate withdrew in December 2009 citing its inability to provide electrical and plumbing details for the renovation of CWM Hospital Accident and Emergency South wing ward.

<sup>17</sup> Procurement Regulations 2010, Section 29 (1)

The Ministry then engaged Design Scope since 2009 for upgrading of CWMH Accident and Emergency Unit. The following anomalies were noted in the engagement of Design Scope.

- The Ministry did not obtain quotes from at least three companies for the services of designing the CWMH Accident and Emergency Unit Upgrade Project after Sharma & Associates withdrew from services. Design Scope was recommended by Facilitator for CWMH Accident and Emergency Unit Upgrade Project, Dr Taione Sikivou and was engaged by the Ministry. A retrospective letter to formalize the appointment of the architect, Design Scope was given by Dr. Taione Sikivou on 18/08/11.
- The Ministry did not enter into contract agreement with the architect, Design Scope detailing the cost of services, commencement and completion date and other terms and conditions of the project.

The Ministry did not state the total cost of design works in the engagement letter. However the Ministry paid \$12,070 to the company for its services after lapse of two and half years on 05/07/12. The audit could not determine whether appropriate amount was paid to the Design Scope.

The findings show that proper procurement process was not followed by the Ministry in engaging Design Scope for the drawings of CWMH Accident and Emergency Unit. The Ministry may not have obtained the services from the most economical source.

### **Recommendations**

#### **The Ministry should:**

- **ensure that competitive quotes are obtained for all purchases of goods and services costing \$100 and more but less than \$50,000; and**
- **ensure that contract agreement is prepared and signed by the Ministry and the service provider for project works.**

### **Ministry's Comments**

*Audit recommendation is acknowledged.*

*Those officers who have initiated the project have left or resigned from the service.*

*Three Competitive quotes were being obtained by the Ministry. No agreement was signed while the project was carried out.*

*The Ministry has adopted very transparent and compliant measures under the current leadership of the Permanent Secretary. In mentioning the above, it ensures that all procedures surrounding the government machinery is fully adhered to.*

*The Ministry inherited many decision made by former office holders who have either resigned or retired from service, however tried all its best in formalizing from the day it rectified anomalies to ensure past errors are not repeated.*

**21.19 Tenders not called for Purchases more than \$50,000**

The procurement limit delegated to Permanent Secretaries and Government Tender Board is amended as follow:

- Permanent Secretary – \$50,000 or less
- Government Tender Board – \$50,001 and more<sup>18</sup>.

The Ministry made regular procurement of banners and billboards from certain suppliers in 2012 costing more than \$50,000. Tenders were however not called by the Ministry for the supply of these banners and billboards costing \$352,680.31. Refer to Table 21.20 for details.

**Table 21.20: Purchases of more than \$50,000**

Name	Amount (\$)
Capture Fiji	123,136.33
Rainbow Arts and Visuals	99,730.01
Max Marketing and Publishing	129,813.97
<b>Total</b>	<b>352,680.31</b>

According to the Ministry the tender was not called for because the quality of the print could have been compromised if the printing work was given to other companies.

Proper procurement procedures were not followed and there are risks of collusion and misappropriation of public funds.

**Recommendations**

- **Ministry should call for tenders for supply of billboards and banners.**
- **Ministry of Finance should investigate the purchase of billboards and banners without calling for tenders and take appropriate action.**

**Ministry's Comments**

*Audit recommendation is acknowledged.*

*The production of IEC materials is a core activity of the NCHP. It is all communication to enable to create healthy behaviour NCHP is now moving from IEC, Radio cassettes and video cassettes/tapes to TV, DVD, Banners and Billboards. All is about improving communication to create healthy behaviour in population.*

*The tender of production will be totally new thing since we do not produce in lump sum and the quality of print and colour will differ from each company as money saving but the poor quality of the print since some use four colours and others use two colour combinations.*

*The unit only design and order for production based on the need by each relevant unit of the Ministry and the process happens on adhoc basis.*

<sup>18</sup> Finance Circular 9/2012 Section 2.1

## 21.20 Procurement of Marquee

The supplier and the agency should agree to a supply time unless agreed otherwise.<sup>19</sup>

The Ministry paid \$13,142 to Tents and Awnings Limited on 09/10/12 to manufacture a 60ft x 40ft Marquee to be used for the Public Service Commission sports day on 2/11/12 and 3/11/12 as well as for other Ministry's functions and awareness.

The following anomalies were noted:

- No agreement was signed between the supplier and the Ministry for the manufacture of the Marquee.
- The quotation provided by Tents and Awnings Limited had payment terms of 50% deposit before commencement of works and 50% on delivery. The Ministry however paid the full amount of \$13,142 before commencement of work on 09/10/12.
- The marquee is yet to be delivered to the Ministry as of the date of audit on 25/01/13.

The Ministry did not follow proper procurement procedures. In the absence of an agreement the Ministry cannot force the supplier to meet their specifications and the deadline for the delivery.

### **Recommendation**

**The Ministry should investigate and take appropriate action against those responsible for the purchase of marquee without complying with proper procurement procedures.**

### **Ministry's Comments**

*Audit recommendations are acknowledged.*

*For the procurement of such nature normally there is no contracts formulated. However, ministry will adhere to this in future that if there is any works requiring 50% upfront payments, a binding contract shall be executed.*

## 21.21 Missing Payment Vouchers

All Ministries & Departments are required to keep a proper record of all their payment vouchers. Also register payment vouchers issued to officers outside the Accounts Departments.<sup>20</sup>

The audit noted that several payment vouchers for payments made in 2012 were missing. Refer Table 21.21 for details of missing vouchers.

**Table 21.21: Missing Payment Vouchers**

Date	Cheque No	Payee	Amount (\$)
11/01/12	260737	Morris Hedstrom	5,007.00
13/01/12	260774	Telecom Fiji Limited	19,449.18
20/01/12	261012	Global Fund Programme	681,757.15
23/01/12	261071	Telecom Fiji Limited	8,288.23
23/01/12	261105	BOC Gases Fiji Ltd	24,669.71

<sup>19</sup> Ministry of Health Finance Manual 2011 Section 2.5.24

<sup>20</sup> Finance Instruction 2010, Section 14



Date	Cheque No	Payee	Amount (\$)
23/01/12	2611120	Global Fund Programme	681,757.15
25/01/12	261251	Eco Lab	3,637.45
17/02/12	262334	Kaushal Motors	2,200.00
09/02/12	262035	BSP	3,332.09
22/02/12	262617	Island Hopper	50,094.00
23/02/12	262733	Singh's Shopping Limited	1,897.90
01/03/12	263137	RB Patel	2,148.26
11/04/12	265147	Fiji National University	60,136.00
03/05/12	266608	FSMED FHSIP	60,136.00
15/05/12	267295	Bank of South Pacific	88,770.44
23/05/12	267947	University of South Pacific	10,598.00
05/07/12	270289	Global Fund Programme	23,938.98
12/07/12	270682	Global Fund Programme	896,639.48
25/07/12	271375	Salanieta Rika	19,945.00
26/10/12	276617	Bank of South Pacific	16,034.28
01/11/12	260691	Grant Management Unit	592,832.00
<b>Total</b>			<b>3,253,268.30</b>

As a result the audit could not substantiate whether payments made totalling \$3,253,268 were properly authorised and recorded in the general ledger. There is a high risk of funds being misappropriated.

### **Recommendations**

#### **The Ministry should:**

- **investigate the missing vouchers and take appropriate action; and**
- **ensure that payment vouchers are properly maintained.**

### **Ministry's Comments**

*Audit recommendations are acknowledged.*

*The vouchers are sometimes misplaced when officers apart from accounts staff search for vouchers eg FICAC*

*We will ensure that vouchers are kept in a proper filing manner for ease of reference and strictly allow accounts staff only to search for payment vouchers.*

## **21.22 LPO's raised after Invoice Date**

A local purchase order shall be issued when procuring any goods, services or works from an organization within Fiji, irrespective of whether a contract or agreement has been entered into or not.<sup>21</sup>

An LPO must be approved on line and signed by the authorizing officer (i.e. the officer with the necessary procurement authority) before being issued to the supplier.<sup>22</sup>

The audit noted several cases where purchase orders were not issued for purchase of goods and services by the Ministry. However purchase orders were raised after invoices were received for payment from the suppliers of goods and services only to fulfil the requirement of issuing purchase orders. Refer to Table 21.22 for examples.

<sup>21</sup> Ministry of Health Finance Manual 2011 Section 2.5.1

<sup>22</sup> Ministry of health Finance manual 2011 Section 2.5.9

**Table 21.22: LPOs Issued after Invoices**

Invoice Date	LPO Date	Payee	Amount (\$)
30/06/12	06/08/12	BOC Gases Fiji Ltd	620.36
3/05/12	06/08/12	BOC Gases Ltd	654.36
31/01/12	01/03/12	BOC Gases Ltd	5,980.03
31/01/12	06/03/12	Bashes Bakery Ltd	1,305.31
01/1/12-31/01/12	07/03/12	Total Fiji Ltd	14,630.88
29/02/12	08/03/12	CDP Services	2,551.00
17/01/12	24/02/12	CDP Services	24.00
28/02/12	24/02/12	Vinod Patel	132.00
29/02/12	24/02/12	Local Timber	375.00
13/04/12	15/05/12	BOC Gases Ltd	477.27
13/02/12	27/02/12	Best Print Supplies	1,062.80
25/04/12	27/04/12	Rainbow Arts and Visuals	4,900.00
14/06/12	22/06/12	Hibiscus Event Groups	10,000.00
03/05/12	02/05/12	Fiji Pharmaceutical and Biomedical	18,647.87
07/05/12	08/05/12	Studio 6 Apartment	8,019.01
20/09/12	Not attached	Consort Shipping Line limited	1,283.75
21/08/12	21/11/12	Max Marketing & Publishing Limited	6,399.99
31/12/11	03/02/12	Fiji Broadcasting Corporation Limited	7,500.00
16/08/12	03/12/12	Frincos Hire Fiji Limited	1,350.00
<b>Total</b>			<b>85,913.63</b>

The findings indicate that proper payment procedures were not always followed by the Ministry and adequate internal controls do not exist for purchase of goods and services. The risk of fraud in purchase of goods and services is high with inadequate internal controls.

### **Recommendations**

#### **The Ministry must:**

- ensure that purchase orders are issued prior to acquiring goods and services to ensure no unauthorized purchases are made; and
- investigate the matter and take appropriate action against officers responsible.

### **Ministry's Comments**

*Audit recommendations are acknowledged.*

*We have constantly reminded our officers to comply with finance regulations and we will continue to enforce that instruction to ensure issuance of purchase order is mandatory.*

*We will request our internal audit inspection team to investigate and submit their findings.*

## FIJI PHARMACEUTICAL SERVICES

### 21.23 Value of Expired Stock

The Ministry of Health will strive to improve and standardize inventory control procedures at all levels of the public drug supply system.<sup>23</sup>

A total of \$635,645.86 worth of medical stock expired as at 31/12/12. Refer to Table 21.23 below for details.

**Table 21.23: Expired Drugs as at 31/12/12**

Month	Expired Stock 2011 (\$)	Expired Stock 2012 (\$)
January	77,294.82	24,512.84
February	136,849.42	255,781.10
March	57,277.73	47,031.60
April	786,634.82	17,761.15
May	98,949.51	98,185.94
June	40,590.22	46,156.48
July	83.88	13,119.79
August	16,371.53	19,320.14
September	55,433.15	21,774.51
October	80,925.95	49,560.67
November	165,897.18	6,676.08
December	2,145.29	35,765.56
<b>Total</b>	<b>1,518,435.50</b>	<b>635,645.86</b>

Although 58% reduction in expired stocks was noted in 2012 compared to 2011, audit is of a view that the value of expired stock is substantial.

The expired stock is due to poor inventory management control system at FPS as a result significant amount of government funds were wasted over the years due to overstocking of drugs and consumables.

#### **Recommendations**

**The Ministry should review the reorder levels for all drugs and consumables to avoid overstocking.**

#### **Ministry's Comments**

*The managements acknowledge the report and recommendation.*

*As stated in the report that more than 50% reduction in the wastage as compared to 2011 report. This is due to strategies implemented such as review of the minimum and maximum level at FPBS, review of the minimum and maximum level at Health facilities and review of the purchasing quantity from 18 months to 12 months.*

*The processes conducted last has been reviewed again as management have noted that shortages have also being related to the review.*

<sup>23</sup> National Drug Policy 1994 s.7.1

*Management has noted that diseases are unpredictable to plan therefore whether to order or not in access can have repercussions. Management will review accepted wastage policy and purchasing strategy with Fiji Procurement Office.*

*The management has conducted an EOI for the purchase of a new Warehouse Information System to replace the current software to enable FPBS appropriate monitoring.*

## 21.24 Unreasonable Expiry Dates

The Ministry must ensure that drugs and consumables purchased is not old stock and have sufficient life span to be used before expiry date.

Some of the drugs and consumables purchased in 2012 expire within 1 – 9 months from date of receiving. Refer to Table 21.24 below for details.

**Table 21.24: Drugs Expired Within Nine Months from Date of Receiving**

Item Description	Date Drugs Received	Quantity of Drugs Received	Expiry Date	Quantity Of Drugs Expired	Total Value Of Drugs Received (\$)	Total Value Of Drugs Expired (\$)	Expiry Time Frame
744 Sodium Sensor	5-Apr-12	11	30-Apr-12	6	4,156.99	2,267.45	25 Days
04955798-744 Potassium Sensor	5-Apr-12	11	30-May-12	6	10,161.52	5,542.65	1 Month
03002209122-LDH IFCC	10-Apr-12	3	30-Jun-12	1	2,626.35	875.45	2 Months
11731297122-TSH (Thyroxine Stimulating Hormone)	10-Apr-12	18	30-Jul-12	2	10,689.80	1,187.76	2 Months
00661439-744 Chlorine Sensor	5-Apr-12	11	30-Aug-12	6	10,161.52	5,542.65	4 Months
744 Reference Sensor	5-Apr-12	10	30-Sep-12	4	7,558.17	3,023.27	5 Months
BD Sodium Citrate tubes (2.7ml) (1x 100)	23-Apr-12	10,000	30-Sep-12	1,800	3,179.54	572.32	5 Months
11820796322-Digoxin (Elecys)	10-Apr-12	1	30-Sep-12	1	417.08	417.08	5 Months
Cooked Meat Medium 500g	28-Mar-12	3	31-Oct-12	1	1,158.31	386.10	7 Months
04641655190-PSA (Prostatic Specific Antigen) Gen II	7-Jun-12	10	31-Oct-12	2	4,353.00	870.60	4 Months
B30 Control: 3 x 3.0ml (1L/1N/1H) BC-3000Plus Analyser	13-Aug-12	20	31-Oct-12	3	1,833.20	274.98	2 Months
Calibrator Pack (A/B)	19-Jul-12	7	31-Oct-12	7	682.26	682.26	3 Months
Zym B Reagent Kit (2x5mls)	30-Mar-12	4	30-Nov-12	3	397.96	298.47	8 Months
Nitrate 1 and 2 Reagent Kit 4x5ml	30-Mar-12	3	30-Nov-12	3	627.19	627.19	8 Months
Acetylcholine Chloride Injection 20mg	7-Feb-12	100	31-Dec-12	10	568.88	56.89	10 Months
10745049202-Reflotron Triglyceride container/30 strips	24-Apr-12	134	31-Dec-12	96	22,256.49	15,944.95	8 Months
Preciset RF II	17-Apr-12	5	31-Dec-12	2	949.92	379.97	8 Months
11731629322-CEA	29-May-12	8	31-Dec-12	1	2,906.12	363.27	7 Months
04487761190-AFP Calset Gen II	10-Apr-12	4	31-Dec-12	3	918.45	688.84	8 Months
Zym A Reagent Kit (2x5mls)	30-Mar-12	6	31-Dec-12	3	601.20	300.60	9 Months
<b>Total</b>					<b>\$86,203.95</b>	<b>\$40,302.75</b>	

The finding shows poor stock management resulting in losses of government resources.

**Recommendations**

**The Ministry should consider expiry dates of the drugs and consumables before purchasing.**

**Ministry's Comments**

*The Management acknowledges the report and recommendation made.*

*Reagents when manufactured currently have the ability to live only for 12 months.*

*The lab reagents specifically Biochemistry reagents shelf life are usually 12 months. The contracted supplier in this case, Roche New Zealand manufacturers the reagent in Germany, then supplied to New Zealand before it is distributed to Fiji by which the products are less than 9 months old.*

*At times Roche NZ supplies stock from their warehouse rather than the freshly prepared stocks from Germany. Ministry of Health also has not engaged Roche to supply equipments and its reagents and has source from a different company.*

*Management through the LMU have ensured that stocks to be ordered are split into 3 or 4 shipments in a year to ensure freshly prepared reagents are supplied.*

*Management has also noted the inability of the current software to appropriately report on stock life monitoring, it has engaged in the EOI to procure new software, Warehouse Information Management System.*

**21.25 Items Ordered Not Received**

The Ministry of Health will strive to improve and standardize inventory control procedures at all levels of the public drug supply system.<sup>24</sup>

The audit noted that FPS ordered clinical items costing \$46,452.33 in 2012 which were still not delivered as at the date of audit<sup>25</sup>. These items were to be delivered in 2012. Refer to Table 21.25 below for details.

**Table 21.25: Items Ordered not Received**

Item Number	Item Description	Quantity On Order	Average Cost (\$)	Amount (\$)	Date of Purchase Order	Expected Arrival Time
00580	Calico O.T Green Material	2,500	3.65	9,125.00	29/11/2012	28/2/2012
00587	Pillow with Vinyl cover	299	3.45	1,031.55	4/10/2012	4/10/2012
00584	Laundry Bags - Green	105	29.73	3,121.65	29/11/2012	28/12/2012
00560	Hand Towel	2,500	1.45	3,625.00	21/11/2012	30/12/2012
00582	Curtain Material Floral	5,001	4.67	23,354.67	4/10/2012	30/1/2013
04732	Tube Culture 12 x 75mm rimless	33	29.42	970.86	14/3/2012	15/11/2012
04996	04641655190-PSA (Prostatic Specific Antigen) Gen II	12	435.30	5,223.60	28/5/2012	15/11/2012
<b>Total</b>				<b>46,452.33</b>		

The Technical Officer in charge of these procurements was not able to provide any explanation for not receiving these items. The above indicates poor monitoring and supervision in the procurement process.

<sup>24</sup> National Drug Policy 1994 s.7.1

<sup>25</sup> Date of Audit – 19/03/13

### **Recommendation**

**The Ministry should investigate why the ordered items were not delivered and take appropriate action.**

### **Management Comments**

*The management agrees with the auditor's report finding of the not received products.*

*The purchase was awarded to the new contractor in 2012.*

*The new local suppliers when was approached did not have these items in stock and have to be ordered from their overseas principles which usually takes them 3- 4 months for the stocks to arrive into the country.*

*The delay from overseas is because stock has to be manufactured for Fiji supplies.*

*All of these orders are on post payment or credit terms i.e. suppliers will be paid once stocks are received.*

*Management has also called in the contracted suppliers this year to raise concerns and improvements.*

*Contracts are in place as well with the suppliers and this will strengthen performance expectations.*

## **21.26 Nil Stock**

The Ministry of Health will strive to improve and standardize inventory control procedures at all levels of the public drug supply system.<sup>26</sup>

Scrutiny of the EPICOR System revealed that several drugs and consumables were out of stock at FPS. Refer to Appendix 21.2 for details.

The Technical Officer revealed that most of these consumables and drugs were essential and were out of stock due to poor inventory management which includes monitoring stock levels.

It was also noted that while a number of drugs and consumables have been ordered by FPS most of these items are yet to be received.

Non availability of essential pharmaceutical supplies may place people's life and health at risk.

### **Recommendations**

**The Ministry should:**

- **review the reorder levels for all drugs/consumables to avoid shortages; and**
- **investigate the reasons for drugs and consumables shortages and take appropriate action to avoid such problems in the future.**

### **Ministry's Comments**

*The management acknowledges the finding of the report.*

*The establishment of the LMU has tried over the years to rectify numerous issues in the inventory management at FPBS and the improvement is still ongoing. The nil in stock at FPBS as reported meant the following:*

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<sup>26</sup> National Drug Policy 1994 s.7.1

1. *It is still available at facilities ( even though it is not FPBS)*
2. *Items have alternatives to be used instead.*
3. *Items do not need to be ordered for the year.*
4. *Obsolete items in 2012.*
5. *Delays from suppliers on these items have made it difficult for the purchasing unit to raise orders again against a committed order in transit.*

*Management have implemented the following:*

- 1) *Order quantity has been reviewed.*
- 2) *List of items in the report have been terminated due to delays.*
- 3) *Non performing suppliers have been terminated due to delays.*

*Management is also conducting investigation of shortages at FPBS and Health facilities level to determine the cause and develop solutions.*

*Nil in stock is also contributed by the delays in supplies because of the scare of the raw materials which was a global issue, inability to for manufacturers to produce only Fiji stocks as they have to wait for consolidated amount before manufacturing begins.*

## 21.27 Excess Stock

The Ministry of Health will strive to improve and standardize inventory control procedures at all levels of the public drug supply system.<sup>27</sup> Proper stock management ensures that stock level does not exceed maximum stock level.

The audit noted that several drugs and consumables were overstocked compared to its maximum stock levels. For example the maximum stock levels for BD Vacuette Z Serum Clot Activator 9ml Sterile Tubes 16x100mm (50s) was 358 units only. However the stock on hand was 168,920 units which were 168,562 units more than the maximum stock level.

Similarly the maximum stock level for Amoxycillin Suspension 125mg/5ml was 93,344 units only. However the stock available was 140,952 units which were 47,608 units more than the maximum stock level.

It was further noted that the total value for excess to requirement drugs and consumable was \$5,919,442.07 as at 31/12/12. Refer to Table 21.26 below for details.

**Table 21.26: Items Overstocked**

Item Description	Maximum Stock	Quantity In Stock	Average Cost (\$)	Quantity of Excess Stock	Total Value of Over Stock (\$)
BD Vacuette Z Serum Clot Activator 9ml Sterile Tubes 16x100mm (50s)	358	168,920	0.33	168,562	55,311.47
Microlut (levonogestrel 30 microgram) tablet - cycle/card	31,183	172,906	0.60	141,723	85,634.19
Stopcock three way	1,311	79,900	0.65	78,589	51,269.62
Amoxycillin Suspension 125mg/5ml	93,344	140,952	1.00	47,608	47,659.27
Mouth pieces Disposable for PEFR meters - 25mL	223	10,220	3.80	9,997	37,943.72
Lignocaine with Adrenaline Injection 2%/1:80000 (dental) Box of 50	8,000	14,257	36.50	6,257	228,353.65
Heparin Sodium Injection 25000u/5ml	2,960	9,151	5.67	6,191	35,098.11

<sup>27</sup> National Drug Policy 1994 s.7.1

Item Description	Maximum Stock	Quantity In Stock	Average Cost (\$)	Quantity of Excess Stock	Total Value of Over Stock (\$)
Thromborel S (10ml bottle)	450	6,108	419.36	5,658	2,372,750.39
Electrode Chest Adult (Box of 1000 Electrodes) 31050522	738	5,272	174.05	4,534	789,143.05
Ephedrine Injection 30mg/1ml	2,970	6,690	9.87	3,720	36,706.50
Glycine Injection 1.5% 3000ml Bag	33	2,951	13.64	2,918	39,814.77
Tube 5ml Plastic for Crossmatch bag of 500	396	2,721	78.74	2,325	183,060.27
Central Venous Catheter Tripple Lumen 7Fr)	1,000	3,185	12.95	2,185	28,304.56
Amprolene Sterilizing Gas Amp ( Biolene) box of 60 amp	27	2,104	724.90	2,077	1,505,613.16
Valley Lab Reusable Polythesive E7507 (Diathemy Pads)	620	1,704	22.66	1,084	24,566.77
Envelopes X-Ray Brown Kraft 125gsm 14.5 x 17.5 (Box of 100)	2,604	3,659	46.06	1,055	48,598.29
Powdered Free gloves Size - Medium	169	1,032	102.04	863	88,057.65
Powdered Free gloves Size - Large	125	707	104.66	582	60,914.08
Hydroxypropylmethylcellulose (Ocucoat) Injection 20mg/ml	140	560	94.95	420	39,880.88
Anaerobic Blood Culture Bottles BacT/Alert - SN (100bottles/box)	175	514	113.51	339	38,478.81
Aerobic Blood Culture Bottles BacT/Alert - FA (100 bottles/box)	172	499	190.10	327	62,163.03
Polyglycolate Monofilament Suture - 5/0 70cm, Half circle, 17mm Round Body, (Box of 12)	200	507	83.35	307	25,589.89
Suture Polyglycolate monofilament 1 90cm, 40mm rev cut half circle needle Box of 36	29	147	292.63	118	34,529.94
<b>Total</b>					<b>5,919,442.07</b>

It is also likely that significant quantity of these excess drugs and consumable may not be used before its expiry date and will expire.

The above irregularities indicate poor estimates on the usage and reordering of drugs by FPS which led to the accumulation of excessive medical stocks. As a result significant amount of public funds are tied up with excessive stocks.

### **Recommendations**

#### **The Ministry should:**

- ensure that FPS does not hold drugs and consumables stock in excess of maximum stock levels; and
- investigate over stocking of drugs and consumables and take appropriate action against those responsible for over purchasing.

### **Ministry's Comments**

*Management acknowledges the report on the excess stocks.*

*Excess stocks as reported were of the following reasons.*

1. *The purchase quantity was increased due to the introduction of the IMCI program i.e. a program that now allows the trained nurses in the Nursing Station to prescribed antibiotics such as Amoxicillin for the children rather than referring them to a far health centre that has a doctor.*
2. *Maximum level have reviewed down due to the slow moving items which has not being moving and stocks were purchased during the last maximum level.*
3. *Stocks were donated by UN agencies based locally for Fiji to utilize stocks – microlut tablets.*



Management would like to clarify that 2 items reported are not the correct unit of measure as they have been changes recently. Thromborel and Amprolene which has \$2.3M and \$1.5million in total respectively.

Management will investigate further for other products reported.

Excess in stock is usually unused stocks on the shelf after the review of the max level because it has not been requested by health facilities.

Reasons facilities has not requested are changing in prescribing patterns because of the changing nature of the disease, Doctors preference of use and availability of other alternative to prescribe for the patients.

The processes of acquiring the replacement software, WIS is to strengthen demand management/qualification especially with slow moving items. Demand management at FPBS is most importantly contributed by the demand by health facilities. Poor inventory management at facilities leads to poor demand planning. SOPs have been revised to guide technical officers on managing inventory management.

## 21.28 Stock below Minimum Stock Level

The Ministry of Health will strive to improve and standardize inventory control procedures at all levels of the public drug supply system.<sup>28</sup>

Review of the Epicor System revealed that several drugs and consumables quantity on hand were below the required minimum stock level.

The audit also noted that while some of these drugs and consumables had some stock on hand most of them were out of stock and had zero stock balance. The FPS placed order to replenish the stocks for some of these drugs and consumables which were expected to arrive in December 2012 or January 2013 however have not been received.

Majority of the drugs and consumables were not reordered by FPS at the date of audit<sup>29</sup> even though they were out of stock. Refer to Table 21.27 for details.

**Table 21.27: Items below Minimum Stock Level**

Item Description	Minimum Stock Level	Quantity in Stock	Quantity Below Min. Stock Level	Quantity Ordered	Date of Purchase Order	Expected Arrival Date
Sodium Valproate Tablets 200mg	285,000	0	285,000	100,000	30-Nov-2012	30-Dec-2012
Hydrallazine Tablets 25mg	109,289	0	109,289	90,000	3-Oct-2012	30-Dec-2012
Promethazine Tablets 10mg	225,667	0	225,667	285,000	28-Feb-2012	30-Dec-2012
Amitriptyline Tablets 25mg	83,780	0	83,780	240,000	27-Nov-2012	30-Jan-2013
Bisacodyl Tablets 5mg	83,249	0	83,249	100,000	27-Nov-2012	30-Jan-2013
Methyldopa Tablets 250mg	792,519	0	792,519	0		
Penicillin V Tablets 250mg	387,440	0	387,440	0		
Flucloxacillin Capsules 250mg	550,000	0	550,000	0		
Propranolol Tablets 10mg	109,900	0	109,900	0		
Griseofulvin Tablets 125mg	242,285	0	242,285	0		
Allopurinol Tablets 100mg	56,240	0	56,240	0		
Multivitamin Tablets - Vitamin A - 2500 IU,	764,677	0	764,677	0		
Trimethoprim Tablets 300mg	51,403	400	51,003	0		

<sup>28</sup> National Drug Policy 1994 s.7.1

<sup>29</sup> Date of Audit – 26/03/13

Item Description	Minimum Stock Level	Quantity in Stock	Quantity Below Min. Stock Level	Quantity Ordered	Date of Purchase Order	Expected Arrival Date
Salbutamol Tablets 4mg	729,629	23,500	706,129	0		
Hydrochlorothiazide Tablets 25mg	1,006,003	35,500	970,503	0		
Ferrous Sulphate Tablets 200mg	1,456,240	56,000	1,400,240	0		
Carbimazole Tablets 5mg	98,943	16,000	82,943	398,150	18-Mar-2012	30-Dec-2012
Zinc Sulphate Monohydrate Tablets 20mg	127,500	15,100	112,400	0		
Glyceryl Trinitrate Tablets 600mcg	584,422	222,500	361,922	850,000	30-Nov-2012	30-Jan-2013
Potassium Chloride S.R. Tablets 600mg	200,088	78,400	121,688	400,000	7-Sep-2012	30-Dec-2012
Paracetamol Mixture 120mg/5ml 100ml Bottle	82,000	24,191	57,809	40,460	18-Mar-2012	30-Dec-2012
Albendazole Tablets 400mg	98,000	25,000	73,000	0		
Folic Acid Tablets 5mg	582,200	312,700	269,500	950,000	27-Nov-2012	30-Jan-2013
Metronidazole Tablets 200mg	666,000	239,500	426,500	248,000	29-Nov-2012	29-Nov-2012
Isosorbide Dinitrate Tablets 10mg	591,254	339,000	252,254	560,000	3-Oct-2012	30-Jan-2013
Cotrimoxazole Tablets 480mg	314,000	206,500	107,500	0		
Frusemide Tablets 40mg	2,235,958	1,398,000	837,958	0		

The Ministry did not properly monitor the stock levels and did not reorder drugs and consumables on time when they are below minimum stock levels.

