



EXCELLENCE IN PUBLIC SECTOR AUDITING

REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF FIJI

Volume 2 Audit Report on Government Ministries and Departments - 2013





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30 September 2014

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

Dear Dr. Luveni

AUDIT REPORT ON GOVERNMENT MINISTRIES AND DEPARTMENTS 2013

In accordance with section 152 (13) of the Constitution, I am pleased to transmit to you my report on the audit of Government Ministries and Departments of the Republic of Fiji for the year ended 31 December 2013.

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

Tevita Bolanavanua
AUDITOR-GENERAL



FOREWORD

This report covers the results of my audit of the Whole of Government (WOG) Financial Statements and the Annual Appropriation Statement for 2013 and its 38 ministries and departments in the 2013 Appropriation Decree.

The purposes of this report are to:

- report on the audit of the WOG Financial Statements as at 31 December 2013, covered under volume 1 of the report;
- report on the audit of financial statements of ministries and departments as at 31 December 2013, covered under volume 2-4 of the report;
- report on the results of and matters arising from the 2013 audits of ministries and departments, also covered under volume 2-4; and
- raise others matters that warrant consideration by Parliament.

The WOG Financial Statements for 2013 have been presented in accordance with section 46 of the Financial Management Act and given the nature of Government's quasi cash environment; the financial statements have been prepared on a modified accrual basis of accounting.

A qualified audit opinion was issued on the WOG Financial Statement for 2013. Issues qualified are as follows:

- inadequate systems of internal control over cash at bank which had an impact on cash at bank totaling \$25.5 million.
- accounts receivables balance of \$18.7 million as at 31 December 2013 was not supported with reconciliations; and
- no record was provided to validate \$2.4 million relating to accountable advances for the Department of Agriculture as part of total prepayment and accrued income of \$4.3 million as at 31 December 2013.

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

- term loan receivable of \$58.4 million includes a negative balance of \$12.7 million and NATCO loan balance of \$1 million is yet to be regularized to equity following a Cabinet Decision in November 2009.
- trust fund account totaling \$79.5 million includes various trust accounts with negative balances totaling \$13.7 million contrary to the nature of the trust;
- inventory totaling \$3.7 million includes Trading and Manufacturing Account (TMA) closing stock of finish goods of \$1,058,578 that could not be validated as no independent stock take was carried out; and
- various ministries and departments did not reconcile their respective expenditure with the Financial Management & Information System (FMIS) records.

All 35 ministries and departments appropriated in the 2013 Appropriation Decree submitted their draft agency financial statements for audit on time as required under section 70 (3). Out of the agency financial statements audited, 18 were issued unqualified audit opinions while 17 were qualified.

Most issues qualified were the same as those highlighted in 2012 but at a lesser extent as some ministries and departments have shown much improvement. There however remains a lot of work to improve the requirements of all stakeholders.

The result of matters arising from my audits of ministries and departments are covered under volumes 2-4 of the report. The report for each ministry and department has 2 parts. Part 1 discusses the audit of the financial statements and Part 2 discusses other matters arising from the audit.



Tevita Bolanavanua
AUDITOR-GENERAL

Suva, Republic of Fiji
30 September 2014.



EXECUTIVE SUMMARY

The WOG Financial Statements and the Annual Appropriation Statement of the Government of the Republic of Fiji for the year ended 31 December 2013 has been audited in accordance with section 152(1) and 152(2) of the 2013 Constitution, Sections 46 & 47 of the Financial Management Act (2004) and Section 6 of the Audit Act.

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

- Inadequate systems of internal control for cash at bank included (i) the absence of bank reconciliations for various overseas and domestic bank accounts; (ii) various general ledger cash balances for overseas and domestic balance do not have evidence of cash held; (iii) unrecorded cash relating to domestic bank balances; (iv) overdrawn domestic cash general ledger balances without satisfactory explanations provided during the audit; and (v) those unexplained variances between the drawings account general ledger and the respective board of survey reports. These errors and omission provided a net impact for cash at bank totalling \$25.5 million;
- Accounts receivable balances totaling \$18.7 million as at 31 December 2013 were not supported with reconciliations to be prepared by responsible Ministries/Departments.
- No record was provided to validate \$2.4 million relating to accountable advances for Department of Agriculture as part of total prepayment and accrued income as at 31 December 2013 totaling \$4.3 million as shown in the Statement of Assets and Liabilities.

Management attention was also drawn to the following matters:

- Term Loan Receivable of \$58.4 million includes a negative balance of \$12.7million relating to Public Service Commission (PSC) Scholarship Funds were not fully supported. The NATCO loan balance of \$1million has yet to be regularized to equity following the Cabinet Decision in November 2009. As such, the loan receivable in Note 7 is overstated by the same amount.
- Trust Fund account totalling \$79.5 million includes various trust accounts with negative balances totalling \$13.7 million contrary to the nature of the trust.
- Inventory totalling \$3.7 million includes TMA Closing Stock of Finished Goods of \$1,058,578 could not be validated because of Department of Agriculture did not carry out an independent stock take.
- Various Ministries/Departments did not reconcile their respective expenditure as recorded in the expenditure ledger with the Financial Management & Information System as required under section 15 of Finance Instruction 2010.

The following is a summary of the audit observations:

2013 Whole of Government Financial Statements

Cash at Bank

The Cash at Bank balance increased significantly from \$96.6 million in 2012 to \$206.7 million in 2013. This increase was due to a significant increase in domestic bank balance and trust fund account cash at bank balance by 137% and 20% respectively. There was a decrease in the overseas bank balance and TMA cash at bank balance by 5% and 14% respectively.

The net of errors and omissions in the cash at bank balance reflected in the Statement of Assets and Liabilities in the WOG financial statement totalled to \$25.5 million.

Unpresented cheques have decreased by \$32.2 million to \$75.5 in 2013 compared to \$107.7 million recorded in 2012. The significant unpresented cheques balances in prior years indicated that spending for these Ministries and Departments were concentrated towards the end of the year. Such spending often results in uneconomical purchases affecting the following year's cash flows.

Accounts Receivables

Accounts receivables decreased from \$21.2 million in 2012 to \$18.7 million in 2013. The significant decline by 12% or \$2.5 million noted in 2013 is attributed to the write off of dormant accounts in the general ledger amounting to \$3,386,760 as approved by the Minister of Finance.

As at 31 December 2013, a total of \$1,078,793 of accounts receivable showed credit balances which indicate that debtors have overpaid their accounts and there was no evidence of a review to ascertain the reasons for these credit balances.

Numerous Ministries and Departments did not prepare reconciliations nor did they maintain debtors register. There were some instances balances in that reconciliation could not be explained nor supported.

Prepayments and Accrued Income

Prepayments and accrued income decreased by \$9.4 million or 68.6% from \$13.7 million in 2012 to \$4.3 million in 2013. The significant decrease was noted for unclaimed monies, dishonoured cheques and surcharge balances attributed to a write-off of \$9.9m as approved by the Minister of Finance.

An amount of \$2.4 million or 56% of the total prepayments and accrued income amount in relation to advances for Ministry of Agriculture from prior years could not be substantiated.

Inventory

The value of inventory held by Government has decreased by \$3.5 million or 49% from \$7.2 million in 2012 to \$3.7 million in 2013. Inventory is measured at cost.

The Ministry of Agriculture's stock certificate report reflected closing stock of \$1.1 million which were carried out by officers who are directly involved in maintaining and accounting the stock.

Term Loans Receivables

The outstanding loans owed to Government have decreased by \$9.4 million or 14% from \$67.8 million in 2012 to \$58.4 million in 2013. The significant decline is attributed to the write off of dormant accounts in the general ledger amounting to \$5.8 million as approved by the Minister of Finance.

Incorrect accounting entries being passed by the Public Service Commission to record transactions relating to its various scholarship loan accounts resulted in the negative balances of the scholarship accounts amounting to \$12.7 million.

Recurring issues highlighted during the 2012 audits were not resolved by the Ministry in 2013.

Investments

Government's investments held in 26 companies in 2013 totalled \$495.9 million. This is an increase of \$69.8 million compared to \$426.1 million in 2012. Only 6 entities remitted dividends to Government totalling \$11.98 million in 2013 compared to a forecasted dividend income for year 2013 of \$38.3 million.

The overall average rate of return on investment of 2% was recorded in 2013 which has remained constant over the last 3 years.

Governments' record of shares held in three entities is understated by \$3.97 million.

There were investments totalling \$42.5 million for four entities, for which the share certificates could not be located.

Accounts Payable

Accounts payable despite being a liability had a debit balance of \$64,339, a decrease of \$42,329 or 40% from (\$106,668) as recorded during the financial year 2012.

Supporting documents to substantiate TMA trade & sundry creditors of \$570,525 and the withholding tax of \$152,417 were not produced for audit verification.

Deferred Income and Accrued Expenses

Deferred income and accrued expenses had a balance of \$0.3 million, an increase of \$1.6 million or 128% from a debit balance of \$1.3 million in 2012.

The increase resulted from the write off of \$1.8 million of expenses in relation to the Telstat operations carried out by Republic of Fiji Military Forces (RFMF) in 2006 on behalf of Telecom Fiji to set up satellites in rural areas and outer islands. Telecom Fiji was to reimburse the RFMF on the over spending.

Term Loans Payable (Borrowing Fund)

Public debt owed in 2013 totalled \$3,824.9 million and comprised of domestic borrowings of \$2,641.5 million or 69% of total debt; overseas borrowings of \$1,081.1 million or 28%; and treasury bills \$102.3 million or 3%.

New loans raised in 2013 totalled \$275.1 million of which \$172.8 million were funded through domestic bonds and \$102.3 million in treasury bills.

There were no new overseas loans raised but cash drawdowns from existing loan facilities during 2013 in the form of interest capitalisation and direct payment amounted to \$99.9 million.

Trust Fund

The trust fund account had a balance of \$79.5 million as at 31/12/13, an increase of \$5.8 million or 7.8% from 2012. The increase is a result of new trust account opened for Ministry of Strategic Planning, National Development and Statistics and an increase in Chinese grants for the Prime Minister's Office and immigration bond.

Trust accounts with debit general ledger balances amounted to \$13.7 million and indicates that these trust accounts has been overdrawn.

A total of \$4.1 million was written off for dormant and unreconciled trust accounts as approved by the Minister of Finance.

Contingent Liabilities

A total of 14 entities were covered under Government guarantee in 2013, compared to 15 entities in 2012.

The total contingent liabilities as at 31/12/13 amounted to \$2,191.2 million of which domestic loans accounted for \$2,183.6 million or 99.7 % of total contingent liabilities and overseas loans accounted for \$7.6 million or 0.3 %.

Revenue

The total forecasted revenue by government in 2013 amounted to \$2,507,382,200 comprising of \$1,994,353,600 in operating revenue; \$114,055,200 in investing revenue and \$398,973,400 in borrowing revenue. No forecast was provided for revenue generated from government trading and manufacturing operations.

The actual revenue collections made by government from its normal operations in 2013 totalled \$2,293,114,628 thus recording a shortfall of \$214,267,572 or 9% of the total estimated revenue collection.

A variance of \$399,544,329 was noted between total revenue estimates as per the national budget and total revenue estimates as per the FMIS. The total revenue estimates as per the national budget totalled \$2,507,382,207 whereas the total revenue estimates as per the FMIS amounts to \$2,107,847,871.

A variance of \$19 million exists between Ministry of Finance general ledger balances and the FRCA revenue collection report for the year 2013.

While government recognizes the expenses and liability following loan disbursement, the revenues from the loan proceeds are not recognized hence it does not satisfy the matching principle.

Expenditure

Government spending for the year ending 31st December 2013 as authorized under the National Budget totalled \$2,315,635,533 an increase of \$49,419,983 or 2% from \$2,266,215,549 spent in 2012.

Government's total expenditure for the last 10 years has been increasing at a steady rate even though there was a marked decrease in 2008, 2010 and 2012.

From 2004 to 2013 the incremental increase for operating expenditure over the 10 years period was \$399.1 million with an average increment of \$39.9 million. Operating expenditure compared to 2012 recorded an incremental increase of \$75.4 million or 5.2% during the year 2013.

TMA expenditure amounting to \$18,921,609 reflected in the financial statements is inclusive of \$1,045,778 which is the overall net loss incurred for the TMA operations of government. Therefore at 31/12/13 the total expenditure is misstated by \$1,045,778.

At Head (Ministry) level, the Ministry of Education, National Heritage, Culture and Arts and the Ministry of Health overspent their total budget appropriation in 2013.

Nineteen Ministries/Departments did not maintain an expenditure ledger to record payments made during the year for reconciliation purposes contrary to the requirements of the Finance Instructions 2010.

2013 Accounts of Ministries and Departments

Major issues noted from the audit of some Ministries and Department include the followings:

Office of the President

The Office of the President incurred a total expenditure of \$2,408,051 in 2013. This includes a book entry for a budget carry-over of \$453,070 to be spent in 2014. Consequently the actual 2013 expenditure has been overstated by the same amount.

The Office Revolving Fund Account (RFA) had a credit balance of (\$306,252) as at 31/12/2013. The Office did not prepare any reconciliation for its revolving fund account as at 31/12/2013.

Office of the Prime Minister

An unreconciled variance of \$1,055,236 exists between the FMIS general ledger Trust cash at bank account and the bank reconciliation balance. A further variance of \$32,626 exists between the general ledger cash at bank account and the trust liability account balance. Other anomalies include the non-receipting of direct deposits and overstatement of interest earned. The nature of payments in the 2013 trust fund statement of receipts and payment were also not disclosed appropriately to ensure disclosure consistency and comparability to the 2012 figures.

Some accounting and administrative anomalies noted for the trust fund include poor reconciliations prepared, non-recording of bank charges, interest and non-submission of annual acquittal report to the donor. The bank reconciliation errors resulted in an unreconciled variance of \$9,964 between the bank reconciliation and the general ledger records. Another variance of \$11,797 was noted between the

cash at bank account and the Trust liability account in the general ledger. An independent reconciliation carried out revealed a variance of \$12,087 between the cash book reconciliation and the cash at bank balance

As at 31 December 2013, the Office operating trust fund accounts had overdrawn balances totalling \$194,646. Most of the overdrawn balances were brought forward from previous years.

A variance of \$6,392,023.79 exists in the drawings accounts balance between the Office reconciliation and the FMIS general ledger records. The audit further noted that the Office did not submit the signed board of survey report for the drawings account.

Public Service Commission

There were variances between the FMIS general ledger and the Commission's reconciliation relating to the drawings account.

Verification of the FMIS general ledger records revealed that account allocation 1-02300-00000-560000 – accounts receivable had a debit balance of \$10,689,966.97. However, no reconciliation was provided hence audit could not substantiate the correctness of the above balances.

A variance of (\$112,009.91) exists between the FMIS and the Commission's reconciliation relating to the operating trust fund account.