### **Recommendations**

#### **The Ministry should:**

- investigate why drugs and consumables which were below minimum stock level or out of stock were not reordered; and
- take appropriate action to ensure appropriate level of drugs and consumables are available at all times.

### **Ministry's Comments**

*Management acknowledges report of the auditor.*

*The below minimum stock level is usually a guide to FPBS but not necessarily an instruction to purchase as due processes needs to be undertaken before orders can be raised.*

*There are also reasons why there are no orders in place such as:*

1. *The items do not need to be ordered as they can be obsolete.*
2. *Items are available in the facilities which are sufficient for the time being.*
3. *During the time of audit due processes could have been in progress such as awaiting suppliers confirmation, awaiting GTB or decision or advices.*

*Management has put in place monthly reporting matrix to monitor stock level and appropriate re order point.*

## 21.29 Variances in Stock Take

The Ministry of Health will strive to improve and standardize inventory control procedures at all levels of the public drug supply system.<sup>30</sup> Proper record keeping of drugs and consumables should be maintained by FPS at all times.

The review of midyear stocktake report revealed numerous variances between quantity of stock recorded in the EPICOR System and quantity available in stock. The stock quantity in the EPICOR System was overstated compared to quantity in stock. Refer to Table 21.28 for examples.

**Table 21.28: Details of Variance in Stock**

Item Description	Unit Average Cost	Epicor System Quantity	Physical Quantity	Total Value of Epicor System Quantity (\$)	Total Value of Physical Quantity (\$)	Total Variance In Quantity	Total Variance in Value (\$)
6553743-HCT electrode	10,247.69	8	6	81,981.50	61,486.12	(2)	(20,495.37)
Blade skin Grafting sterile Watson Box of 10	60.93	400	31	24,372.76	1,888.89	(369)	(22,483.87)
Calico u/b Material	1.43	15,781	0	22,613.86	0.00	(15,781)	(22,613.86)
BDsharps Collector 5Qrts (0.87L) 50/box	109.05	214	0	23,336.88	0.00	(214)	(23,336.88)
Suture nylon monofilament 2/0 75cm,39mm rev cut three eight Box of 36	102.02	416	183	42,438.52	18,668.87	(233)	(23,769.65)
Suture polyglycolic acid coated 1 90cm ,40mm taper pt half circle Box of 12	132.32	180	0	23,816.85	0.00	(180)	(23,816.85)
Tube 5ml Plastic for Crossmatch bag of 500	77.15	3,401	3,084	262,393.24	237,936.12	(317)	(24,457.12)
Blood Lancets, autoinjectable	0.16	586,642	421,200	96,303.27	69,144.28	(165,442)	(27,158.99)
Suction pump - Suction tip set (1 handle 5 kinds tip set)	594.04	50	0	29,702.07	0.00	(50)	(29,702.07)
Gloves Disposable Examination, Latex, Amidextrous, Small Box of 100	3.47	9,581	0	33,213.87	0.00	(9,581)	(33,213.87)
Syringe Disposable 5ml Box of 100	13.19	2,564	12	33,823.05	158.30	(2,552)	(33,664.75)
Morphine Sulphate Injection 10mg/ml	1.70	19,865	0	33,854.03	0.00	(19,865)	(33,854.03)
Gloves Nitrile "Small" Box of 100	61.32	857	265	52,552.02	16,250.04	(592)	(36,301.98)
Pethidine Injection 50mg/ml	1.81	20,835	0	37,675.52	\$0.00	(20,835)	(37,675.52)
476273-Reference Sensor (both)	1,308.34	29	0	37,941.79	\$0.00	(29)	(37,941.79)
Pethidine Injection 100mg/2ml	1.76	21,735	0	38,177.20	\$0.00	(21,735)	(38,177.20)
Insulin Isophane Injection 1000u/10ml	8.49	9,000	4,106	76,399.96	34,855.36	(4,894)	(41,544.60)
CTG Paper Bistos BT 300	4.29	19,690	9,450	84,411.12	40,512.20	(10,240)	(43,898.93)
Salbutamol Respirator solution 0.5% (15mL)	1.12	65,546	24,434	73,249.10	27,305.53	(41,112)	(45,943.56)
Microgynon 30 ED - Ethinyloestradiol 30mcg/Levonorgestrel 150mcg Tablets (cycles)	0.47	158,501	8,673	73,933.63	4,045.57	(149,828)	(69,888.06)
Theatre Caps Bouffant Box of 100	13.62	7,104	1,102	96,731.16	15,005.31	(6,002)	(81,725.85)

<sup>30</sup> National Drug Policy 1994 s.7.1

Item Description	Unit Average Cost	Epicor System Quantity	Physical Quantity	Total Value of Epicor System Quantity (\$)	Total Value of Physical Quantity (\$)	Total Variance in Quantity	Total Variance in Value (\$)
(or 250)							
Microbact 12 A (Identification Kits, Box of 120tests)	610.55	137	0	83,644.77	0.00	(137)	(83,644.77)
Gloves Disposable Examination, Latex, Amidextrous, Large Box of 100	4.98	20,406	557	101,629.25	2,774.06	(19,849)	(98,855.1)
Gemini Set 2280-0000 vented (FOR ICU & PAEDS ONLY)	18.67	23,630	15,178	441,257.35	283,428.02	(8,452)	(157,829.3)
CVP Triple Lumen, 7fg, 16cm	44.48	5,161	0	229,586.63	0.00	(5,161)	(229,586.63)
Thromborel S (10ml bottle)	25,439.22	100	90	2,543,921.92	2,289,529.73	(10)	(254,392.1)
Cannula IV, 14G x 50mm, sterile, individually wrapped, box of 50	41.34	6,926	72	286,307.73	2,976.34	(6,854)	(283,331.3)
Electrode Chest Adult (Box of 1000 Electrodes) 31050522	174.05	42,576	29,798	7,410,356.13	5,186,344.23	(12,778)	(2,224,011.90)

The stock take report revealed that several drugs and consumables quantity was not correctly recorded in the EPICOR System. The quantity recorded in the EPICOR System was understated compared to the quantity on physical stock count. Refer to Table 21.29 for examples.

**Table 21.29: Details of Unaccounted Surplus Stocks**

Item Description	Unit Average Cost (\$)	Epicor System Quantity	Physical Quantity	Total Value of Epicor System Quantity	Total Value of Physical Quantity (\$)	Total Variance in Quantity	Total Variance in Value (\$)
Paediatric Blood Culture Bottles BacT/Alert - PF Bttle	1,565.00	550	2,175	860,750.00	3,403,875.00	1,625	2,543,125.00
04402979001-Hitachi cup (Pack of 1000)	98.22	20	20,020	1,964.45	1,966,417.65	20,000	1,964,453.20
Amprolene Sterilizing Gas Amp ( Biolene) box of 60 amp	724.37	45	2,108	32,596.73	1,526,975.81	2,063	1,494,379.08
Flucloxacillin Capsules 250mg	0.06	2,852,180	15,765,500	177,825.04	982,932.57	12,913,320	805,107.54
Dispoasable tubes 10x75mm (1000/box)	211.73	7	3,000	1,482.11	635,190.00	2,993	633,707.89
Lignocaine with Adrenaline Injection 2%/1:80000 (dental) Box of 50	36.65	3,119	16,071	114,301.95	588,953.72	12,952	474,651.77
Paracetamol Tablets 500mg	0.31	10,477,000	11,505,000	3,243,764.17	3,562,041.31	1,028,000	318,277.14
Amoxycillin Suspension 125mg/5ml	0.71	154,533	455,000	109,718.09	323,048.99	300,467	213,330.90
Litmus paper book blue Packet of 10 books	141.40	94	1,308	13,291.77	184,953.53	1,214	171,661.76
Relenza 5mg - 20 dose per Pkt	33.10	0	3,749	0.00	124,091.90	3,749	124,091.90
Glipizide Tablets 5mg	0.01	1,358,200	11,352,000	15,550.02	129,968.93	9,993,800	114,418.92
Phosphate buffered Saline tablets (25 tablets/sheet)	88.41	44	1,250	3,890.03	110,512.25	1,206	106,622.22
Labsystems Lab Tip Blue 1000/pkt	8.12	197	12,197	1,599.88	99,054.43	12,000	\$97,454.55

Item Description	Unit Average Cost (\$)	Epicor System Quantity	Physical Quantity	Total Value of Epicor System Quantity	Total Value of Physical Quantity (\$)	Total Variance in Quantity	Total Variance in Value (\$)
Enalapril Tablets 5mg	0.01	145,300	7,092,100	1,690.70	82,523.11	6,946,800	80,832.41
Amoxycillin Capsules 500mg	0.06	1,383,000	2,585,500	79,831.28	149,243.51	1,202,500	69,412.23
Water For Injection 5ml Polyvial Bottle	0.06	96,789	1,187,850	5,369.86	65,902.05	1,091,061	60,532.18
Spinal Needle Disposable, 27G x 8cm, pencil point, with introducer	11.26	0	5,223	0.00	58,818.07	5,223	58,818.07
Prednisolone Tablets 5mg (or Prednisone)	0.02	500	2,054,000	10.00	41,066.11	2,053,500	41,056.12
Nifedipine Tablets MR 20mg	0.02	1,700	1,941,700	31.55	36,031.35	1,940,000	35,999.80
Beclomethasone Inhaler 100mcg	4.38	23,353	30,846	102,385.66	135,236.93	7,493	32,851.27
Cervix Brush (Cytobrush) Pack of 10	28.56	2,004	3,150	57,224.69	89,948.99	1,146	32,724.30
Cannula Umbilical, 8fg, arterial, double lumen, sterile, individually wrapped	45.67	25	694	1,141.86	31,697.93	669	30,556.08
Trocars 10 gauge for JADELLE - each	67.15	481	879	32,298.38	59,023.45	398	26,725.07
Central Venous Catheter Triple Lumen 7Fr)	6.73	55	3,756	370.31	25,289.12	3,701	24,918.81
Neomycin Ointment 0.5%	0.71	0	33,900	0.00	24,069.04	33,900	24,069.04
11730711216 - Triglyceride	1,963.42	3	15	5,890.26	29,451.32	12	23,561.06
O1EK20-Hepatitis B Surface Antigen One Step - 96 wells (HbsAg One Step - 96 wells)	340.42	60	120	20,425.20	40,850.40	60	20,425.20
Nasal Tubing 70mm x 5, BC181-05 for Peadratic Ventilator	58.74	120	463	7,048.44	27,195.21	343	20,146.78

Drugs and consumables with total cost of \$5,247,735 were not recorded in the EPICOR System. There is a risk of misappropriation or theft of stocks as the two records are not reconciling.

### **Recommendation**

**The Ministry should investigate the variance noted in the stocktake report and update stock records accordingly.**

### **Ministry's Comments**

*Management acknowledges and agreed with the variances reports reported by the AOG's report.*

*A management observance of these variances was on going from last 2 years. The introduction of the security service and CCTV in the warehouse together with appropriate of possible thefts has deterred risks of thefts from the warehouse. Further investigation has confirmed that variances were the cause of:*

1. Data Entry
2. EPICOR System Errors

*Management has decided to purchase a new system and FPBS has completed the EOI processes with the tender to be called in July.*

### 21.30 Damaged Stock

An employee must use government resources and assets in a proper way.<sup>31</sup> Public stores should be properly stored to ensure its safe keeping for future use.

The audit noted during the physical stock inspection at FPS warehouse on 26/02/13 that some of the inventories such as dental plaster and glucose were not properly stored. The bags containing the dental plaster and the box containing glucose packets were torn. Refer to the pictures below for examples.



Figure 21.1: Damaged Packs of Dental Plaster

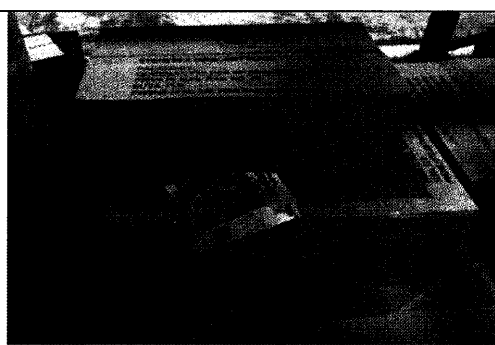


Figure 21.2: Damaged Glucose

The audit also noted that no action was taken by the store man to properly store these items. The finding shows the lax attitude of the store man for not taking any corrective actions to safeguard government stores.

#### Recommendation

**The Ministry must ensure that stocks are properly stored and damaged items are attended for safe keeping.**

#### Ministry's Comments

*The management takes note of the recommendation of the report and will ensure that processes are in place to safe keep the items and disciplining staff.*

### 21.31 Administration Costs

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

Scrutiny of indent payments made through Fiji Procurement Office (FPO) revealed that it charges administration costs totalling 2% on all indent payments to FPS but there was no basis to implement such charges. The administration costs paid to FPO in 2012 totalled \$545,668. Details are shown in Table 21.30 below.

<sup>31</sup> Public Service Act 1999 Part 1, Section 6 (8)

<sup>32</sup> Ministry of Health Proforma Finance Manual 2011, Part 2

**Table 21.30: Administration Costs Charged by FPO**

Country	Cost (\$)
Australia	271,828.83
New Zealand	128,041.05
Continental	145,798.24
<b>TOTAL</b>	<b>545,668.12</b>

The Senior Accounts Officer (SAO) revealed that the charges are not factored in the budget estimates and is unnecessarily exhausting a large portion of the FPS's budgeted allocations.

The audit further noted instances where SAO had to convince FPO to waive or reduce FPO's administration costs as there were insufficient funds in the allocations. Refer to Table 21.31 below for examples of where administration costs were reduced or waived.

**Table 21.31: Examples of Administration costs Reduced or Waived**

Date	Indent Number	FJD Amount (\$)	2% Admin Cost (\$)	Actual Charges (\$)	Variance (\$)
07/09/12	MD85101-001535	116,0991.42	23,219.83	11,609.91	11,610
27/01/12	MD85101-000860	82,649.12	1,652.982	0	1,653
09/02/12	MD85101-000963	1,390,044.58	27,800.89	0	27,801
16/11/12	MD85101-001724	3068.53	61.37	0	61
27/12/12	MD85101-001707	12,653.60	253.072	25.31	228

The FPS's budget was constraint due to payment of administration cost to FPO.

### **Recommendation**

**The Ministry should investigate the payment of administration costs to FPO.**

### **Ministry's Comments**

*Management acknowledges and agrees with the findings of the report. Management has sought clarification and removal of the administration charges from the Ministry of Finance.*

## **21.32 Foreign Exchange Losses**

The proper management of expenditure is fundamental to ensuring value-for-money in service delivery to the community. As well, having cost-effective internal controls within the purchasing and payments system plays an important part in ensuring that waste of public funds and over-expenditure do not occur.<sup>33</sup>

The audit noted that significant foreign exchange losses were incurred in the payment to overseas suppliers for purchases of goods and services. Refer to Table 21.32 for examples.

<sup>33</sup> Ministry of Health Proforma Finance Manual 2011, Part 2

**Table 21.32: Foreign Exchange Losses**

Indent Number	Date Of Indent	Indent Amount (\$)	Indent Exchange Rate	Exchange Rate at Date of Payment	Date of Payment	Actual Payment	Foreign Exchange Losses
000963	20/01/12	1,311,326	0.7134	0.6730	17/02/12	1,390,045	78,718.53
001028	07/02/12	22,614.12	0.5424	0.4235	05/03/12	28,963.20	6,349.04
000860	31/11/11	80,415.36	0.7030	0.6840	09/02/12	82,649.10	2,233.76
000916	31/12/12	32,144.66	0.7134	0.6770	14/03/12	33,873.00	1,728.31
000900	31/12/12	25,727.99	0.7134	0.6730	03/04/12	27,272.40	1,544.44
001781	12/11/12	48,852.88	0.5431	0.5290	27/12/12	50,155.00	1,302.13
000984	27/01/12	19,240.90	0.7134	0.6711	24/02/12	20,453.70	1,212.77
001751	23/10/12	31,571.20	0.5392	0.5330	02/11/12	31,938.44	367.24
001753	24/10/12	43,975.05	0.5610	0.5570	02/11/12	44,290.84	315.79
001738	16/10/12	42,531.19	0.5610	0.5590	02/11/12	42,683.36	152.17

The foreign exchange losses were incurred due to timing differences resulting from delays in processing the payments from the date the indent was raised and the date payments were actually made.

The exchange losses resulted in additional cost to the Ministry.

### **Recommendations**

**The Ministry should:**

- set a turnaround time for processing payments to overseas suppliers to avoid exchange losses; and
- review its process for payments to overseas suppliers to improve on payment processing time.

### **Management Comments**

*Management acknowledges and agrees with the findings of the report.*

*Payment turnaround time from the date the order is raised depends on the lead time, the supplies are completely received at the warehouse and payment processes time at FPO.*

*FPBS has set a turn- around time for the processing of receiving supplies at the warehouse.*

*Lead time is the range from 1 to 6 months before the supplies are received at FPBS while payment processes at FPO takes another 21 days maximum.*

*Management in consultation with Ministry of Finance have provided the green light for MOH to trial out the hedging mechanism with Westpac.*

## **21.33 Un-installed Lithotripter Analyzer**

An employee must use government resources and assets in a proper way.<sup>34</sup>

On 10/07/12 the Government Tender Board (GTB) approved to award the contract to supply, install, and commission a Lithotripter Analyzer at CWM Hospital to Storz Medical for a total cost of CHF608,

<sup>34</sup> Public Service Act 1999 Part 1, Section 6 (8)



940 or FJ\$1,194,468.42 based on existing exchange rate. The GTB also requested a contract agreement vetted by the Solicitor General's Office to be signed between the two parties.

The FPS paid CHF608, 940 or FJ\$1,194,468.42 on 05/09/12 to Storz Medical after which the Lithotripter Analyzer was received on 18/01/13.

The audit noted that the Lithotripter Analyzer has not been installed as at date of audit<sup>35</sup>. The Lithotripter Analyzer was stored in the warehouse at Nabua since it was received on 18/1/13. The machine had not been installed at CWM Hospital due to incomplete infrastructure at the Hospital.

It was also noted that the FPS did not sign the contract agreement with the supplier as requested by GTB. The finding shows poor planning and non-compliance to GTB terms of approval.

### **Recommendations**

#### **The Ministry should:**

- follow up on the installation of the Lithotripter Analyzer at CWM Hospital; and
- ensure that contract agreement is signed between the FPS and the supplier.

### **Ministry's Comments**

*Management acknowledges the findings of the report.*

*Management has reviewed the procurement planning processes and in 2013 through the MOH Budget Steering Committee capital projects planning have been implementing. It is noted that lessons learned for 2013 will be implemented for 2014 purchases.*

*FPBS will ensure that the contract will be developed and signed by the two parties once the installation is completed.*

*Follow up on the installation is done on a weekly basis and estimated installation time is in the beginning of August 2013.*

## **21.34 Incorrect postings**

The Senior Accountant must not certify a payment as correct unless he/she is satisfied that:

- i) The expenditure account it is charged to be correct.<sup>36</sup>

The audit noted that several payments made from the Drugs and Medical Supplies allocations were not related to purchase of Drugs and Medical Supplies. Refer Table 21.33 below for details.

**Table 21.33: Examples of Other Expenses Charged to Drugs and Consumable Allocation**

Date	Cheque Number	Payee	Particulars	Amount (\$)	Posted To	Correct Allocation
30/12/12	280967	FEA	Electricity bills for CWM Hospital	187,457	SEG 9	SEG 4 (Urban Hospital Allocation)

<sup>35</sup> Date of Audit – 21/02/13

<sup>36</sup> Ministry of Health Finance Manual Section 2.8.5

Date	Cheque Number	Payee	Particulars	Amount (\$)	Posted To	Correct Allocation
10/12/12	279496	One World Flight Centre	Payment for Airfare to India	9,154	SEG 9	SEG 3
11/12/12	279532	Solomoni V Suguta	Per-Diem to India	7,118	SEG 9	SEG 3
11/12/12	279531	Vereniki Raiwalui	Per-Diem to India	7,118	SEG 9	SEG 3
23/11/12	278267	Total Fiji Limited	Payment for Diesel	29,752	SEG 5	SEG 4
10/02/12	262050	Fiji National University	Payment for Outstanding Fees	146,600	SEG 5	SEG 4
27/12/12	280670	Total Fiji Limited	Payment for Diesel	37,155	SEG 5	SEG 4
09/10/12	29196	Westpac	CT Tube for CT Scanner	155,913	SEG 5	SEG 9

The finding indicates that other expenses were paid from the Drugs and Consumables allocation.

### **Recommendation**

**The Ministry should investigate and take appropriate action to ensure that funds are used for the purpose they have been budgeted.**

### **Ministry's Comments**

*Management has taken note of the recommendation and has informed respective officers on the rule of using the allocations for expenditure.*

*Management will monitor the use of allocation and appropriate authority will be notified at once for further actions.*

## **DIVISIONAL MEDICAL OFFICE - WESTERN**

### **21.35 Kitchen Renovation**

The Ministry and Abdul Maintenance Work signed a contract on 15/12/12 for the refurbishment and renovation works at Ba Mission Hospital Kitchen. The project costing \$17,900 was to be completed within 4 weeks.

Our inspection of the project on 23/01/13 revealed that works carried out by the contractor was not in accordance with the scope of works specified in the agreement. Refer to Table 21.34 for details.

**Table 21.34: Scope of Works in the Agreement and the Work Carried Out**

Scope of Work as per Agreement	Audit Findings
Changing of existing wooden sink bench with stainless steel sink bench with a double bowl sink and shelves	Stainless steel sink bench, double bowl sink and shelves not fitted. Instead aluminium sheet used to cover wooden base and normal home sink fitted.
Replacing the existing wooden working table with stainless steel table with shelves.	Stainless sheet table with shelves not fitted. Instead aluminium sheet used to cover wooden base.
General painting of Hospital Kitchen, that is, walls, ceiling with Premium quality paint.	Poor quality paint used as the old paintings still visible.

Scope of Work as per Agreement	Audit Findings
Replace the existing screen door with auto closers.	Existing screen door was not replaced.
Replace the missing louver blades.	Missing blades replaced.
Replacing the old gauze with the new ones.	Old gauze was only partly replaced.
Fixing the leakage of the chimney.	Leakage of the chimney not fixed.

Despite the poor workmanship, the Executive Officer at Ba Hospital without consulting the Sub Divisional Medical Officer (SDMO) recommended payments totalling \$17,005 or 95% of the total contract sum.

The unjustified disbursement of funds indicates abuse of office by the Executive Officer. The findings also indicate poor supervision of refurbishment and renovation works at Ba Mission Hospital Kitchen by the Ministry.

### **Recommendations**

**The Ministry should:**

- **investigate the payments made to the contractor as the contract agreement was not adhered to; and**
- **take appropriate action against the Executive Officer.**

### **Management Comments**

*All payments that were forwarded to DMO (W) for the Divisional team to come and inspect the projects and compile the reports before the payments are processed. Initially the DHI used to visit and see the progress of the works. The retention amount of the payments is still on hold part of the work has been done by the contractor after the cyclone. The MOU did not clearly spelled out on specific items.*

*Regarding the usage of materials we can request the contractor to furnish the copies of invoices for vetting to see actually what materials was used. The chimney leaks were fixed but during the cyclone, the extension above the roof shook during the cyclone Evan thus resulting into leakage.*

*The Executive Officer has been questioned and our findings are as follow:*

*All payments that was forwarded to DMO Western for the Divisional Team to come and inspect the projects and compile the reports before the payments are processed.*

*Initially the DHI used to visit and see the progress of the works and forward invoices for payment after satisfactory completion of the work as they are our Ministry liaison officers on buildings.*

*Kitchen Sink – Copies of invoice has been asked by the contractor to provide after location.*

*Contractor supplied with stainless steel double bowl sink as was stated in the agreement.*

*Stainless steel table- according to contractor has supplied stainless steel table.  
Contractor will also provide pictures of the work completed and material used.*

*He also had damaged to his office and house so will look for all copies of invoices.*

*Paint according to contractor the paint used was Deco which is Premium Quality paint.*

*Existing Screen Door – this was replaced by the contractor but it got damaged during Cyclone Evans and was replaced by the contractor again in January 2013.*

*Old gauze was fully replaced after cyclone.*

*Leakage of Chimney was fixed by the contractor but got damaged again during cyclone Evans.*

*Contractor completed all the work as per Agreement undertaken however due to catastrophe of Cyclone Evans on 17<sup>th</sup> December 2012 further damages were done to the building and the structure was further shaken.*

*The retention amount of the payment is still on hold part of the work has been done by the contractor after the cyclone. The MOA done was not clearly spelled out on specific items example for Sink it should have stated deep sink, for paint it just quotes premium quality paint and does not the brand to be used.*

*Regarding the usage of materials we can request the contractor to furnish the copies of invoices for vetting to see actually what materials were used.*

## 21.36 Accident – Government Vehicles

To address the increasing number of vehicle accidents, all Divisional Medical Officers, Medical Superintendents and all transport officers are advised that all those driving Government vehicles under the Ministry of Health will be suspended immediately if:

- (i) Involved in an accident while driving MOH vehicle.
- (ii) Causing damage to MOH vehicle by careless driving
- (iii) Found guilty for ruthless and dangerous driving while driving MOH vehicle<sup>37</sup>.

A number of Ministry's vehicles were involved in various accidents in 2012. Refer to Table 21.35 for details of accidents.

**Table 21.35: Details of Accidents**

Driver's Name	Date of Accident	FNPF Number	Station	Vehicle Number	Remarks
Manasa Luqa (Permanent Driver)	27/03/12	000000Tav	Tavua Hospital	GN 805	Cost of repairs - \$15,000. \$2,500 paid by the Ministry, balance paid by insurance company. The vehicle is a leased vehicle. The Ministry is seeking Solicitor General's Office assistance for the recovery of the \$2,500 on 26/09/12. The other driver was at fault according to the police report and eye witness.
Arun Pratap (Reliever Driver)	23/04/12	PA 120	Tavua Hospital	GN 594	Cost of repairs - \$11,890. Driver terminated effective from 31/07/12.
Arish Sharma (Reliever Driver)	13/06/12	2544097	Tavua Hospital	GP 040	Cost of repairs - \$880. Driver terminated effective from 31/07/12.
Isikeli Gavidu (Reliever Driver)	19/06/12	PM 548	DMO Western	GP 023	Cost of repairs - \$10,867. Driver terminated effective from 31/07/12.
Masuk Ali (Recorder)	26/07/12	-	Ba Hospital	GP 195	Estimated cost of repairs - \$15,378. No action taken against the driver.
<b>Total repair cost</b>					<b>\$54,015</b>

Review of the vehicle accidents records revealed the following anomalies:

- The Western Division recorded 5 accidents with damages estimated to cost a total of \$54,015. Out of the 5 vehicles involved in the accident 2 were leased vehicles. The audit noted that 4 out the 5 drivers involved in the accidents were terminated by the Ministry. The Ministry did not recover any cost of damages from the drivers.

<sup>37</sup> MOH Internal Circular No. 05/2012, dated 07/02/12

- The Ministry failed to comply with its vehicle accident policy. The drivers of vehicle GN 805 and GP 040 involved in accidents with damages costing \$15,000 and \$880 respectively were terminated even though they were not at fault as noted in the accident and police report.

No action however was taken against the driver of the vehicle registration GP 195 at Ba Hospital involved in the accident on 27/7/12 in Ba. The estimated cost of damage to the vehicle was \$15,378. The vehicle is still garaged at Asco Motors in Nadi since the accident and has not been repaired as at the date of audit<sup>38</sup>.

The inconsistency in applying the vehicle accident policies indicate that Ministry officials favoured the driver at Ba Hospital as no action was taken against him.

The delay in the repair of accident vehicles and lack of follow up by the Ministry may affect the effective delivery of health service in the Division.

### **Recommendations**

**The Ministry should:**

- properly investigate all accident case and take appropriate action; and
- ensure that cost of damages are recovered from the drivers.

### **Management Comments**

*The audit recommendation is acknowledged.*

*The first four drivers, Manasa, Arun, Arish and Sikeli were all terminated without any attempts to recover expenses arising from accidents. The termination came about due to MOH Internal Circular 05/2012.*

*Masuk Ali's recovery was supposed to be effected after the repair of the vehicle GP195. Now that the repair is completed as confirmed by the transport officer, that insurance were to have forwarded full cost of repairs so that recovery is effective immediately.*

### **Further OAG Comments**

The MOH Internal Circular 05/12 was not consistently applied in Masuk Ali's case. Mr. Masuk Ali was charged with careless driving.

## **LAUTOKA HOSPITAL**

### **21.37 Diabetic Hub Centre**

A memorandum of agreement was signed on 16/06/11 with Jaduram Industries Limited for the construction of a new Diabetic Hub Centre at Lautoka Hospital. The construction was planned for 14 weeks and payments to be made in 5 stages. The following anomalies were noted:

- The total contract sum for the construction of a new Diabetic Hub Centre at Lautoka Hospital was not stated in the memorandum of agreement however correspondences between the Ministry and contractor indicated the cost to be \$166,876.

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<sup>38</sup> 23/01/13

- The Ministry requested the Minister for Finance on 22/03/10 to waive tender board approval for the project but this was not approved by the Permanent Secretary for Finance. The Ministry however disregarded the Permanent Secretary for Finance decision and awarded the contract to Jaduram Industries Limited without any tender.
- There was no evidence that the memorandum of agreement was reviewed by the Solicitor General's Office before it was signed.
- The construction work was to be completed in 14 weeks from the date of signing of the contract on 16/6/11. The fund for the project was allocated in U & E-Building Hospital & Institutional Quarters allocation in 2011. The project was not completed in 2011 and the last 3 payments totalling \$28,810 was paid in 2012 from Upgrading & Maintenance of Urban Hospital and Institutional Quarters allocation.
- The project completion certificate was issued in July, 2012.

The Ministry did not follow proper procurement procedures and there is a risk that services may not be obtained from most economical supplier.

### **Recommendation**

**The Ministry must ensure that the anomalies noted are investigated and appropriate action is taken.**

### **Management Comments**

*The audit recommendation is acknowledged.*

*This is another project carried out by former office bearers whereby the current administration was left to execute the works. The contract was in place but not as detailed as the ones the Ministry executes now after prior vetting by the Office of the Solicitor General.*

*The Ministry has now adopted very stringent measures to ensure value for money and compliance in accordance with the contracts are adhered to.*

*Although the centre was built within the hospital compound a tender was awarded on 16/06/11, unfortunately there was no funding for the project then. It was then advised by the former Permanent Secretary to acquire funding in the following year in 2012.*

## **21.38 Unutilised Boiler**

A new Boiler was installed at the Lautoka Hospital in 2011. The Boiler uses fuel to heat water and create pressurized steam.

Our inspection on 21/01/13 noted that the boiler was not connected to the fuel pipe and has not been used since its installation. The audit was advised that a 'Fuel Ring' which is used to connect the boiler to the fuel pipe is yet to be purchased. Refer to the pictures below for illustration.

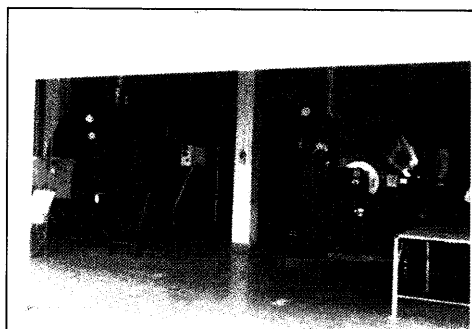


Figure 21.3: New installed boiler is on the left but not in use

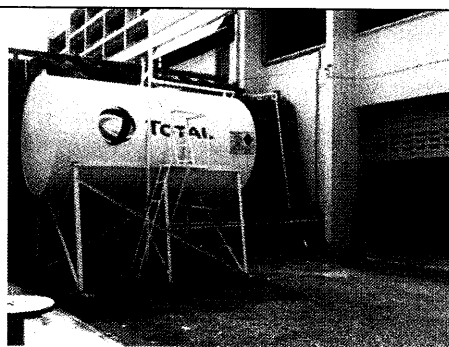


Figure 21.4: Fuel Tank which is supplying fuel to the boiler

According to the Hospital Administrator the cost of a 'Fuel Ring' is around \$15,141.

The delay in purchasing the fuel ring and connecting the boiler to the fuel pipe resulted in non-utilisation of a new boiler installed in 2011.

### **Recommendations**

**The Ministry should:**

- **investigate the delay in connecting the new boiler to the fuel pipe; and**
- **ensure that the boiler is used by the hospital.**

### **Management Comments**

*The audit recommendation is acknowledged.*

*Despite request for funding, it was not approved in 2011; however, it was approved this year 2013. The works have been awarded to PWD and is in progress.*

## **CWM HOSPITAL**

### **21.39 Upgrading of Waste Pipe Line – West Wing**

The procurement limit delegated to Permanent Secretaries and Government Tender Board is amended as follow:

- Permanent Secretary – \$50,000 or less
- Government Tender Board – \$50,001 and more<sup>39</sup>.

The Ministry of Health on 23/09/11 requested the Prime Minister for the waiver of tender for purchase of materials from R. C. Manubhai for the upgrading of waste pipe line for the Tailevu/Namosi Wards, West Wing at CWM Hospital which urgently needed maintenance due to its deteriorating condition. This was subsequently approved by the Acting Prime Minister on 26/09/11 in view of the urgency of the project.

The upgrading works were to be carried out by the CWM hospital maintenance team. Details of materials purchased on 02/12/11 for the maintenance works are shown in Table 21.36.

<sup>39</sup> Finance Circular 9/2012 Section 2.1

**Table 21.36: Materials Purchased**

Date	LPO Number	Cheque Number	Supplier	Amount (\$)
10/11/11	PO22101-001812	259124	RC Manubhai	85,352.22
10/11/11	PO22101-001814	258971	Vinod Patel	19,921.60
10/11/11	PO22101-001813	258966	Kasabia	2,929.33
<b>Total</b>				<b>108,203.15</b>

The following anomalies were noted.

- Despite the urgency of the maintenance works to be carried out, local purchase orders for the purchase of materials totalling \$108,203.15 were issued to 3 suppliers 6 weeks after the date of waiver approval on 10/11/11. This indicated that there was no urgency and the Ministry could have called for the tender for the purchase of materials.
- The audit noted that materials totalling \$18,584.31 were yet to be delivered from R. C. Manubhai as at the date of audit on 18/2/13.

The Ministry received hardware materials totalling \$89,618.84 from the suppliers out of which a total of \$88,686.86 was stolen from the storage place at CWM hospital. Three hospital staff including a Plumber were charged by Police and jailed for the offence.

- No planning was done by the Ministry on the upgrading works. The Ministry did not have any documentation on the scope of work, cost, staff allocation and timelines for the project.

The list of materials to be used for the upgrading works was prepared by a Temporary Plumber. The Ministry did not involve qualified and experience officers to determine the materials and the cost for the upgrading works. It is likely that quantity of materials may not be properly estimated by the Temporary Plumber.

- The Ministry signed a contract on 23/11/12 with Johns Plumbing Works at a cost of \$22,746 to complete the upgrading works at Tailevu/Namosi Ward without calling any tender. The contract was for general labour only.

The upgrading works as stated in the contract was to be completed within four weeks from commencement date however the upgrading works was still in progress as at the date of audit.

The finding indicates the Ministry's inability to lead and manage project works. In addition proper procurement procedures were not followed.

### **Recommendations**

#### **The Ministry should:**

- follow proper procurement procedures for purchases of goods and services;
- ensure projects works are properly planned;
- follow up on the supply of the balance of \$18,584.31 worth of materials from R. C. Manubhai; and
- investigate this matter further and take appropriate action.



### **Management Comment**

*Comments by auditors are acknowledged, and MOH Assets Management Unit has since applied due diligence in the awarding of contracts and procurement of material for projects at CWMH.*

*The Ministry has ensured that contracts for the renovations to Tailevu/Namosi Wards and the painting of the external surface of the Maternity Unit awarded in 2012 have adhered to procurement procedures.*

## **21.40 Engagement of ECOLAB for Laundry Service**

The procurement limit delegated to Permanent Secretaries and Government Tender Board is amended as follow:

- Permanent Secretary – \$50,000 or less
- Government Tender Board – \$50,001 and more<sup>40</sup>.

The Ministry engaged ECOLAB Fiji for the provision of laundry chemicals at CWM hospital in 2012 after the upgrading of its laundry equipments. This was approved by the Minister for Health. A sum of \$113,717.42 was paid to ECOLAB Fiji for the provision of laundry chemicals in 2012.

The following anomalies were noted.

- The Ministry did not call for a tender for the supply of laundry chemicals to the Ministry. ECOLAB was appointed by the Minister for Health at his own discretion.
- The Permanent Secretary for Health in October 2012 requested the hospital management that tenders be called for supply of laundry chemicals for 2013. Management however did not accede to the request and ECOLAB has continued to supply laundry chemicals to the Ministry in 2013.

Proper procurement procedures were not followed by the Ministry for purchase of laundry chemical and it may not be purchasing the laundry chemicals from the most economical source.

### **Recommendation**

**The Ministry of Finance should investigate this matter and take appropriate disciplinary action for non-compliance to Finance Circular 9/2012.**

### **Management Comment**

*Management at CWMH has taken heed of the recommendation that a tender for the supply of laundry chemicals be called for. Following intensive consultation between management and the laundry supervisors, a trial with several suppliers was conducted commencing in 2012. The washing chemicals trailed are based on the requirements of the new machines and the recommendations of the Ministry of Health's Infection Control policies.*

*This was undertaken to ensure that not only was the tender the most economical as well the effective in terms of reducing rewash and wear and tear on linen.*

*To this end three companies were trailed in 2012 with an additional two being assessed in 2013 with a view to recommending the best service provider as assessed during the trial to the MOH by early December 2013.*

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<sup>40</sup> Finance Circular 9/2012 Section 2.1

## 21.41 Rental of Rubbish Bins

A minimum of three competitive quotes must be obtained for the procurement of goods, services or works valued at \$1000 and more but \$50,000 and less.<sup>41</sup>

The Ministry engaged Evergreen Environmental Limited to provide four rubbish bins to CWM Hospital on rent. The Ministry paid Evergreen Environmental Limited total rental of \$44,683.08 for the supply of four rubbish bins in 2012 compared to \$16,205.95 in 2011. Details of rentals paid in 2012 are shown in Table 21.37 below.

**Table 21.37: Rental Payments**

Date	Cheque Number	Amount (\$)
01/02/12	261619	6,856.76
06/03/12	263340	3,152.72
13/04/13	265320	2,837.68
22/05/12	267627	3,728.38
13/07/12	270697	7,695.80
27/07/12	271579	550.00
05/09/12	273627	4,635.40
25/09/12	274866	3,510.40
08/11/12	277331	3,975.14
21/11/12	278035	3,600.40
11/12/12	279543	4,140.40
<b>Total</b>		<b>44,683.08</b>

Evergreen Environmental Limited was engaged without obtaining competitive quotes from other suppliers and no contract was signed between the parties.

The supplier was to supply four rubbish bins at the rate of \$39.13 per bin per day. The audit noted that the invoice submitted by the supplier showed that rents were charged for more than four bins. In addition the supplier also charged \$247.60 as tipping cost. The audit could not verify the tipping cost charged as the nature of the cost was not known to the staff.

There was also no evidence that the invoices submitted by the supplier for payment were properly verified before payments were made.

The Ministry did not follow proper procurement procedures. In addition there was no evidence of supervision and reviews for payments made which may result in misappropriation of public funds.

### Recommendations

**The Ministry must ensure that:**

- at least three competitive quotations are obtained for purchases of goods and services;
- contract agreement is entered into between the Ministry and the supplier of rubbish bins;
- all invoices submitted by suppliers are properly verified and certified correct before payments are made; and
- appropriate action is taken against officers responsible for not complying with standing procurement regulations.

<sup>41</sup> Procurement Regulations 2010 – Section 29(1)

**Management Comments**

*Auditor's recommendations are acknowledged.*

*Management will comply with procurement process in obtaining three quotes and inclusion in the agreement of performance criteria. The contractors to also be comply with the Waste Management policy of the MOH.*

**APPENDICES****Appendix 21.1: Fuel Surcharge**

Date	Cheque No	Invoice No	Fuel Surcharge amount (\$)
11/01/12	260692	00007806	713.04
		00007691	240.00
		00007617	382.61
Total			1335.65
17/01/12	260854	00007810	556.52
		00007807	330.44
Total			886.96
12/01/12	260744	00007908	782.61
		00007907	556.52
Total			1339.13
01/02/12	261621	00009127	869.56
		00009257	191.30
Total			1060.86
07/02/12	261857	00009256	208.70
		00009254	173.92
		00009125	260.87
		00009143	160.00
Total			803.49
14/03/12	263921	00009507	173.91
		00009526	104.35
		00009548	191.30
		00009254	173.92
		00009143	139.13
Total			782.61
23/02/12	262736	00009350	330.44
		00009412	626.08
Total			956.52
20/03/12	264223	00006817	260.87
		00006818	139.13
		00009257	191.30
Total			591.3
23/04/12	265934	00008881	452.17
24/04/12	266010	00009448	591.30
		00009449	643.48
Total			1234.78
02/07/12	270006	00009975	782.60
		00009974	573.92
Total			1356.52

Date	Cheque No	Invoice No	Fuel Surcharge amount (\$)
08/10/12	275633	00009258	156.52
		00011198	452.19
Total			608.71
16/10/12	275990	00011197	765.25
21/11/12	278042	00011510	208.70
		00011504	434.80
		00011505	313.06
		00011511	100.02
		00011508	400.02
Total			1756.6
23/11/12	278340	00010610	260.88
		00010959	313.04
		00011270	260.88
		00008879	400.00
		00011272	139.14
Total			1373.94
14/12/12	280044	00012004	278.27
		00012008	173.92
		00011744	191.31
Total			643.5
Grand Total			15,948

**Appendix 21.2: Out Of Stock - Vital/Essential Items**

Item Description	Min Stock	Max Stock	UOM*	PO* on Order
Bottle Suction 1.5L (CIG)	5	15	EA	50
Gags Mouth Child	100	300	EA	100
Tourniquet Adult	98	1,000	EA	1,000
3.5mm Self-Tapping Cortex Screw 12mm	0	0	EA	0
Silicone Tubing Patient Set Connectors	100	300	EA	0
3 Piece Anti-Slip Titanium Adaptor	100	300	EA	0
BC309-05 Bonnet Midline 29-36cm	0	0	BX	0
Blood Glucose monitoring Meter - Performa Brand	667	2,000	EA	20
Extracting Forcep No.150	0	0	BX	0
Bag Autoclave Code H Size 180 x 95 x 380mm Box of 500	75	300	BX	100
Bag Colostomy (Stoma) with Skin Barrier	1,200	4,000	EA	0
Cannula Epidural Set (thoracic trochal) cannula 16G, Radio-opaque, 915mm	11	22	EA	0
Catheter Suction Sterile PVC 12FG fingertip control	1,603	4,809	EA	5,000
Catheter Suction Sterile PVC 18FG fingertip control	872	2,615	EA	2,500
Connector Y (Portex 700/140/002)	14	41	EA	0
Nasogastric tube 8FG X Ray Detectable, closed end	163	489	EA	100
Tube Levin D/Ryles (Duodenal Catheter) 10FG	170	511	EA	50
Naso Gastric Tube 12FG	246	739	EA	200
Naso Gastric Tube 14FG	324	973	EA	300
Y Type Peritoneal Dialysis Set	6	18	ST	0
Catheter Suction Sterile PVC 6FG Fingertip Control	2,366	7,098	EA	6,300
Suture silk 3/0 45cm, 23mm rev cut half circle needle Box of 36	30	88	BX	0
Suture Polypropylene 3.0 on 19mm Round Body Needle Box of 36	9	27	BX	0
Mask disposable face (Shaoxing Health Products) Box of 50	61	123	BX	0
Endotracheal tube size 6, cuffed, hi volume/low pressure, x-ray detectable (Normal)	134	400	EA	0
Endotracheal tube size 6, cuffed, hi volume/low pressure, x-ray detectable (Oral Rae)	67	200	EA	0
Endotracheal tube size 6, cuffed, hi volume/low pressure, x-ray detectable (Nasal Rae)	17	50	EA	0
Endotracheal tube size 6, cuffed, hi volume/low pressure, x-ray detectable (Reinforced)	34	100	EA	0
Endotracheal tube size 6.5, cuffed, hi volume/low pressure, x-ray detectable (Oral Rae)	84	250	EA	0
Endotracheal tube size 6.5, cuffed, hi volume/low pressure, x-ray detectable (Nasal Rae)	17	50	EA	0
Endotracheal tube size 6.5, cuffed, hi volume/low pressure, x-ray detectable (Reinforced)	34	100	EA	0
Endotracheal tube size 7, cuffed, hi volume/low pressure, x-ray detectable (Oral Rae)	167	500	EA	0
Endotracheal tube size 7, cuffed, hi volume/low pressure, x-ray detectable (Nasal Rae)	34	100	EA	0
Endotracheal tube size 7, cuffed, hi volume/low pressure, x-ray detectable (Reinforced)	67	200	EA	0
Endotracheal tube size 7.5, cuffed, hi volume/low pressure, x-ray detectable (Oral Rae)	167	500	EA	0
Endotracheal tube size 7.5, cuffed, hi volume/low pressure, x-ray detectable (Nasal Rae)	34	100	EA	0
Endotracheal tube size 7.5, cuffed, hi volume/low pressure, x-ray detectable (Reinforced)	67	200	EA	0
Endotracheal tube size 8, cuffed, hi volume/low pressure, x-ray detectable (Oral Rae)	67	200	EA	0
Endotracheal tube size 8, cuffed, hi volume/low pressure, x-ray detectable (Reinforced)	34	100	EA	0
Endotracheal Tubes Neonatal Size 2.5, uncuffed, x ray detectable (Oral Rae)	10	30	EA	0
Endotracheal Tubes Neonatal Size 3.0, uncuffed, x ray detectable (Oral Rae)	17	50	EA	0
Blood Glucose Monitoring Meter - (ADVANTAGE)	67	200	EA	0
(Sony) Colour Printing Pack for V10 Ultrasound Machine UP- C21L, GS-128 (PACK OF 4)	100	300	PK	0
BC4030 - 10 Nasal Prong	67	200	EA	0
BC4540 - 10 Nasal Prong	67	200	EA	0
Plaster of paris Gypsona brand 10x2.7cm	100	400	BX	0
Plaster of paris Gypsona brand 7.5x2.7	100	400	BX	0

Item Description	Min Stock	Max Stock	UOM*	PO* on Order
Adult Anaesthetic Circuit	200	600	EA	0
Paediatric Anaesthetic Circuit	167	500	EA	0
(Sony) Printing Paper for Ultrasound Machine 110mm x 18mm UPP110HG	167	500	RO	0
Disposable Latex Gloves - Small Box of 100	0	0	BX	0
Disposable Latex Gloves - Medium - Box of 100	0	0	BX	0
Disposable Latex Gloves - Xtra Large - Box of 100	0	0	BX	0
Low Pressure Cuffed (LPC) Size 8 - Shiley Brand	67	200	EA	0
Blood Glucose monitoring strips 50 - Performa Brand	0	0	BT	0
Naso Gastric Tube Drainage 14FG	0	0	PK	0
Endotracheal Tube, Size 8.5, cuffed, hi-volume/low pressure, x-ray detectable (Oral Rae)	0	0	EA	0
Endotracheal Tube, Size 8.5, cuffed, hi-volume/low pressure, x-ray detectable (Reinforced)	0	0	EA	0
Endotracheal Tubes, Neonatal Size 4.5, uncuffed, X-Ray detectable (Oral Rae)	0	0	EA	0
Endotracheal Tubes, Neonatal Size 5.0, uncuffed, X-Ray detectable (Normal)	0	0	EA	0
Endotracheal Tubes, Neonatal Size 5.5, uncuffed, X-Ray detectable (Oral Rae)	0	0	EA	0
Port Seals	0	0	EA	0
Azo Wipes	0	0	TU	0
Sterile Protective Arm Sleeves	0	0	EA	0
Caution - Cytotoxic' Warning Labels (Purple Coloured)	0	0	RO	0
Sodium Chloride 0.9% 500mls in PVC/Non PVC Bags	0	0	BG	0
Sterile Shoe Covers	0	0	BX	0
Sharps Container, 10 L, yellow, puncture resistant	100	3,000	EA	0
Chest Drain Tubes, Size 12 Box of 10	18	36	BX	10
Chest Drain Tubes, Size 14 Box of 10	26	52	BX	10
Underwater Seal Drainage, Disposal Full Sets (ADULTS)	100	300	ST	0
CVP Triple Lumen, 7fg, 16cm	667	2,000	EA	0
Nylon Monofilament Suture - 5/0 45cm 3/8 reverse 13mm Cutting (Box of 12)	67	200	BX	0
Catheter Tip Syringe (box of 100)	100	300	BX	0
Tubing extension luer lock 55cm	32	95	EA	300
Chemosafety Gloves (Box of 100) - Small	100	300	BX	0
Chemosafety Gloves (Box of 100) - Large	67	200	BX	0
Disposable Apron 80 x 125cm - LDPE Disposable Apron	0	0	EA	0
Needle Disposable Sterile 27G x 16mm Packet of 100	1,847	5,543	BX	3,700
Bag urine drainage, adult with outlet non return valve, 2000ml, longtube, unsterile	5,280	17,500	EA	8,500
Syringe Disposable 3ml Box of 100	2,212	6,635	BX	5,000
Tube Feeding infant 6FG	1,863	5,588	EA	0
IV Giving set - 20 drops/ml luer lock (Adult Chamber) 150ml chamber	7,183	50,000	EA	10,000
Needle Spinal Pencil Point G 22	20	50	EA	4,000
Needle Spinal Pencil Point G 25	1,000	3,000	EA	5,000
Blood Glucose monitoring strips 50 - Advantage Brand	667	2,000	BT	0
Needles-Longt 1/100pkt	166	400	BX	0
Calcium Hydroxide 12g	17	50	PK	0
Varnish GIC Fuji 10.4 mls bottle	10	30	BT	25
Gutta Percha Point no.30-pkt	10	30	PK	0
Reamers Endo 25mm No.25	8	20	PK	0
Dry Socket Paste(alvogyl)	20	50	PK	50
Hemostatic Sponge-Gelatamp - bott	12	30	PK	50
Rubber Cups Latch Type pkts36	46	114	PK	0
X-ray Film Apical 100/pkt	8	20	EA	3,000
Periphery Wax White	14	36	PK	0

Item Description	Min Stock	Max Stock	UOM*	PO* on Order
Sticky Wax	14	36	PK	0
Fuji 2 L/C powder shade A3	13	50	PK	0
Rubber Cups(latch, webbed,hardwhite)	17	50	EA	10
Upper Posteriors Shade A3 Mould 67 (Acry-Rock)	13	37	ST	50
Laboratory Cutters - Flame - Large	3	10	EA	0
Laboratory Cutters - Flame - Medium	3	10	EA	0
Lower Anteriors Shade 01 Mould 15 (Medium)	0	0	ST	500
Lower Anteriors Shade 01 Mould 16 (Large)	0	0	ST	500
Lower Posteriors Shade 01 Mould D86 (Medium)	0	0	ST	500
Plastic Spray Bandage 100g Leuko Spray Dressing	312	937	CO	0
Bandage plaster of Paris 7.5cm x 2.7m Box of 12 Rolls	305	914	BX	1,920
Bandage plaster of Paris 15cm x 2.7m Box of 12 Rolls	284	852	BX	696
Stockinette 10cm x 20m	56	468	RO	560
Bandage plaster of Paris 5cm x 2.7m Box of 12 Rolls	191	572	BX	715
Stockinette 5cm x 20m	151	453	RO	600
Gauze Absorbent BP 90cm x 20m 40x40 19x15 4ply	2,318	6,954	RO	3,420
Gauze Absorbent BP 90cm x 100m 40x40 19x15 4ply	878	2,634	RO	1,300
Hypoallergenic microporous tape 5cm x 9m	9,333	28,000	RO	14,034
Prilocaine Injection 4% Cartridge Vial	83	200	VI	8
Methyl hydroxybenzoate pulv 100g	3	6	EA	0
Propylene glycol BP 1 Litre	5	10	EA	0
Compound Tragacanth Pulv BP 100g (Tragacanth 15g, Acacia 20g, Starch 20g, Sucrose 45g)	16	31	EA	0
Azithromycin Tablet 500mg	0	0	TA	0
Hydroxyurea Caps 500mg	0	0	CA	0
Podophylline Tinture	0	0	BT	0
Acetic Acid 80% 20L	0	0	EA	0
Cyclosporin Tabs	0	0	TA	21,600
Tracrolimus Tabs	0	0	TA	25,200
Mycophemolate Tabs	0	0	TA	21,600
Peppermint Oil 100ml	1	1	BT	0
Label drug (Shake the bottle)	61	122	RO	0
Label drug (Discard contents after)	49	97	RO	0
Label drug (Take immediately after food)	117	234	RO	0
Label drug (To be taken until all finished)	71	141	RO	0
Label drug (To be taken on an empty stomach)	68	137	RO	0
Label drug (Refrigerate do not freeze)	51	103	RO	0
Label drug (This preparation is an antibiotic)	172	343	RO	0
Label drug (This medicine may cause drowsiness)	78	156	RO	0
Measure medicine plastic 30ml	169	338	EA	0
Sodium Valproate Tablets 200mg	285,000	570,000	TA	570,000
Benzotropine Injection 2mg/2ml	500	1,000	AM	0
Dobutamine Injection 250mg/20ml	299	599	VI	800
Haloperidol Injection 5mg/ml	625	1,250	AM	2,100
Midazolam Injection 10mg/2ml	2,435	7,305	AM	20,000
Neostigmine Injection 2.5mg/ml	885	2,656	AM	2,700
Phenytoin Sodium Injection 250mg/5ml	874	2,621	AM	0
Streptokinase Injection 1.5mU	97	194	VI	300
HBV Immunoglobulin Injection 200 - 250iu	216	431	VI	0



Item Description	Min Stock	Max Stock	UOM*	PO* on Order
Isosorbide Dinitrate Tablets 10mg	591,254	1,773,763	TA	560,000
Penicillin V Tablets 250mg	387,440	1,162,320	TA	500,000
Promethazine Elixer 1mg/ml 100ml Bottle	551	1,652	BT	1,600
Bisacodyl Tablets 5mg	83,249	249,748	TA	143,000
Chloramphenicol Eye Drops 0.5%	15,554	46,661	BT	0
Cotrimoxazole Tablets 480mg	314,000	629,332	TA	0
Haloperidol Tablets 5mg	56,583	169,750	TA	200,000
Propranolol Tablets 10mg	109,900	329,701	TA	0
Griseofulvin Tablets 125mg	242,285	726,855	TA	52,000
Phenobarbitone Tablets 15mg	44,400	133,200	TA	50,000
Acetylcysteine Injection 2g/10ml	114	228	AM	0
Acyclovir Injection 250mg	514	1,028	VI	1,700
Amoxycillin/Clavulanic Acid Tablets 500mg/125mg	9,542	28,625	TA	12,500
Amphotericin B Injection 50mg	6	12	VI	0
Azathioprine Tablets 50mg	6,133	18,400	TA	10,000
Beclomethasone Inhaler 100mcg	5,767	17,302	PK	0
Benztropine Tablets 2mg	677	2,030	TA	0
Ceftriaxone Injection 1g	2,601	7,803	VI	18,000
Charcoal Activated Solution (500mL)	59	118	BT	0
Chlorhexidine Gluconate Cream 1% 500ml Bottle	664	1,327	BT	2,010
Chlorambucil Tablets 2mg	38	75	TA	100
Chloramphenicol Suspension 125mg/5ml	328	655	BT	0
Chloroquine Sulphate Tablets 200mg	762	1,524	TA	0
Chlorpromazine Tablets 50mg - conventional and scored in half	22,983	68,950	TA	0
Chlorpromazine Injection 50mg/2ml	1,244	3,731	AM	5,100
Cisplatin Injection 10mg	130	259	VI	0
Coal Tar Ointment 100g	58	115	CO	0
Codeine Phosphate Tablets 30mg	967	2,900	TA	3,500
Colchicine Tablets 0.5mg	4,958	14,875	TA	0
Cyclophosphamide Injection 200mg	10	20	VI	0
Cyclophosphamide Injection 500mg	53	106	VI	0
Dapsone Tablets 50mg	255	510	TA	0
Droperidol Injection 5mg/2ml	42	83	AM	0
Doxepin Capsules 25mg	2,178	6,535	CA	13,950
Econazole Pessary 150mg Packet of 3	1,585	4,754	PK	0
Edrophonium Chloride Injection 10mg/ml	5	10	AM	0
Ethambutol Tablets 400mg	12,042	36,125	TA	0
Ethosuximide Capsules 250mg	550	1,100	CA	0
Fluorescein Eye Drops 2%	174	348	BX	0
Fludrocortisone Tablets 100mcg	800	2,400	TA	2,000
Fluphenazine Decanoate Injection 25mg/ml	750	1,500	AM	0
Folinic Acid Injection 15mg/2ml	72	108	VI	0
Fullers Earth Kit	91	181	BT	191
Haloperidol Tablets 1.5mg	5,007	15,020	TA	32,000
Hamamelis Ointment 30g	1,557	4,670	TU	0
Hyaluronidase Injection 1500iu	142	285	AM	290
Hydrocortisone Cream 1%	6,196	18,587	TU	27,000
Isoniazid Tablets 100mg	12,233	36,700	TA	0
Isoprenaline Injection 0.2mg/ml	234	467	AM	300