A variance of \$297,487.74 exists in the TMA cash balance between the FMIS and the Commission's reconciliation.

There were arrears of rent totalling \$83,561.87 in the TMA as at December 2013.

Office of the Attorney General

The department does not maintain an expenditure ledger. As a result, the department could not reconcile the expenditure in the FMIS general ledger maintained by the Ministry of Finance and its records.

A variance of \$41,075 exists between the drawings account balance of the department's reconciliation and the general ledger (FMIS) records.

Ministry of i-Taukei Affairs

The revenue recovered from bond monies totalling \$509,934 was not reflected in the Statement of Receipts and Expenditure.

The Statement of Losses failed to disclose other losses as the Ministry failed to prepare a board of survey report contrary to section 49 (2) of the Finance Instructions 2010.

Details were not provided for the dormant trust fund cash at bank balance of \$1,959,998 recorded in the general ledger system.

The Ministry did not reconcile the expenditure in the FMIS general ledger as no expenditure ledger was maintained.

Only \$7.2 million or 74% of the scholarships funds were utilized from the total of \$9.7 million allocated for the year. A total of \$4.56 million is owed by sponsored and bonded students who have absconded.

Ministry of Defence, National Security and Immigration

Variances of \$181,505 and \$149,299 exist for the cash receipts and cash payments respectively between the Department of Immigration trust fund account cash book and the FMIS general ledger balances.

There is an un-reconciled difference amounting to \$1,794,695 between the FMIS general ledger cash at bank and bank statement balance.

The Ministry did not reconcile the expenditure in the FMIS general ledger as no expenditure ledger was maintained. The Ministry prepared its financial statements from the FMIS general ledger.

The damaged passport books for 2013 totaled 228 costing \$17,328. More than 50% of the damages resulted from machine errors such as printing problems, improper lamination, overheating and inking problems while some were human errors arising from judgmental errors, typing errors, incorrectly placing the passport books in the machine

The Ministry has poor control over the administration of the permit database where the system data for permit holders of foreigners does not have the issued and expiry dates of applications, the residential addresses in Fiji, and instances were noted where permit system data recorded the name of other countries as the local addresses of permit holders for foreigners in Fiji.

Ministry of Labour, Industrial Relations and Employment

A variance of \$485,641 exists between the trust fund account liability and the trust fund bank account balance in the general ledger. In addition, the bank reconciliation balance differed from the general ledger bank balance by \$427,280.

The Ministry's arrears of revenue totalled \$46,183 as at 31/12/14 compared to \$38,592 in 2012.

The Ministry has several workmen's compensation cases pending over the years. An analysis carried out indicated that the largest number of cases was closed in 2010 whereas the following three years after that saw a reduction in the number of closed cases.

Ministry of Foreign Affairs and International Co-operation

Board of surveys were not carried out for all Fiji Missions overseas contrary to section 49 (1) of the Finance Instructions 2010. As such, the completeness and accuracy of the statement of losses cannot be ascertained.

An un-reconciled difference of \$469,775 exists for expenditure recorded in the FMIS general ledger and the department expenditure ledger. The Ministry did not perform any reconciliation for expenditure and as a result, the audit was not able to ascertain the accuracy of the amounts stated as expenditure in the Statement of Receipts and Expenditure.

The total expenditure includes a book entry for a budget carry-over of \$1,150,747 to be spent in 2014. Consequently, the actual expenditure in 2013 has been overstated by the same amount.

Established staff allocations have exceeded its allocated budget appropriation by \$765,844.

The Ministry has poor control over payroll where there was overpayment of salary, excessive annual leave and diplomatic appointment contrary to diplomatic consular regulations.

Judicial Department

The Department had total arrears of revenue of \$11,968,031.00 as at 31/12/13 compared to \$11,341,730 in 2012.

The audit of Court records noted that there is a substantial number of pending cases under each category of Court. The highest number of pending cases was for Magistrates Court (136,634) followed by High Court (4,951) and then Family Court (2,863).

A Contractor Western Builders Limited was overpaid by \$89,786.26 on the contract for the construction of new Tribunal Court 2 & Registry at Government Buildings. There was no evidence of approved variations to the contract provided to audit.

Parliament

The Department overpaid sitting allowance to the Public Accounts Committee members.

Office of the Director of Public Prosecutions

The Office incurred a total expenditure of \$3,946,975 in 2013 against a revised budget of \$5,109,385 resulting in a saving of \$1,162,410 or 23%.

There is an un-reconciled difference amounting to \$102,465 between the FMIS general ledger expenditure and expenditure as per the cash book. The Office did not reconcile the expenditure in FMIS general ledger to the cash book or any other separate record.

Ministry of Justice and Anti-Corruption

There is an unreconciled difference of \$892,480 between the FMIS general ledger expenditure and expenditure as per cash book. The Department did not reconcile the expenditure in the general ledger (FMIS) to the cash book or any other separate record.

A variance of \$41,979 exists between the FMIS general ledger and the Department's reconciliation relating to the drawings account.

The Department's RFA as at 31/12/13 had a balance of \$52,337 out of which \$47,973 was carried forward from previous years.

Record keeping in the Titles office needs to be improved. The Office lacked a Disaster Recovery Plan and there was no certificate of fire proof by the National Fire Authority.

The Office current computer system (Titles, Deeds Registration System - TDRS) is very slow and cannot cater for the high day to day demand from customers. No offsite storage or system generated backup is available for the TDRS.

For the 820 moneylenders on record who have been issued licenses up to 2012, 423 (or 52%) have yet to renew their licenses. The department did not take any action or follow up on defaulting moneylenders.

The Registrar General did not have a Disaster Recovery Plan or a backup system for the BDM records. Records prior 1910 were also not available the issue of blank certificates to Post Fiji was not reconciled.

Fiji Prisons and Correction Services

The Ministry of Finance approved the carry-over of \$431,039.73 for completion of CCTV installation for the Fiji Corrections Service to be utilized in year 2014. The Ministry of Finance recorded expenditure under allocation of Fiji Corrections Service of \$431,039.73 2013 contrary to the carry-over policy.

A variance of \$21,442.62 exists in the sales figure between the FMIS general ledger and the Department's records.

A variance of \$63,394 exists in the bank balance between the Department records and the FMIS general ledger balance.

There is an un-reconciled difference of \$928,393 between the FMIS general ledger expenditure and expenditure as per the cash book. Fiji Corrections Service did not reconcile the expenditure in the FMIS general ledger to the cash book or any other separate record.

Prison officers were not surcharged for motor vehicle accidents caused by their own negligent. In addition, the transport section did not properly maintain documents relating to the accident, such as motor vehicle accident report, the Police report and the records that surcharge have been imposed. Instances has been noted where officers have been surcharged one or two years back but no deductions have been initiated to date.

Department of Communications

The department does not maintain an expenditure ledger. As a result, it could not reconcile the expenditure in the general ledger system maintained by the Ministry of Finance.

A variance of \$13,523,173 was noted between the department's cash at bank balance and the cash balance reported in the FMIS general ledger as at 31 December 2013.

The audit noted a variance of \$10,198 between the trust fund cash at bank recorded in general ledger (\$2,906,717) and the trust fund liability account balance (\$2,896,519).

No Tender and no contract agreement signed for the engagement of City Security Services. A total payment of \$93,628 was made to the company in 2013.

Ministry of Information

The Ministry did not maintain an expenditure ledger. As a result, the Ministry could not reconcile its expenditure with the FMIS general ledger maintained by the Ministry of Finance. The audit was also not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

Ministry of Rural and Maritime Development and National Disaster Management

A variance of \$3.7 million exists between the trust fund cash at bank recorded in the FMIS general ledger (\$6.2 million) and the trust fund liability account balance (\$2.5 million) contrary to section 58

(3) of Finance Instructions 2010. Therefore, the *Trust Fund Account Statement of Receipts and Expenditures* cannot be ascertained to be fairly stated.

A variance of \$3.1 million exists between the *Provincial Development* trust fund cash at bank recorded in the general ledger (\$5 million) and the *Provincial Development* bank statement balance (\$1.9 million) contrary to section 32(6) of Finance Instructions 2010. As such, the audit was not able to ascertain that all receipts and payments have been accurately accounted and disclosed in the main trust fund account.

In accordance with the government cash basis of accounting, total expenditure includes a book entry for a budget carry-over of \$16,983,073 million to be spent in 2014. Consequently the actual 2013 expenditure has been overstated by the same amount.

The Ministry did not reconcile its expenditure with the FMIS general ledger as no expenditure ledger was maintained. The Ministry prepared its financial statements from the FMIS general ledger.

The Ministry did not reconcile the *Prime Minister's National Disaster Relief and Rehabilitation (PMNDRR)* Trust Fund receipt and expenditure in the FMIS general ledger as no expenditure ledger was maintained. The Ministry prepared its Statements of Trust Fund Receipt and Expenditure from the FMIS general ledger.

Projects were not yet initiated for individual and communities that have given their one third deposits for various programmes which were recorded on the *Provincial Development* Trust Fund Account totalling \$359,139. This comprise of seventy (70) Rural Housing Assistance Scheme II totaling \$280,229, nine (9) Prime Ministers Relief and Rehabilitation Project totaling \$77,230 and five (5) self-help project for individuals and communities totaling \$1,680. The audit further noted that some contributions dated back to year 2003 hence a delay in project implementation of ten years.

The Commissioner Eastern Division was able to facilitate only thirty percent (30%) payment from the two million allocated to the Eastern Division to facilitate the implementation of the various project appropriated under the Public Sector Investment Program of the 2013 budget.

Poor record keeping for the Division regarding Public Sector Investment Program (PSIP) and other capital project undertaken were noted as project files were not maintained. As such the status of the project cannot be ascertained.

The inspection of the stores held at Top-Yard, Walu Bay reveal that unaccounted project building materials and other items were stacked outside the yard which have been there for some years and are deteriorating due to wear and tear. The items and materials declared unserviceable were still good and useable condition. The Tropical Cyclone Tomas Rehabilitation materials that were received in 2011 were still stacked and stored at the top yard store and were not delivered to those affected by the cyclone in the Northern Division.

The Ministry has poor control over the administration and implementation of the Tropical Cyclone Evans Housing Rehabilitation operation in the Western Division where Purchase Orders (PO) were not issued however blanket approvals were issued to the suppliers to deliver materials. The blanket approvals issued to the supplier did not contain any ceiling amount for the cost of building materials to be supplied. A total of \$227,028 was paid to Kasabia Ltd base on the invoice received for the thirty one (31) house material delivered and \$543,251 was paid to R.C. Manubhai for the forty four (44) house material delivered and \$46,272 for the eleven (11) house material delivered. The materials

purchased as recorded in the supplier's invoice were not fully delivered to recipients. The recipients of the assistance could not commence with the rehabilitation works due to part supply of materials from the supplier despite payment already made.

Fiji Military Forces

The Force did not maintain an expenditure ledger for 2013. As a result, the Force could not reconcile its expenditure with the FMIS general ledger maintained by the Ministry of Finance.

A sum of \$3,900,342 from the 2013 Force budget allocation was approved by the Ministry of Finance as carry-over funds to be utilized in 2014. The amount was disclosed in the FMIS general ledger and the Agency Financial Statement as actual expenditure incurred for 2013 resulting in total the expenditure being overstated by \$3,900,342.

As at 31 December 2013, a total of \$2.6 million is held in a bank account with the Bank of South Pacific (BSP) under the RFMF Engineers Project Fund Account.¹ These are funds received from Ministries/Departments for capital works to be undertaken by the RFMF engineers. The fund was not included in the Agency Financial Statements of the Force and proper records were not maintained.

An un-reconciled variance of \$31,557 exists between the December reconciliation statement prepared by the Force (\$2,139,824.87) and the general ledger balance (\$2,171,381.79). Reconciliation was not carried out on a monthly basis. Instead, a three months reconciliation was prepared for the months of February, March and April and 2 months reconciliation were prepared for September to October and another for the months of November to December.

The advance account had a credit balance of \$403,951 which had been carried forward from previous years. No action had been taken by the accounting officers to clear this credit balance.

As at 31 December 2013, the Force Operating Trust Fund Accounts had overdrawn balances totalling \$6,004,162 compared to \$5,784,111 in 2012.

The Force did not include the labour cost and the cost of its plant and vehicles in its TMA for the year ended 31 December 2013. A sum of \$42,488 was disclosed as Direct Labour in the TMA for Plant Pool. However, this does not relate to Labour but includes expenditure such as freight cartage for plants to outer islands, passage for machine operators, accommodation, meals and fuel cost.

Some RFMF Engineers projects lacked a MOU between the RMF Engineers unit and the Prime Minister's Office regarding the Capital projects that was to be undertaken.

Despite budgetary provisions for the Sukanaivalu Barracks upgrade, no work was carried out as at 31 December 2013 on married quarters (26 and 54) and the mess hall. Other anomalies noted include divergence of funds for other purposes, prepayments for building materials and lack of manpower to carry out the project. Administration and accounting procedures were also not followed.

A sum of \$1,841,166 was charged for the above programme in 2013, out of which \$1,058,895 was rolled over to be utilized in 2014. Only \$212,256 was utilized from the rolled over sum of \$1,058,895 leaving a balance of \$846,639 as at 31/12/13.

¹ BSP Bank Account Number 6652519

Fiji Police Force

A variance of \$872,812 exists between the Force's Drawings bank account reconciliation and the FMIS general ledger balance. The Drawings bank account reconciliation was not performed properly to account for the cheques issued, cheques presented and the un-presented cheques as at 31/12/13. As such the completeness and accuracy of payments made and recorded in the Statement of Receipts and Expenditure could not be determined.

The Board of Survey was not carried out contrary to section 49 (1) and (2) of the Finance Instructions 2010. As such the completeness and accuracy of the Statement of Losses cannot be ascertained.

The Force did not reconcile the expenditure in the FMIS general ledger as no expenditure ledger was maintained. The Ministry prepared its financial statements from the FMIS general ledger.

A total of \$423,966 was written off for account balances of the Force deemed irrecoverable and unverifiable. These include drawings, inter departmental clearing accounts, accounts receivables and trust fund accounts. Yet despite the designated authorization provided by the Minister of Finance, there was no supporting documents produced to audit to consider the completeness of adjustments and the validity of the accounts in the financial statements

A total of \$2,720,509 in un-presented cheques were over six month old which were considered to be stale cheques however the force did not clear this stale cheques at the end of the year.

The Force has poor control over payroll where the audit could not ascertain salaries and wages totaling \$3.45 million for Special Constables (SC) as certified salary and wages reconciliations were not maintained and provided for audit verification upon audit request. In addition salaries totaling \$10.1 million for established staff, \$1.4 million for special constables and \$266,525 wages were not reconciled on time. The audit established that some salaries and wages were reconciled after one year. The Force engaged excessive new recruits (PL08) and some contract workers contrary to the Public Service Commission approved staff establishment.