Item Description	Min Stock	Max Stock	UOM*	PO* on Order
Jelly KY Ointment 42g	1,089	3,267	TU	0
Lactulose Syrup 3.35g/5ml	51	103	BT	0
Levodopa/Benserazide Capsules 100mg/25mg	16,658	49,975	CA	12,000
Lignocaine with Adrenaline Injection 2%/1:200000	481	961	VI	700
Lithium Carbonate Tablets 250mg	8,083	24,250	TA	50,000
Magnesium Sulphate Paste 50g	2,749	8,248	CO	8,480
Melphalan Tablets 2mg	384	768	TA	100
Methotrexate Injection 50mg/2ml	297	594	VI	500
Methylated Spirit solution 70% (500mls)	2,187	6,561	BT	11,250
Miconazole Nitrate vaginal Cream 2%	19	38	TU	0
Multivitamin Tablets - Vitamin A - 2500 IU,	764,677	2,294,032	TA	0
Multivitamin Syrup 100ml	3,034	9,103	BT	0
Mydracaine No. 2 eye drops	42	84	BT	0
Nifedipine Capsules 10mg	22,918	68,753	CA	40,000
Nystatin Suspension 100000u/ml	1,963	5,889	BT	0
Phenobarbitone Tablets 60mg	13,832	41,497	TA	0
Phenytoin Suspension 30mg/5ml	613	1,839	BT	0
Phenytoin Sodium Chewable Tablets 50mg	4,967	14,900	TA	0
Pilocarpine eye drops 2%	147	294	BT	470
Pilocarpine eye drops 4%	680	1,360	BT	0
Neomycin/Gramicidin/Polymyxin B Eye Ointment	260	521	TU	0
Povidone Iodine Alcoholic solution 10%	339	677	BT	750
Pralidoxime Injection 500mg/20ml	18	37	AM	20
Prednisolone Tablets 1mg	1,117	3,350	TA	0
Procarbazine HCl Capsules 50mg	288	575	CA	1,000
Propranolol Injection 1mg/ml	88	175	AM	0
Psoriasis Ointment 50g	7	14	CO	0
Pyrantel Tablets 250mg	304	607	TA	0
Pyrazinamide Tablets 500mg (400mg)	14,350	43,050	TA	0
Quinine Dihydrochloride Injection 600mg/10ml	9	18	AM	0
Rifampicin Capsules 150mg	3,467	10,400	CA	0
Rifampicin Capsules 300mg	13,142	39,425	CA	0
Rifampicin/Isoniazid Capsules 300mg/150mg	11,333	34,000	CA	0
Salbutamol Injection 500mcg/ml	758	1,515	AM	1,600
Streptomycin Injection 1g	380	760	VI	0
Thiamine HCl inj 100mg/2ml	74	147	AM	100
Thioridazine Tablet 50mg	8,350	25,050	TA	0
Thyroxine Tablets 100mcg	31,800	95,400	TA	0
Vincristine Sulphate inj 1mg	190	380	AM	400
Water for inj 100mls (FOR NICU ONLY - INCUBATOR USE)	3,109	9,328	BT	6,000
Tetracosatin inj 250mcg/1ml	2	4	AM	0
Phenylephrine eye drop 10%	40	81	BT	270
Quinine Sulphate Tablets 300mg	175	350	TA	0
L-asparaginase Injection 10000iu	108	217	VI	130
Arabinoside-C (Cytarabine) Injection 100mg	22	43	VI	40
Daunorubicin Injection 20mg	7	13	VI	0
5-Fluorouracil Injection 500mg	383	767	VI	500
Primaquine Tablets 7.5mg	50	150	TA	0
Gentamicin eye drops 0.3%	125	250	BT	540

Item Description	Min Stock	Max Stock	UOM*	PO* on Order
Methylene Blue Injection 50mg/5ml	48	96	AM	0
Hydrogen Peroxide Solution 6%w/w (500mL)	494	988	BT	0
Calcium carbonate Tablets 420mg	6,600	19,800	TA	52,000
Rifampicin/isoniazid Tablets 150/100mg	2,947	8,840	TA	0
Baclofen Tablets 10mg	1,429	4,287	TA	4,700
Oxybutinin HCl Tablets 5mg	584	1,752	TA	100
Bismuth in Iodoform Paste (BIPP) ointment 30g	16	32	BT	0
Chlorhexidine/cetrimide aqueous cream 50g	2,650	7,951	CO	3,750
Trimethoprim Suspension 50mg/5ml	54	108	BT	0
Amiodarone Injection 150mg/3ml	77	154	AM	0
Ketoconazole Tablets 200mg	11,667	35,000	TA	0
Ipratropium Bromide solution 0.025% (1mL)	310	621	BT	700
Sodium Chloride Injection 20%	92	184	AM	0
Lignocaine/Prilocaine Patch 2.5%/2.5% (Packet of 20)	28	55	PK	20
Ear Wax Removal Drops (carbamide peroxide 6.5%)	1,992	5,977	BT	0
Hydrocortisone Tablets 20mg	718	1,435	TA	800
Peritoneal Dialysis Solution 1.5% Injection 2000ml Bag	683	1,366	BG	0
Peritoneal Dialysis solution 4.25% Injection 2 Litre Bag	268	537	BG	0
Methylated Spirit (SVM) 100% 200L	0	0	BT	0
Formalin BP - 500mls	151	303	EA	0
Paraffin soft bp 1kg	12	31	EA	0
Sodium citrate 1kg	2	3	EA	10
Sodium hypochlorite 1% 1L - Hospital Grade	408	817	EA	0
Sodium Hypochlorite 1% 5 Litre - Hospital Grade	307	613	EA	0
Oestrogen Conjugated Cream 42.5g Tube	28	56	TU	0
Syrup BP (4 Litres)	24	49	LT	0
Indinavir Sulphate Capsules 400mg	0	0	TA	0
Bag Plastic for Dispensing 75 x 100mm (Box of 1000 Bags)	5	10	BX	0
Acyclovir Tablets 200mg	100	2,000	TA	0
Beclomethasone Nasal Spray 50mcg/dose - 200doses	0	0	BT	0
Candid Ear Drop	0	0	BT	0
Fluconazole Injection 100mg/50ml	5	10	VI	0
Ondansetron Injection 8mg/4ml	150	500	VI	300
Dextrose 10% 100mL for IV use PICU and NICU	100	200	VI	0
Desmopressin Injection 4 microgram/mL (1mL)	50	225	AM	0
Fluoxetine Tablet 20mg	3,667	11,000	TA	6,020
Indomethacin (Sodium Trihydrate) Injection 1mg	2	5	VI	0
Isosorbide Dinitrate Injection 1mg/ml (50mL)	0	0	BT	0
Ondansetron Tablet 8mg	50	100	TA	300
Didanosine Capsules 250mg	0	0	CA	0
Povidone Iodine Aqueous solution 10%	0	0	BT	0
Co-Phenylcaine Forte Topical Spray (Anaesthetic)	0	0	BT	0
Folinic Acid Injection 100mg/10mL	42	84	VI	80
Vitamin A (RETINOL) Capsule 100,000 I.U. (USP)	650	1,950	EA	37,000
Vitamin A (RETINOL) 200,000 I.U. Capsules (USP)	817	2,450	EA	400,000
Betamethasone scalp Lotion 0.1%	14	27	BT	0
Goserelin Acetate Implant 3.6mg	0	0	EA	0
Rifampicin Oral Solution 100mg/5mL - 60mls	0	0	VI	0
Simvastatin Capsule 10mg	0	0	CA	0

Item Description	Min Stock	Max Stock	UOM*	PO* on Order
Sodium Chloride 0.9% (10mL) for IV use in PICU and NICU	559	1,118	VI	0
Zinc Sulphate Monohydrate Tablets 20mg	127,500	255,000	TA	0
Lamivudine 150mg/Zidovudine 300mg + Efavirenz 600mg Tablets	0	0	TA	2,880
Risperidone 4mg Tablets	40,000	80,000	TA	0
Anti - TB Kit (Categories I and III)	0	0	KT	0
Noradrenaline	0	0	AM	0
Stavudine Capsules 30mg	250	500	TA	0
Stavudine Capsules 40mg	0	0	TA	0
Didanosine Tablets 200mg	0	0	CA	0
Nelfinavir Tablets 250mg	0	0	CA	0
Lamivudine/Stavudine/Nevirapine Tablets 150mg/30mg/200mg	0	0	TA	0
Efavirenz Tablets 200mg	0	0	CA	0
Microgynon 30 ED - Ethinylloestradiol 30mcg/Levonorgestrel 150mcg Tablets (cycles)	15,007	45,021	CL	209
Trinordiol (cycles) Tablets	0	0	PK	0
Fusidic Acid 10ug (10x50pkts)	4	10	PK	0
Nalidixic acid 30ug (10x50pkts)	18	45	PK	0
Shigella flexneri Mono Type II (1x2mls)	10	23	VI	0
VCNT Inhibitor (10x10ml)	1	2	BX	0
Faeces Containers Labelled with Spoon	5,217	15,652	EA	0
Macro-Vue RPR card test #104 300/test	77	185	BX	147
Bayer Hematek stain	11	27	PK	25
BD Sodium Citrate tubes (1.8ml) (1 x 100)	100	300	TU	5,801
Anti-D duoclonal IgM IgG blend 10ml vial	313	750	VI	487
Papenzyme 10ml vial	1	3	VI	1
Elite polyspecific Anti-human globulin blended rabbit monoclonal antihuman globulin 10ml	267	640	VI	347
Anti - e mouse monoclonal IgM reagent 5ml bottle	3	6	VI	5
11730240216 - Calcium	16	38	BX	0
CEDIA TDM Core MultiCal	6	14	BX	0
CKMB	2	5	BX	0
11815342216-Gentamicin II	8	19	BX	0
03800458190-Phenytoin	6	15	BX	4
10557897122-Precinorm Protein	8	18	BX	0
Preciset RF II	11	26	BX	0
11555421216-SMS	17	41	BX	0
11730711216 - Triglyceride	18	12	BX	0
11729691216 - Urea/Bun	54	130	BX	0
12172623122-CFAS Lipids	12	29	BX	0
03246353001-Chloride Electrode new	6	15	BX	0
11489828216-ISE Compensator	11	27	BX	0
10171743122-Precinorm U	15	35	BX	0
10171778122-Precipath U	13	32	BX	1
10820652216-Reference Electrode (917/902)	6	15	BX	0
10825468001-Sodium Electrode	5	13	EA	0
04487761190-AFP Calset Gen II	5	12	BX	0
04481798190-AFP Gen II	8	18	BX	0
11706799001-Assay Tips 2010	16	38	BX	0
0330307190-BHCG II Calset	5	12	BX	0
11776223322-CA125	10	25	BX	0
11731629322-CEA	10	25	BX	0

Item Description	Min Stock	Max Stock	UOM*	PO* on Order
11731645322-CEA Calset	5	12	BX	0
Cobas TDM Control	6	14	BX	0
11875116122-Cortisol	3	6	BX	0
11875124122-Cortisol Calset	2	4	BX	0
Lithium carbonate 500g	1	3	BT	0
2671199-PCO 2 electrode	5	12	EA	0
7173251-pH electrode	4	10	EA	0
9463893-Sodium electrode	4	10	EA	0
8001888-Potassium electrode 348	4	10	EA	0
348 Ionised Calcium electrode	4	9	EA	0
6553743-HCT electrode	5	11	EA	0
9388182-Reference Electrode Inner	3	7	EA	0
476273-Reference Sensor (both)	3	8	EA	0
107275-348 Probe and Tubing Kit	3	6	KT	0
1405672-348 Bottle Tubing Kit	3	7	KT	0
1045671-348 Preheater Tube Kit	3	9	KT	0
Rapid 1ml Syringe Box/200	20	48	BX	0
Ammonium Oxalate monohydrate, crystal 500g	1	3	BT	0
Fuchsin Basic (Gurr certistain) 100g	1	3	BT	0
Iodine 500g	1	3	BT	0
Ciprofloxacin 30ug (10x50/pkt)	17	41	PK	0
Ceftazidime/Clavulonic Acid 30/10ug (10x50/pkt)	9	23	PK	0
Nitrofurantoin 30ug (10x50pkts)	16	40	PK	0
Oxacillin 1ug (10x50pkts)	9	26	PK	0
Meropenem 10ug (10x50pkts)	6	15	PK	0
Vancomycin 30ug (10x50pkts)	7	16	PK	0
Novobiocin 5ug (10x50pkts)	3	8	PK	0
Salmonella O Antiserum Factor 2 (1x3mls)	1	3	VI	0
Salmonella O Antiserum Factor 4, 5 (1x3mls)	1	3	VI	0
Salmonella O Antiserum Factor 8 (1x3mls)	1	3	VI	0
Shigella Antiserum Poly Group B (1x3mls)	11	26	VI	0
Shigella Antiserum Poly Group C (1x3mls)	8	20	VI	0
Shigella Antiserum Poly Group D (1x3mls)	9	22	VI	0
Shigella flexneri Mono Type III (1x2mls)	9	22	VI	0
Shigella flexneri Mono Type IV (1x2mls)	9	21	VI	0
Shigella flexneri Mono Type V (1x2mls)	9	22	VI	0
Shigella flexneri Mono Type VI (1x2mls)	2	4	VI	0
Wellcogen Bacterial Antigen Kit (30test)	5	12	BX	0
Anaerobic Indicator Strips - Dry (1x100strips)	3	8	BT	0
Anaerobic Catalyst 1x5pkts)	1	3	PK	0
Anaerobic Container System Gas Pak E2 500ml	26	62	BT	0
Chloramphenicol Powder 500g	1	3	BT	0
DNase Test Agar 500g	5	11	BT	0
Hemoglobin Powder 500g	6	14	BT	0
Mannitol Salt Agar 500g	1	1	BT	0
Nutrient Agar 500g	1	1	BT	0
Nutrient Broth 500g	1	1	BT	0
Phenylethyl Alcohol Agar 500g	10	25	BT	0
Sabouraud Dextrose Agar 500g	6	14	BT	0

Item Description	Min Stock	Max Stock	UOM*	PO* on Order
Selenite Cystine Broth 500g	8	18	BT	0
Methylene Blue (Gurr Certistain) 100g	2	5	BT	0
Bag Autoclave biohazard - Small White each	4	10	EA	0
Dispoasable tubes 10x75mm (1000/box)	6	15	BX	0
Envision Flex High PH (AS) Kit	4	10	BT	0
Flex Mo x Hu CD45,2B11-PD	4	11	BT	0
Flex Mo x Hu Melan A,A103-6ml	1	3	BT	0
Flex Mo x Hu SMA Clone 124-6ml	2	7	BT	0
Flex Mo x Hu EMA Clone E29-6ml	2	6	BT	0
Flex Mo x Hu NSE,BBS/NC/NI-H14-6ml	5	12	BT	0
Flex Mo x Hu CD20CY Clone L26-6ml	4	11	BT	0
Flex Mo x Hu Desmin Clone D22-6ml	4	11	BT	0
Flex RB x Hu CD3-6ml	4	10	BT	0
Flex Mo x Hu Vimentin ,Clone V9-6ml	5	12	BT	0
Chromic Acid 5% 100ml	8	21	BT	0
Bijou Bottles 7ml - 288pcs	5	13	BT	0
Filter Paper Qualitative 270mm	5	15	PK	0
Bilirubin Total (902) Sys 1	6	14	BX	0
Cholesterol 902 Sys1	6	14	BX	0
12132524216-Creatine Kinase 902 Sys1	8	20	BX	1
12132834216-CKMB 902 Sys1	8	20	BX	0
11109774216 Direct Bilirubin 902 Sys 1	5	12	BX	1
11447513216-Glucose HK 902 Sys 1	6	14	BX	0
Reagent Bottle Adaptors (round)	10	25	BX	0
Uric Acid 902 Sys 1	6	14	BX	0
03005658122-Estradiol II Calset II	3	8	BX	0
PreciControl Anaemia (B12, Folate, Ferritin)	12	28	BX	0
PreciControl Cardiac	4	10	BX	0
11731416122-PreciControl Universal	18	42	BX	0
12145391122-Progesterone II Calset	4	9	BX	0
04641655190-PSA (Prostatic Specific Antigen) Gen II	18	42	BX	0
04485220190-PSA (Prostatic Specific Antigen) II Calset	5	12	BX	0
11930346122-Syswash Elecsys	27	65	BX	11
Troponin T STAT hs Calset (05092736190)	5	12	RO	0
11731297122-TSH (Thyroxine Stimulating Hormone)	42	100	BX	0
04738551190-TSH (Thyroxine Stimulating Hormone) Calset Gen II	6	14	BX	0
11732277122-Universal Diluent	8	19	BX	0
744 Rapidchem Siemens Reagent Module	28	67	BX	0
00661439-744 Chlorine Sensor	5	11	EA	0
04955798-744 Potassium Sensor	5	11	EA	0
744 Sodium Sensor	5	11	EA	0
744 Reference Sensor	5	11	EA	0
05905239-744 Probe Wiper replacement kit	4	9	BX	0
02063997-744 Pump Assembly	2	4	EA	0
Coverslip No. 1 22x22mm 1oz (Pk of	10	30	PK	0
KX21 Control Low	38	92	VI	0
KX21 Control Normal	38	92	VI	0
KX21 Control High	38	92	VI	0
Zym A Reagent Kit (2x5mls)	6	16	PK	0

Item Description	Min Stock	Max Stock	UOM*	PO* on Order
Zym B Reagent Kit (2x5mls)	6	16	PK	0
Methanol 2.5L	4	12	BT	0
MIC Oxacillin - Etest 10x50	2	5	PK	0
VPI and VP2 Reagent Kit 4x5ml	5	13	BX	0
Nitrate 1 and 2 Reagent Kit 4x5ml	5	13	BX	0
NIN reagent 2x5ml for use with API kits	5	13	BX	0
Labsystems Digital Single Channel Pipette 50-200ml	1	3	EA	0
Flask 5 Litre Pyrex	1	3	EA	0
Diluent 20L - BC 3000 Analyser	45	260	BX	0
Ortho Coombs control cell (1 x 10ml)	0	0	VI	108
Tissue Biopsy Pad	0	0	BX	7
Staining racks Steel 24 slides	0	0	EA	7
Staining racks Plastic 24 slides	0	0	EA	8
Slide Trays Metals 20 slides	0	0	EA	20
Slide tray Plastic Kartel 100 slides	0	0	EA	20
Digital Dual Temperature Record/Timer	0	0	EA	0
Volumetric Glass Pipettes 2ml	0	0	EA	0
Volumetric Glass Pipettes 1ml	0	0	EA	0
Stopwatch	0	0	EA	0
API Coryne Kit (12T) 20900	0	0	BX	0
Bacteroids fragilis ATCC 252855	0	0	BX	0
S30 Calibrator: 2 x 3.0ml BC-3000Plus Analyser	0	0	PK	0
B30 Control: 6 x 3.0ml (2L/2N/2H) BC-3000Plus Analyser	15	72	PK	0
B30 Control: 3 x 3.0ml (1L/1N/1H) BC-3000Plus Analyser	0	0	PK	0
B30 Control: 3 x 3.0ml (3H) BC-3000Plus Analyser	0	0	PK	0
B30 Control: 3 x 3.0ml (3N) BC-3000Plus Analyser	0	0	PK	0
B30 Control: 3 x 3.0ml (3L) BC-3000Plus Analyser	0	0	PK	0
B30 Control: 6 x 3.0ml (6H) BC-3000Plus Analyser	0	0	PK	0
B30 Control: 6 x 3.0ml (6N) BC-3000Plus Analyser	0	0	PK	0
B30 Control: 6 x 3.0ml (6L) BC-3000Plus Analyser	0	0	PK	0
Disposable Cuvettes: BS-200 Consumables	0	0	CN	0
CD80 Detergent: 1L BS-200 Consumables	0	0	CN	0
Reagent Module (Cal A, Cal B, Waste)	0	0	PK	0
Urine Diluent: 125ml BS-200 Consumables	0	0	PK	0
Tri Level QC Kit BS-200 Consumables	0	0	PK	0
Cleaning Solution Kit: BS-200 Consumables	0	0	PK	0
Na Electrode: BS-200 Consumables	0	0	BX	0
K Electrode: BS-200 Consumables	0	0	BX	0
Cl Electrode: BS-200 Consumables	0	0	BX	0
Reference Electrode: BS-200 Consumables	0	0	BX	0
BS-200 Preventive Maintenance Kit	0	0	KT	0
BS-200 Liquid System Maintenance Kit	0	0	KT	0
CD80 Detergent (2L x 6bottles/box): BS-800M1 Consumables	0	0	BX	0
MR Urine Standard - BS-800M1 Consumables	0	0	PK	0
MR Na/K Check Solution - BS-800M1 Consumables	0	0	PK	0
Sodium Electrode	0	0	BX	0
Potassium Electrode	0	0	BX	0
Chloride Electrode	0	0	BX	0
Reference Electrode	0	0	BX	0

Item Description	Min Stock	Max Stock	UOM*	PO* on Order
Calibrator Pack (A/B)	0	0	PK	0
Cleaning Solution - Carelyte 503 Electrolyte Analyser	0	0	BX	0
CK BS-800M1 Reagents	0	0	BX	0
Calibrator Pack Carelyte 503 Electrolyte Analyser	0	0	PK	0
Cleaning Solution Carelyte 503 Electrolyte Analyser	0	0	BX	0
Glucose HK : BS-800M1 Reagents	24	72	BX	0
LDH : BS-800M1 Reagents	12	36	BX	0
LDL C : BS-800M1 Reagents	14	42	BX	0
Magnesium : BS-800M1 Reagents	10	28	BX	0
Triglycerides : BS-800M1 Reagents	16	48	BX	0
HbA1c : BS-800M1 Reagents	11	34	BX	0
RF : BS-800M1 Reagents	6	18	BX	0
ASO : BS-800M1 Reagents	6	18	BX	0
Multi Control Sera N (10 x 5ml) - BS-800M1 Consumables	16	50	BX	0
Multi Control Sera P (10 x 5ml) - BS-800M1 Consumables	16	50	BX	0
Multi Sera Calibrator (10 x 3ml) - BS-800M1 Consumables	0	0	BX	0
Lipids Control N (6 x 3ml) - BS-800M1 Consumables	0	0	BX	0
Lipids Control P (6 x 3ml) - BS-800M1 Consumables	0	0	BX	0
Na+/K+ BS 200 Reagents	8	42	PK	0
CD80 - BS 200 Reagent	3	18	BX	0
Microtube 0.2ml - Cryogenic Vial	0	0	PK	0
Sodium Acetate : Trihydrate 50g	0	0	BT	0
Aniline Blue	0	0	BT	0
Thymol 500g	0	0	BT	0
Silver Nitrate 250g	0	0	BT	0
11730711216 - Triglyceride	0	0	BX	0
11730711216 - Triglyceride	0	0	BX	0
BD MIGIT 7ml indicator tubes	0	0	CN	0
BD MIGIT OADC/PANTA supplement/enrichment	0	0	BX	0
Phosphoric acid(aqueous) - Orthophosphoric acid BDH Ajax 371, Liquid form for sputum digestion	0	0	BT	0
Lowenstein-Jensen Media base -Acumedia NEO7245A, 500g.	0	0	BT	0
Ammonium iron (III) Citrate(green) Ajax- Ajax 892	0	0	BT	0
Bromothymol blue MP, Biomedical 150524, 5gms	0	0	BT	0
Phenol Mallinckrodt - Loose crystals, 0028-04	0	0	BX	0
MPT64 Immnochromatographic test kits- identification test(code number 245159)	0	0	BX	0
10ml x 0.1% peptone diluent with glass beads	0	0	BX	0
BD MGIT SIRE Kit	0	0	BX	0
BD MGIT PZA Medium	0	0	BX	0
BD MGIT PZA Kits	0	0	BX	0
Culture bottles with wadded caps - COSPAK, clear, 25mls, clear round with 24/100 finish	0	0	BX	0
Cryotubes -2.0ml Graduated Free standing screw cap Microtube, Natural, sterile & cap with O-Ring	0	0	BX	0
pH indicator strips-Neutralit,pH 5.0 - 10.0, non-bleeding,MERK 1.09533.0001	0	0	BX	0
Pipette Tips - pipettes for size pipettes P200	0	0	PK	0
Pipette Tips - pipettes for size 100	0	0	PK	0
Pipette Tips - pipettes for size pipettes P1000	0	0	PK	0
UVC bottles - Yellow cap for specimen decontamination (sterile 30ml)	0	0	BX	0
Small size biohazards - Autoclave bag, yellow 300 x 560mm	0	0	PK	0
Biohazardous Waste Container	0	0	GA	0



Item Description	Min Stock	Max Stock	UOM*	PO* on Order
Bench Roll -White bench roll cover	0	0	RO	0
Parafilm/Nescofilm	0	0	RO	0
Raven Spore Strips	0	0	PK	0
Universal Spill Kits	0	0	BX	0
6510302001 XN Check L1	0	0	VI	16
6510329001 XN Check L2	0	0	VI	16
6510337001 XN Check L3	0	0	VI	16
tetanus Immunoglobulin Injection 250iu	0	0	VI	0
Varicella zoster immunoglobulin inj 125iu 1	0	0	BT	0
UNICEF - Safety Box for AD Syringes (Cardboard Box - yellow)	414	829	EA	0
UNICEF - Vaccine Carriers 30litres	0	0	EA	0
Letter Head D	0	0	EA	0
Letter Head E	0	0	EA	0
Letter Head F	0	0	EA	0
Letter Head G	0	0	EA	0
Letter Head H	0	0	EA	0
Letter Head I	0	0	EA	0
Letter Head J	0	0	EA	0
Letter Head K	0	0	EA	0
Letter Head L	0	0	BX	0
Letter Head M	0	0	EA	0
Letter Head N	0	0	EA	0
Letter Head O	0	0	EA	0
Letter Head Q	0	0	EA	0
Letter Head R	0	0	EA	0
Letter Head S	0	0	EA	0
Letter Head T	0	0	EA	0
Letter Head V	0	0	EA	0
Letter Head W	0	0	EA	0
Letter Head X	0	0	EA	0
Letter Head Y	0	0	EA	0
Letter Head Z	0	0	EA	0
Headfigures 0.9 1 set	0	0	BX	0
Spacer Lead dot for letters and numbers 5.0	0	0	BX	0
Slide Holder Aluminium for letters and numbers	0	0	BX	0
Double coated adhesive tape	0	0	RO	0
Hydrometes	0	0	EA	0
Light Operated Markers	0	0	EA	0
Ultrasound gel 1000ml	118	237	BT	0
Aprons X-Ray Lead	0	0	EA	0
Envelopes X-Ray orange kraft 125gsm 14.5 x 17	2,333	7,000	EA	0
Dark Room Safe Lights	0	0	EA	0
Green Film 18 x 24cm Box of 100	100	300	BX	120
Green Film 24 x 30cm Box of 100	100	300	BX	120
Green Films 35 x 35cm Box of 100	110	330	BX	130
X-Ray cassettes with screens ( curix) 18 x 24cm 1	2	5	EA	0
X-Ray cassettes with screens ( curix) 10 x 12cm 1	0	0	EA	0
X-Ray cassettes with screens ( curix) 12 x 15cm 1	0	0	EA	0
Barium Sulphate for Enemas 25kg	33	66	kg	0

Item Description	Min Stock	Max Stock	UOM*	PO* on Order
Iopanic Acid (ionic contrast medium) Tablets 500mg	0	0	TA	0
Sodium and Meglumine Diatrizoate Infusion injection 76% 50ml	0	0	BT	0
Hangers X- Ray Clip type 6" x 8.5" 1*	0	0	EA	0
Hangers X- Ray Clip type 8" x 10" 1*	0	0	EA	0
Hangers X- Ray Clip type 10" x 12"	0	0	EA	0
Hangers X- Ray Clip type 12" x 15" 1*	0	0	EA	0
Hangers X- Ray Clip type 14" x 17" 1*	0	0	EA	0
Letter Head B	0	0	EA	0
letter Head C	0	0	EA	0
Thyroid Lead Collar	4	13	EA	0
Barium Sulphate Suspension 2.2 % w/w 250mls	500	1,500	BT	0
X-Ray Name Tag Flasher (Special Item)	0	0	EA	0
Letter Head A	0	0	EA	0
Konica Laser Imaging Dry Film 10 X 12 SD-P & Q (Box of 125)	23	70	BX	96
Konica Laser Imaging Dry Film 8 X 10 SD-P & Q (Box of 125)	23	70	BX	70
X-ray film processor - developer (40L)	0	0	EA	0
X-ray film processor - Fixer	0	0	EA	0
Lead Eye Glass - Standard	0	0	EA	0
Inflator & Pump for Enema Kits	0	0	KT	0
Lead Aprons with Back Strapping, Thickness 0.5mm, Size Small	0	0	EA	0
Lead Aprons with Back Strapping, Thickness 0.5mm, Size Large	0	0	EA	0
Lead Aprons with Back Strapping, Thickness 0.5mm, Size XL	0	0	EA	0
Lead Aprons with Back Strapping, Thickness 0.5mm, Size XXL	0	0	EA	0
CT Syringe 200mls	35	100	EA	0

\* UOM – Unit of Measure  
PO – Purchase Order

## Section 22 Ministry of Local Government, Urban Development, Housing and Environment

### Role and Responsibilities

The Ministry of Local Government, Urban Development, Housing and Environment is responsible for the formulation and implementation of local government and urban planning policies and the formulation and implementation of housing and integration of programmes to eradicate poverty. It is also responsible for administering the Government Grant for the National Fire Services. In addition, the Ministry is also responsible for the Department of Environment that is mainly responsible for the development of government policy for the protection of the environment and its sustainable use for human resources and policing the use of the environment and ensuring compliance with government policy by economic agents. The Ministry's functions are categorized into the following programme areas:

- General Administration;
- Local Government;
- Department of Town and Country Planning;
- Housing; and
- Environment Department.

The National Fire Authority is also under the Ministry's jurisdiction.

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## PART A: FINANCIAL STATEMENT

### 22.1 Audit Opinion

The audit of the 2012 accounts of the Ministry of Local Government, Urban Development, Housing and Environment resulted in the issue of a qualified audit report as the Department of Environment did

not reconcile its true trust fund account balance with the bank statement balance during the year. An unreconciled variance of \$582,764 was noted between the Department's true trust fund account general ledger balance and the bank statement balance.

## 22.2 Statement of Receipts and Expenditure

The Ministry of Local Government, Urban Development, Housing and Environment's budget was allocated with two separate heads in 2012. The Ministry of Local Government, Urban Development and Environment is allocated under head 37 while the Department of Housing is allocated under head 23. The Ministry is responsible for the administration and accounting for both the budget heads hence separate Statements of Receipts and Expenditure and Appropriation Statement have been prepared to reflect both heads 23 and 37.

### DEPARTMENT OF HOUSING

The Department collected revenue amounting to \$4,694 and incurred expenditure totalling \$16,304,333 in 2012. Details are provided in Table 22.1 below.

**Table 22.1: Statement of Receipts and Expenditure for 2012**

Description	2012 (\$)	2011 (\$)
<b>REVENUE</b>		
Miscellaneous Revenue	4,694	---
<b>TOTAL REVENUE</b>	<b>4,694</b>	<b>---</b>
<b>EXPENDITURE</b>		
<b>Operating Expenditure</b>		
Established Staff	238,051	225,688
Government Wage Earners	12,774	12,490
Travel & Communication	29,241	29,795
Maintenance & Operations	37,344	42,033
Purchase of Goods & Services	72,428	22,109
Operating Grants & Transfers	1,000,000	958,000
Special Expenditures	173,768	---
<b>Total Operating Expenditure</b>	<b>1,563,606</b>	<b>1,290,115</b>
<b>Capital Expenditure</b>		
Capital Construction	1,357,010	1,341,661
Capital Purchases	0	0
Capital Grants & Transfers	13,134,799	750,000
<b>Total Capital Expenditure</b>	<b>14,491,809</b>	<b>2,091,661</b>
Value Added Tax	248,918	219,198
<b>TOTAL EXPENDITURE</b>	<b>16,304,333</b>	<b>3,600,974</b>

Total expenditure increased by \$12,703,359 or 353% in 2012 compared to 2011 due to:

- increase in staff establishment by three staff;
- addition of new items to the budget namely National Housing Policy and Implementation Plan, City Wide Upgrading Project, Sustainable Rural Housing/Income Generating Project, Public Rental Board Housing project and Low cost Housing Authority project; and
- full payment of grants to Public Rental Board.

## HEAD 37 - MINISTRY OF LOCAL GOVERNMENT, URBAN DEVELOPMENT AND ENVIRONMENT

The Ministry collected revenue amounting to \$89,905 and incurred expenditure totalling \$8,259,244 in 2012. Details are provided in Table 22.2.

**Table 22.2: Statement of Receipts and Expenditure for 2012**

Description	2012 (\$)	2011 (\$)
<b>REVENUE</b>		
<b>State Revenue</b>		
Operating Revenue: Indirect Taxes	---	---
Town and Country Planning Fees	82,290	102,930
Commission	2,346	2,476
<b>Total State Revenue</b>	<b>84,636</b>	<b>105,406</b>
<b>Agency Revenue</b>		
Miscellaneous Revenue	5,269	198,323
<b>Total Agency Revenue</b>	<b>5,269</b>	<b>198,323</b>
<b>TOTAL REVENUE</b>	<b>89,905</b>	<b>303,729</b>
<b>EXPENDITURE</b>		
<b>Operating Expenditure</b>		
Established Staff	1,883,199	1,448,436
Government Wage Earners	123,840	117,559
Travel & Communication	178,728	162,819
Maintenance & Operations	276,478	224,465
Purchase of Goods & Services	140,962	143,538
Operating Grants & Transfers	955,146	1,240,659
Special Expenditures	2,043,157	1,953,723
<b>Total Operating Expenditure</b>	<b>5,601,510</b>	<b>5,291,199</b>
<b>Capital Expenditure</b>		
Capital Construction	22,608	25,368
Capital Purchases	469,836	158,205
Capital Grants & Transfers	1,695,800	1,000,000
<b>Total Capital Expenditure</b>	<b>2,188,244</b>	<b>1,183,573</b>
Value Added Tax	469,490	311,185
<b>TOTAL EXPENDITURE</b>	<b>8,259,244</b>	<b>6,785,957</b>

The Ministry's revenue declined by \$213,824 or 70 % in 2012 compared to 2011 due decrease in Town and Country Planning Fees collected and the release of donor funds for the Mangrove Ecosystem for Climate Change and Livelihood (MESCAL) project. On 31 December 2011, a sum of \$147,116 was unutilised by the Ministry which was posted to miscellaneous revenue.

Total expenditure increased by \$1,473,287 or 22% in 2012 compared to 2011 due to increases in staff establishment, overtime costs, travel costs in Local Government and Town and Country Planning Department, maintenance costs, Department of Environment expenditure, GIS infrastructure and capital grants to Rakiraki and Levuka Town Councils.

## 22.3 Appropriation Statement

### HEAD 23

The Department of Housing incurred expenditure totalling \$16,304,333 in 2012 against the revised budget of \$20,133,995 resulting in saving of \$3,829,662 or 19%. Details are provided in Table 22.3.

**Table 22.3: Appropriation Statement for 2012**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	238,621	---	238,621	238,051	570
2	Government Wage Earners	12,774	---	12,774	12,774	---
3	Travel & Communication	30,000	---	30,000	29,241	759
4	Maintenance & Operations	46,000	---	46,000	37,344	8,656
5	Purchase of Goods & Services	74,000	---	74,000	72,428	1,572
6	Operating Grants & Transfers	1,000,000	---	1,000,000	1,000,000	---
7	Special Expenditure	174,000	---	174,000	173,768	232
	<b>Total Operating Costs</b>	<b>1,575,395</b>	<b>---</b>	<b>1,575,395</b>	<b>1,563,606</b>	<b>11,789</b>
	<b>Capital Expenditure</b>					
8	Capital Construction	1,500,000	(100,000)	1,400,000	1,357,010	42,990
9	Capital Purchases	---	---	---	---	---
10	Capital Grants and Transfers	17,100,000	(200,000)	16,900,000	13,134,799	3,765,201
	<b>Total Capital Expenditure</b>	<b>18,600,000</b>	<b>(300,000)</b>	<b>18,300,000</b>	<b>14,491,809</b>	<b>3,808,191</b>
13	Value Added Tax	273,600	(15,000)	258,600	248,918	9,682
	<b>TOTAL EXPENDITURE</b>	<b>20,448,995</b>	<b>(315,000)</b>	<b>20,133,995</b>	<b>16,304,333</b>	<b>3,829,662</b>

### HEAD 37

The Ministry of Local Government, Urban Development and Environment incurred expenditure totalling \$8,259,244 in 2012 against a revised budget of \$8,795,963 resulting in saving of \$536,719 or 6%. Details are provided in Table 22.4.

**Table 22.4: Appropriation Statement for 2012**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,984,999	---	1,984,999	1,883,199	101,800
2	Government Wage Earners	127,261	---	127,261	123,840	3,421
3	Travel & Communication	180,029	---	180,029	178,728	1,301
4	Maintenance & Operations	299,500	---	299,500	276,478	23,022
5	Purchase of Goods & Services	150,771	---	150,771	140,962	9,809
6	Operating Grants & Transfers	1,272,000	(230,000)	1,042,000	955,146	86,854
7	Special Expenditure	2,357,304	---	2,357,304	2,043,157	314,147
	<b>Total Operating Costs</b>	<b>6,371,864</b>	<b>(230,000)</b>	<b>6,141,864</b>	<b>5,601,510</b>	<b>540,354</b>
	<b>Capital Expenditure</b>					
8	Capital Construction	500,000	(477,392)	22,608	22,608	---
9	Capital Purchases	500,000	---	500,000	469,836	30,164
10	Capital Grants and Transfers	1,795,800	(100,000)	1,695,800	1,695,800	---
	<b>Total Capital Expenditure</b>	<b>2,795,800</b>	<b>(577,392)</b>	<b>2,218,408</b>	<b>2,188,244</b>	<b>30,164</b>
13	Value Added Tax	507,300	(71,609)	435,691	469,490	(33,799)
	<b>TOTAL EXPENDITURE</b>	<b>9,674,964</b>	<b>(879,001)</b>	<b>8,795,963</b>	<b>8,259,244</b>	<b>536,719</b>

## 22.4 Statement of Losses

Loss of money recorded for the year ended 31 December 2012 was \$22,957. Refer to table 22.5 for details.

Comments	Amount (\$)
Embezzlement by officer	17,986.48
Officer attended a donor funded workshop in Korea. The Ministry paid the officer's airfare which was refunded by the donor upon officer's arrival in Korea. However as at balance date the officer had failed to reimburse the same to the Ministry.	4,971.00
<b>Total</b>	<b>22,957.48</b>

A board of survey for the year ending 31 December 2012 was conducted by the Ministry.

## PART B: AUDIT FINDINGS

### 22.5 Department of Environment – True Trust Fund Account

Each month the trust account must be balanced and reconciled with the trust bank account. The names and balances of each account must be listed and the reconciliation shall be signed by the responsible officer. Unreconciled items must be investigated and resolved promptly.<sup>1</sup>

The Department of Environment's true trust fund account reconciliation had a balance of \$1,489,745 and \$1,454,505 in FMIS general ledger as at 31/12/12 while the balance for the true trust fund account bank statement as at 31/12/12 was \$2,037,269.

The Department did not reconcile the true trust fund account balance with FMIS general ledger balance or the FMIS general ledger balance with the bank statement balance during the year. An unreconciled variance of \$582,764 was noted between the department's true trust fund account FMIS general ledger balance and the bank statement balance. Refer Table 22.6 for details.

**Table 22.6: Variances in Environment Trust Fund Account**

Balance as per trust fund bank statement (\$)	Balance as per trust fund ledger (FMIS) (\$)	Variance (\$)
2,037,269	1,454,505	582,764

The Department will not be able to detect misappropriation or theft of trust fund money if monthly reconciliations are not carried out.

### Recommendations

The Department should ensure that:

- True Trust Fund account reconciliation balance is reconciled with the True Trust Fund FMIS ledger balance on a monthly basis;
- True Trust Fund account bank balance is reconciled with the True Trust Fund FMIS ledger balance on a monthly basis;

<sup>1</sup> Finance Instructions 2010 Section 58(3)

- receipts and payments from the Environment Trust Fund account are posted to the general ledger on a timely basis.

### **Ministry's Comments**

*The variance of \$582,764 between the FMIS/Ledger balance and the Bank statement shows that the FMIS Ledger balance is less as opposed to the Bank balance which is more.*

*Please note this variance was inherited by the Ministry of Local Government when the Department of Environment was transferred from the Ministry of Lands.*

*The Ministry's Accounts Section is coordinating the Revenue process to ensure all receipts from the Divisional Offices including the Headquarters are updated monthly to avoid any further shortfalls. In this regard, please note the Accounts Section has been liaising closely with FMIS for clearance of this variance via write-off submission to the Minister for Finance. Also note that all Reconciliations have been updated with relevant Reconciliation Statements submitted to Finance.*

## **22.6 Rakiraki Town Council Market Extension**

For grants approved over \$5000, a grant agreement must be prepared in accordance with Finance Instruction 16-(1) and signed by the PS or Deputy PS and an authorised representative of the recipient before payment is made.<sup>2</sup> Where required under Finance Instruction 16-(8), the recipient shall prepare an acquittal report. The acquittal report shall provide the following information:

- details of grant money expended and unexpended;
- grant objectives and targets achieved; and
- Financial statement (audited if practicable) for grants of \$20,000 or more.<sup>3</sup>

The Ministry of Local Government, Urban Development, Housing and Environment 2012 budget had a provision of a capital grant of \$295,800 for Rakiraki Town Council market extension. The Council submitted a proposal for market extension on 05/05/12 which was to commence on 01/07/12 and to be completed within 6 months. The grant was paid out in three instalments of \$51,635 on 18/06/12, \$10,000 on 12/07/12 and \$234,165 on 16/10/12.

The audit noted the following anomalies.

- A grant agreement was not entered into between the Ministry and Rakiraki Town Council to document essential particulars, including the purpose of capital grant, duration of project and reporting and monitoring processes.
- The Ministry released the third instalment of the grant totalling \$234,165 on 16/10/12 to the Council although the Council did not furnish acquittals for the grants received in the first two instalments totalling \$61,635.

The first set of acquittals was submitted by former interim Special Administrator, Mrs. Seini Raiko on 17/05/13 which was 7 months after the date of the payment of third and final grant.

- The construction of market extension commenced in January 2013 instead of 01/07/12 which had been delayed for 6 months. The project was not completed as at the date of audit on 12/07/13.

<sup>2</sup> Finance Manual 2011 Section 3.1.5

<sup>3</sup> Finance Manual 2011 Section 3.3.1



Poor monitoring and supervision from the Ministry resulted in non submission of acquittals and delay in the completing the project despite the availability of funds.

### **Recommendations**

#### **The Ministry should:**

- ensure that grant agreement is prepared and signed by the grant recipient;
- ensure entities submit acquittals of grants prior to release of further grants; and
- monitor and supervise projects to ensure they are completed on time.

### **Ministry's Comments**

- *The audit recommendations have been noted.*
- *Grant agreements will be made for all grants given to the Council in future.*
- *Ministry verifies acquittals prior to release of further grants*
- *The Council has been advised to follow proper payment procedures.*
- *An investigation has been carried out by a team from the Fiji Procurement Office and another team consisting of officers from Ministry of Finance, Auditor General and the Ministry of Local Government and both reports have been forwarded to the Acting Minister.*

## **22.7 Procurement of Uniforms for PSC Sports Day**

The Senior Accountant must not certify a payment as correct unless he/she is satisfied that:

- i. it is in accordance with an LPO, indent, contract, invoice or other authorization;
- ii. there is documentation that the goods, services or works have been received;
- iii. sufficient uncommitted funds are available for payment of the account;
- iv. the account is not fraudulent and has not been previously paid;
- v. the expenditure account it is charged to is correct.<sup>4</sup>

An internal memo was raised by the Administrative Officer, Ms. Diana Rokotutu on 31/10/12 to purchase uniforms for PSC sports day which was approved by the Permanent Secretary on 01/11/12. The uniforms included t-shirts, track pants, socks and foot wear. The audit noted the following anomalies.

- Purchase order number PO37201-000157 of 31/10/12 was raised for the supply of 134 t-shirts from Tau Sports Limited. However the order was cancelled and a subsequent order number P037201-000166 was raised on 01/11/12 for the supply of t-shirts. A copy of the subsequent order issued was not attached to the payment voucher.
- Purchase order number PO37201-000169 was issued on 01/11/12 for 134 caps at \$17.25 each totalling \$2,311.50 from Tau Sports Limited. The order was approved by Deputy Secretary, Mr. Saverio Baleikanacea.

The purchase of caps was neither included in the internal memo nor was any quotations obtained. The amount payable for caps was included in invoice number TSL310 of 01/11/12 and subsequently paid by the Ministry.

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<sup>4</sup> Finance Manual 2011 Section 2.8.4

- No delivery docket was attached to confirm the receipt of t-shirts and caps. In the absence of the delivery docket audit could not ascertain whether goods were received as per the purchase order.
- The Ministry spent public funds totalling \$6,549.25 to procure t-shirts and caps for the PSC sports day. These funds were sourced from Training - Other allocation number 1-37201-37999-050499. The purchases were approved by former Permanent Secretary, Mrs. Taina Tagicakibau.

The Ministry misused public funds totalling \$6,549.25 for purchase of t-shirts and caps which was neither related to delivery of public service nor approved in the budget.

### **Recommendations**

The Ministry should ensure that:

- all documents relating to procurement of goods and services are attached to payment voucher;
- purchase of goods and services are approved and quotes are obtained;
- goods received are verified with delivery dockets and is attached to the payment voucher;
- public fund is not used to purchase items such as t-shirts and caps for the staff; and
- Officers responsible for the purchases of t-shirt and caps are surcharged to recover misuse of public funds.

### **Ministry's Comments**

- *The purchase of Sports Uniforms was approved by the **Permanent Secretary** under the directive of the **Minister** in anticipation of the officially sanctioned PSC Sports Day for 2012. The PO number highlighted 37201-00166 has been re-printed from the 2012 FMIS record and is now attached with the voucher for record and verification. Relevant invoices are also attached.*
- *The purchase of caps was in fact a directive by the Permanent Secretary as part of the Sports Uniform attire for the 2012 PSC Sports Day.*
- *All items that were ordered were actually received by the **Sports Day Committee** and distributed to officers where endorsements were obtained from individual officers when uplifting their uniforms.*
- *The **PSC Sports Day** is an annual event sanctioned by PSC and uniforms purchased are one-off and not purchased every year. In any case the Ministry is now considering recovering total cost from each officer just as we did with the canvas shoes which cost \$126 per officer.*

*However, your finding is noted and Management has been advised that no further purchase of uniforms will be made from public funds.*

## **22.8 Housing Assistance and Relief Trust (HART) – Lack of Monitoring by the Ministry**

The State will pay to HART in total such amounts as are set out in the Schedule in the Agreement between HART and Ministry of Local Government but not exceeding \$600,000 in the period 1/1/12 until termination date as specified in the Agreement. As there is an element of administration in the construction work, 15% of the total grant of \$600,000 should be used for recurrent costs.<sup>5</sup>

HART was paid 15% of the total grant amounting to \$90,000 in 2012 for recurrent expenses. The payments were made in quarterly instalments of \$22,500 each.

<sup>5</sup> Agreement between the Government of Fiji and HART Section 4

The audit noted that the total amount utilised by HART in 2012 for recurrent expenses was \$135,801.40 compared to the grant amount of \$90,000. Hence the recurrent expenses were overspent by \$45,801.40 or 51% in 2012.

In addition HART submitted the acquittal reports for the grant funds used to the Ministry on a quarterly basis. However no supporting documents were provided to authenticate the expenses stated in the acquittal reports. The Ministry did not request HART to provide the supporting documents as such the expenses incurred by HART were not verified.

The Ministry did not monitor or review the expenses incurred by HART and continued to accept the acquittal reports without any supporting documents to verify its correctness. The Ministry may not be aware if funds were misappropriated by HART or were used for the intended purposes.

### **Recommendations**

**The Ministry should ensure that:**

- **HART complies with the terms and conditions of its grant agreement;**
- **proper monitoring and review process is in place to ensure grant funds are utilized for its intended purpose only; and**
- **the acquittal reports submitted by the grant recipient to include all supporting documents for verifications.**

### **Ministry's Comments**

*The Ministry through the Department of Housing will ensure that HART complies with the Terms and Conditions of the Memorandum of Agreement.*

*Furthermore, as currently practiced the Ministry through the Project Management Unit, Department of Housing with the Ministry of National Planning and Ministry of Finance will continue to regularly monitor and carry out progressive site inspections of the implementation of HART's projects.*

*The Ministry will ensure that HART submits Acquittals with supporting documentation to be verified by a Chartered Accountant.*

## **22.9 Excessive Vodafone Charges**

The Permanent Secretary or the Head of Departments will have the right to question the authority for any official trunk telephone call, and, if he decides that such call to be on private and personal business, then the officer responsible will be required to meet the cost of the call.<sup>6</sup>

The Ministry provided several of its officers with mobile phones, given the nature of their work in order to increase service delivery. The officers were allocated with mobile phones for official use with authorized limits. The limits were approved by the former Permanent Secretary, Ms. Taina Tagicakibau. Refer Table 22.10 for details.

**Table 22.10: Mobile Phone Monthly Limits**

<b>Officer's Name</b>	<b>Position</b>	<b>Mobile Number</b>	<b>Monthly Limit (\$)</b>
Col. Samu Saumatua	Minister	9904700	Open
Taina Tagicakibau	Permanent Secretary	9905221	Open

<sup>6</sup> General Orders 2011 Section 1114 (a)

Officer's Name	Position	Mobile Number	Monthly Limit (\$)
Joep Davetanivalu	Director Environment	9905366	100.00
Vula Shaw	PAS Housing	9906177	40.00
Talei Rokotuibau	Director Town & Country Planning	9906431	100.00
Josese Rakuita	Director Local Government	9905162	100.00
Seini Raiko	PAS Housing	9906112	20.00
Renee Duguivalu	Engineer Housing	9906180	40.00
Joeli Moceivale	SAS Housing	9906391	40.00
Onesimo Ketekete	Body guard	9906393	20.00
Kolinio Bola	Director Housing	9906438	100.00
Saverio Baleikanacea	DS LGUDHE	9906439	100.00
Jonetani Cagi	PSO	9906459	40.00
Senivasa Waqairamasi	SEO West	9906491	40.00
Seinimili Nakora	SEO North	9906492	40.00
Tokasa Nuilevu	PA - Minister	9906534	20.00
Mikaele Baniwai	Minister Driver	9906398	20.00
Malakai Ravouvou	Driver	9906421	20.00
Doreen Singh	Secretary - DS	9906524	20.00
Villiams Qaniuci	Technical Officer TCP	9906995	40.00
Akanisi Volavola	SAS Corporate	9906433	40.00
Malakai Sosiceni	SAO	9906432	40.00
<b>Total</b>			<b>980.00</b>

The audit noted that apart from the Minister and Permanent Secretary all other officers exceeded their mobile phones charges limits. The total cost of unauthorized mobile phone usage was \$24,293.51. This excludes mobile charges for the Minister and the Permanent Secretary who do not have pre-approved usage limits.

The audit further noted that out of \$24,293.51 of unauthorized mobile phone charges only \$408.52 or 1.7% was recovered from two officers. Refer Table 22.11 for details.

**Table 22.11: Details of Excessive Mobile Phone Charges**

Officer's Name	Position	Mobile Number	Actual Charges (\$)	Yearly Limit (\$)	Charges In Excess of Authorised Limits (\$)
Joep Davetanivalu	Director Environment	9905366	10,987.81	1,200.00	9,787.81
Vula Shaw	PAS Housing	9906177	1,034.04	480.00	554.04
Talei Rokotuibau	Director Town & Country Planning	9906431	1,937.43	1,200.00	737.43
Josese Rakuita	Director Local Government	9905162	5,348.74	1,200.00	4,148.74
Seini Raiko	PAS Housing	9906112	874.03	240.00	634.03
Renee Duguivalu	Engineer Housing	9906180	770.60	480.00	290.60
Joeli Moceivale	SAS Housing	9906391	633.71	480.00	153.71
Onesimo Ketekete	Body guard	9906393	599.19	240.00	359.19
Kolinio Bola	Director Housing	9906438	1,834.10	1,200.00	634.10
Saverio Baleikanacea	DS LGUDHE	9906439	2,669.01	1,200.00	1,469.01
Jonetani Cagi	PSO	9906459	1,588.45	480.00	1,108.45
Senivasa Waqairamasi	SEO West	9906491	1,292.08	480.00	812.08
Seinimili Nakora	SEO North	9906492	758.95	480.00	278.95
Tokasa Nuilevu	PA - Minister	9906534	657.05	240.00	417.05
Mikaele Baniwai	Minister Driver	9906398	331.83	240.00	91.83
Malakai Ravouvou	Driver	9906421	343.88	240.00	103.88
Doreen Singh	Secretary - DS	9906524	347.09	240.00	107.09

Officer's Name	Position	Mobile Number	Actual Charges (\$)	Yearly Limit (\$)	Charges In Excess of Authorised Limits (\$)
Villiams Qaniuci	Technical Officer TCP	9906995	490.96	480.00	10.96
Akanisi Volavola	SAS Corporate	9906433	2,187.59	480.00	1,707.59
Malakai Sosiceni	SAO	9906432	1,366.97	480.00	886.97
<b>Total</b>			<b>36,053.51</b>	<b>11,760.00</b>	<b>24,293.51</b>

The Ministry did not monitor the use of mobile phones by the officers. As a result the mobile phone charges were overspent by \$24,293.51 or 207% compared to the annual approved limit.

### Recommendations

#### The Ministry should:

- monitor the mobile phone usage by officers issued with the mobile phones;
- recover the overspent amount from the officers responsible; and
- consider withdrawing the mobile phones issued if officers continue to incur expenses above the preapproved limit.

### Ministry's Comments

Officer's Name	Post	Mobile Number	Actual Charges	Annual Limit	Excess beyond limit	Remarks
Jope D	Director Environment	9905366	10,987.81	1,812	9,175.81	To OPR salary
Vula Shaw	PAS	9906177	1034.04	1,092	Nil	Within limit
Talei Rokotuibau	Director Town & Country Planning	9906431	1937.43	1,812	125.43	To OPR salary,,
Josese Rakuita	Director Local Govt.	9905162	5348.74	1,812	3,536.74	Salary OPR completed by PSC.
Seini Raiko	SA/Rakiraki	9906112	874.03	720	154.03	Currently on suspension
Renee Duguivalu	Engineer	9906180	770.60	480	290.60	Resigned to study in Australia
Joeli Moceivale	SAS	9906391	633.71	480	153.71	To OPR salary
Onesimo Ketekete	Bodyguard	9906393	599.19	240	359.19	PSO - RFMF personnel
Kolinio Bola	Director Housing	9906438	1834.10	1812	22.10	To OPR salary
Saverio Baleikanacea	Deputy Secretary	9906439	2669.01	1200	1469.01	„
Iliana Maesia	ADLG	9907778	1,1125.85	1,092	33.90	„
Jonetagi Cagi	PSO	9906459	1588.45	480	1078.45	PSO - RFMF personnel
Senivasa Waqairamasi	SEO West	9906491	1292.08	1092	200.08	To OPR salary
Senimili Nakora	SEO North	9906492	758.95	1092	Nil	Within limit
Tokasa Niulevu	Senior Secretary	9906534	657.05	852	Nil	„
Mikaele Baniwai	Driver/Minister	9906398	331.83	240	91.83	To OPR salary
Malakai Ravouvou	Driver/PS	9906421	343.88	240	103.88	„
Doreen Singh	Secretary/DS	9906524	347.09	240	107.09	„

Officer's Name	Post	Mobile Number	Actual Charges	Annual Limit	Excess beyond limit	Remarks
Viliame Qaniuci	Acting Town Planner	9906595	490.96	1092	Nil	Within limit
Akanisi Volavola	SAS Corp	9906433	2187.59	1092	1095.58	To OPR salary
Malakai Sosiceni	Senior Accountant	9906432	1366.97	1092	274.97	OPR Salary - fully recovered (+ 12.5% interest)
Caroline Waqa	Senior Secretary	9906678	286.25	1092	Nil	Within limit

- Your finding is noted and appropriate recovery will be made from officers who have exceeded their monthly limits. However, for Director Environment the excess relate to calls incurred on 'Roaming' whilst being away on overseas trips to facilitate communication with Minister, PS and Environment officers given the Statutory functions of his office. Roaming facility is approved by the Permanent Secretary.
- Recommendation is being put up to APS to withdraw **Blackberries** issued to Principal level officers and below in order to cut out the standard monthly charge of **\$51** to each Blackberry user.
- Only Director level upwards would maintain Blackberries to enable them to retrieve emails through their Blackberries apart from access to internet.