The Force has poor control over recruitment as application forms, supporting police clearance forms medical clearance forms and other supporting documents such as birth certificates and examination transcripts were not produce to audit.

The Fiji Police Force had unidentified contribution of \$15,151 with FNPF as at 31/12/2013.

The Force did not provided payment vouchers and supporting documents for expenditures totaling \$1,014,052.

The Force did not put in place a contract for the procurements of footwear worth \$374,225 as per required by the Government Tender Board.

Ministry of Finance

The general ledger balances totalling \$8,149,574 in relation to TMA equity were not provided for audit and is a recurring audit issues in prior audit years.

A variance of \$18,422,688 was noted in the drawings account with the Ministry and the general ledger (FMIS) balance.

A variance of \$665,380 was noted in the trust fund account between the general ledger balance and bank statement balance as at 31/12/13.

The Ministry's operating trust fund account had a variance between FMIS records and the Ministry's record due to various postings to FMIS allocations which were not included by the Ministry's reconciliations.

The Ministry did not have any acquittal guideline for the payment of the salaries to Cabinet Ministers. The acquittal reports provided by the Ministry were not fully supported with supporting documents to be in agreement with Head 50 funds released by the Ministry of Finance.

Ministries/departments do not submit competitive quotes to the Ministry of Finance in their submission for request of Head 50 funds for the payment of airfares for the Ministers during 2013.

The ministry had incurred over-expenditure amounting to \$2,393,242 during the year relating to Pensions, Gratuities & Compassionate Allowance from Head 51.

Payments made from Head 51 totaling \$6,102,817 without any check or verification by the paying offices which include Judicial Department, Prime Minister's Office and Fiji Military Forces. These checks and verification would provide an assurance to Pension Office that payments have been made to bona fide recipients.

The first and second quarter reports for 2013 showed overpayment to pensioners for amount totaling \$52,299. Moreover, internal audit report highlighted overpaid pensioners during the year 2011 and 2012 which have not been recovered by the pension's office at the time of the audit.

There was no internal audit review carried out for the Debt Unit in 2013.

The Ministry of Finance did not utilize the amount set aside for repayment for various loan accounts totaling \$3,255,000 and \$1,169,506 for the year ended 2012 and 2013 respectively.

Government Printing and Stationery Department (GPSD)

The Department outsourced its printing services without any evidence of the approval of the Minister as required under section 32 of the Procurement Regulation 2010.

Fiji Procurement Office (FPO)

TMA creditors for FPO showed debit balance of \$597,668 contrary to the nature of the balance that the account should have.

Numerous agencies failed to submit their Annual Procurement Plan to Procurement Office as required by section 26.1 of the Procurement Regulations 2010.

Contract documents from the 2012 and 2013 approved tenders relating to Ministry of Education, Fiji Police Force, Fiji Navy, and Republic of Fiji Military Forces are not available at the Procurement Office as required under the Finance Circular No. 3/2013.

Numerous instances where the tender process from the advertisement of the tender to the board approval has gone over period of three months which may compromise the fairness and impartiality of the procurement process.

Information Technology and Computing Services (ITC)

Numerous documents or information requested from ITC Steering Committee for audit were not made available.

The Public Private Partnership Agreement between the Government of Fiji and Yalamanchili International PTE Ltd on 28/09/2012. The audit could not establish whether IT Strategy has been put in place as there was no response received from our enquiry.

The Annual Procurement Policy is yet to be in place by the ITC Steering Committee

Ministry of Strategic Planning, National Development and Statistics

National Planning Office

The Ministry incurred expenditure totalling \$10,147,496 during 2013 against a revised budget of \$11,452,456 resulting in a savings of \$1,304,960 or 11.4%.

The reconciliation statement for drawings accounts for Strategic Planning and National Development Office was not provided for audit.

The Integrated Human Resources Development Program (IHRDP) Trust Account is understated by \$40,491 as a result of incorrect accounting of the community contributions received in 2012 that is still being reflected in the Consolidated Fund Account and is yet to be refunded into the IHRDP Trust account.

The Strategic Planning and National Development Office did not reconcile the expenditure recorded in the FMIS as no expenditure ledger was maintained and prepared its financial statement from the FMIS general ledger records. As a result, the accuracy of expenditure totalling \$4,012,618 as part of the Ministry's total expenditure reflected in the Statement of Receipts and Expenditure could not be ascertained.

An Economic Planning officer (EDP 91254) who was on attachment with the Commissioner Northern Office was overpaid on the post of Acting Senior Economic Planning officer due to an input recorded in the FS01 form sent to the Ministry of Finance for Pay 04/13.

Bureau of Statistics

The Bureau of Statistics paid out \$54,743 being the wages and overtime pay owed to project officers for 2013 from the 2014 budgetary allocation under SEG 7 – Special Expenditure due to the Bureau's inability to meet the deadline of 31/12/13 set by the Ministry of Finance for processing of all 2013 payments.

An officer (EDP 90791) who caused damage to the government vehicle was surcharged \$5,629. The Bureau has not activated the salary deduction as the Bureau is awaiting an advice from the Surcharge Unit of the Ministry of Finance on the amount to be deducted. The Officer has only seven years of service left to reach the compulsory retirement age of 55.

Ministry of Works and Transport

The ministry recorded \$637,110 as expenditure for 2013 in the FMIS general ledger contrary to the carry-over policy of the Ministry of Finance.

Five of the eleven TMAs under the Ministry are inoperative. TMAs that were still active had continuously been operated at a loss. In addition, 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 un-reconciled variances noted between the reconciliations statements for various accounts prepared by the Ministry and the balances reflected in the FMIS general ledger. These also resulted in the qualification of the Ministry's Agency Financial Statement.

Revenue records for TMAs under the Divisional Engineer Central Eastern have been misplaced and other accounting records were not properly maintained and provided for audit, increasing the risk of mismanagement.

Poor inventory management was noted at the Divisional Engineer Western.

Determining the actual costs of projects from the expenditure records and verifying the costs was difficult due to the absence of audit trail and that unrelated costs were charged to any project accounts that had savings.

Adjustments to the general ledger without proper approval have been a recurring issue thus increasing the risk of manipulation of accounting records.

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

The salary reconciliation process performed was ineffective as it failed to detect numerous incorrect payments of wages and salaries.

Ministry of Agriculture

The Ministry did not maintain adequate accounting records to provide sufficient and appropriate evidence to substantiate balances reflected in the financial statements for Trading and Manufacturing Accounts (TMA).

The Ministry's stock certificates reflected total closing stock of \$1,058,577. 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 FMIS general ledger. In addition, balances in the reconciliation statements and the general ledger were not properly supported with relevant documents.

Overall financial performance of the TMAs from previous years has been poor.

Ineffective controls on the management of property, plant and equipment.

\$688,334 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.

Unavailability of consolidated data/information on assistance provided to farmers/individual/groups under the various agricultural programs over the years and their current status had provided a limitation to the scope of the audit. For the past five years, around \$19.1 million have been utilized for the Demand Driven Approach (DDA) Agricultural programs. In addition, it was difficult to determine

whether the general objectives of the DDA programs were being achieved due to the absence of consolidated data/information on the monitoring and evaluation of individual projects against their objectives.

Common irregularities were identified across 80 farms visited in the Central Division with total assistance valued at over \$1.2 million.

Machines purchased and constructed at the Koronivia Research Station have not been utilized for a number of years.

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

The salary reconciliation process performed was ineffective as it failed to detect numerous incorrect payments of wages and salaries.

Ministry of Lands and Mineral Resources

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

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

Recovery of arrears of revenue for Crown land lease has been slow as the balances over the past five years have been increasing. The arrears of revenue as at 31/12/13 totalled \$25.2 million, an increase of \$7.2 million or 40% since 2010.

The salary reconciliation process performed was ineffective as it failed to detect numerous incorrect payments of wages and salaries.

Adjustments to the general ledger without proper approval have been a recurring issue thus increasing 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 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 un-reconciled variances noted between the various reconciliation statements prepared by the Ministry and the balances reflected in the FMIS general ledger.

The Ministry of Finance approved the carry-over of \$180,704 for funds related to various projects to be utilized in 2014. However, this was recorded as expenditure for 2013 contrary to the carry-over policy of the Ministry of Finance.

Contracts were endorsed by officers whose authorized procurement limits were below the contract sum.

The Department of Forests did not maintain a structured information database to consolidate and capture all information on the types licenses issued and details of licensee for all Divisions, to produce useful information that will aid decision-making. In addition, there is potential risk for revenue leakage.

Officers occupying government quarters had substantial rental arrears as at 31 December 2013.

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 un-reconciled variances noted between the various reconciliation statements prepared by the Ministry and the balances reflected in the FMIS general ledger.

Acquittal reports for government grants and subsidies paid to the Sugar Research Institute of Fiji and the South Pacific Fertilizer Limited were not provided to the Ministry.

Government Shipping Services

Transactions in the FMIS general ledger totaling \$1,187,178 could not be substantiated to any accounting records maintained by the Department.

There is a lack of records to substantiate the use of fuel and oil. The Department incurred a total expenditure of \$1.2 million on fuel and oil for both vehicles and vessels in 2013.

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

Ministry of Health

Headquarters

A variance of \$293,784 existed between the Ministry's gross pay on which FNPF was paid and the audit calculations of gross pay subject to FNPF.

Amounts disclosed in the Appropriation Statement could not be substantiated as the virement files and the virement register was not maintained up to date.

The Ministry did not prepare drawings account reconciliation for the months of November and December 2012, thus audit could not substantiate the opening balance of \$5,524,332 used to prepare drawings account reconciliation for January 2013.

A variance of \$1,131,989 existed between the presented cheques list and the presented cheque amount in the drawing account reconciliation.

A variance of \$4,306,641 existed between the Ministry's drawings account reconciliation and the FMIS general ledger.

The Ministry's un-presented cheques in the drawings account increased by \$4,157,998 or 75% as at 31/12/13 compared to 2012.

A variance of \$5,303,884 existed between the VAT paid to FRCA for the year 2013 and the general ledger.

A variance of \$1,301,426 existed between the total revenue collected by the Ministry as per the bank statement and the FMIS general ledger.

The Ministry did not maintain an expenditure ledger to reconcile its records with the FMIS general ledger.

A variance of \$465,725 existed between the Ministry's main trust account reconciliation for December and the FMIS general ledger.

The main trust account bank reconciliation as at 31/12/13 comprised of \$235,924 from previous years which could not be substantiated as no reconciliation was carried out in the previous years.

A variance of \$131,794 existed between the Ministry's main trust account receipts cash book and the FMIS general ledger.

A variance of \$150,689 existed between the Ministry's main trust account payments cash book and the FMIS general ledger.

The opening balance of \$152,725 in the main trust fund account could not be verified as the main trust fund account for 2012 was not prepared.

The main trust fund was overdrawn by \$77,075.59 as at 31/12/13.

A board of survey for the whole Ministry was not conducted.

A payment of \$434,917 made by the BPS to the Ministry of Finance on 29/1/13 was not reflected in the equity account in the TMA balance sheet.

The TMA balance sheet as at 31/12/13 was not balanced and had a variance of \$384,998. The Ministry of Finance used TMA Surplus Capital Retained to CFA of \$384,998 to balance the TMA balance sheet. The balance of \$384,998 disclosed as TMA Surplus Capital Retained to CFA in the balance sheet could not be substantiated.

The Ministry reported a VAT receivable of \$142,425 in the TMA balance sheet as at 31/12/13. However the VAT calculation performed by audit noted a VAT payable of \$2,592.

The BPS does not hold any inventory stock and does not require a warehouse. However the BPS was paying \$1,500 per month or \$18,000 per annum to FPBS for 44.93 square meters of space for the warehouse.

In several occasions the Ministry charged VAT on zero rated revenue allocations and in other occasions it did not charge VAT on revenue allocations that are not zero rated resulting in loss of government revenue.

Several officers of the Ministry continued to receive salaries and allowances after the effective dates of their resignations, terminations and ceasing of acting allowances. The Ministry did not maintain an up to date OPR registers for the Clinical and the Technical Officers. In addition OPR register was not maintained for the headquarters staffs. • The Ministry was not able to provide the total salaries overpaid during 2013. Out of a total of \$610,345 salaries overpaid for the years 2010 – 2012 the Ministry recovered only \$27,018.91 or 4.4%.

The Ministry did not deduct the insurance excess of \$3,000 from a drivers final pay totalling \$7,188.31 on termination.

The Ministry did not exclude the contingency sum from the total contract price, thus all the contracts were overpriced by the amount of contingency sum. The Ministry paid the contractors the contingency sum without any variations in the project costs.

Retention sums deducted from the contractors claims were not deposited in the Trust Fund account with the Ministry. The retention sums remained in the capital project allocation and were fully utilised.

The Ministry made several progress payments for projects undertaken without progress reports or inspection reports from the Architect/Supervising Officer.

The Ministry was not able to provide minutes of one meeting held on the project site for renovation and refurbishment of St. Giles Hospital.

The Ministry's Clerk of Works were not based at the project site to provide direct supervision on the projects, instead the Clerk of Works were based at the Headquarters. The Ministry did not appoint Clerk of Works to oversee the construction of the Kamikamica Park Hub Centre in Lautoka. The completion of the Kamikamica Park Hub Centre in Lautoka was delayed by 6 months and the contractor was not held liable for the delays as there was no provision in the contract agreement. In addition the Ministry overpaid the contractor by \$2,002.50 in progress payments.

The Ministry made advance payment of \$185,566 to Ministry of Works, Transport and Public Utilities prior to the commencement of the project. The MOU between the Ministry and Ministry of Works, transport and Public Utilities did not state the commencement and completion dates for the project. The project was not completed within 8 weeks of the effective date of Memorandum of Understanding, 19/09/13.

The Ministry paid for further treatment of patients in India since the surgeries conducted by local doctors failed due to their negligence. The Ministry paid for overseas medical treatment costs which were higher than the amount initially quoted by the overseas Hospital. The Ministry did not perform independent verification of the final claim sent by the overseas hospital to justify the variation in costs for patients sent for overseas medical treatment.

The Ministry did not have a Standard Operating Procedures for the charter of aircraft for medical evacuation of patients from maritime islands to CWM Hospital. The Ministry failed to obtain Government Tender Board approval and a service agreement despite paying more than \$50,000 to Northern Air Services, Island Hoppers and Fiji Navy annually.

The Ministry made payments to the charter service providers on photocopied and faxed invoices. The Ministry paid a fuel surcharge to Island Hoppers. However, there was no formal agreement or approval regarding the payment. The Ministry paid 2012 invoices for charter of aircraft in 2013. The invoices were certified by the receptionists, Ms. Alisi Ravosai and Eliza Qereqeretabua at CWM Hospital even though they did not have the authority to do so.