## 22.10 Excessive Calls by Permanent Secretary to Vanuatu

Each year, the Appropriation Act and Budget Estimates set out details of the appropriations that Cabinet approves for spending by each agency. No officer may incur expenditure, which results in the agency's appropriation being exceeded without the authorization of the Ministry of Finance, pending approval by Cabinet.<sup>7</sup>

Ministries and Departments are expected to institute strict expenditure controls on daily operational expenses such as fuel and oil, travel, stationery, telecommunications, incidentals etc.<sup>8</sup>

The audit noted that the former Permanent Secretary for Local Government, Urban Development, Housing and Environment, Mrs. Taina Tagicakibau incurred excessive Vodafone charges for the months of February and March 2012. The Vodafone charges for the former Permanent Secretary for 2012 totalled \$13,716.63.

Out of this \$1,981.53 or 14% appeared to be for private calls to her daughter in Vanuatu which was paid by the Ministry. Refer to [Appendix 22.1](#) for sample of frequently called number in Vanuatu.

The audit also noted that the former Permanent Secretary's Vodafone charges for the months of February and March 2012 were paid from Awareness and Education allocation.

Failure by the Accounts Department to clarify the issue with the then Permanent Secretary resulted in payment of excessive unofficial calls charges.

<sup>7</sup> Finance Manual 2011 Section 2.1.2

<sup>8</sup> PSC Circular No: 07/2009

### **Recommendations**

#### **The Ministry should:**

- **strictly monitor all calls made by those who have access to official mobile phones; and**
- **take appropriate action to recover the personal call charges from the former Permanent Secretary.**

### **Ministry's Comments**

*The call costs highlighted were mostly incurred by the Permanent Secretary whilst away overseas on official trips (i.e. on Roaming). As the Permanent Secretary and Chief Accounting Officer of the Ministry, it is imperative that the communication lines to our HOD s and vice versa remain open.*

*However, with regards to the Vanuatu call costs, the Ministry will inform our former PS to clear charges.*

## **22.11 Overpaid Per Diem Allowance**

An Officer travelling Overseas on duty may be paid per diem allowances at rates prescribed by the Permanent Secretary for Public Service Commission if the per diem rate is not provided by the donor agencies.<sup>9</sup>

The PSC on 21/11/11 approved the former Permanent Secretary for Local Government, Urban Development, Housing and Environment, Mrs. Taina Tagicakibau to attend the Montreal Protocol Meeting conference of the parties (MOP 24) Geneva, Switzerland from 9<sup>th</sup> November to 19<sup>th</sup> November 2012.

The Ministry paid a total of \$8,859.75 as per diem allowance to the Permanent Secretary for her travel to conference in Geneva, Switzerland. The per diem allowance was to be paid for 9 days at US\$418 per day for 2 days and US\$409 per day for 7 days.

However the Ministry paid per diem allowance for 11 days at US\$418 per day for 1 day and US\$409 per day for 10 days.

As a result the Ministry overpaid per diem allowance totalling \$1,589.96.

### **Recommendation**

**The Ministry should recover the per diem overpaid to the former Permanent Secretary.**

### **Ministry's Comments**

*The audit finding is noted and appropriate correspondence will be made with the former Permanent Secretary to repay the difference which arose out of re-scheduling of flight itineraries prior to departure for this particular trip.*

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<sup>9</sup> General Orders 2011 Section 525

## **22.12 Recoupment of Advances**

An Officer travelling Overseas on duty may be paid per diem allowances at rates prescribed by the Permanent Secretary for Public Service Commission if the per diem rate is not provided by the donor agencies.<sup>10</sup>

The PSC approved the former Permanent Secretary for Local Government, Urban Development, Housing and Environment, Mrs. Taina Tagicakibau to attend the United Nations Framework Convention on Climate Change/Conference of the Parties in Durban, South Africa from 21/11/11 to 16/12/11.

The former Permanent Secretary was paid per diem allowances of \$5,409.07 for attending the conference in Durban, South Africa.

The audit noted that despite the per diem allowances paid to the former Permanent Secretary, she also requested for an accountable advance of \$12,600 for the trip even though she was not eligible. On her return she submitted acquittals for \$11,908.12 of the accountable advance. The balance of \$691.88 was neither retired nor acquitted.

The Senior Accountant wrote to the then Permanent Secretary on 07//02/12 to submit acquittals pertaining to balance of the advance amounting to \$691.88. However, the Permanent Secretary stated that some expenses were incurred for which she could not obtain receipts. She also requested if the balance of \$691.88 could be offset against the business class ticket that she forfeited.

The former Permanent Secretary was not eligible for accountable advance as she was paid per diem allowance. The Ministry incorrectly paid \$12,600 to former Permanent Secretary in addition to per diem allowance.

### **Recommendation**

**The Ministry should recover the full amount of accountable advance paid to the former Permanent Secretary.**

### **Ministry's Comments**

*The UN Climate Change Conference was held Durban, South Africa from 21/11/11 – 16/12/11 which lasted over a month included Ministers for Environments from other UN member countries.*

*As a result a number of Ministerial meetings, functions, trips, etc were held within the scheduled Climate Change Conference where relevant costs had to be incurred by the Government Delegation for which the Ministry of Environment took the lead role in terms of absorbing the costs.*

*In this regard, relevant invoices and receipts were provided by the Permanent Secretary who was granted the Accountable Advance. The receipts are self- explanatory and costs were incurred during the conference.*

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<sup>10</sup> General Orders 2011 Section 525



**APPENDICES****Appendix 22.1: Sample of Frequently Called Number**

<b>Date</b>	<b>Start Time</b>	<b>Duration (Hours:Minutes :Seconds)</b>	<b>Number Called</b>	<b>Place Called</b>	<b>Call Charges (\$)</b>
27/02/12	14:01:52	05:36	6785438803	Vanuatu	7.77
27/02/12	14:08:31	00:25	6785438803	Vanuatu	1.30
27/02/12	14:09:39	00:18	6785438803	Vanuatu	1.30
27/02/12	14:10:39	00:22	6785438803	Vanuatu	1.30
28/02/12	08:30:49	00:02	6785438803	Vanuatu	1.30
28/02/12	08:32:01	02:59	6785438803	Vanuatu	3.89
28/02/12	13:18:54	07:11	6785438803	Vanuatu	10.36
28/02/12	13:26:33	01:15	6785438803	Vanuatu	2.59
29/02/12	10:34:05	11:38	6785438803	Vanuatu	15.55
29/02/12	12:36:53	00:34	6785438803	Vanuatu	1.30
29/02/12	13:29:18	00:25	6785438803	Vanuatu	1.30
29/02/12	13:30:15	01:28	6785438803	Vanuatu	2.59
29/02/12	13:32:43	00:18	6785438803	Vanuatu	1.30
29/02/12	13:33:33	00:19	6785438803	Vanuatu	1.30
29/02/12	13:37:46	00:56	6785438803	Vanuatu	1.30
29/02/12	14:23:35	05:00	6785438803	Vanuatu	6.48
29/02/12	20:07:01	00:23	6785438803	Vanuatu	1.30
29/02/12	20:11:29	00:18	6785438803	Vanuatu	1.30
29/02/12	20:50:35	02:23	6785438803	Vanuatu	3.89
01/03/12	12:53:16	17:11	6785438803	Vanuatu	23.32
02/03/12	16:11:06	07:09	6785438803	Vanuatu	10.36
02/03/12	17:27:48	10:10	6785438803	Vanuatu	14.25
05/03/12	13:45:35	12:13	6785438803	Vanuatu	16.84
06/03/12	17:44:23	09:45	6785438803	Vanuatu	12.96
07/03/12	16:57:02	09:41	6785438803	Vanuatu	12.96
07/03/12	21:37:58	01:00	6785438803	Vanuatu	77.74
09/03/12	13:38:23	12:43	6785438803	Vanuatu	16.84
09/03/12	14:53:45	04:40	6785438803	Vanuatu	6.48
10/03/12	19:21:39	05:03	6785438803	Vanuatu	7.77
16/03/12	15:17:45	09:01	6785438803	Vanuatu	12.96
17/03/12	09:54:34	15:08	6785438803	Vanuatu	20.73
20/03/12	13:10:45	08:18	6785438803	Vanuatu	11.66
22/03/12	17:24:22	19:42	6785438803	Vanuatu	25.91
03/06/12	16:17:40	17:56	6785438803	Vanuatu	23.32
16/06/12	16:51:27	28:08	6785438803	Vanuatu	153.40
16/06/12	18:12:40	04:01	6785438803	Vanuatu	26.45



## Section 23 Ministry of Social Welfare, Women and Poverty Alleviation

### Role and Responsibilities

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

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## PART A: FINANCIAL STATEMENT

### 23.1 Audit Opinion

The audit of the 2012 accounts of the Ministry of Social Welfare, Women and Poverty Alleviation resulted in the issue of an unqualified audit report.

### 23.2 Statement of Receipts and Expenditure

The Ministry collected revenue amounting to \$35,417 and incurred total expenditure of \$27,981,488 in 2012. Details are provided in Table 23.1.

**Table 23.1: Statement of Receipts and Expenditure for 2012**

Description	2012 (\$)	2011 (\$)
<b>RECEIPTS</b>		
<b>State Revenue</b>		
Rental for Official Quarters	-	1,022
Commission	10,192	343
<b>Total State Revenue</b>	<b>10,192</b>	<b>1,365</b>
<b>Agency Revenue</b>		
Miscellaneous Revenue	25,225	21,191
<b>TOTAL REVENUE</b>	<b>35,417</b>	<b>22,556</b>
<b>EXPENDITURE</b>		
<b>Operating Expenditure</b>		
Established Staff	2,578,171	2,451,026
Unestablished Staff	369,506	327,385
Travel & Communication	148,760	148,404
Maintenance & Operations	377,491	326,653
Purchase of Goods & Services	443,147	70,921
Operating Grants & Transfers	22,662,222	30,224,036
Special Expenditures	403,999	431,641
<b>Total Operating Expenditure</b>	<b>26,983,296</b>	<b>33,980,066</b>
<b>Capital Expenditure</b>		
Capital Construction	226,830	367,290
Capital Purchases	148,364	69,996
Capital Grants & Transfers	404,025	789,478
<b>Total Capital Expenditure</b>	<b>779,219</b>	<b>1,226,764</b>
Value Added Tax	218,973	178,895
<b>TOTAL EXPENDITURE</b>	<b>27,981,488</b>	<b>35,385,725</b>

Revenue collected by the Ministry increased by \$12,861 or 57% in 2012 compared to 2011 due to an increase in commission collected.

Total expenditure declined by \$7,404,237 or 21% in 2012 compared to 2011 due to the introduction and implementation of New Food Voucher programs thus decrease in overall grants and transfers and the completion in 2011 of the Labasa FNCDD building complex.

### 23.3 Appropriation Statement

The Ministry of Social Welfare, Women and Poverty Alleviation incurred expenditure totalling \$27,981,488 in 2012 against the budget of \$32,136,294 resulting in savings of \$4,154,806 or 13%. Details are provided in Table 23.2.

**Table 23.2: Appropriation Statement for 2012**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	2,875,557	(30,842)	2,844,715	2,578,171	266,544
2	Unestablished Staff	345,107	30,842	375,949	369,506	6,443
3	Travel & Communication	163,700	(7,400)	156,300	148,760	7,540
4	Maintenance & Operations	268,776	129,731	398,507	377,491	21,016
5	Purchase of Goods & Services	580,800	(122,331)	458,469	443,147	15,322
6	Operating Grants & Transfers	33,050,000	(6,825,118)	26,224,882	22,662,222	3,562,660
7	Special Expenditure	519,765	131,024	650,789	403,999	246,790

Ministry of Social Welfare, Women & Poverty Alleviation

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	<b>Total Operating Costs</b>	<b>37,803,705</b>	<b>(6,694,094)</b>	<b>31,109,611</b>	<b>26,983,296</b>	<b>4,126,315</b>
	<b>Capital Expenditure</b>					
8	Capital Construction	196,000	45,070	241,070	226,830	14,240
9	Capital Purchases	100,000	48,378	148,378	148,364	14
10	Capital Grants and Transfers	800,000	(386,565)	413,435	404,025	9,410
	<b>Total Capital Expenditure</b>	<b>1,096,000</b>	<b>(293,117)</b>	<b>802,883</b>	<b>779,219</b>	<b>23,664</b>
13	Value Added Tax	223,800	-	223,800	218,973	4,827
	<b>TOTAL EXPENDITURE</b>	<b>39,123,505</b>	<b>(6,987,211)</b>	<b>32,136,294</b>	<b>27,981,488</b>	<b>4,154,806</b>

## 23.4 Statement of Losses

The Board of Survey for 2012 was carried out for all the sections of the Ministry. The report was in the process of being finalised as at the balance date. The Ministry reported embezzlement of funds totalling \$14,577 in 2012.

## PART B: AUDIT FINDINGS

### 23.5 Outstanding Revolving Fund Account Balances

A ledger shall be maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts, cash clearance accounts, expenditure and commitment accounts.<sup>1</sup>

The Ministry had a balance of \$1.6 million in the Revolving fund account as at 31/12/12 of which \$1.4 million was a carried forward from past years.

The \$1.4 million included amounts paid out by Post Fiji and retired but were fraudulently paid out as Family Assistance by the previous accountant. The Ministry was not able to determine the exact amount paid out by Post Fiji and that fraudulently paid out.

The audit also noted that approval was granted by the Ministry of Finance to write off the \$1.4 million on 28/1/10 and that it has also sought further approval to write off the outstanding balance on 5/9/12. No response was received to date.

#### Recommendation

**The Ministry should ensure that the outstanding balances in the Revolving Fund account are identified and cleared.**

#### Ministry's comments

*The Ministry has again attempted to clear in 2012, the outstanding balances in the Revolving Fund account which had already been identified and approved in 2010 to be written off. The Ministry needs to identify savings to clear the RFA outstanding balances in 2012.*

<sup>1</sup>Ministry of Social Welfare, Women and Poverty Alleviation Finance Manual s16.3.1  
Ministry of Social Welfare, Women & Poverty Alleviation

### 23.6 Recruitment without Meeting the MQR

Employment decisions in the public service are made without patronage, favoritism or political influence, and appointments and promotions are made on the basis of merit after an open, competitive selection process.<sup>2</sup>

The MQR for a Network Administrator/Assistant Programmer is Computer Operator plus 2-3 years experience, a degree holder with relevant experience in computing in any other organisation and/or relevant skills and experience in this particular field in any other organization. The Ministry advertised the position of Network Administrator/Assistant Programmer in the Fiji Public Service Official Circular No. 04/2011 dated 26/02/11 as vacancy number 216/2011.

Mr. Ledua Soqonidobui EDP 92264 was appointed on contract as a Network Administrator/Assistant Programmer on 31/10/11 for a period of 3 years on an annual gross salary of \$20,313 in the IT06 grade. The following anomalies were noted.

- Mr. Soqonidobui did not meet the MQR for the position as he has not completed his degree. Another applicant Mr. Jone Matakibete who holds a degree in Computer Science and Information System was ranked second during the interview by the staff board in their recommendation to the Permanent Secretary for Social Welfare, Women and Poverty Alleviation for the appointment of Network Administrator/Assistant Programmer.
- Mr. Ledua misled the interview panel by providing incorrect information about his field of study in his curriculum vitae where he stated that he is still pursuing his Bachelors' Degree in Commerce at FNU majoring in Information System and Computer Science. Mr. Ledua was interviewed on 19/7/11 but his FNU result notice for Trimester III, 2010 indicated that his major was Information System and Management as a minor. In addition the last result notice in his file for Trimester III, 2010 indicated that he has not continued with his studies as stated in his CV.
- The staff board in its submission to Permanent Secretary for Social Welfare, Women and Poverty Alleviation ranked Mr. Ledua ahead of other applicants and recommended him for appointment. In addition the staff board also incorrectly stated in their assessment that he holds a degree in Computer Science and Information System and was awarded full marks for his qualification.
- The matrix for all the applications was prepared by a Clerical Officer Ms. Lolohea Waqairawai and reviewed by a Senior Officer.

Citing the above anomalies, the Permanent Secretary for Social Welfare, Women and Poverty Alleviation terminated the Mr. Ledua's appointment on 01/10/12. However, a file note was made by the Minister on 04/10/12 to withdraw the termination letter and re-appoint Mr. Ledua. The withdrawal of termination letter was given to the officer on 04/10/12 and the Mr. Ledua was reappointed as Network Administrator / Assistant Programmer on 31/10/12.

Proper selection and recruitment process was not followed by the Ministry in appointing a Network Administrator / Assistant Programmer. The Minister's intervention in such operational matter indicated nepotism and favouritism.

<sup>2</sup> Public Service Act 1999 Part 2 Section 4(2)

**Recommendations**

- The Ministry should terminate Mr. Ledua's contract for employment for giving false information regarding his qualifications.
- PSC and FICAC should investigate the reappointment of Mr. Ledua to the position of Network Administrator / Assistant Programmer.

**Management Comments**

- Termination was done without communication with Minister. As of 2013 all staff appointments and disciplinary issues are communicated to Minister.
- The appointment was based on the reliability and credibility of procedures before the National Staff Board. Ministry has changed oversight procedures on staff appointments to prevent any such reoccurrence.
- Officer is pursuing studies in Bachelor of Commerce majoring in Information Systems under Ministry of iTaukei Affairs scholarship.
- Nepotism and favouritism are not entertained in any form in the Ministry.

**Further OAG Comments**

The Officer is still employed by the Ministry despite that he provided false information to the Ministry during interview.

**23.7 Salary for New Appointment not at Lowest Salary Scale**

Effective from 1<sup>st</sup> March 2012, which is the implementation date of the new MQR, the starting salary for appointments under all classifications will be set at the minimum of the scale.<sup>3</sup> The Commission will approve the pegging of those temporary relieving base grade officers with relevant upgraded qualifications who had been serving prior to 1<sup>st</sup> March 2012. They will receive the incremental salaries upon appointment on contracts even after 1<sup>st</sup> March 2012.<sup>4</sup>

The Ministry recruited 11 officers at the Welfare Officer II level in the salary scale \$12,666 - \$19,573 in the grade SW06 on a three year contract in 2012 with different commencement dates. Following anomalies were noted.

- The Ministry set annual gross salary for 3 officers at the minimum of the salary scale at \$12,666 while the salaries of the other 8 officers were set at \$15,336 which was seven steps higher than the minimum salary in that scale. The Ministry was not able provide any reasons for paying salaries above the minimum of the salary scale.

As a result these 8 Welfare Officer II Officers were overpaid totalling \$13,766.97 in 2012. Refer to Table 23.3 for details of officers recruited and overpayments made.

**Table 23.3: Welfare Officers II recruited in 2012 and amounts overpaid**

Officer's Name	Date of Appointment	EDP Number	Starting Salary (\$)	Overpaid (\$)
1. Repeka Kasaya Waqalala.	07/05/2012	92701	12,666	-
2. Avelina Raiwaleta Rayasi	07/05/2012	92700	12,666	-
3. Anjala Goundar	08/05/2012	92702	12,666	-
4. Sevanaia Watikini Tuiwasa	21/05/2012	92744	15,336	1,653.21
5. Senirewa Alfreda Vakarewakobau	09/05/2012	92695	15,336	1,740.99

<sup>3</sup> PSC Circular 68/2012 2.0 (i)

<sup>4</sup> PSC Circular 68/2012 2.0 (iii)

Officer's Name	Date of Appointment	EDP Number	Starting Salary (\$)	Overpaid (\$)
6. Sisilia Lagi Vunibobo.	07/05/2012	92703	15,336	1,755.62
7. Nivita Narayan.	08/05/2012	92704	15,336	1,748.30
8. Salanieta Galuvakadua	16/05/2012	92729	15,336	1,689.78
9. Litia Taufa Daveta	21/05/2012	92728	15,336	1,653.21
10. Litiana Ruth Tabucala	02/05/2012	92727	15,336	1,792.19
11. Christine Frances Atalifo	10/05/2012	92694	15,336	1,733.67
<b>Total Overpaid</b>				<b>13,766.97</b>

- The salaries for the above Officers were not stated in their respective contracts. The salary levels were authorised by Principal Administrative Officer (PAO) Mr. Vijay Kumar, Administrative Officer (AO) Ms. Vere Tuisawau and Executive Officer (EO) Ms. Timaleti Tuinabua without any consultation with the Permanent Secretary for Social Welfare, Women and Poverty Alleviation.
- The Ministry appointed Ms. Salanieta Galuvakadua as a Temporary Women Interest Assistant at SSO5 level on 16/5/12 and Ms. Nivita Narayan and Mr. Sevanaia Tuiwasa as Temporary Welfare Officer II on 8/5/12 and 21/5/12 respectively before being confirmed to their respective positions in 2012 as shown in Table 23.3 above.

During their appointments as Temporary Officers Ms. Nivita Narayan and Mr. Sevanaia Tuiwasa were paid gross annual salary of \$14,889 per annum while Ms. Salanieta Galuvakadua was paid \$10,412 per annum. The audit was not able to quantify the total amount overpaid during these officers' temporary appointment as the Ministry was not able to provide temporary appointment letters or contracts.

The Ministry did not obtain approval from Public Service Commission to pay the officers above the minimum salary scale in the grade SW06 as required by the Public Service Commission circular 68/2012.

### **Recommendations**

#### **The Ministry should:**

- carry out a thorough investigation in this matter and take appropriate disciplinary actions against responsible officers for not complying with PSC circular 68/2012; and
- recover the overpayment of salary from the officers concerned.

### **Management Comments**

*PSC started considering upgraded qualification from 2003 and came up with PSC Circular 23/2003 for all those who coming into the service on base grade positions with Certificates to be given a base plus 3 increments and those with Diploma and Degree certificates to be given base plus 6 increments. PSC Circular 23/2003 Clause 3.0 refers*

*This process took place all along continuously till 06.08.09 when PSC issued another Circular 39/2009 freezing all incremental payment Clause 1.0 [iv]*

*PSC then on 25.05.10 issued another Circular # 24/2010 uplifting the freeze on incremental payment.*

*So payment of increments has been on-going till when PSC Circular 68/2012 which is dated 18<sup>th</sup> October 2012 was issued – refer to Clause 2.0 [ii]. However these circular back-dated conditions of officers to 1<sup>st</sup> March 2012 that created confusion.*



*When the PSC Circular 68/2012 was issued in October 2012, these officers had already been appointed on contract in May 2012 so they get paid on that \$15,336 salary. But since that October circular says that payment on minimum salary [ no more increment ] is to be effective from 01.03.12, clarification was sought from PSC (refer attached email) that these officers will maintain their salary upon recruitment.*

#### **Further OAG Comments**

The PSC Circular 68/2012 was issued on 18/10/12 and came into effect from 1/3/12. The Officers were appointed in May 2012. The salary increase was in breach of PSC Circular 68/2012. All salary increase should have been reversed to comply with the Circular 68/2012.

### **23.8 Failure to Follow Proper Recruitment Procedures**

Employment decisions in the public service are made without patronage, favouritism or political influence, and appointments and promotions are made on the basis of merit after an open, competitive selection process.<sup>5</sup>

The Ministry received 622 applications for the 11 Welfare Officer II positions that were advertised as vacancy numbers 59-61 and 67-74. The following anomalies were noted:

- The staff board shortlisted only 20 applicants to be interviewed for 11 vacant positions out of 622 applications received. The Ministry did not see it as appropriate to consider interviewing more applicants out of the 622 applications received.
- Only 8 out of the 20 applicants that were short listed attended the interview. All 8 individuals who were interviewed were recruited to fill 8 vacant positions and another 3 officers were recruited without undergoing interviews from unsuccessful applicants that were interviewed for Welfare Officer I positions. The Ministry did not see it fit to call other applicants for the interview out of the total 622 that applied.

The officers recruited without being interviewed for Welfare Officer II positions were Ms. Litia Taufa Daveta, Ms. Atalifo Christine Frances and Ms. Galuvakadua Salanieta.

- One of the applicants Ms. Sisilia Lagi Vunibobo failed the interview with her overall score of 13.4 out of 30. However she was still recruited as Welfare Officer II.

All officers recommended to be recruited for the 11 positions were approved by the Permanent Secretary without reviewing the process of recruitment.

The Ministry in appointing the 11 Welfare Officers II did not follow an open and competitive selection process. There is a risk of nepotism and favouritism in the selection process.

#### **Recommendations**

- **The PSC should investigate the recruitment of Welfare Officer II at the Ministry and take appropriate action against the Officers responsible.**
- **The Ministry should:**
  - **shortlist adequate number of applicants to ensure that the best applicant on merit is appointed to the position;**

<sup>5</sup> Public Service Act 1999 Part 2 Section 4(2)

- appoint officers on the post they applied for;
- not appoint officers without going through fair recruitment process; and
- conduct more than one round of interviews when large applications are received.

### **Management Comments**

*The Number of candidates shortlisted was merit based and not in proportion to the number of applications.*

*The recommendations have been noted. However, the ministry shortlisted candidates that were pursuing studies in social work or psychology as part of succession plan.*

*Ms Litia, Ms. Atalifo & Ms. Salanieta had applied for these positions but were also interviewed for WOI positions, thus there was no need to interview them again for WOII position. They were picked from there. This was the decision of the staff board.*

*The pressure from the management to fill the position asap and taking into account the 3 months time frame to fill vacant positions, the 2<sup>nd</sup> round of interviews could not be done.*

## **23.9 Family Assistance Allowance**

Each voucher should have the unique identifier of the client's reference number prefixed with their Cost centre and suffixed with the month and year that the voucher is valid for.<sup>6</sup>

The Family Assistance Scheme is a method of providing small amounts of financial assistance to families in destitute conditions. The scheme is an affirmative action programme that is legislated under the Social Justice Act 2000. It is a form of assistance given temporarily to a family/household whose livelihood depends on an inadequate source of income. Review of payment of the family assistance scheme revealed the following anomalies.

- Several instances were noted where recipients of family assistance had same reference number. Refer to Appendix 23.1 for examples of recipients with same reference number.
- Several recipients of family assistance did not have any reference number. The allowances were deposited into the recipients' bank account at Westpac Banking Corporation by the Ministry. Refer to Appendix 23.2 for examples of recipients without reference number.
- Four of the family assistance recipients with same reference numbers were double paid the family assistance allowances from November 2012. These recipients provided different bank account numbers and were paid twice. It is highly likely that there may be other recipients who could be using more than one bank account numbers to receive family assistance allowance. Refer to Appendix 23.3 for examples.
- Several recipients of family assistance allowance were double paid by the Ministry in 2012. The allowance was deposited into the recipients' bank account at Westpac Banking Corporation by the Ministry. Refer to Appendix 23.4 for examples of double payments.

The system used by the Ministry for processing the monthly allowance does not have built in controls to identify double payment of allowances.

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<sup>6</sup> Ministry of Social Welfare, Women and Poverty Alleviation Finance Manual Section 4.1.17

- The Ministry makes welfare assistance payment amounting to more than \$1 million through Westpac Banking Corporation, ANZ Bank and Bank of South Pacific to the welfare assistance recipients every month. These payments are made electronically from the Ministry.

The findings indicated a lack of reviews of monthly allowances listing by Senior Officers.

### **Recommendations**

#### **The Ministry should:**

- ensure that recipients with same reference numbers are identified and each issued a different reference number;
- ensure that all recipients are issued with reference numbers;
- cease payment of allowances to recipients who have defrauded the Ministry through double payment and refer these cases to the Police for investigation and action;
- identify recipients who were paid allowances twice and take appropriate action;
- employ mechanisms to identify double payment of allowances to recipients before releasing allowance data to bank; and
- ensure that monthly allowance list is reviewed by a Senior Officer before payment is processed.

**The Ministry of Finance should investigate the double payment of welfare assistance and take appropriate action.**

### **Management Comments**

- *Initially the accounts were opened in large batches by Westpac and while sorting to differentiate divisions the reference numbers were jumbled. Westpac has provided us with the list of all recipients and corresponding account & references numbers. Lists have been updated accordingly so every recipient has a unique reference number now.*
- *ANZ and Westpac banking system do not have controls to detect double payment since it serves the purpose of allowing one to make more than one deposit. Ministry's IT section has sent detailed guide to all Clerical officers in district offices on duplicate checking.*
- *A duplicate check is done before payout is undertaken.*

## **23.10 Anomalies in the Expanded Food Voucher Program**

The Ministry of Social Welfare, Women and Poverty Alleviation awarded the contract to Morris Hedstrom Supermarket for supply of food items to the recipients of Government's Existing Food Voucher Assistance. In 2012 the Ministry carried out a pilot project to replace the manual food vouchers with electronic food voucher (magnetic cards).

The Ministry provided recipient details to Morris Hedstrom which uploaded recipient details in its system and produced identification cards for the recipients at no cost to the Ministry. The recipients were to present the identification cards at the cashier when purchasing food items. Existing terms and conditions of the food voucher program were applied.

Recipients of the Expanded Food Voucher should be over 70 years and not receiving any form of assistance from any other charitable organization and their joint family income from cash and production of goods and services for own consumption should be less than \$9,100 per annum.<sup>7</sup>

The audit noted the following discrepancies in the implementation of electronic food voucher program:

- Applicants for the food voucher programme are required to fill in an application form with personal details. Review of the expanded food voucher program application revealed that relevant information such as date of birth, residential and postal address, district and division were not filled in the application form.
- The recipients' reference number format is made up of 1<sup>st</sup> three initials of the town/city followed by 'EFV' then recipient number and then the year of issue. It was noted that "TAV" was used in the reference number for recipients from Tavua and Taveuni. Hence there was no distinction in the recipients' reference numbers between Tavua and Taveuni.
- Inconsistent reference number format was used for some recipients from Ba and Lautoka. Refer to Table 23.4 below for details.

**Table 23.4: Inconsistent Recipient Reference Number Format**

Reference Number	Recipient	Location
Ba		
EFV/BA/88/2012	Iswaramma	Sarava, Ba
EFV/BA/89/2012	Mohammed Yusuf	Yalalevu, Ba
EFV/BA/90/2012	Nasava	Vadravadra, Ba
EFV/BA/91/2012	Mun Sami	Vasia, Ba
EFV/BA/92/2012	Sri Bhajan	Talecaka, Ba
EFV/BA/93/2012	Ram Pratap Sharma	Nadhari, Ba
EFV/BA/94/2012	Jenti	Wailailai, Ba
EFV/BA/96/2012	Prabha Wati	Nadhari, Ba
BA/AA/EFV/14/2012	Siteri Senitrau	Nadrugu, Nalota Ba
Lautoka		
LU/EFV398/12	Fatama	Field Forty, Lautoka
LU/LT/198/12	Fatima Bi	Not filled
LU/SA/55/12	Hajira Bibi	Not filled

- Several instances were noted for same reference number allocated to two recipients. Refer to Table 23.5 for examples.

**Table 23.5: Same Reference Number Allocated to Recipients**

Reference Number	Recipient	Date of Birth	Residential Address	Postal Address	Amount (\$)
Suva					
SUV/EFV/92/2012	Mikaele Lelekula	1/6/1940	Nadonumai Settlement	Not filled	30
SUV/EFV/92/2012	Epeli Etutai	13/04/1943	Kalekana Settlement, Lami	Not filled	30
Nausori					
NAU/EFV/131/2012	Mumtaz Ali	1/16/1938	Baulevu, Nausori	Not filled	30
NAU/EFV/131/2012	Nayacadraudra	20/11/1940	Nadakuni	Not filled	30

<sup>7</sup> Ministry of Social Welfare, Women and Poverty Alleviation Pamphlet  
Ministry of Social Welfare, Women & Poverty Alleviation

Reference Number	Recipient	Date of Birth	Residential Address	Postal Address	Amount (\$)
	Apenisa				
Labasa					
LAB/EFV/505/2012	Chanandei	9/2/1936	Vunivau Labasa	PO Box 4544, Labasa	30
LAB/EFV/505/2012	Ram Asre	14/1/1939	Vunivutu, Labasa	Not filled	30
Sigatoka					
SG/EFV/135/12	Moti Ram	2/8/1939	Not filled	Not filled	
SG/EFV/135/12	Natoba	4/19/1940	Nukulau, Navosa	Not filled	30

- The expanded food vouchers program was for the persons over 70 years of age. However the Ministry approved several applicants who were below 70 years of age. Refer to Table 23.6 for examples.

**Table 23.6: Individuals under the Age of 70 Receiving Food Vouchers**

Name	Reference Number	DOB	Age as at 31/12/12	Address	Amount (\$)
Gulshan Bibi	NAU/EFV/57/2012	03/26/1943	69	Central	30
Pushpa Wati	NAU/EFV/119/2012	04/05/1945	67	Central	30
Santraji Prasad	BA/EFV/251/2012	02/17/1943	69	BA	30
Parbhawati	BA/EFV/181/2012	11/08/1943	69	BA	30
Raj Kuari	BA/EFV/217/2012	07/14/1944	68	BA	30
Epeli Etutai	SUV/EFV/92/2012	13/04/1943	69	Lami	30
Mereti Sobu	RA/EFV/140/2012	10/09/1943	69	Ra	30
Jone Bogi	TAV/EFV/14/2012	07/12/1943	69	Taveuni	30
Abdul Hanif	LAB/EFV/348/2011	01/08/1948	64	Labasa	30
Rajendra Prasad	LU/EFV/233/2012	01/05/1943	69	Lautoka	30
Ramanand	NA/EFV/242/2012	07/12/1949	63	Nadi	30

- The Ministry maintained a database for expanded food voucher recipients. Review of the database revealed that some of the recipient's date of birth was incorrectly stated. These dates had year of birth beyond 2020. Refer Table 23.7 below for details.

**Table 23.7: Recipients with Wrong Date of Birth Receiving Food Vouchers**

Name	Reference Number	DOB	Address	Amount (\$)
Remesio Masitoqi	TAV/EFV/106/2012	6/5/2026	Tavua	30
Champa	TAV/EFV/97/2012	1/1/2029	Tavua	30
Ramzan Ali	LU/EFV/257/2012	1/4/2023	Lautoka	30
Aziz Mohammed	NA/EFV/100/2012	8/10/2020	Nadi	30
Jag Mohan	NA/EFV/134/2012	3/7/2026	Nadi	30

The findings indicate that Ministry officials have not been vigilant in checking, reviewing and updating the government assistance recipients' files and the database. As a result the Ministry may be providing government assistance to people who are not eligible for such assistance.

**Recommendations****The Ministry should:**

- cease to provide assistance to the recipients who do not meet the criteria;
- ensure that reference numbers are distinct from one another to avoid making wrong payments; and
- update the recipients' database with correct details of the recipients.

**Management Comments**

*Comments are noted as this program is no longer funded in 2013 budget.*

**23.11 Unutilised Grant Funds**

The Ministry of Social Welfare, Women and Poverty Alleviation allocated \$1,321,200 each to Ministry of Education and Ministry of Health in its 2012 budget. The grant funds were allocated for the implementation of Expended Food Programme for children in rural schools administered by Ministry of Education and the Food Voucher Programme for expectant mothers.

Out of the total funds allocated the Ministry of Social Welfare, Women and Poverty Alleviation disbursed only \$440,376.67 and \$43,308.00 to Ministry of Education and Ministry of Health respectively during 2012. Refer Table 23.8 for amount disbursed.

**Table 23.8: Amount of Grant Funds Disbursed**

Ministry	Total grant Available (\$)	Grants Disbursed (\$)	Grant not Used (\$)
Education	1,321,200.00	440,376.67	880,823.33
Health	1,321,200.00	43,308.00	1,277,892.00
<b>Total</b>	<b>2,642,400.00</b>	<b>483,684.67</b>	<b>2,158,715.33</b>

A substantial amount of the grant funds was not disbursed as both Ministries did not submit their acquittals on time. The Ministry of Education submitted its acquittals on 31/12/12 for the grants received on 12/03/12 which were 6 months late. The Ministry of Health did not submit the acquittals at all for the grant received on 21/12/12.

Due to non-submission of the acquittals grants totalling \$2,158,715.33 or 82% were not utilised by the Ministries. The audit further noted that the Ministry of Social Welfare, Women and Poverty Alleviation did not take any action to follow up on the acquittals from these two Ministries.

The laxity by management of both the Ministries led to the poor and disadvantaged families deprived of the much needed assistance offered by the Government. Also laxity by management of the Ministry of Social Welfare led to such a large sum of grant money unutilised.

**Recommendation**

**The Ministry of Social Welfare should follow up with the Ministry of Education and the Ministry Health for the acquittals.**

**Management Comment**

- *The Expanded Food Voucher Program was planned out by National Planning and the 3 Ministries were then given the budget to implement it. There was no consultation done to establish the ground work, thus it took the 3 Ministries the beginning of 2012 to try and get the framework and the processes and procedures required to implement this program.*
- *The clientele especially for MOE and MOH were members of the community residing in the rural and maritime areas (primary school children and pregnant mothers), and therefore challenges were encountered in trying to get the applications over to the central offices for processing. Thus, only few were assisted resulting in the big amount of unutilized funds. As a result at the end of the year (2012) MOF decided to put a close to this program.*
- *Ministry of Education has already acquitted, to date Ministry of Health despite several verbal, written and requests in person has not submitted the acquittals to date. No food voucher was issued by this Ministry and only salary of the project officer was paid from the advanced funds.*

**23.12 Misappropriation of Accountable Advance**

An employee must not make improper use of official information or of the employee's duties, status, power or authority in order to gain a benefit or advantage for the employee or for anyone else.<sup>8</sup> An employee must use Government resources and assets in a proper way.<sup>9</sup>

The Ministry's budget had an allocation of \$215,430 for Child Protection Services which is funded by United Nations International Children's Emergency Fund (UNICEF). The purpose of this fund is to promote child protection awareness. The Community Program Officer Administration Ms. Sureshni Mudaliar EDP number 91036 was receiving the accountable advances from the Assistant Accounts Officer and issuing these to the project officers in outer stations. The project officers use this advances for child protection awareness program. At the end of the program the Project Officers retire the advance to the Community Program Officer Administration.

The audit noted that after the completion of the program, the Project Officer retires the expenditure with supporting documents and deposits any savings into the Community Program Officer Administration's personal bank account number 08274087 at ANZ Bank.

It was also noted that the Community Program Officer Administration instructed the Project Officers not to write the amount retired in the subsistence allowance and travelling expenses claim form sent to her.

On receipt of the Subsistence Allowance and Travelling Expenses Claim form and the balance of unused funds from the project officers the Community Program Officer Administration should have retired the unused funds with the supporting documents to the Assistant Accounts Officer. However the Community Program Officer Administration prepared fake receipts to inflate the expenditure incurred to offset the balance. She then wrote the amount retired in the Subsistence Allowance and Travelling Expenses Claim form, attached the fictitious receipts and submitted the Subsistence Allowance and Travelling Expenses Claim form to the Assistant Accounts Officer indicating that fund advanced were fully used. Refer Table 23.9 for examples.

<sup>8</sup> PSC Act 1999 Part 2 (6) 10

<sup>9</sup> PSC Act 1999 Part 2(6) 8

**Table 23.9: Retirement of Accountable Advance**

Purpose of Accountable Advance	Accountable Advance Issued (\$)	Amount Retired By Community Program Officer Administration (\$)	Amount Retired By Project Officer (\$)	Variance (\$)	Comments
PCAN follow up program at Vunivatu village, Cakaudrove	2,282.00	2,282.70	764.70	1,518.00	The project officer deposited \$1,515.00 into community program officer administration personal bank account on 10/08/12.
Follow up workshop at Naruwai village, Cakaudrove	1,917.00	1,922.70	1,015.95	906.75	The project officer deposited \$900.00 into community program officer administration personal bank account on 23/05/12.
PCAN build up community workshop at Bagasau village, Cakaudrove	2,045.00	2,057.10	1,322.10	735.00	The project officer deposited \$735.00 into community program officer administration personal bank account on 18/09/12.

The audit noted that 11 deposits of unused accountable advance totalling \$14,577 were made into Community Program Officer Administration's personal bank account number 08274087 ANZ Bank, Suva by Mr. Vetaia Vuinakelo on Community Program Officer Administration's request.

The audit further noted that these deposits were withheld by the Community Program Officer Administration. Refer to Table 23.10 below for deposits made by project officers into Community Program Officer Administration's personal bank account.

**Table 23.10: Deposit Made into Community Program Officer Administration's Personal Bank Account**

Date Deposited	Amount Deposited (\$)
15/04/11	430.00
29/04/11	360.00
06/05/11	400.00
19/05/11	600.00
06/10/11	600.00
23/05/12	900.00
28/06/12	1,221.00
13/07/12	1,352.00
10/08/12	1,515.00
18/09/12	735.00
29/10/12	2,240.00
11/10/12	1,877.00
15/11/12	1,230.00
07/12/12	1,117.00
<b>Total</b>	<b>14,577.00</b>

The Assistant Accounts Officer and the Clerical Officer Revenue revealed that they had not received any cash reimbursements from the Community Program Officer Administration. This indicates that the Community Program Officer Administration Ms. Sureshni Mudaliar, may have embezzled a total of \$14,577.



**Recommendations**

**The Ministry should:**

- carry out preliminary investigation and take appropriate action;
- report the matter to the Police and Fiji Independent Commission Against Corruption for further investigation and appropriate action; and
- review its internal controls for accountable advance.

**Management Comments**

- the Ministry suspended the concerned officer, thereafter carried out preliminary investigation and forwarded outcome to Office of the Solicitor General;
- the matter was reported to Police who are conducting their own investigation;
- attached hereto are Internal Circular Memorandums to all ministry officials who are obliged adhere to instructions stated therein.
- Internal Controls have been reviewed and stringent measures have been put in place with no more funds to be deposited into officers' personal bank accounts with the 7 day retirement strongly adhered to.

**23.13 No Contract Agreement between Ministry and Its Executing Agencies**

The Ministry has been using the services of Post Fiji for many years and then later included Westpac Banking Corporation since 2009 for the distribution of food vouchers and allowances to the approved recipients. New recipients who did not have bank accounts were advised to open bank accounts with Westpac Banking Corporation for their allowances to be deposited into their respective bank accounts by the Ministry. Some of the recipients who already had bank accounts with Bank of South Pacific and Australia New Zealand (ANZ) bank were allowed to use their existing accounts for disbursement of their allowances. The executing agencies receive commission at the rate of \$2.50 per recipient.

The Ministry provided significant sums of money to these executing agencies for disbursement to the recipients on behalf of the Ministry including their commission. Refer Table 23.11 below for details.

**Table 23.11: Payment of Family Assistance and Commission to Executing Agencies**

Executing Agency	2011 (\$)	2012 (\$)	Total (\$)
Post Fiji	4,304,911.65	-	4,304,911.65
Westpac Banking Corporation	14,747,431.00	15,802,945.70	30,550,376.70
Bank of South Pacific	-	592,350.00	592,350.00
Australia New Zealand (ANZ) bank	-	1,009,883.00	1,009,883.00
Commission	481,504.00	473,741.10	955,245.10
<b>Total</b>	<b>19,533,846.65</b>	<b>17,878,919.80</b>	<b>37,412,766.45</b>

The audit noted that the Ministry did not sign any contract agreement with the executing agencies for using their services.

This issue was also reported in last year's management letter however, no corrective action was taken by the Ministry.

In absence of the agreement disputes may arise due to various reasons which may hinder timely payment of allowances.

## **Recommendation**

**The Ministry should sign binding contract agreements with its executing agencies for disbursement of allowances to the recipients.**

## **Management Comments**

- *Agree that there was no agreement signed Ministry and Westpac Banking Corporation. Written document could not be obtained on the justification on delaying this contractual agreement. FPO had awarded tender to WBC and reverted the same comments to the Ministry. The emphasis was more towards implementation rather than addressing the legal aspect accordingly;*
- *as for BSP & ANZ, the family assistant recipients voluntarily open their bank accounts with these banks and notified the Ministry to directly deposit the allowance into their bank accounts;*
- *Post Fiji arrangement existed since the organization was known as P&T which was a department of Government and transactions were facilitated through IDC accounts and form S and therefore the need for MOU was not warranted.*

## **23.14 Anomalies in Grants Given to NGO's**

Acquittal reports must be prepared by the recipient of the grant and submitted to the agency that paid the grant<sup>10</sup>. The recipient shall prepare an acquittal report. The acquittal report shall provide the following information:

- details of grant money expended and unexpended; and
- grants objectives and targets achieved; and
- financial statement (audited if practicable) for grants of \$20,000 or more.<sup>11</sup>

Grants must be paid in accordance with the terms and conditions in the grant agreement.<sup>12</sup> No variation to a grant agreement shall be made without the written approval of the Permanent Secretary of the administering agency.<sup>13</sup>

The Ministry provided grants totalling \$179,000 to 20 Non Government Organisations in 2012. The following anomalies were noted:

- The Ministry provided a total of \$20,000 grant to Dilkusha Girls Home in 2012. Acquittals received from the recipient totalling \$692.03 for the expenses incurred from the first half grant of \$10,000 did not have supporting documents to authenticate the expenditure.

The grant recipients also used \$1,699.61 of the grants funds for Baby Grace which was not part of the approved expenditure as per grant agreement between the Ministry and Dilkusha Girls Home.

In addition the acquittals submitted by Dilkusha Girls Home contained expenses relating to the year 2011 amounting to \$572.46 which was paid from 2012 grant funds.

- The Ministry of Social Welfare provided a total of \$15,000 grant to St.Christopher's Home for the year 2012. St.Christopher's Home paid wages of \$320 to Mr. Apakuki.

<sup>10</sup> Finance Instruction 16 (8)

<sup>11</sup> Ministry of Social Welfare, Women & Poverty Alleviation Finance Manual Section 3.1.17

<sup>12</sup> Finance Instructions 2010, Section 16(4)

<sup>13</sup> Finance Instructions 2010, Section 16(5)

It was noted that Mr. Apakuki did not have a job description and his name neither appeared in the FNPF listing nor in the list of employees submitted to the Ministry in the initial application requesting for grant. It was further noted that the Home later crossed off Mr. Apakuki's name and replaced it with an existing employee's name, Mr. Avete Kulaniyasiyasi.

- The Ministry provided a total of \$10,000 grant to Homes of Hope in 2012. The Home spent \$783.65 on transport expenses which was not part of the approved expenditure as per Grant Agreement. In addition acquittals totalling \$103.50 did not have supporting documents to authenticate the expenditure.
- The Ministry provided a total of \$10,000 grant to Project Heaven in 2012. Acquittals totalling \$1,750 for payment of office rent did not have any supporting documents to authenticate the expenditure.
- The Ministry provided a total of \$100,000 grant to Mahaffy Girls in 2012. The Administrator of Mahaffy Girls, Salvation Army did not submit the acquittals for the first quarter grant of \$25,000.

The Ministry later changed the administrator for the Mahaffy Girls to Global Compassion to look after the rest of the grants for the year. Some of the supporting documents attached to the acquittals submitted by Global Compassion for the second quarter grant totalling \$25,000 were illegible hence the audit could not verify the acquittals.

In addition supporting documents for expenses incurred totalling \$4,447.35 from the second quarter grant were not submitted by the Global Compassion to the Ministry.

The findings indicate that the Ministry was not vigilant in reviewing the acquittal reports. In the absence of adequate supporting documents audit was not able to establish whether the grant funds were properly utilised by the grant recipients. In addition there is risk of misuse or misappropriation of grants funds.

### **Recommendations**

#### **The Ministry should:**

- **ensure that acquittals received from the recipients have adequate supporting documents to clearly indicate how the funds were used;**
- **take appropriate action against the recipients if they do not comply with the requirements of the grant agreements;**
- **cease to provide further grants to organisations that do not comply with the grant agreements and fail to submit proper acquittals with supporting documents; and**
- **investigate instances where acquittals or appropriate supporting documents not submitted to the Ministry.**

### **Management Comments**

- *In trying to address this issue the Ministry has developed its own Grant Policy and funds are given on installments to ensure that it is properly acquitted before the next installment is released.*

### 23.15 Incomplete Recipient Information

Applications for Family Assistance should be thoroughly scrutinised by the Welfare Officers Income Support (WOIS) to ensure they contain the required information such as application situation, household situation, dependents, income/support, expenses, medical/special needs, birth certificates, community support letter and death certificates.<sup>14</sup>

A review of Family Assistance and Care and Protection recipient's files revealed the following anomalies.

- For several Family Assistance applications the Ministry did not obtain all relevant information or documents such as birth certificates, death certificates, medical report, community letter, etc. for decision making and file record. The applicants were provided assistance without these information and documents. Refer Table 23.12 below for details.

**Table 23.12: Family Assistance Recipient's with Inadequate Information in File**

Recipient	Reference Number	Remarks
Mitiani Qali	104-106-949	Birth certificate not attached.
Vilikesa Jitoko	104-106153	Birth certificate not attached.
Samuela Finau	104-106149	Birth Certificate, Letter from Church Minister, Medical Report not in the file.
Elesi Leba	104-106102	Birth Certificate, Letter from Church Minister, Medical Report not in the file.
Viliame Koli	201-100419	Birth Certificate, Letter from Church Minister not in the file.
Rattan Kumari	101-102170	Birth certificate not in the file. Last review was done on 02/07/07.
Madhu Kamlesh	101-102172	Last review was done on 19/04/10.
Bishwa Nand	101-101120	Birth certificate not in the file. Last review was done on 14/10/10, however the review form was partially filled.
Maikeli Vueti	104-106161	Birth certificate not in the file.
Viliame Taunyavu	104-106272	Birth certificate not in the file. Last review was done on 29/05/08.
Tomasi Osipani	104-105302	Birth certificate not in the file. Last review was done on 01/12/09.

- The Ministry did not obtain all relevant information or documents such as birth certificates, medical reports, community letters etc. while processing the applications for Care and Protection allowance. These documents were not in the recipients' files. The applicants were provided assistance without these information or documents. Refer Table 23.13 for details.

**Table 23.13: Care and Protection Recipient's - Inadequate Information in File and Anomalies**

Recipient	Reference Number	Remarks and Anomalies
Amalaini Adireki	101-107328	No birth certificate for Avenai Rakulanawa. No letter from school. Avenai is over 18 years and was still receiving allowance. Total overpaid is \$480
Litiana Saubale	101-109372	No birth certificates in file
Yashneez Nisha	101-109573	No birth certificate in file for child. Child is 19 years in 2012, however allowance was still paid.
Vika Nataba	101-107711	No birth certificate for Child

- The Ministry did not carry out reviews of eligibility status for the recipients of Family Assistance and Care and Protection allowance for last 3 – 6 years. There may be some recipients whose financial circumstance may have improved and are no longer eligible for government assistance.

<sup>14</sup> Ministry of Social Welfare, Women and Poverty Alleviation Finance Manual Section 4.1.3  
Ministry of Social Welfare, Women & Poverty Alleviation

- The government assistance recipients' files are not properly stored in an organised manner. Family Assistance files are mixed with the Care and Protection files and piled on top of the filing cabinets.
- One of the Care and Protection recipients' Ms. Nai Lewamoce does not meet the age criteria for her dependent children. To be eligible for the Care and Protection assistance the child must be under the age of 18 years. However, Ms. Nai Lewamoce was receiving Care and Protection assistance of \$90 per month for two children who are over 18 years.
- One of the Family Assistance recipients' Mr. Yaca Tukana was 63 years old and did not meet the age criteria of 65 years but was receiving the Family Assistance. The recipient's status was last reviewed on 07/04/05 however important information including sources of income and current family member(s) details were not up dated in his file.

The findings indicate that the Welfare Officers have not been vigilant in checking, reviewing and updating the government assistance recipients' files. As a result the Ministry may be providing government assistance to some of the people who are not eligible for assistance.

### **Recommendations**

#### **The Ministry should:**

- **carry out an annual review of the recipient's financial status to ensure that only those eligible are provided with the assistance;**
- **ensure that all the files are organised and stored in secured places; and**
- **implement adequate supervisory controls to ensure all the relevant information is obtained before decision is made on the eligibility of assistance to be provided.**

### **Management Comments**

*The Ministry is currently reviewing and migrating all Care & Protection cases to e-gov. This system will require documents such as BC before it can progress, at the same time system locks the case when a child turns 18.*

**APPENDICES****Appendix 23.1: Recipients With Same Reference Numbers**

Number	Bank Account Number	Name of Recipient	Amount (\$)	Reference Number
1.	009802944737	Kupamma	60.00	201-108138
	009802955535	Narayan Prasad	60.00	201-108138
2.	009803691113	Dor Sami fn Munsami	60.00	301_3008464
	009803694661	Bimla Wati	60.00	301_3008464
3.	009803174540	Rajjeli Sakula	94.00	301-101626
	009802893942	Ram Rattan	60.00	301-101626
4.	009803692889	Siukumari	60.00	301_3008657
	9803693275	Suresh Chandra	60.00	301_3008657
5.	009803006502	Jamila	60.00	301-104820
	009802863457	Virisila	60.00	301-104820
6.	009802864414	Sambhu	60.00	301-103365
	009802864430	Kalisiana	30.00	301-103365
7.	009802871153	Atanasia	64.00	302-106287
	009802871179	Hari Mohan	60.00	302-106287
8.	009802887068	Kamla	60.00	301-100955
	009802887092	Enesi Waqanisau	79.00	301-100955
9.	009803241711	Esala Bale	80.00	301-103938
	009803197426	Tiraro Iowane	94.00	301-103938
10.	009803028274	Francis Titidara	95.00	301-108010
	009802901554	Lorima	64.00	301-108010
11.	009803649657	Timilai Nakoso	90.00	301-100401
	009803611426	Sera Dora	60.00	301-100401
	009803185256	Nasici Qoroniasi	85.00	301-100401
	009803593657	Nikeri Nakorovakatur	93.00	301-100401
12.	009803987099	Vinesh Chand	80.00	401_3010705
	009803988279	Shri Mati	60.00	401_3010705
13.	9803839761	Manueli Koro	60.00	201_3010898
	009803840454	Tomasi Naicavu	60.00	201_3010898
14.	009802841115	Sanaila	60.00	403-109265
	009802841156	Roshni Lata	60.00	403-109265
15.	009802907320	Sumitra	60.00	501-105641
	009802907296	Waqanivere Daina Nac	60.00	501-105641
16.	009803185439	Tevita Tobunigio	60.00	301-105391

Number	Bank Account Number	Name of Recipient	Amount (\$)	Reference Number
	009803165985	Sereana Ratuvaiki	94.00	301-105391
17.	009803319571	Akuila Rokotuibau	90.00	301-106864
	009802877986	Shaleshni Gounder	60.00	301-106864
18.	009802874488	Lomani Rogoyawa	90.00	301-105774
	009803191098	Lavenia Taneke	70.00	301-105774
19.	009803638049	Sunita Devi	100.00	301-107552
	009803152686	Jale Samuwai	116.00	301-107552
20.	009803670398	Chandra Wati	120.00	301-3009224
	009803704619	Mukesh Pal	92.00	301-3009224
<b>Westpac Recipients for The Month of July</b>				
21	9802897752	ShamKumari	60.00	301-3009794
	9803798280	Shiu Raj	60.00	301-3009794
22	9803165985	Sereana Ratuvaiki	94.00	301-105391
	9803185439	Tevita Tobuniqio	60.00	301-105391
23	9803179069	Karalaini Gadiwale	100.00	301-107024
	9803195776	Kuila Dounca	75.00	301-107024
24	9802877986	Shaleshni Goundar	120.00	301-106864
	9803319571	Akuila Rokotuibua	90.00	301-106864
25	9803638049	Sunita Devi	100.00	301-107552
	9803152686	Jale Samuwai	116.00	301-107552
26	9813615559	Viliame Naura	140.00	502-102129
	9802970039	Mere Votuku	60.00	502-102129
27	9803655811	Phul Chand	120.00	501-104061
	9803655891	Phul Chand	60.00	501-104061
28	9803724740	Malakai Rayaqaqaya	30.00	301-0005693
	9803722207	Jovesa Tovua	60.00	301-0005693
29	9803704619	Mukesh Pal	92.00	301-3009224
	9803670398	Chandra Wati	120.00	301-3009224
30	9803731844	Seuta Leba	60.00	301-3009789
	9803698571	Sunita Devi	60.00	301-3009789
31	9803729582	Keshwar Nair	60.00	401-0004003
	980329582	Timoci Qoli	60.00	401-0004003
32	9802854043	Levani Bose 2	82.00	401-109423
	9803727834	Parvati	65.00	401-109423
33	9803707059	Iliki Latilati	40.00	102-3007858
	980364684	Yana Valu	110.00	102-3007858