The Ministry paid \$41,400 to Zuriel's Security Services for sponsoring the Uprising 7's even though the payment did not in any way relate to promoting awareness for Non-Communicable Diseases.

Several local purchase orders were raised by the Ministry after the goods and services and invoices were received. The Ministry paid 2012 expenses totalling \$130,597.71 in 2013.

Fiji Pharmaceuticals and Biomedical Services

Stock balances of several drugs and consumables were either overstated or understated in the EPICOR system as opposed to the actual balance in stock as at 31/12/13.

Drugs and consumables worth \$369,328 expired as at 31/12/13. Drugs and consumables purchased by the Ministry were to expire in 1 to 9 months from the date of manufacture.

Items ordered in 2012 and 2013 totalling \$8,911,839 from overseas suppliers were not received as of the date of audit. Several drugs and consumables were out of stock as of the date of audit.

Drugs and consumables totalling \$7,006,293.59 were held in excess of the predetermined maximum stock level. Several drugs and consumables were below the predetermined minimum stock level requirement.

Laundry equipment was purchased at a cost \$2.7million in 2009 however 1 of the equipment was not utilized for 32 months. The ironer of the laundry equipment was damaged in January 2012 due to flooding. This was known after installation was carried out in May 2012. The total cost incurred in installation of the laundry equipment was not provided by the Ministry.

Purchase order PO85101 000864 for the supply of various reagents and consumables for the whole year 2013 worth \$1,051,264 from Medical South Pacific Limited was not monitored by Ministry.

Colonial War Memorial Hospital

Dry goods not stored properly in the storeroom. Waste water pipes at the CWM kitchen were leaking due to poor plumbing works resulting in blocked drains that emit bad odor. Several windows at CWM Hospital's Kitchen had missing louver blades and toilet facilities not properly cleaned. The storeroom had several items that had been written off in 2012. In addition, other items were lying on the floor as there was inadequate space to store the items.

Items written off at CWM Hospital were not disposed by the Manager Administration and Finance. The IT room at CWM Hospital did not have any security control for entry and exist.

Nadi Hospital

Several items that have been boarded were not properly disposed by the Nadi Hospital management. The Nadi Pharmacy was still holding on to expired drugs. There was no proper storage space for the portable x-ray machine after use. The hospital's consumables were stored in the old hospital building which was deteriorated and inhabitable. The hospital stored diesel and kerosene with electrical and other items in the generator room.

Lautoka Hospital

There was no contract agreement between the Ministry and Public Works Department to carry out the associated works for the installation of two new elevators at the Lautoka Hospital. There was no commencement and completion timeline and scope of works identified for installation of the two new elevators and communicated to the Ministry of Works Mechanical section. There was no agreement for the disposal of the old elevators and its accessories. The dismantling work had not been done as at the date of audit despite advance payment of \$40,860. • There was a delay of four months between the government tender board approval to OTIS Elevators on 15/08/12, and the first payment of \$369,085 on 10/12/12.

There was a 6 months delay in the completion of the Kamikamica Park Health Centre which was to be completed on 03/01/13 as per the contract agreement. The Kamikamica Health Centre does not have essential equipment. The staffs at the Kamikamica Park Health Centre do not know how to use the fire extinguisher in case of emergency. The Kamikamica Health Centre gets flooded when it rains due to its low lying floor.

There was no running sheet maintained for 16 of the 17 vehicles allocated to Lautoka Hospital.

Ministry of Social Welfare, Women and Poverty Alleviation

The Ministry used only \$1,770,702 from the Social Pension Allowances and \$1,208,923 from Care and Protection Allowances thus had a savings of \$1,469,298 or 45.4% in Social Pension Allowances and \$4,781,077 or 79.8% in Care and Protection Allowances.

The Ministry used funds from PBS allocation to pay for the Social Pension Allowances and Care and Protection Allowances. The Ministry was not able to provide the total amount paid for the Social Pension Allowances and Care and Protection Allowances from the PBS allocation.

The Ministry did not maintain appropriate and sufficient details in several PBS recipients case files. The Ministry did not provide certain PBS recipient files for review as the Ministry could not locate the files.

The Ministry did not have any monitoring process in place to effectively monitor the status of recipients under the Social Pension Scheme. The Ministry failed to maintain proper and separate files for the individual recipient of Social Pension Scheme.

The Ministry disbursed funds towards various women's clubs to carry out income generating projects however the Ministry did not require these project owners to submit progress reports. In addition no project inspections were carried out by the Ministry to review how the projects were progressing and assess whether funds were properly utilized.

Several officers of the Ministry who were given advances for official travel in 2013 did not retire their advance within 7 days upon returning from official tours. The days advance not cleared ranged from 186 days to 4 days. However, the Ministry did not commence salary deductions.

The Ministry's budget indicated that aid in kind to be received from various international agencies totalled \$1,204,335. However, the Ministry was not aware of the aid in kind and did not receive such aid in kind during 2013. In addition the Ministry did not follow up with Ministry of Finance on the aid in kind.

The Ministry on several instances allocated same reference numbers to more than one Family Assistance Allowance recipients. Additionally on several instances the recipients of Family Assistance allowance had only their first name included in the list of payments submitted to the banks. There was no evidence to indicate that the Family Assistance Allowance payment list was checked by a Senior Officer before it was loaded for payment. The Ministry submitted to the bank the payment listing of Family Assistance Allowance for several recipients who had dual bank accounts. In addition, the Ministry was paying Family Assistance Allowance to both bank accounts.

The Poverty Benefit System (PBS) system used by the Ministry is not interlinked with all other PC's that has PBS database installed and in all the divisions. All computers or laptops operate on their own as a result the Social Welfare Officer (SWO) has to review the applications on individual computers or laptops. The Poverty Benefit Scheme System could not print the decisions made by the Senior Welfare Officer once the assessment was completed.

The Poverty Benefit Scheme system did not have adequate capacity to load more than one picture. Hence pictures taken by Welfare Officers during their field visit as evidence of the state of welfare of the recipients were not stored in the system. Adequate records were not maintained in the Poverty Benefit Scheme recipient's case files in the Western Division.

Ministry of Education

The board of survey for a number of schools, stations and sections were not carried out for the Ministry.

An unreconciled variance of \$6,834,145 existed between the Ministry's Drawings Account reconciliation and FMIS general ledger balance as at 31 December 2013. The unrepresented cheques as at 31 December 2013 increased to \$8,143,657 compared to \$4,367,708 in 2012. This was due to large amount of purchases made towards the end of the year.

A variance of \$811,209 existed in the Revolving Fund Account between the Ministry's reconciliation balance and FMIS general ledger balance as at 31 December 2013.

There were weak controls over the administration of journal vouchers. On several occasions, the journal vouchers were not approved by the Principal Accountant and were used to adjust expenditure account balances.

The Ministry did not maintain an expenditure ledger which could be used to ascertain that all receipts and payments had been accurately accounted for in the Financial Management Information System (FMIS) maintained by the Ministry of Finance.

The Ministry overpaid its staff in salaries totalling \$91,051.03 as at 31/12/13.

The Ministry paid Hot Spring Investment Ltd \$182,000 or 93% of the contract sum for upgrading and renovation works carried out at Ratu Kadavulevu School. During the site inspection carried out by audit, it was noted that significant portion of the upgrading and renovation works were not carried out by the contractor. Contingency sum was not set aside by the Ministry from the total contract price. As a result the contract sum was overpriced by the amount of the contingency sum.

The respective District Education Officers did not provide the progress and acquittal reports for \$200,000 used for repairs and maintenance work on 3 schools within the declared World Heritage Zones. The contractual agreement for capital construction did not include the payment of performance bond clause and the agreements did not state the expected date of commencement and completion of the projects.

Bus fare coupons and ticket butts for the year 2013 were destroyed without proper approvals. This has been the practice since the inception of the bus fare scheme in 2010. The Ministry was not able to provide a breakdown of the total number of bus fare coupons processed and the total payments made by the divisions to the transport providers despite several requests.

The Ministry does not have a standard grant reporting framework for schools to indicate how the grant funds were utilized.

The Ministry paid \$20,950 to Davui Printery for printing of TVET Achievement Level Booklets. The purchase orders were split to ensure the amount is within the authorized limits of the Director TVET. There were inadequate segregation of duties for purchase of goods and services in the TVET section resulting in double payments to vendors, unsubstantiated repair works, fraudulent dealings with Korea Auto Traders and fictitious quotations used for purchase of stationaries.

Quotations from 2012 were used to procure goods and services in 2013. Laptops and desktops computers were purchased from unauthorized suppliers. Tenders were not called for contracts exceeding \$50,000.

Department of Water and Sewerage

The Department purchased equipment worth \$230,359 to carry out quality testing of water. However, the Department is yet to set up the Laboratory to carry out the tests. The consultant is yet to commence work to formulate the regulatory legislation for water and sewerage services.

Department of Energy

An unreconciled variance of \$981,333 existed between the main trust fund account general ledger and the bank statement as at 31/12/13. The bank reconciliation for the main trust fund account was not prepared for 2013.

The Department reengaged retired officers without the approval of the Public Service Commission.

Prior approval for variations to the approved tender specification for the supply, installation and commissioning of 1200 Solar Photovoltaic Home Systems was not obtained from the Government Tender Board. The Department paid \$1,468,149.43 or 40% of the tender value to Powerlite Generators (Fiji) Limited before the components of Solar Photovoltaic Home Systems were delivered.

Payments for Mauna House Wiring Projects were made without inspection reports from the project supervisor and the contract document for Mauna House Wiring Projects did not outline the date of commencement and completion of the entire projects.

The Department purchased 15 complete sets of 50m Wind Monitoring System out of which only 1 has been installed as the Department is yet to identify the sites for installing the remaining 14 System.

The Department allowed variations totaling \$365,739 for the construction of access road for the Somosomo Hydropower Station. There was no contingency sum set aside to cater for the variation.

The Department on 05/08/13 paid \$1,196,113 to Fiji Electricity Authority for the Nayala Grid Extension. However as at 20/05/14, FEA was yet to commence with the work. In addition the contract agreement signed between the Department and FEA did not include important clauses such as performance bond, retention sum, delay damages, project commencement and completion dates.

The Government Tender Board (GTB) approved the installation of PV Solar Home Systems for 649 households situated in Vanua Levu and 351 households situated in Maritime Areas. During the installation phase the Department cancelled all 649 applications for the household situated in Vanua Levu without the approval of GTB.

The Department did not carry out proper due diligence exercise before setting up the Biofuel Testing Laboratory.

Ministry of Youth and Sports

VAT returns filed by the Ministry and total expenses revealed a variance of \$467,394.66.

The Ministry did not maintain an expenditure ledger that could be used to reconcile its expenditure with that recorded in the Financial Management Information System general ledger.

The Ministry paid consulting fees totalling \$30,163 to Mr. James Smith to provide strategic direction and advice on the implementation of the Sports policy. However, no report or evidence of task completed by the consultant was produced for audit verification.

The Ministry developed only 1 rural sports field out of the 8 planned for the year 2013. In addition the contract agreement with contractor to develop the sports field did not outline penalty for late completion of projects and retention clause.

The Ministry failed to provide the scope of works and breakdown of the total cost incurred in terms of labour costs, material and plant hire for the upgrading works at Naleba and Naqere Training Centre.

The upgrading works at the National Youth Band was not supervised by an experienced builder as defects were noted during the site inspection carried out by audit.

Ministry of Local Government, Urban Development and Environment

An unreconciled variance of \$358,893 existed between the Environment's main Trust Fund Account general ledger and bank statement balance as at 3/12/13.

The Ministry did not maintain an expenditure ledger that could be used to reconcile its expenditure with that recorded in the Financial Management Information System general ledger.

The Ministry re-engaged a retired technical officer and paid incorrect salary which resulted in an overpayment of \$3,232.

There was poor management of funds allocated for the 9th Pacific Islands Conference on Nature Conservation and Protected Areas.

The Ministry did not properly manage the design and construction of Naboro Landfill Phase 2 project as an Engineer was not appointed to monitor and supervise the project and contractor did not use appropriate materials as required by the special conditions of the contract. The revenues collected as gate fees from the operations of Naboro Landfill were not deposited into the nominated bank account by the contractor. In addition, separate records were not kept and reconciliation prepared to ascertain the accuracy of the daily gate fees collected by the contractor.

The Ministry failed to obtain approval from Ministry of Finance to incur expenditure for organising Fiji National Faith Based Organisation Environment Stewardship Summit for which funds were not allocated in the budget. Grant agreement between the Ministry and Suva City Council for \$450,000 to construct the Market Shelter for weekend vendors was not made and Suva City Council failed to provide acquittals with details of grant money expended and the balance available.

Several instances were noted where funds allocated for implementing Environment Management Act were used for procuring goods and services not related to Environment Management Act.

Several journal vouchers were raised during the year without supporting documents and approval from Senior Accountant.

Department of Housing

Review of the Omark Squatter Upgrading Subdivision project revealed that the Department failed to renew the consultancy contract with Ian Macallan & Co (Fiji) Limited.

The People's Community Network (PCN) received \$642,447.17 for Lagilagi Housing Project. The PCN failed to provide the audited financial statements for the funds received.

The contractor failed to complete the construction of 7 low cost houses at Wailekutu Settlement despite the contractor been paid \$75,600 or 63% of the contract sum.

National Joint Committee paid capital grants totaling \$116,826.44 to two City/Town Committees in 2012. However, grant agreements were not entered into outlining essential particulars, including the purpose of capital grant, duration of the projects and monitoring processes.

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6. Ministry of Defence, National Security and Immigration
7. Ministry of Labour, Industrial Relations and Employment
8. Ministry of Foreign Affairs, International Co-operation and Civil Aviation
9. Elections Office
10. Judiciary
11. Legislature
12. Office of Accountability and Transparency
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Section 1

Office of the President

Roles and Responsibilities

The Office of the President provides the necessary administrative support to His Excellency, the President in the performance of constitutional functions. The President is vested with the Executive Authority of the State and is the Commander-in-Chief of the Republic of Fiji Military Forces and the Chancellor of the Order of Fiji. In addition to the constitutional and ceremonial roles, the office plays a symbolic role in the promotion of national reconciliation to bring unity among the different ethnic groups in Fiji through the People's Charter for Change, Peace and Progress.

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PART A: FINANCIAL STATEMENT

1.1 Audit Opinion

The audit of the 2013 accounts of the Office of the President resulted in the issue of an unqualified audit report.

The attention of the Office was however drawn to the following:

- Outstanding advances totalling \$146,818 was not reconciled and journalized to the relevant expenditure allocations during the year. As such, expenditure is understated in the Statement of Receipts and Expenditure.
- The total expenditure includes a book entry for a budget carry-over of \$453,070 to be spent in 2014. Consequently actual expenditure has been overstated by the same amount in 2013.

1.2 Statement of Receipts and Expenditure

The Office of the President incurred a total expenditure of \$2,408,051 in 2013. Refer to Table 1.1 for details.

Table 1.1: Statement of Receipt and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
EXPENDITURES		
Operating		
Established Staff	444,303	468,649
Government Wage Earners	259,016	191,250
Travel & Communications	289,067	217,211
Maintenance & Operations	325,939	239,703
Purchase of Goods & Services	137,730	76,150
Special Expenditures	---	---
Total Operating Expenditure	1,456,055	1,192,963
Capital Expenditure		
Capital Construction	764,333	236,133
Capital Purchase	---	---
Capital Grants and Transfers	---	---
Total Capital Expenditure	764,333	236,133
Value Added Tax	187,663	109,473
TOTAL EXPENDITURES	2,408,051	1,538,569

Total expenditure increased by \$869,482 or 57% in 2013 due to increases in government wage earner, travel, maintenance, and capital construction expenditure.

The increases were due to 10% increase in wages for all unestablished staff in the public service, overseas travel for His Excellency the President, up keeping of office and government house grounds, purchase of service medals, and capital construction work for the maisonette staff quarters. The upgrading of roofing for the government house and the repair of swimming pool were also carried out.

1.3 Appropriation Statement

The Office of the President incurred expenditure totalling \$2,408,051 in 2013 against the budget of \$2,475,120 resulting in a savings of \$67,069 or 3%. Details of expenditure against the budget estimates are provided in Table 1.2.

Table 1.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry Over (\$)	Lapsed Appropriation (\$)
1	Established Staff	507,965	(59,767)	448,198	444,303	---	3,895
2	Government Wage Earners	204,320	57,475	261,795	259,016	---	2,779
3	Travel & Communications	291,900	10,000	301,900	289,067	---	12,833
4	Maintenance & Operations	330,377	(303)	330,074	325,939	---	4,135
5	Purchase of Goods & Services	147,775	(9,697)	138,078	137,730	---	348
	Total Operating Expenditure	1,482,337	(2,292)	1,480,045	1,456,055	---	23,990
	Capital Expenditure						
8	Capital Construction	300,000	465,147	765,147	764,333	393,974	814
	Total Capital Expenditure	300,000	465,147	765,147	764,333	393,974	814
13	Value Added Tax	160,500	69,428	229,928	187,663	59,096	42,265
	TOTAL EXPENDITURE	1,942,837	532,283	2,475,120	2,408,051	453,070	67,069

In 2013, the Cabinet approved the re-deployment of \$532,283 from Office of the President's Budget to other Ministries and Departments.

PART B: AUDIT FINDINGS

1.4 Overstatement of Expenditure

If an amount appropriated by an Annual Appropriation Act for a financial year has not been used in that financial year; or is unlikely to be used in that financial year, the Minister may authorise the carry-over to the following year of all or part of the unused appropriation that relates to known liabilities as at a particular date, and the amount authorised for carry-over may be used accordingly in that following year, subject to such conditions as the Minister specifies in the authorisation.¹

The purpose of the carry-over policy is to ensure that funds requested for this initiative are reflected in the budget allocation of requesting Ministries and Departments for the respective year.²

The Ministry of Finance approved the carry-over of \$453,070 for upgrading of roofing of government house, repair and maintenance of swimming pool and construction of quarters respectively for the Office of the President to be utilized in year 2014.

The audit noted that the Office of the President recorded \$453,070 as expenditure for year 2013 in the general ledger (FMIS)³ contrary to the carry-over policy. Refer to Table 1.3 for details.

Table 1.3: Accounting Entry for Carry – Over of Funds

Description	Allocation	DR (\$)	CR (\$)
1-01101-01101-080999	Bachelors Quarters Refurbishment	118,322	
1-01101-01101-080222	Upgrade of Roofing of Government House	130,435	
1-01101-01101-080499	Overhang Car Park	145,217	
1-01101-01101-130101	Value Added Tax Input Tax	59,096	
1-01101-60999-840103	Standard Liability Group 84		453,070
Total		453,070	453,070

The audit was also unable to substantiate the capital construction payment of \$400,000 to the Public Works Department since the acquittals and supporting documents were not provided for verification.

As such, the capital construction and Value Added Tax expenditure is overstated by \$393,974 and \$59,096 in the general ledger (FMIS).

Recommendations

- **The Principal Assistant Secretary in consultation with the Ministry of Finance should ensure that carry-over expenditure is appropriated in the budget of the following year.**
- **The Principal Assistant Secretary should ensure that all the records are kept properly by the Office and provided for audit verification upon request.**

¹ Financial Management Act 2004 – Section 19 (1)

² Ministry of Finance – Carry-over Policy, January 2012

³ Financial Management Information System accessed on 27/01/14

Office Comments

The findings and recommendations are noted with appreciation. The Office will ensure it complies with the relevant guidelines in the future through close and continuous consultation with the Ministry of Finance.

The issue has been discussed with staff of FMIS as the Office has no control of the GL system. We were advised to declare the carryover sum in 2013 which we did.

We had struggled to improve our record keeping system in the past years but we have managed to improve. If given the time, we may produce the documents for verification.

1.5 Anomalies in Procurement and Accounting for Goods and Services

The accounts officer preparing payment voucher must ensure that all information required under Finance Instruction 14(1) has been included on the payment voucher or attached to it, before passing it to Accounting Head or accounts supervisor for certification.

The Accounting Head or accounts supervisor must not certify a payment as correct unless they are satisfied that:

- i. It is in accordance with the 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 contract;
- iv. The accounts is not sufficient and has not been previously paid;
- v. The expenditure it is charged to is correct.⁴

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 Regulations 30 (1).⁵

The audit noted that the Office failed to comply with its Finance Manual 2011 in accounting for the procurement of goods and services. Refer to **Appendix 1.1** for details.

In addition, the audit noted that the Office failed to properly scrutinize the meal claim payments. Refer to **Appendix 1.2** for details.

Any deviation from the established procedures increases the risk of loss of public funds and assets through misappropriation, mismanagement and fraud.

Recommendations

- **The Principal Assistant Secretary should ensure that it complies with its Finance Manual at all times. Any deviation should be properly authorized and supported with documentary evidence.**
- **The Principal Assistant Secretary should ensure that all assets such as computers, when purchased, are properly taken on charge and all the relevant information are recorded in the Fixed Assets Register.**

⁴ Office of the President, Finance Manual 2011 - Section 2.8.3 and 2.8.4

⁵ Office of the President, Finance Manual 2011 - Section 2.3.1

- **The internal control procedure in the Accounts Section, specifically supervisory checks should be strengthened to avoid such discrepancies.**
- **The Principal Assistant Secretary should strengthen supervisory checks for the payment of meal allowances and travel claims.**

Office Comments

The findings and recommendation are noted with appreciation. We will ensure that all relevant details pertinent to a payment voucher are attached and thoroughly checked and financial instruction duly followed.

1.6 Chinese Aid – Main Trust Fund Account

The ledger reconciliation statement shall be forwarded to the Senior Assistant Secretary. The Senior Assistant Secretary must ensure that all balances are accurate and adequately supported and any misallocations or outstanding balances from the previous month have been dealt with.⁶

The audit noted a total of \$3,632,242⁷ operated as true trust fund account by the Office of the President. However, this trust fund account balance relates to the Office of the Prime Minister.

Despite the balance being reflected under the Office of the President since 2007, the Office has not taken measures to rectify the error.

Failure to rectify general ledger balances misstates financial statement balances of the Office.

Recommendation

The Senior Assistant Secretary in consultation with the Ministry of Finance and Office of the Prime Minister should rectify the main trust fund account balance to the correct general ledger account.

Office Comments

The findings and recommendation are noted with appreciation. We will approach the Accounts section of the Prime Minister's Office to have the issue sorted.

1.7 Overdrawn Operating Trust Fund Account

Trust Fund Accounts compromise monies, which are not the property of the state and not utilized for the purpose of government. In addition, Trust money is to be accounted for separately from public money and other money,⁸ and by convention should always have credit balances. Thus, the trust fund accounts should not at any time be overdrawn.⁹

Where charges are for payments to organizations through salary deductions, the relevant creditor account shall be credited. When actual payment is made to the organization, the creditor account shall be debited.¹⁰

Within three days, the Executive Officer shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement. The ledger reconciliation statement shall be

⁶ Office of the President, Finance Manual 2011 – Section 16.3.6

⁷ Financial Management Information System, General Ledger Allocation, 9-01000-00000-890000 accessed on 15/04/14

⁸ Financial Management Act 2004 - Section 25 (1)

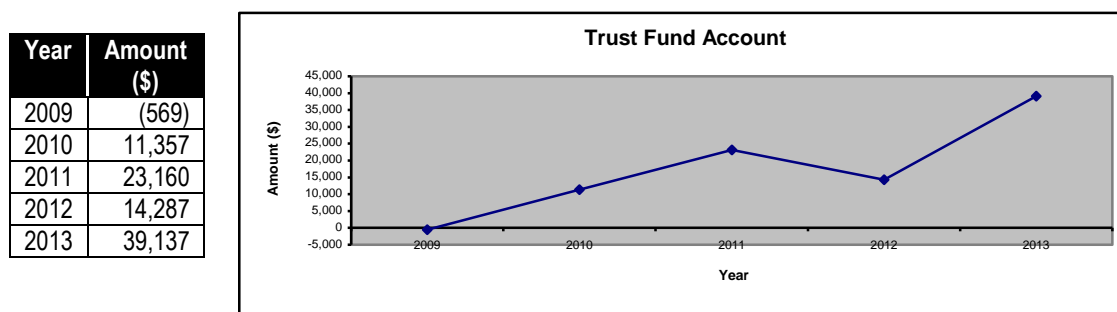
⁹ Finance Circular No. 4/98 of 30/03/98

¹⁰ Office of the President, Finance Manual 2011 – Section 4.7.3

prepared by the Executive Officer and forwarded to the Senior Assistant Secretary. The Senior Assistant Secretary must ensure that all balances are accurate and adequately supported and any misallocations or outstanding balances from the previous month have been dealt with.¹¹

The Office Operating Trust Fund Account as at 31/12/13 had an overdrawn (debit) balance of \$39,137 compared to a balance of \$14,287 in 2012. Refer to Table 1.4 for details of balances over the five year period.

Table 1.4: Trust Fund Account Over The 5 Year Period



In addition, the trust fund account continues to be overdrawn since 2010. This could be attributed to the Office failure to perform trust fund account reconciliation. Despite this being highlighted in the previous year's audit reports, the Office failed to reconcile the overdrawn balances.

Overdrawn trust fund accounts indicate that more payments have been made from the trust fund account than authorized. Also, these could be operating expenditures paid from the trust fund account, understating expenditure reflected in the Statement of Revenue and Expenditure.

Recommendations

- **The Senior Assistant Secretary should ensure that monthly reconciliations are carried out and any overdrawn trust fund accounts are investigated and adjusted accordingly.**
- **The internal control procedures in the Accounts Sections, specifically supervisory checks should be strengthened to avoid such discrepancies.**

Office Comments

The findings and recommendations are noted with appreciation. The monthly reconciliations are now being carried out as recommended. The office will continue to ensure greater compliance in the future.

1.8 Unverified Payments in the General Ledger

The Senior Assistant Secretary (SAS) is responsible for the safekeeping and proper maintenance of all accounting records or documents.¹²

The audit could not verify some of the financial transaction recorded in the general ledger totalling (\$11,547) as the Office failed to provide the payment vouchers and supporting documents during the audit. Refer to Table 1.5 for details.

¹¹ Office of the President, Finance Manual 2011 – Section 16.3.3 to 16.3.6

¹² Office of the President, Finance Manual 2011 – Section 18.1.3

Table 1.5: Supporting documents not provided

Period	Voucher Reference No.	Amount (\$)
SLG 84		
08/2013	JV 12/08	(10,550.00)
09/2013	101114	10,541.68
10/2013	JV 02/10	(10,000.00)
11/2013	10120	10,874.00
12/2013	01030	5,587.77
12/2013	10122	12,000.00
SAG 57		
09/2013	AP0043	10,000.00
12/2013	01023	(10,000.00)
12/2013	01024	(30,000.00)
TOTAL		(11,546.55)

In the absence of vouchers, expenditure recorded in the Statement of Receipts and Expenditure could not be substantiated.

Recommendation

The Principal Assistant Secretary should ensure that all the records are kept properly by the Office and provided for audit verification on request.

Office Comments

The findings and recommendations are noted with appreciation. We will ensure that all records are properly kept.

1.9 Non- Preparation of Reconciliation and Clearance of Balances in Revolving Fund Account

Loans or advances may be provided to staff to assist in carrying out their official duties or as part of their approved remuneration. The repayment of these advances must be actively pursued to reduce the risk of losses from irrecoverable debts.¹³

A travelling officer shall recoup the travel advance within seven days of completing travel by submission of an acquittal report with supporting documents. If an advance has not been fully expended, the travelling officer must repay the balance within seven days of completing travel.¹⁴

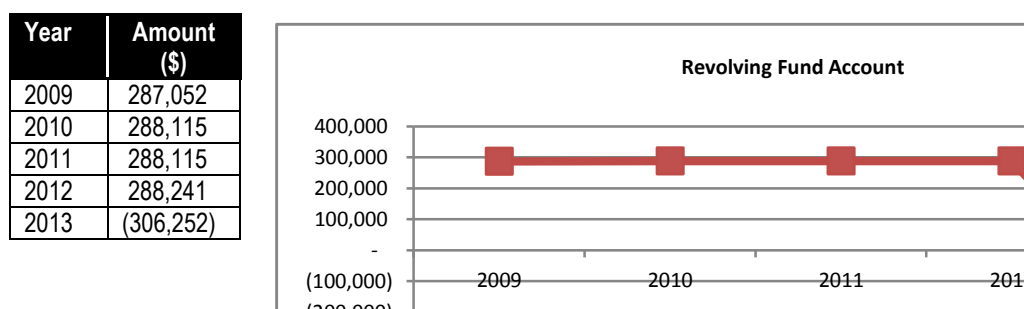
Upon clearance of the advance, the Clerical Officer shall update the debtors register, offset the advance account and debit the appropriate expenditure account.¹⁵

The Office Revolving Fund Account (RFA) had a credit balance of (\$306,252) as at 31/12/13. Refer to Table 1.6 for the balances over the last five years.

¹³ Office of the President, Finance Manual 2011 – Part 10, Introductory Paragraph

¹⁴ Office of the President, Finance Manual 2011 – Section 10.1.11 and 10.1.2

¹⁵ Office of the President, Finance Manual 2011 – Section 10.1.15

Table 1.6: RFA – Advance Account over the 5 Year Period

The Office did not prepare the reconciliations to reconcile the revolving fund account.

In addition, the audit noted that none of the overseas accountable advance was retired. Refer to Table 1.7 for few examples.

Table 1.7: Accountable Advances Not Retired

Date	Cheque No.	Description	Amount (\$)
10/05/13	64816	Payment of accountable advance to the Official Secretary for air fare charges for HE, A/OS, ADC and Chief Security whilst on TOD on 17 -27 May 2013 to Thailand	20,419
14/05/13	68443	Accountable advance whilst accompanying HE to Thailand on 17 – 27 May 2013	30,000
23/10/13	72131	Accountable advance to cater for HE's expenses while on visitation to the Solomon Island and Vanuatu on 20 – 26 October	20,000
23/10/13	72216	Payment of additional accountable advance to cater for accommodation in Vanuatu	30,000
TOTAL			100,419

The above shows that the Office has failed to maintain, record, reconcile and journalize advances to the relevant expenditure allocations.

Thus, the travel expenditure recorded in the *Statement of Receipts and Expenditure* of the Office's financial statements cannot be relied upon to be fairly stated.

Recommendations

- **The Senior Assistant Secretary should ensure that the advance account balance is reconciled and immediate recovery instigated against officers who failed to retire advances.**
- **Surcharge action should be instigated against officers for the un-reconciled and non-recovery of balances.**

Office Comments

The findings and recommendations are noted with appreciation. We will ensure that we act accordingly this year in the timely retirement of advances. We had exhausted the travel vote of which the retirement was to be made. We had requested Ministry of Finance for additional funds for the clearance of the same.

APPENDICES**Appendix 1.1: Anomalies in Procurement and Accounting for Goods and Services**

Date	Cheque No.	Payee	Description	Amount (\$)	Anomalies
01/03/13	66749	Mercure Hotel	Payment of accommodation	2,046	No adequate supporting documents detailing scope of travel
13/09/13	071507		Payment of accommodation	2,898	
16/12/13	73345		Payment of accommodation	3,879	
12/03/13	66938	Mercure Hotel	Payment of accommodation	1,806	Audit noted that 2012 accounts were paid in 2013
20/03/13	67133	Mercure Hotel	Payment of accommodation	2,699	<ul style="list-style-type: none"> • No memo/ minute sighted to detail scope of travel, officers and costs. • No LPO sighted
11/06/13	69222	Mercure Hotel	Payment of accommodation	7,616	<ul style="list-style-type: none"> • No adequate supporting documents detailing reason for visit. • No LPO & invoice sighted
12/09/13	71463	Lodhia Travel Services	Payment of airplane tickets for First Lady to attend the Red Cross Seminar in Beijing, China on 3-7/09/13	15,706	<ul style="list-style-type: none"> • Only one quotation obtained • No supporting documents sighted on First Daughter air passage from HK to China
12/09/13	71463	Lodhia Travel Services	Airline ticket for Salesia Draunidalo and Mr. Alexandra Masuria	15,706	Only one quotation obtained without any justification of not obtaining competitive quotations.
16/10/13	72105	Jad International Travel Services	Payment of account being air-plane ticket	8,762	<ul style="list-style-type: none"> • Only one quotation obtained without any justification of not obtaining competitive quotations • No travel memo sighted
23/10/13	72217	Ministry of Foreign Affairs	Reimbursement of airfare and per diem allowance to High Commissioner, PNG whilst on official tour with the President	12,751	PV not signed by the authorising officer.
01/11/13	72432	Jad International	Payment of account being airfares for H.E. and entourage whilst attending ICCAP meet in Thailand	22,559	<ul style="list-style-type: none"> • Only one quotation obtained without any justification of not obtaining competitive quotations; • No travel memo sighted; • PV not signed by authorising officer.
08/11/13	72581	Ifereimi Sakumeni	Payment of per diem allowance whilst accompanying HE to Thailand	4,702	<ul style="list-style-type: none"> • No adequate supporting documents sighted detailing scope of travel; • PV not signed by the authorising officer.
08/11/13	072583	Penesis Baleinabuli		4,702	
11/11/13	72589	Adrea Vasuitoga		4,702	
09/08/13	70700	Carpenters Hardware	Payments for purchase of 80kw08 brush cutter for landscape sections	3,200	Items not recorded in the Fixed Asset Register.
12/12/13	73276	Vinod Patel	Purchase of gardening tools for the landscape section	2,769	
17/08/13	71410	Automech	Repair of vehicle GN004	3,590	Payment voucher not stamped "paid"
09/10/13	71994	Vitinia Buadromo	Catering services for Fiji Day Reception 10/10/13	3,750	No competitive quote sighted
14/10/13	72048	Refrigeration Electrical Services Ltd	Payment of account being electrical necessities for temporary power for	7,522	No competitive quotations sighted

Date	Cheque No.	Payee	Description	Amount (\$)	Anomalies
		(R.E.S.L)	constitutional reception 6/9/13		
14/10/13	72047	Lincoln Refrigeration Ltd	Payment of being supply of 40kg ice-maker for household section	4,990	<ul style="list-style-type: none"> • No minute sighted detailing expenditure • Items not recorded in FAR
23/04/13	67993	Carsdos Bar and Grill	Payment of account being provide with dinner and drinks hosted by H.E	5,540	<ul style="list-style-type: none"> • No minute sighted detailing expenditure
23/08/13	071041	Vitinia Buadromo	Payment of being provide catering for PPSEAWA on 26/08/13	2,437	<ul style="list-style-type: none"> • No minute sighted detailing expenditure. • LPO raised after receipt of invoice • No competitive quotes sighted.
09/10/13	71995	Josaia Qalikaono	Payment of account being provide catering services for Fiji Day Reception	3,000	<ul style="list-style-type: none"> • No minute sighted detailing expenditure • No competitive quote sighted
30/05/13	68914	Vitinia Buadromo	Payment of account being provide catering the college of honour's investiture awards on the 30/05/13	2,700	<ul style="list-style-type: none"> • LPO raised after receipt of invoice.
11/11/13	72618	Ula Tiko	Payment for flower arrangement during the investiture ceremony 01/11/13	1,435	<ul style="list-style-type: none"> • No competitive quotes sighted
10/09/13	71414	Ula Tiko	Payment for pot plants for Constitution Reception 06/09/13	1,074	<ul style="list-style-type: none"> • No quotation or competitive quotes sighted
10/09/13	71417	Josaia Qalikaono	Payment of finger food for 300 pax (balance payment) Constitution Reception on 06/09/13	2,283	<ul style="list-style-type: none"> • No competitive quotes sighted • LPO was raised on 09/09/13 while invoice was received on 05/09/13
16/09/13	71508	Ula Tiko	Payment for flower arrangement for Constitution Reception 06/09/13	1,604	<ul style="list-style-type: none"> • No quotation or competitive quotes sighted • LPO was raised on 06/09/13 while invoice was received on 05/09/13
Total				156,428	

Appendix 1.2: Anomalies in Payment of Meal Claims

Cheque No.	Date	Payee	Meal Allowance (\$)	Anomalies
67236	25/03/13	Saimoni Ratukadreu	384	<ul style="list-style-type: none"> No evidence of travelling tickets and approvals prior to travelling Incorrect recording of \$240 travelling expense to meal allowance Ambiguity in travel tickets. Officer is claiming \$15 return from Suva to Deuba, however as per enquiry with minivan operators, one way ticket to/from Suva from/to Deuba is \$5.
67526	05-04-13		336	<ul style="list-style-type: none"> No evidence of travelling tickets. Incorrect recording of \$210 travelling expense to meal allowance. Ambiguity in travel tickets. Officer is claiming \$15 return from Suva to Deuba; however as per enquiry with minivan operators, one way ticket to/from Suva from/to Deuba is \$5. Officer was already paid for 2 days of meal and travel by cheque 67236 of 25/3/13 hence overpayment of \$108 including extra travelling fare claims
68224	03-05-13		147	<ul style="list-style-type: none"> Incorrect recording of \$27 of meal allowance to subsistence allocation. No payment voucher prepared, prior approval of travelling and no evidence of travelling bus tickets
68800	24-05-13		279	<ul style="list-style-type: none"> Payment voucher not prepared and no evidence of travelling bus tickets. Incorrect recording of \$180 travelling expenses to meal allowance allocation. Double payment of meal allowance for 16/5/13 and 17/5/13 which was already paid by cheque 68513 of 16/5/13. Details of meal claim missing and no independent verification of statutory declaration submitted by officer hence total overpayment of \$65
68513	16-05-13	Official Secretary	476	Approval for 2 people only, however meal claim paid to 3 officers hence overpayment of \$45.
66652	26-02-13	ANZ	315	No meal claim forms prepared for all this payments.
67751	16-04-13	ANZ	288	
68263	07-05-13	ANZ	468	
69230	11-06-13	ANZ	378	
69020	04-06-13	ANZ	324	
71249	03-09-13	ANZ	594	
71405	10-09-13	ANZ	701	
71562	17-09-13	ANZ	792	
72199	22-10-13	ANZ	738	
72649	12-11-13	ANZ	297	
73390	17-12-13	ANZ	621	
73538	23-12-13	ANZ	324	
TOTAL			7,462	

Section 2

Office of the Prime Minister and Public Service Commission

Roles and Responsibilities

Office of the Prime Minister

The primary role of the Prime Minister's Office is to provide sound policy and administrative support to the Prime Minister and to the Cabinet. The Prime Minister's Office has a central place in facilitating the decision-making responsibility of Cabinet and in ensuring the implementation of Government's policies. These responsibilities are undertaken through activities within the Prime Minister's Office, namely Administration and the Cabinet Office. This includes the facilitation of infrastructure development, administration of poverty alleviation programmes and the promotion and monitoring of government initiatives by the Strategic Framework for Change Coordinating Office are also relevant in this regard.

Public Service Commission

The Public Service Commission under Section 12, subsection 1, 2, 4 and 5 of the State Services Decree 2009 (Decree No 6) is a central agency responsible for the following functions.

1. a) To make appointments to public officers;
b) To remove persons from public offices;
c) To take disciplinary action against holders of public offices.
2. Appointments to positions in the public service at the rank of Director and above shall be made by the Public Service Commission upon agreement of the Prime Minister.
3. Disciplinary action against persons employed in the public service including the rank of Director and above shall be initiated by the Permanent Secretary responsible for the Public Service, and any such disciplinary action shall be heard and determined by the Public Service Commission.
4. Disciplinary action against persons employed in the public service below the rank of Director shall be initiated by the Permanent Secretary of the Ministry in which the person is employed, and any such disciplinary action shall be heard and determined by the Public Service Commission.

The Public Service Commission's statutory function is under Section 11 of the Public Service Act, 1999.

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PART A: FINANCIAL STATEMENT

2.1 Audit Opinion

The audit of the 2013 accounts of the Office of the Prime Minister and Public Service Commission resulted in the issue of a qualified audit report. The bases of qualifications are as follows:

- The Chinese Grant and Taiwan Grant trust funds shows ending balances of \$4,654,853 and \$68,127 respectively as shown in their Statement of Receipts and Payments. Contrary to section 58 (3) of Finance Instruction 2010, the two trust general ledger accounts were not balanced nor reconciled with their respective bank reconciliations and other subsidiary records.
- There are un-reconciled differences of \$6,392,024 between the Drawings account reconciliation with its subsidiary records and the general ledger (FMIS) balance for the Office of the Prime Minister.

Management attention was also drawn to that the Public Service Commission did not reconcile the expenditure in the FMIS general ledger as no expenditure ledger was maintained. It prepared its financial statements from the FMIS general ledger. As a result audit was not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

2.2 Statement of Receipts and Expenditure

The Office of the Prime Minister and Public Service Commission collected revenue totalling \$20,924 and incurred a total expenditure of \$66,936,162 in 2013.

Table 2.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
Agency Revenue	20,924	433,981
TOTAL REVENUE	20,924	433,981
EXPENDITURE		
Operating Expenditure		
Established Staff	6,454,445	6,084,453
Government Wage Earners	577,706	489,037
Travel & Communications	1,485,164	840,079
Maintenance & Operations	25,229,694	24,509,136
Purchase of Goods & Services	682,246	537,950
Operating Grants & Transfers	21,301,962	16,741,150

Description	2013 (\$)	2012 (\$)
Special Expenditures	1,262,187	1,110,667
Total Operating Expenditure	56,993,404	50,312,472
Capital Expenditure		
Construction	143,825	5,210,894
Purchase	394,136	639,293
Grants & Transfers	5,329,295	3,986,650
Total Capital Expenditure	5,867,256	9,836,837
Value Added Tax	4,075,502	4,826,896
TOTAL EXPENDITURE	66,936,162	64,976,205

Revenue collection decreased by \$413,057 or 95% in 2013 due to the rectification of trading and manufacturing income incorrectly recorded as miscellaneous revenue in previous years.

Total Expenditure increased by \$1,959,957 or 3% in 2013 due to increases in overseas travel costs and communication, scholarship payments by the Public Service Commission and small grants assistance provided by the Office of the Prime Minister.

2.3 Appropriation Statement

The Office of the Prime Minister and Public Service Commission incurred expenditure totalling \$66,936,162 in 2013 against the revised budget of \$68,511,733 resulting in a savings of \$1,575,571. Details of expenditure against the budget estimates are provided in Table 2.2.

Table 2.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Appropriation Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	6,612,905	(149,277)	6,463,628	6,454,445	9,183
2	Government Wage Earners	554,385	41,235	595,620	577,706	17,914
3	Travel & Communications	971,576	532,886	1,504,462	1,485,164	19,298
4	Maintenance & Operations	25,380,510	9,992	25,390,502	25,229,694	160,808
5	Purchase of Goods & Services	582,515	136,785	719,300	682,246	37,504
6	Operating Grants & Transfers	17,194,300	4,152,842	21,347,142	21,301,962	45,180
7	Special Expenditures	2,438,100	(1,143,004)	1,295,096	1,262,187	32,909
	Total Operating Costs	53,734,291	3,581,459	57,315,750	56,993,404	322,346
	Capital Expenditure					
8	Construction	---	260,870	260,870	143,825	117,045
9	Purchase	400,000	---	400,000	394,136	5,864
10	Grants & Transfers	6,170,000	(20,000)	6,150,000	5,329,295	820,705
	Total Capital Expenditure	6,570,000	240,870	6,810,870	5,867,256	943,614
13	Value Added Tax	4,465,800	(80,687)	4,385,113	4,075,502	309,611
	TOTAL EXPENDITURE	64,770,091	3,741,642	68,511,733	66,936,162	1,575,571

In 2013, Cabinet approved the redeployment of \$169,999 from the Office of the Prime Minister's budget to other Ministries and Departments' budget and \$3,911,641 from other Ministries and Departments' budget to the Public Service Commission budget.

2.4 Trust Fund Account Statement of Receipts and Payments

The Office of the Prime Minister utilized \$1,712,021 in 2013 from the Chinese grant for various projects selected by the Office. Refer to *Appendix 2.1* for details.

In addition, the Office utilized \$209,259 from Taiwan Grant on various projects selected by the Office. Refer to *Appendix 2.2* for details.

2.5 Trading and Manufacturing Account (TMA) – Government Quarters

Table 2.3: Income Statement

Description	2013 (\$)	2012 (\$)
Income		
Rental Income	4,527,192	3,563,652
Total Income	4,527,192	3,563,652
Expenditure		
Direct Labour	64,011	7,601
Travel and Communication	910	---
Maintenance and Operations	---	(27,380)
Purchase of Goods & Services	3,812,669	3,229,508
Special Expenditures	7,960	322,769
Total Expenditure	3,885,550	3,532,498
Net Profit	641,642	31,154

Table 2.4: Balance Sheet

Description	2013 (\$)	2012 (\$)
Asset		
Cash at Bank	1,873,827	951,157
Total Asset	1,873,827	951,157
Liability		
Deposits and Deductions	58,566	31,150
Equity		
Accumulated Fund	1,815,261	920,007
Total Equity and Liability	1,873,827	951,157

PART B: AUDIT FINDINGS

OFFICE OF THE PRIME MINISTER

2.6 Main Trust Account – Taiwanese Grant

Each month, the Trust Account shall be balanced and reconciled with the Trust bank accounts. The names and balances of each account must be listed and the reconciliation shall be signed by the responsible officer. Un-reconciled items must be investigated and resolved promptly.¹

The audit noted the following anomalies in the Trust Fund reconciliations for the Taiwanese Grant:

¹ Finance Instructions 2010 – Section 58(3)

- An unreconciled variance of \$9,964 exists between the general ledger cash at bank account and the bank reconciliation balance. Refer to Table 2.5 for details.

Table 2.5: Variance in Taiwanese Grant Cash at Bank Balance

Description	Amount (\$)
Cash at bank balance as per general ledger	78,091.00
Cash at bank balance as per bank reconciliation	68,127.00
Variance	9,964.00

- A variance of \$11,796.50 exists between the general ledger cash at bank account and the liability account balance. Refer to Table 2.6 for details.

Table 2.6: Variance in Taiwanese Grant Cash and Liability

Description	Amount (\$)
Cash at bank balance as per general ledger	78,091.00
Trust fund liability account	66,294.50
Variance	11,796.50

In addition, the following anomalies were also noted:

- The office has not posted the bank charges and interest received into the general ledger system (FMIS.)
- Stale cheques totalling \$17,370 are still shown under unpresented cheques and not adjusted to revenue.
- The independent bank reconciliation prepared by audit revealed variance of \$12,086.77 between the cash book reconciliation and the cash at bank balance.
- The Office has not prepared its annual acquittal report to the Taiwan Trade and Mission Office for the year 2013.

The finding indicates that the Accounting Head did not reconcile the office reconciliation balances to the general ledger (FMIS).

As such, the audit was not able to ascertain that all receipts and payments have been accurately accounted and disclosed in the Main Trust Account – Taiwanese Grant.

Recommendations

- **The Accounting Head should ensure that the Trust Fund Account is reconciled with the FMIS general ledger balances at the end of each month.**
- **The Accounting Head must investigate and rectify the variances noted.**

Management Comment

The 2013 balances for the Office in respect of the individual accounts are as follows:

- *Cash Book - \$80,213.77*
- *General Ledger - \$66,294.37*
- *Bank Statement - \$101,892.42*

The variance highlighted by Audit, the Office did not take action to rectify the difference as of to date. This is due to the Office taking into account unaudited figure and the OAG are taking the audited figure. The difference is from the closing balance of the previous years and the opening balance of the current year. In 2014, the Office will work with OAG on the variances dated back to 2011 so that the record will be in line with the audit record.

The monthly reconciliation has been carried with the General ledger FMIS against the bank statement. The office has processed the posting of bank charges and interest as per OPM – JV 04/06/2014(attached) The stale cheques totalling \$17,370.00 has been written off vide OPM JV 06/06/2014(attached)

Management has noted the audit recommendation. The total said amount revealed as various the office managed to ascertain \$11,796.50 which was originated in August 2011(as per attached) the said amount has been cleared vide cheques number '000063 dated 09/06/2014 the balance of the variance stands at \$290.27. the office have adjusted \$17.00 (cheque book & Deposit book fee) by JV 05/06/2014 and the interest charges for December 2013 amounting to \$57.76 have been adjusted by OPM JV no 04/06/2014 the variance as of date is \$215.51.

The annual acquittal report to Taiwan Trade and Mission office is handled by the DCFD unit. The office whilst carrying out reconciliation is based on the general ledger FMIS balances and the bank statement of each month. The Accounting head is now working on the rectification of the variances.

2.7 Main Trust Account – Chinese Grant

Each month, the trust fund account shall be balanced and reconciled with the trust bank accounts. The names and balances of each account must be listed and the reconciliation shall be signed by the responsible officer. Un-reconciled items must be investigated and resolved promptly.²

The audit noted the following anomalies in the Trust Fund reconciliations for the Chinese grants:

- Variance was noted between the general ledger (FMIS) receipts and payments balance and the office cash book records. Refer to Table 2.7 for details.

Table 2.7: Variance in Trust Fund Receipts and Payments

Description	Total Receipts (\$)	Total Payments (\$)
Office Cash Book balances	5,345,094.74	1,712,020.97
General Ledger (FMIS) balances	5,361,740.87	1,525,303.30
Variance	16,646.13	186,717.67

- An unreconciled variance of \$1,055,235.93 exists between the general ledger cash at bank account and the bank reconciliation balance. Refer to Table 2.8 for details.

² Finance Instructions 2010 – Section 58(3)

Table 2.8: Variance in Chinese Grant Cash at Bank Balance

Description	Amount (\$)
Cash at bank balance as per general ledger	3,599,616.84
Cash at bank balance as per bank reconciliation	4,654,852.77
Variance	1,055,235.93

- A variance of \$32,625.57 exists between the general ledger cash at bank account and the liability account balance. Refer to Table 2.9 for details.

Table 2.9: Variance between Chinese Grant Cash and Liability

Description	Amount (\$)
Cash at bank balance as per general ledger (Net)	3,599,616.84
Trust fund liability account	3,632,242.41
Variance	32,625.57

In addition, the following anomalies were also noted:

- The Chinese Grant Trust Fund Account cash at bank general ledger balance (FMIS) includes a sub account with a credit balance of \$2,414,019.90.
- Stale cheques totalling \$8,322.23 are still shown under unpresented cheques and not adjusted to revenue.
- The interest earned recorded in the general ledger exceeds the bank statement amount by \$397.19.
- The office failed to receipt direct deposits to the bank of \$5,308,233.21 resulting in the variances in record between the trust fund receipts and the bank statement balance.
- The nature of payments in the 2013 Trust Fund Statement of receipts and payments were not disclosed appropriately to ensure disclosure consistency and comparability to the 2012 figures.

As such, the audit was not able to ascertain that all receipts and payments have been accurately accounted and disclosed in the Main Trust Account – Chinese Grant.

Recommendations

- **The Accounting Head should ensure that the Trust Fund Account is reconciled with the FMIS general ledger balances at the end of each month.**
- **The Accounting Head must investigate and rectify the variances noted.**

Management Comment

The variance highlighted by audit the office did not take action to rectify the difference as of to date. This is due to the office taking into account the unaudited figure and the OAG are taking the audited figure. The difference is from the closing balance of the previous year and the opening balance of the current year. In 2014 the office will work on the variances dated back to 2011 so that the record will be in line with the audit record.

The stale cheques have been cleared by OPM JV 03/07/2014.

In June 2013 the interest amount was \$496.49 but the resident withholding tax amount was \$99.30 but the office stated the difference as the 2013 Credit Interest.

The office has adjusted the direct deposit amounting to \$5,308,233.21 as in July 2013 bank statement. The OPM JV# 16/10/2013 amounting to \$5,312,050.86 inclusive of the direct deposit.

The OAG comment is noted for future disclosures of payments in different sectors.

The office has guaranteed that in future all receipts and payments will be accurately accounted and disclosed.

Management has noted the recommendation. The monthly reconciliation has been carried with the General Ledger FMIS against the Bank Statement.

2.8 Overdrawn Operating Trust Fund Accounts

Trust Fund Accounts compromise monies, which are not the property of the state and not utilized for the purpose of government. In addition, Trust money is to be accounted for separately from public money and other money,³ and by convention should always have credit balances. Thus, the trust fund accounts should not at any time be overdrawn.⁴

As at 31 December 2013, the Office Operating Trust Fund Accounts had overdrawn balances totalling \$194,646.05. Refer Table 2.10 for details:

Table 2.10: Overdrawn Operating Trust Fund Accounts

Account	Description	Amount (\$)
1-02100-00000-861200	PD Insurance	134.98
1-02100-00000-861300	PD Loans & Advances	140.75
1-02100-00000-861500	PD Union & Association	140.00
1-02100-00000-861600	PD Maintenance	92.00
1-02100-00000-861901	201 PD Tax Arrears/PAYE	2,031.59
1-02201-61999-861106	390 PD Gov water rates	163.00
1-02201-61999-861151	301 PD FPS credit union	97.50
1-02201-61999-861923	Uniform deduction	201.92
1-02201-61999-861924	M-paisa	240.00
1-02101-02101-899988	Sports trust account	191,404.31
Total		194,646.05

Most of the overdrawn balances were brought forward from previous years.

The overdrawing of Operating Trust Funds Accounts may have resulted from incorrect journal entries passed to these accounts or through mis-postings.

Such finding indicates lack of adequate internal control, supervision and a disregard of the procedures in the Finance Instruction.

Recommendations

- **The Accounting Head should ensure that the Trust Fund Accounts are not overdrawn at any point in time in accordance with Finance Circular 4/98.**

³ Financial Management Act 2004 - Section 25 (1)

⁴ Finance Circular No. 4/98 of 30/03/98

- The Accounting Head should investigate the overdrawn (debit) trust fund accounts and take appropriate action.
- The internal control procedures in the Accounts Sections, specifically supervisory checks should be strengthened to avoid such discrepancies.

Management Comment

Management has noted the audit recommendation. The office has identified the reasons for overdrawn and have adjusted accordingly. Refer table below.

<i>Account</i>	<i>Description</i>	<i>Amount \$</i>	<i>Office Comments</i>
1-02100-00000-861200	PD Insurance	134.98	JV 25/07/2014 - \$45.23 JV 12/07/2014 - \$30.25 JV 11/07/2014 - \$59.50
1-02100-00000-861300	PD Loans & Advances	140.75	JV 29/07/2014- JV 15/07/2014-
1-02100-00000-861500	PD Union & Association	140.00	JV 20/07/2014 - \$30.00 CR JV19/07/2014 - \$50.00 JV 18/07/2014 – \$120.00
1-02100-00000-861600	PD Maintenance	92.00	JV 24/07/2014 - \$40.00 JV 23/07/2014 - \$40.00 JV 22/07/2014 - \$12.00
1-02100-00000-861901	201 PD Tax Arrears/PAYE	2,031.59	The office currently rectifying the records.
1-02201-61999-861106	390 PD Gov water rates	163.00	JV 21/07/2014
1-02201-61999-861151	301 PD FPS credit union	97.50	JV 28/07/2014
1-02201-61999-861923	Uniform deduction	201.92	JV 27/07/2014
1-02201-61999-861924	M-paisa	240.00	JV 26/07/2014
1-02101-02101-899988	Sports trust account	191,404.31	For the Sports Trust A/C we have adjusted part of the misposting from 2012 as per JV 33/06 \$342,672.11 resulting \$151,267.80 credit
Total		194,646.05	

2.9 Drawings Account Reconciliation

All bank account must be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by the responsible officer.⁵

A variance of \$6,392,023.79 exist in the Drawings accounts balance between the office reconciliation and the general ledger (FMIS) records. Refer to Table 2.11 for details.

Table 2.11: Variance in Drawings Account

Details	Amount (\$)
FMIS (1-02103-00000-530000)	25,061,106.30
Office's Reconciliation	31,453,130.09
Variance	6,392,023.79

The audit further noted that the office failed to produce the signed Board of Survey Report for the Drawings Account for audit.

Lack of supervisory checks in the Accounts section has resulted in the above variances and the non-submission of the signed Board of Survey Report for the Drawings Account.

Recommendations

- **The Accounting Head should reconcile its monthly Drawings Account reconciliations with the general ledger (FMIS) balances and any variance noted should be investigated and adjusted accordingly.**
- **The Accounting Head should ensure that the signed Board of Survey Report for the Drawings Account is submitted for audit.**

Management Comment

Managements has noted the audit recommendation. As for the variance stated above, the reason being that for FMIS [Financial Management Information System] – it is the FMIS closing balance for the month of December 2013, whereas for the Office if the Prime Ministers Reconciliation – this the running balance as of December 2013.

The increases in the unrepresented cheques amount was due to the processing of payments on the last working day of December 2013 and were not presented on the same day. The total amount of cheques issued on 31/12/2013 stands at \$30,775,921.03 and the unrepresented cheque amount stands at \$677,209.06 thus the office reconciliation of \$31,453,130.09. The Unrepresented cheque for January 2014 was \$986,766.78.

2.10 Anomalies in Capital Projects Funded Under the Small Grant Scheme

It is the responsibility of the contractors or monitoring agencies in any projects carried out to provide:

- a) A completion report upon completion of the project;
- b) Work progress updates;
- c) Acquittals to account for the use of the funds provided towards the project by the funding agency.⁶

⁵ Finance Instruction 2010 – Section 32(6)

⁶ Extracted from the various Memorandum of Understanding between the Office of the Prime Minister and the stakeholders of the projects

The funding agency is to draw up a Memorandum of Understanding with the relevant stakeholders to govern the operation of the projects undertaken.

The audit noted various anomalies in the capital projects funded under the Small Grant Scheme. Refer to **Appendix 2.3** for examples.

The absence of work progress reports, acquittals and completion reports makes it difficult to monitor projects and account for the use of government funds. The non-preparation of Memorandum of Understanding can lead to abuse and corrupt practices in the undertaking of projects without holding those responsible accountable for their action.

Recommendations

- The Office should ensure that project requirements are properly adhered to at all times.
- Memorandum of Understanding should be prepared for all projects undertaken by the Office.

Management Comment

Management has noted the audit recommendation and will ensure that all future projects documentation and processes are properly followed.

	<u>Project Name, Location & Description</u>	<u>Cost (\$)</u>	<u>Audit Remarks</u>	<u>Response</u>
1.	Nadoi Village Rewa, Rewa – Drainage excavation, desilting work	156,687.50	<ul style="list-style-type: none"> • No work progress updates filed. • No completion project report attached • Absence of acquittals by monitoring agency (RFMFER) on the use of funds provided toward the project by the Funding Agency(OPM) 	Relevant acquittals were presented to accounts as per the claims to Accounts Section.
2.	Dawasamu Secondary School, Tailevu – construction of 2 × TQ, 1 × 3 classroom block	122,227.80	<ul style="list-style-type: none"> • Monitoring report to the Funding Agency (OPM) by the owner (School Committee) not filed • Acquittals for the project by the owner not in place 	This project was successfully completed and received by the people and was commissioned by the Prime Minister on 20/02/14.
3.	St Peter Chanel Primary School – 1 × ablution block, hardware materials for 2×TQ	125,756.32	<ul style="list-style-type: none"> • MOU with RFMFER not to building the teachers quarters not filed 	We normally do not require MOUs with RFMFER since it is a government agency like PWD carrying out work on behalf of Government.
4.	Namosi Secondary School – 1 × 2	93,429.74	<ul style="list-style-type: none"> • No update on work done on the staff 	PA Namosi has been monitoring this

	<u><i>Project Name, Location & Description</i></u>	<u><i>Cost (\$)</i></u>	<u><i>Audit Remarks</i></u>	<u><i>Response</i></u>
	<i>classroom block, 1 × TQ</i>		<i>quarters by monitoring agency (PA Namosi) in the file.</i>	<i>project. In fact there was an update received from PA Namosi but it was not filed since it was misplaced. (A copy has been obtained and filed).</i>
5.	<i>Vatuwaqa Primary School – renovation works</i>	<i>373,480.25</i>	<ul style="list-style-type: none"> • <i>MOU with RFMFER not filed</i> • <i>Acquittals on administration, ration and contingency costs not attached</i> 	<i>Acquittals are still with RFMFER.</i>
6.	<i>Nabitu Primary School, Navosa – Upgrading works</i>	<i>102,302.92</i>	<ul style="list-style-type: none"> • <i>MOU with RFMFER not sighted in file</i> 	<i>We normally do not require MOUs with RFMFER since it is a government agency like PWD carrying out work on behalf of Government.</i>

2.11 Maintenance of the Corporate Credit Card

The purpose of the credit card policy is to:

- Ensure that only official expenditure related to approved overseas trips are charged against the credit card;
- Ensure that credit card reporting is monitored so that fraudulent transactions and misuse is kept to a minimum; and
- Guide all credit card holders and accounting officers on the management and maintenance of corporate credit cards.

The Accounting Head must ensure that all authorised official expenses charged against the card are promptly paid for at the end of the month.

It is the responsibility of the designated reconciliation clerk within each ministry and department to examine and reconcile the credit card bank statement and the individual receipts produced by the card user on a monthly basis. All receipts supplied by the card holder upon return must contain his/her signature to certify that the expense was incurred for official purposes. Any transaction appearing on the credit card bank statement that is not supported by a signed receipt is to be personally reimbursed by the card holder 7 days upon return. Proper justification needs to be provided to the reconciliation clerk and the accounting head to support the non-availability of the receipt.

The Office made a total payment of \$49,212.85 to ANZ Bank for credit card expenses in 2013 however acquittals and supporting documents for some credit card payments were not made available for audit. The credit card is used by the Prime minister mainly to facilitate payments for accommodation during his travel. Table 2.12 outlines these anomalies.

Table 2.12: Weaknesses in the maintenance of the Credit Card

Date	Cheque No.	Particulars	Amount (\$)	Remarks
18/11/13	72735	Payment to ANZ for top up of visa card	5,472.43	No acquittals of expenses were attached. Late payment fee of \$20 was imposed.
13/11/13	72664	As above	1,539.60	No acquittals of expenses were attached.
16/01/13	65867	As above	7,165.97	As above
04/07/13	69040	As above	239.57	As above
30/07/13	70462	As above	6,955.74	As above
09/12/13	73179	As above	3,108.04	As above
Total			24,481.35	

The audit further noted that the Accounts Section failed to prepare monthly reconciliations of the credit card payment.

The completeness and accuracy of the credit card top up payments to the bank could not be substantiated due to the absence of acquittals and the non-performance of the reconciliations by the Accounts Section.

Non adherence to the credit card policy could result in misappropriation of funds.

Recommendations

- **The Personal Staff Officers of the Prime Minister or Officers who accompany the Prime Minister on official overseas trips must ensure that all supporting documents in relation to the trips are maintained and provided to the Accounts Section immediately after returning from the trip.**
- **The Principal Accounts Officer must prepare the monthly reconciliations of the credit card payments.**

Management Comment

No comment received from management.

PUBLIC SERVICE COMMISSION

2.12 Expenditure Ledger not maintained

The Assistant Accounts Officer shall enter details on payment vouchers in an Expenditure Ledger. The ledger shall record:

- Date of payment and name of payee;
- Type and amount of payment;
- Cheque and payment voucher number;
- Expenditure account;
- Cumulative totals.⁷

⁷ PSC Finance Manual 2011 – Section 2.8.11

The audit noted that the Commission does not maintain an expenditure ledger.

As a result, the Commission could not reconcile the expenditure in the FMIS maintained by the Ministry of Finance. The audit was also not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

Recommendation

The Ministry should maintain an expenditure ledger up to date and reconcile its expenditure with the FMIS records on a monthly basis.

Management Comment

The Auditors comment is noted, Accounts Section now maintain a register Ledger to highlight all payment made.

2.13 Scholarship files not produced for audit

In the performance of his or her duties, the Auditor-General or a person authorized by him or her has access to all records, books, vouchers, stores or other government property in the possession or control of any person or authority.⁸

Audit made several requests to the Tertiary Scholarships and Loans Board (TSLB) for selected scholarship files of students to be provided for audit inspection however, these were not provided. The files requested for audit included 25 awards for PSC scholarship and 15 awards for the Multi-ethnic scholarship.

The scholarship awarded in 2013 was not audited.

The audit could not verify whether the requirements or criteria of the two scholarships were met when selecting or awarding scholarships.

Recommendation

The Commission should ensure that all documents necessary for the successful completion of an audit should be provided to the Auditor General or a person authorized by him.

Commission Comments

All scholarship file is with the TSLB, Auditor General should liaised directly with them rather than PSC to ensure that all document is provided to OAG.

2.14 Carry Over of Appropriation and Deposit of Funds in Trading and Manufacturing Account

If an amount appropriated by an Annual Appropriation Act for a financial year –

- (a) has not been used in that financial year; or
- (b) is unlikely to be used in that financial year;

⁸ Constitution of the Republic of Fiji – section 152(4)

the Minister may authorize the carry over to the following year of all or part of the unused appropriation that relates to known liabilities as at a particular date and the amount authorised for carry over may be used accordingly in that following year.

Trading and manufacturing accounts (TMA) are operated on a semi commercial basis. It should run on its own. Therefore operating funds should not be deposited into the trading and manufacturing accounts.

The contract entered into by the Commission with Vinz Works, a contractor for the refurbishment of Kelton House did not clearly show the timeline for the project to be completed. Discussions held with officers concerned revealed that the project was delayed by the Commission.

The Commission also entered into a contract with Classic Furniture Resort for the Carnarvon fencing in December 2013.

The audit noted that as the end of the year was approaching the Commission deposited funds for these projects into the trading and manufacturing account in order for these to be used the following year. This was done as the Ministry of Finance would take back the funds that are not used at the end of the year. Refer to Table 2.13 for details.

Table 2.13: Payment Details

	Chq #	Chq Date	Amount (\$)	Details
1.	036545	31.12.13.	67,366.00	Being payment for the refurbishment works for Kelton House (final 50% payment)
2.			16,841.50	Being 10% retention payment for the refurbishment works for Kelton House
3.	036467	20.12.13.	58,850.75	Being payment for Carnarvon fencing

The above indicates blatant disregard of rules and regulations.

Recommendation

The Principal Accounts Officer should ensure that the Minister of Finance's approval is sought before funds are carried over

Commission's Comments

The Minister of Finance has been informed accordingly when Surplus from TMA was to remit back to MOF. The payment of the mention companies should have come from the Operation Vote (Office Fitting) and the approval was given by the Minister of Finance but was delayed by Judicial Ministry since Minister of Justice wanted more clarification and confirmation on the work plan and agreement made before they move in to their new building.

As for Carnarvon Fencing, the work was delayed due to some misunderstanding between the contractors with Office Accommodation and the Suva City Council due to SCOPE of work to be done towards the end of the year (December). In order for PSC to complete the work that was already approved by MOF (PM) during that the year, we transferred the total cost to TMA. The approval have already been given by Minister of Finance, so if Funds was not transferred to TMA than PSC would have to go back and again request MOF in the following year. (Evidence attached).

On 1/09/2014, a team from Auditor physically inspected the fencing project and were satisfied with the outcome of the completed project. The building in Carnarvon is now occupied by the Prime Minister's Office.

2.15 TMA arrears of revenue

Where goods or services are sold on credit, the TMA Accounts Officer must ensure the customer meets the following criteria:

- i. provision of contact addresses
- ii. valid identification
- iii. no previous arrears
- iv. provision of guarantor or referees⁹

The trading and manufacturing account had arrears of revenue or rent totalling \$83,561.87 as at December 2013. The audit noted that some of these tenants owed rent but continued to occupy the quarters while some tenants were either evicted or have been given notices to vacate the quarters.

Refer to Table 2.14 below for details.

Table 2.14: Quarters

	Quarters #	Tenant	Monthly Rent (\$)	Total Amount Owed (\$)	Total Amount Owed in Months	Vacation Date
1.	14	Mr. Inoke Male	500.00	13,669.23	27.33	28/05/13
2.	7	Mr. Luvu Tuinamoala	1,000.00	7,000.00	7	08/08/13
3.	60	Mr. Amenatave Tagicakibau	1,000.00	7,000.00	7	10/05/13
4.	52	Live & Learn	1,950.00	3,900.00	2	-

Mr. Luvu Tuinamoala occupied quarters 7 without any agreement. Without strict recovery procedures, arrears of revenue will continue to increase.

Recommendation

The Commission should take appropriate action to collect all outstanding rents.

Commission's Comment

The collection of revenue is done by Accounts and Finance where information is submitted to Office and Accommodation on a Monthly basis, the monitoring of Arrears is the responsibilities of OA where they have to inform the Tenants accordingly.

⁹ PSC Finance Manual 2011 – Section 6.4.4

APPENDICES

Appendix 2.1: Trust Fund Account for 2013 - Chinese Grant

	2013 (\$)	2012 (\$)
RECEIPTS		
Interest	3,232	618
Other Receipts	5,341,863	1,227,621
Total Receipts	5,345,095	1,228,239
PAYMENTS		
Assistance to Schools	---	177,298
Installation – PM Office	---	9,150
Others	---	28,396
RFMF Engineers	---	66,618
Tax Clearance	---	107
Cheque Book Fees	---	8
Assistance to various entities and projects	1,712,021	---
Total Payments	1,712,021	281,577
Net Surplus	3,633,074	946,662
Balance as at 1 January	1,021,779	75,117
Closing Balance as at 31 December	4,654,853	1,021,779

Appendix 2.2: Trust Fund Account for 2013 – Taiwan Grant

	2013 (\$)	2012 (\$)
RECEIPTS		
Interest Received	178	1,690
Total Receipts	178	1,690
PAYMENTS		
Assistance to Community Projects	14,325	77,965
Assistance to Schools	160,587	382,655
Assistance to RFMF	20,798	---
Gift – Fiji Government to the Solomon Island	13,525	---
Office Equipment	---	9,630
Resident Withholding Tax	24	---
Water Supply – Rural Areas	---	10,680
Total Payments	209,259	480,930
Net (Deficit)/Surplus	(209,081)	(479,240)
Opening Balance as at 1 January	277,208	756,444
Closing Balance as at 31 December	68,127	277,208

Appendix 2.3: Anomalies in Capital Projects Funded Under the Small Grant Scheme

Project Name/Location	Assistance	Status as at 3 rd Quarter 2013	Cost (\$)	Remarks
Nadoi Village, Rewa	Drainage excavation, desilting work	Completed	156,687.50	<ul style="list-style-type: none"> - No work progress updates filed - No completion project report attached - Absence of acquittals by the monitoring agency (RFMF Engineer) on the use of funds provided towards the project by the funding agency (Office of the PM)
Dawasamu Secondary School, Tailevu	Building materials for 02 x teachers quarters, 01 x 03 classroom block	Completed and awaiting official opening	122,227.80	<ul style="list-style-type: none"> - Monitoring report to the funding agency (Office of the PM) by the owner (School Committee) not filed - Acquittals for the project by the owner not in place
St Peter Chanel Primary School	Construction of 01 x ablution block, Hardware materials for 02 x staff quarters, contingency, ration, admin cost to RFMF	Ablution block completed, 1 quarters completed and 1 under construction	125,756.32	Memorandum of understanding with RFMF Engineer to build the teachers quarters not filed
Namosi Secondary School	Building materials for 01x 02 classroom building and a staff quarter	Classroom completed and staff quarter under construction	93,429.74	No update on work done on the staff quarters by monitoring agency (PA Namosi) in the file
Vatuwaqa Primary School	Various work	Some of the work completed while some in progress	373,480.25	<ul style="list-style-type: none"> - Memorandum of Understanding with RFMF Engineers not filed - Acquittals on administration, ration and contingency costs not attached
Nabitu Primary School, Navosa	Hardware materials for upgrading works, contingency, ration, admin cost to RFMF to do the work	RFMF Troops deployed to the site in the 3 rd week of September	102,302.92	Memorandum of Understanding with RFMF Engineer not sighted in the file
Tamasua Nursing Clinic, Yasawa	Building materials for construction of Nursing Station Clinic	MOU signed on 13/06/13. Works in progress	102,501.91	The last inspection report noted was for 13-14/06/13. No other work progress update filed
Penang Sangam High School, Ra	Construction of new replacement building	MOU signed on 05/06/13 with funds released and which is around 95% complete	178,000.00	Progress report from the owner (School committee) to the funding agency not attached
Navuso Agricultural School,	Various works	RFMF Engineer deployed to the site from 1 st week of Sept – work in progress	247,188.05	Memorandum of Understanding with RFMF Engineer not sighted

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Project Name/Location	Assistance	Status as at 3 rd Quarter 2013	Cost (\$)	Remarks
Naitasiri				
Vunidawa Sanatan Primary School	Building materials for classroom renovation, building materials for 01 x 02 bedroom staff quarters, contingency, admin and ration cost to RFMF Engineer for this work	Fund provided to RFMF Engineer on 23/04/13. Work to commence in mid-November after Vunidawa District School work	92,078.97	Memorandum of Understanding with RFMF Engineers not filed
Vunidawa District School, Naitasiri	Building materials for 01 x 03 classroom block, building materials 01 x 02 bedroom quarters, contingency, admin and ration cost to RFMF Engineer	Funds given to RFMF Engineer on 23/04/13 – work in progress with 70% completion	137,435.90	Memorandum of Understanding with RFMF Engineers not filed

Section 3

Office of the Attorney General and the