**Appendix 23.2: Recipients With No Reference Numbers**

Number	Bank Account Number	Name of Recipient	Amount (\$)
1.	009803394452	Maria M Rosa L.	60.00
2.	009803495259	Rishi Kapoor	60.00
3.	009803498121	Josua Vosawale	110.00
4.	009803438770	Loraini Baleinukuram	92.00
5.	009803257428	Subhan Chand	73.00
6.	009803497149	Brij Mohan	64.00
7.	009803481770	Kamla Wati	60.00
8.	009803342923	Dhaniesa f/n Santu	60.00
9.	009803496711	Luisa Diburu	60.00
10.	009803481218	Railu Chetty	60.00
11.	009803438416	Kamla Prasad	60.00
12.	009803488734	Urmila Wati	60.00
13.	009803097865	Nek Ram	60.00
14.	009803494351	Simolo Puafolau	110.00
15.	009803283192	Jovilisi Qasi	60.00
16.	009803597609	Ana Naimoce Leweniqi	94.00
17.	009803593244	Asenaca Kuila	75.00
18.	009803618694	Emori Waqanivalu	90.00
19.	009803612671	Epeli Raiyaki	64.00
20.	009803436824	Ram Karan	60.00
21.	009803387381	Elina Cakau	110.00
22.	009803462291	Kemueli Matanababa	68.00
23.	009803378612	Kunj Behari	110.00
24.	009803465252	Seini Nagota	70.00
25.	009803390500	Sri Janki	60.00
26.	009803406231	Narendra Prasad	60.00
27.	009803406694	Haliman Bi	60.00
28.	009803375436	ChandraWati	60.00
29.	009803388124	Puran	60.00
30.	009803392092	Tenikai Polito	110.00
31.	009803435404	Lachmamma	60.00
32.	009803410357	Sahdeo	60.00
33.	009803421107	Elim Din	62.00
34.	009803439844	Salesi V Ravasua	62.00



Number	Bank Account Number	Name of Recipient	Amount (\$)
35.	009803435024	Paula Bukavece	65.00
36.	009803468306	Satia Wati	60.00
37.	009803471896	Sarda Prasad	87.00
38.	009803471847	Suliasi Vunibola	60.00
39.	009803474049	Akilio Turagabalavu	60.00
40.	009803476325	BHIM DEO	110.00
41.	009803415919	Makereta Regu	60.00
42.	009803467373	Inoke T. Vuetibau	75.00
43.	009803476564	Esili Losana	80.00
44.	009803302943	Chet Ram	70.00
45.	009803152843	Kusum Lata	60.00
46.	009803089748	Petero Cagilaba	60.00
47.	009803436824	Ram Karan	60.00
48.	009803347187	Losana Tinai	100.00
49.	009803347229	Nasoni Ranamu	80.00
50.	009803347237	Rebeka Tuwai	55.00
51.	009803347401	Vanavasa Kubu	60.00
52.	009803347518	Luisa Vakamau	30.00
53.	009803347542	Madhur Singh	60.00
54.	009803347617	Selina Nadagalu	80.00
55.	009803347781	Shashi Lata	110.00
56.	009803349761	Ashyana nisha	70.00
57.	009803349944	Ana Cotini	100.00
58.	009803352427	Naiusa Rosa II	110.00
59.	009803352757	Vuetivere Veramu	65.00
60.	9803353086	Mesake Vinaka	60.00
61.	009803354167	Jolame Gaunavou	60.00
62.	009803354415	Margaret Navolo	110.00
63.	009803354563	Kishna	98.00
64.	009803355636	Apete Rokotarotaro	40.00
65.	009803365817	Sitiveni Rabukawaqa	70.00
66.	009803138057	Iliesa Natewa	110.00
67.	009803395541	Maina Wati	60.00
68.	009803376665	Asia Bi	110.00
69.	009803343368	Iowani Bole	80.00
70.	009803263640	Inoke Rabune	60.00

Number	Bank Account Number	Name of Recipient	Amount (\$)
71.	009803378554	Gyan Mati	60.00
72.	009802395690	Inosi Marai	60.00
73.	009803291948	Lila Wati	60.00
74.	009803293605	Vulisere Takayawa	60.00
75.	009803293829	Kamlawati Mainawati	60.00
76.	009803294769	Chandra Wati	60.00
77.	009803294843	Muneshnee Mudaliar	60.00
78.	009803295816	Merelita Kedraika	105.00
79.	009803298562	Karalaini Liku	60.00
80.	009803298596	Eseroma Naio	100.00
81.	009803300111	Sereana	90.00
82.	009803300624	Surya Bhan	60.00
83.	009803301077	Melaia Nailevu	60.00
84.	009803301572	Bidya Wati	60.00
85.	009803302786	Luisa Bikinauwa	65.00
86.	009803302893	Shamila Kumari	100.00
87.	009803302919	Losalini Verenakalau	70.00
88.	009803304220	Timoci Mataikuku	60.00
89.	009803304568	Madhavan Mudaliar	69.00
90.	009803304691	Anila Devi	72.00

### Appendix 23.3: Recipients With The Same Reference Number And Different Bank Account Numbers

Number	Bank Account Number	Name of Recipient	Amount (\$)	Reference Number
1.	009803878223	Malakai Popi	61.00	503-103239
	000008197588	Malakai Popi	61.00	503-103239
2.	009803027292	Birisita Vunibobo	30.00	201_0000666
	009803681072	Birisita Vunibobo	40.00	201_0000666
3.	009803186502	Nikeri Nakorovakatur	93.00	301-100401
	009803593657	Nikeri Nakorovakatur	93.00	301-100401
4.	009802841982	Kriti Devi	60.00	401-109208
	009803467753	Kriti Devi	60.00	401-109208

**Appendix 23.4: Double Payments To Family Assistance Recipients**

<b>Name</b>	<b>Reference Number</b>	<b>Bank Account Number</b>	<b>Amount (\$)</b>
<b>Westpac Recipients for the Month of September 2012</b>			
Apete Qio	401-3011485	9803140483	80.00
Apete Qio	-	9803140483	60.00
Ram Prasad	301-3010747	9803850230	60.00
Ram Prasad Sukkhu	-	9803850230	60.00
Sakiusa Kawaleva	301-3010659	9803829093	70.00
Sakiusa Kawalevu	-	9803829093	60.00
Maika Malau	301-104028	9802903956	90.00
Maika Malau	-	9802903956	60.00
Viliame Vakaloloma	102-3007116	9803709774	60.00
Viliame Vakaloloma	-	9803709774	60.00
Mosese Gadai	301-3010160	9803776492	60.00
Mosese Gadai	-	9803776492	85.00
<b>Bank of South Pacific Recipients for the Month of January 2012</b>			
Tomasi Uluviti	104-104682	7902626	110.00
Tomasi Uluviti	104-104682	7902626	110.00
<b>ANZ Recipients for the Month of February 2012</b>			
Alumita Kurimudu	503-101456	9351381	60.00
Alumita Kurimudu	503-101456	9351381	60.00
<b>ANZ Recipients for the Month of March 2012</b>			
Kuldip Singh	101-107274	10428922	60.00
Kuldip Singh	101-107274	10428922	60.00
Alumita Kurimudu	503-101456	9351381	60.00
Alumita Kurimudu	503-101456	9351381	60.00
Laisayani Serau	503-103367	9264067	388.00
Laisayani Serau	503-103367	9264067	180.00

## Section 24 Ministry of Youth and Sports

### Role and Responsibilities

The Ministry of Youth and Sports is responsible for:

- The formulation and implementation of policies and programs aimed at enabling youths to meet challenges of their generation and create a better future through informed choices; and
- The promotion and development of sports and its infrastructure both in the urban and rural areas in recognition of the important role of Sports in nation building, and to create a vibrant and highly competitive sports industry which will be economically beneficial to Fiji.

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## PART A: FINANCIAL STATEMENT

### 24.1 Audit Opinion

The audit of the 2012 accounts of the Ministry of Youth and Sports resulted in the issue of an unqualified audit report.

### 24.2 Statement of Receipts and Expenditure

The Ministry collected revenue totalling \$64,303 and incurred a total expenditure of \$3,352,328 in 2012. Details are provided in Table 24.1.

**Table 24.1: Statement of Receipts and Expenditures for 2012**

Description	2012 (\$)	2011 (\$)
<b>RECEIPTS</b>		
State Revenue		
RBF Revaluation Reserve Account	2	-
Interest-Public Officers and Ministers	-	8
Commission	304	337
OPR in Previous Years	89	1,973
<b>Total State Revenue</b>	<b>395</b>	<b>2,318</b>

Description	2012 (\$)	2011 (\$)
<b>Agency Revenue</b>		
Sales of School Farm Produce	34,061	48,615
Miscellaneous Revenue	29,847	26,616
<b>Total Agency Revenue</b>	<b>63,908</b>	<b>75,231</b>
<b>TOTAL REVENUE</b>	<b>64,303</b>	<b>77,549</b>
<b>EXPENDITURE</b>		
<b>Operating Expenditure</b>		
Established Staff	1,175,879	1,033,351
Unestablished Staff	165,387	132,347
Travel & Communication	103,067	75,798
Maintenance & Operations	154,046	169,046
Purchase of Goods & Services	561,958	447,849
Operating Grants & Transfers	470,685	387,062
Special Expenditures	428,977	582,942
<b>Total Operating Expenditure</b>	<b>3,059,999</b>	<b>2,828,395</b>
<b>Capital Expenditure</b>		
Capital Construction		---
Capital Purchases		---
Capital Grants & Transfers	109,324	---
<b>Total Capital Expenditure</b>	<b>109,324</b>	<b>---</b>
Value Added Tax	183,005	194,305
<b>TOTAL EXPENDITURE</b>	<b>3,352,328</b>	<b>3,022,700</b>

Total expenditure increased by \$329,628 or 11% in 2012 compared to 2011 due to the:

- Establishment of Permanent Secretary, 2 Senior Secretaries (1 vacant Admin Post and 1 transferred from Ministry of Education) and 1 Youth Officer (Media) posts.
- Minister and Permanent Secretary's travel and subsistence expenses. There was no funding provided by Ministry of Finance.
- Engagement of a Consultant for the Development of Sports.
- Sports scholarship and funding to various sporting organisations/events.
- Funding of Capital Grants and Transfers in 2012 as no such funding was allocated in 2011.

### 24.3 Appropriation Statement

The Ministry incurred expenditure totalling \$3,352,328 in 2012 against the budget of \$3,540,170 resulting in a savings of \$187,842 or 5%. Details of expenditure against the budget estimates are provided in Table 24.2.

**Table 24.2: Appropriation Statement for 2012**

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,252,158	(36,000)	1,216,158	1,175,879	40,279
2	Unestablished Staff	141,971	36,000	177,971	165,387	12,584
3	Travel & Communication	119,350	---	119,350	103,067	16,283
4	Maintenance & Operations	187,050	---	187,050	154,046	33,004
5	Purchase of Goods & Service	586,200	---	586,200	561,958	24,242
6	Operating Grants & Transfers	475,000	---	475,000	470,685	4,315
7	Special Expenditure	530,000	(100,000)	430,000	428,977	1,023
	<b>Total Operating Costs</b>	<b>3,291,729</b>	<b>(100,000)</b>	<b>3,191,729</b>	<b>3,059,999</b>	<b>131,730</b>

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	<b>Capital Expenditure</b>					
8	Construction	---	---	---	---	---
9	Purchases	---	---	---	---	---
10	Grants & Transfers	150,000	---	150,000	109,324	40,676
	<b>Total Capital Expenditure</b>	<b>150,000</b>	<b>---</b>	<b>150,000</b>	<b>109,324</b>	<b>40,676</b>
13	Value Added Tax	213,441	(15,000)	198,441	183,005	15,436
	<b>TOTAL EXPENDITURE</b>	<b>3,655,170</b>	<b>(115,000)</b>	<b>3,540,170</b>	<b>3,352,328</b>	<b>187,842</b>

#### 24.4 Statement of Losses

There was no Loss of money recorded for the year ended 31 December 2012. However, items worth \$41,279.40 were written off, following the Department's board of survey conducted on 31 December 2012.

## PART B: AUDIT FINDINGS

#### 24.5 VAT Reconciliation

Subject to the provisions of this Decree, the tax shall be charged in accordance with the provisions of this Decree at the rate of fifteen percent on the supply (but not including an exempt supply) in Fiji of goods and services on or after the 1<sup>st</sup> day of July 1992, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.<sup>1</sup>

Output VAT is payable to the Commissioner of Inland Revenue for the supply of all goods and services with the exception of zero rated and exempted supplies. Payments effected by government departments for goods and services are thus subjected to VAT<sup>2</sup>.

The audit noted that the Ministry did not prepare VAT reconciliations during the year. Review of VAT returns and total expenses revealed a variance of \$51,588.53 between the taxable supplies as per VAT Return and total expenditure/income subject to VAT as per Statement of Receipts and Expenditure. Refer to Table 24.3 for details.

**Table 24.3: Un-reconciled Vat Variance**

Details	Amount (\$)
Total expenditure/income as per Expenditure Statement	3,352,327.71
Less: Expenditure not subject to VAT – SEG 1,2, 6 and 10	1,921,275.18
Total expenditure/income subject to VAT	1,431,052.53
Less: Total taxable supplies as per VAT Returns	1,379,464.00
<b>Un-reconciled variance</b>	<b>51,588.53</b>

In addition, a difference of \$25,981.51 was noted between the actual VAT paid for the year 2012 and the balance disclosed in the general ledger. Refer to Table 24.4 for details.

<sup>1</sup> Value Added Tax Decree 1991 revised to 4th March 2011 – Section 15 (1)

<sup>2</sup> Finance Circular No 9/95

**Table 24.4: Variance in VAT Paid Amount in FMIS**

Details	Amount (\$)
VAT payments (VAT payments to FRCA and VAT Input) as per General ledger (SEG 13)	183,005.00
VAT payments (VAT payments to FRCA and VAT Input) as per VAT Returns for 2012	157,023.49
<b>Un-reconciled variance</b>	<b>25,981.51</b>

No explanation was provided by the Ministry for the variances.

The non-reconciliation of VAT and poor monitoring by the Ministry may have resulted in the differences highlighted above. The Ministry may be paying incorrect VAT to FRCA.

### **Recommendations**

#### **The Ministry should:**

- ensure that VAT paid to FRCA is reconciled on a monthly basis.
- take necessary steps to identify the error and reconcile the records to avoid such variances in future.
- ensure supervisory checks on the preparation of VAT Returns are improved to ensure that balances reflected in the VAT Returns reconcile with the GL.

### **Ministry's Comments**

*We admit no vat reconciliations were done on a monthly basis. We will ensure that this will be put into practice in addition to the current check system in place that ensures whatever dues by month end is accurately paid to FRCA and adhere to timeline set.*

*Kindly note some payments were processed in 2012 whereby the following contributed to the variances highlighted in the report:*

- Issuance of PO to companies [VAT exclusive items] -Vat are not calculated in this case
- Payment of wages for un-established project staffs are paid out from project funds which has VAT allocated provision, when processing VAT is not applied  
*A total of 19 project staff were paid from the following allocations with PSC endorsement:*
  - National Youth Band [ 3 Trainers & 2 watchmen ] Prog.1 Activity.1 Seg.5
  - Capacity Building & Training Program [ 3 Caretakers, 4 Trainers, 4 Cooks, 1 Farm Hand, 1 Stockman, 1 Handyman ] - Prog.1 Activity 2. Seg.7
- Allowances to project staffs and Seeds of Success Trainers. VAT is not calculated
- Hotels and clearance of subsistence, meals and other catering payments. VAT is not included in calculation

*However the officer responsible has been advised to prepare Vat reconciliation accordingly and identify the variances highlighted*



## **24.6 Secondment of Semi Bilitaki**

An officer seconded to other organisations from the Government should be bound by his existing terms and conditions of employment.

The Ministry requested the PSC on 14/02/12 for the secondment of Mr. Semi Bilitaki to the Fiji Boxing Commission from 01/03/12 to 28/02/13. Mr. Semi Bilitaki is a Senior Youth Officer with an annual gross salary of \$26,845.

The PSC approved the Ministry's request on 02/03/12 for the officer's secondment effective from 01/03/12 to 28/02/13 under his current terms and condition of service.<sup>3</sup>

However the Ministry prepared a separate terms and condition for service which included subsistence allowance of \$2,000 and a salary increase of \$3,155 for Mr. Semi Bilitaki on his secondment to Fiji Boxing Commission despite PSC's directive that the Officer to be seconded on his existing terms and conditions of service.

The payment of subsistence allowance and salary increase totalling \$5,115 was approved by the Acting Permanent Secretary, Mrs. Makereta Sauturaga without PSC's approval.

### **Recommendations**

#### **The Ministry should:**

- **recover the unauthorized payment of subsistence allowance and salary increase from Mr. Semi Bilitaki.**
- **adhere to the directives given by PSC at all times.**
- **investigate the unauthorized payment of subsistence allowance and salary increase to Mr. Semi Bilitaki and take appropriate action.**

### **Ministry's Comments**

*The payment of subsistence allowance and salary increase totaling \$5,115 was paid to Mr. Semi Bilitaki upon the approval of the then Minister.*

*Given that Mr. Bilitaki was seconded as the Acting Director of the Fiji Boxing Commission, the Minister then had approved the payment of subsistence allowance and salary increase totaling \$5,115 in accordance with Part 5 Section 24 [1] and [2] which states that:*

*[1] The Commission has the power –*

*(a) to appoint a person as its Director; and*

*(b) to appoint its other officers, staff and other persons necessary to carry out its functions under this Promulgation.*

*The Commission shall, in consultation with the Minister, approve the terms and conditions of persons appointed under subsection [1].*

### **Further OAG Comments**

**Increase in salary should be approved by the Public Service Commission and not the Minister. Section 12-(2) of PSC Act 1999 refers.**

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<sup>3</sup> PSC Letter Reference 29/683 dated 04/10/12  
Ministry of Youth & Sports

## **24.7 Engagement of Consultant – James Henry Giles Smith**

The Ministry of Youth and Sports advertised for the engagement of a Consultant for Situational Analysis of Youth in Fiji on 16/02/12 in the Fiji Times and the Fiji Sun. The closing date for the application was 24/02/12. Only two applications were received after the closing date.

On 01/08/12 the Ministry appointed Mr. James Henry Giles Smith as the Consultant for Situational Analysis of Youth in Fiji. The following anomalies were noted in Mr. Smith's appointment.

- The position advertised was for Consultancy for Situational Analysis of Youth in Fiji. The qualifications and work experience required of the position was not stated in the vacancy advertisement. The audit noted that Mr. Smith did not have any formal qualifications. He was a Sales Director for Entertainment Sports Network in (UK) for 3 years. The Ministry did not enquire about Mr. Smith's qualification and appointed him to the position of the consultant.
- Mr. Smith was a British national and the Ministry did not know his current visa status. The Ministry engaged him as a Consultant for Situational Analysis of Youth in Fiji for a period of one year with effect from 01/08/12. The Ministry wrote to the Department of Immigration on 23/08/12 requesting for Mr. Smith's visa status in Fiji. As at the date of audit<sup>4</sup> the Department of Immigration did not respond to the Ministry's request.

Hence Mr. Smith is employed by the Ministry since 1/8/12 without proper work permit. The Ministry's Senior Administrative Officer Mrs. Rokovada advised that Mr. Smith was employed by the Ministry based on the approval from PSC with concurrence of the Prime Minister. However a letter from the Prime Minister's Office was not produced for audit.

- Short term expert grants are allocated to assist National Sporting Organizations to acquire services of Coaches and Administrators from overseas to come and help local athletes and teams.

A total of \$8,418.33 was paid to Mr. Smith in 2012 which was sourced through diversion of funds from short term expert's allocation as no fund was provided for consultancy services in the budget. The Ministry did not obtain approval from Ministry of Finance for diversion of funds.

The Ministry did not follow proper procedures in appointing the Consultant. In addition diversion of funds may lead to budgetary constraints on the allocations the funds are diverted from.

### **Recommendations**

#### **The Ministry should:**

- **not consider incomplete and late applications for job vacancies.**
- **ensure that qualifications and experience required of a vacancy is adequately disclosed in the advertisement so that the best candidate can be appointed based on merit.**
- **ensure that in future prior approval from the Department of Immigration obtained when employing overseas nationals.**
- **obtain prior approval from Ministry of Finance for diversion of funds.**

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<sup>4</sup> 14/11/12

**Ministry's Comments**

*Indeed the Ministry had overlooked this and our sincere regrets in this regard. However, in his CV there is a mention of Bachelor of Arts Degree - Sport in the Community which to our understanding was achieved at the University of Durham between 2001 – 2004 which was satisfactory to the Ministry without any further investigation on his qualifications. Furthermore, given the need to meet the desires of the authorities to engage him and the immediate need to facilitate Strategic Plan of Action for the Sports Policy document, we could not go beyond what we had in place but dependent on the Curriculum Vitae.*

*Indeed the Ministry did not have enough background information of Mr Smith except for his CV and because of the urgency to employ him was of high regard, the Ministry facilitated administrative process of Mr Smith's engagement with other necessary information obtained and facilitated after his engagement. We had overlooked some of the due processes prior and our sincere regrets on this matter.*

*However, this process was facilitated to progress the desires of our leaders behind Mr Smith's engagement. Secondly, there was indeed a great demand to facilitate the immediate concerns of the National Sports Policy by engaging an independent consultant; given the other Sports Officers were already laden with tasks to facilitate the mandates of the Sports Unit for 2012.*

*Short Term expert grants are allocated to assist National Sporting Organizations to acquire services of Coaches and Administrators from overseas to come and help local athletes and teams.*

*The Ministry saw it fit to utilise this particular allocation given that this was the closest budgetary allocation that could be utilised. This was an unforeseen circumstance and the request to engage Mr Smith came in after the approved budget for 2012 and there would not be any room to request for further funding for a Sports Consultant but resort to the closest one within which was the Short Term Expert Allocation.*

*(a) The Ministry notes the recommendations in place. However, there are certain circumstances where the Ministry despite all odds facilitates the desires of the authorities.*

*(b) The Ministry had overlooked obtaining approval from the Ministry of Finance on the diversion of funds from the Short Term Expert Allocation to accommodate Mr. Smith's salary payment and this is deeply regretted.*

*(c) Given the urgency in engaging a consultant and since there was no approved budget for such, the Ministry decided to utilise the Short Term Expert funding allocation.*

*[d] Prior approval from the Department of Immigration was not obtained, this was overlooked by the Ministry and we take note of this that the same is not repeated for future engagements of overseas nationals. It is also hoped that there would be an understanding on the reasons behind the Ministry's actions regarding the engagement of Mr. Smith.*

**24.8 Non – Submission of Acquittals**

The recipient organisation within two weeks of utilising the grant is required to return to the Department evidence of expenditure with all acquittal details including recipients, invoices and vouchers before the end of each quarter for the release of the next grant.<sup>5</sup>

The Ministry provided grants totalling \$181,698 to 11 national sporting organisations during 2012. The grants were given mainly for sports tours, hiring of short term experts, sports scholarships and Oceania and Olympic Games preparations. None of these sporting organisation submitted quarterly acquittal to the Ministry for the use of grant funds. Table 24.5 summarises the grants given to sporting organisations.

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<sup>5</sup> Agreement with the Government of the Republic of Fiji and Sports Association  
Ministry of Youth & Sports

**Table 24.5: Grants given to Sporting Organisations**

<b>Sporting Organisation</b>	<b>Grant Amount (VIP) (\$)</b>	<b>Purpose of the grant</b>
Athletics Fiji	4,500.00 3,000.00	<ul style="list-style-type: none"> <li>• Sports Scholarship for local athletes studying overseas</li> <li>• Sports Tours for tournament s in overseas countries</li> </ul>
Rugby League	5,400.00	<ul style="list-style-type: none"> <li>• Short Term Expert for sport consultants who conduct awareness and educational workshops held in Fiji.</li> </ul>
Fiji Surfing	12,500.00 4,500.00	<ul style="list-style-type: none"> <li>• Hosting International Sporting Tournaments</li> <li>• Short Term Experts for sport consultants</li> </ul>
Fiji Judo Association	8,850.00	<ul style="list-style-type: none"> <li>• Oceania Championship Tournaments</li> </ul>
Fiji Swimming Association	10,400.00	<ul style="list-style-type: none"> <li>• Tours and Scholarships , Oceania &amp; Olympics Preparations</li> </ul>
Fiji Netball Grant	97,340.00	<ul style="list-style-type: none"> <li>• Fiji Netball Association for the grant</li> </ul>
Fiji Boxing Commission	14,995.00	<ul style="list-style-type: none"> <li>• Short term Experts for sport consultants who conduct awareness</li> </ul>
Fiji Baseball	1,000.00	<ul style="list-style-type: none"> <li>• Short Term Experts for sport consultants who conduct awareness and educational workshops held in Fiji.</li> </ul>
Fiji Triathlon	2,000.00	<ul style="list-style-type: none"> <li>• Sports Tours for local athletes travelling to tournaments held in overseas countries</li> </ul>
Fiji Weightlifting Association	7,000.00 7,000.00 3,213.00	<ul style="list-style-type: none"> <li>• Sports Tours for local athletes travelling to tournaments held in overseas countries</li> <li>• Sports Scholarship for athletes studying overseas or locally</li> </ul>
<b>Total</b>	<b>181,698.00</b>	

The Ministry did not follow up for the acquittals with the recipients of the sports grants. Acquittal and supporting documents are important controls to ensure proper use of grant funds.

### **Recommendations**

#### **The Ministry should:**

- follow up with organizations which do not submit acquittals on time.
- cease to provide further sporting grants to organizations which do not submit acquittals for the previous grant.

### **Ministry's Comments**

*No comments provided*

## **24.9 Anomalies in Database Implementation**

The Ministry hired Datavision Technologies to design and implement database to improve the efficiency and effectiveness of all the youth and sports programs. The database was to ease the collection and generation of reports for specific programs of the department mainly youth development programs and sports program.

The Ministry obtained the following quotes for the development of database from two companies:

- Datavision Technologies - \$ 51,750 (VIP)
- Internet Fiji - \$64,000 (VIP)

The Ministry on 11/07/11 selected Datavision Technologies to develop and implement the database. Datavision Technologies quoted the lowest price of \$51,750 (VIP) for the development of the database which included design cost for 17 system requirement specifications. Due to budget constraints, the Ministry requested Datavision Technologies to design 12 system requirement specifications at a cost of \$30,000. The total cost of the project also included cost for training the staff to use the data base.

On 07/10/11, Datavision Technologies developed 9 additional system requirement specifications and profiles for \$15,000. The following anomalies were noted:

- Datavision Technologies quoted \$51,750 for the design and development of the Ministry of Youth and Sports Database. However the total cost paid by the Ministry was \$72,750 which was \$21,000 in excess of the quoted price and higher than the price quote by Internet Fiji. Refer to Table 24.6 for details of the total amount paid.

**Table 24.6: Cost of Design and Development of the Database**

Work Carried Out	Amount Paid (VIP) (\$)
Design and development of the database	51,750
Nine additional system requirement specifications and profiles developed	15,000
Training Cost	6,000
<b>Total</b>	<b>72,750</b>

The audit further noted that the Ministry did not call for tender even though the cost of the project was more than \$30,000. Instead the Ministry obtained only two quotes and selected Datavision Technologies for the project.

- Datavision Technologies in its initial cost proposal included cost of training the Ministry's staff to use the database. However on 04/07/12 the Ministry obtained a separate quote from Datavision Technologies for training in the Central, Eastern and Western Divisions for software implementation and backend SQL server training at a cost of \$6,000.
- The Ministry also purchased a server for the database for \$12,800 from Office Products. The Ministry diverted funds from the following allocations to meet the cost of the server. The funds for the purchase of a server were not budgeted for by the Ministry. Refer to Table 24.7 for details.

**Table 24.7: Details of Diversion of Funds**

Allocation Number	Account Description	Amount Paid (VIP) (\$)
1-25-102-92011-071227	Capacity Building	5,000
1-25-102-25101-071227	Voluntary Organisation Youth Training	2,000
1-25-102-25101-071228	Duke of Edinburgh Award	2,000
1-25-101-25101-059902	National Youth Band	1,500
1-25-103-25999-050499	Research and Development	1,150
1-25-201-25999-050499	Sports/Stores	1,150
<b>Total</b>		<b>12,800</b>

- Datavision Technologies completed the design and development of the database in December 2011. The Ministry did not prepare a service agreement to be signed by the Datavision Technologies for the project.

The anomalies highlights that proper planning was not carried out for the design and development of database by the Ministry.

### **Recommendations**

**The Ministry should ensure that:**

- tenders are called from reputable companies for purchase of goods and services exceeding more than \$50,000.
- funds are requested through normal budget process for such projects;
- proper procedures are followed for diversion of funds; and
- service agreements are signed by the service provider for such projects.

### **Ministry's Comments**

*Note: We paid total of:*

<b><i>Payment Period</i></b>	<b><i>Amount</i></b>
<i>1<sup>st</sup> Phase</i>	<i>\$30000</i>
<i>2<sup>nd</sup> Phase</i>	<i>\$15000</i>
<i>Training</i>	<i>\$6000</i>

*The Ministry had initially decided to do 12 Systems Requirements since we have budget constraints but after the delivery of the 12 system requirements, Management decided to fully complete all the programs. Therefore a total of 21 system requirements were completed*

*Data Vision quoted training for HQ only but for the other division they did not, so we requested them to give us quotes since they develop the database.*

*The RTD section submitted an RIE for \$80000 for monitoring & evaluation of ministry's program for which we also included a server to be purchased for storing data information, that's why cash was diverted since the Monitoring and Evaluation was included in each program. The service agreement was finally signed off when database became fully functional.*

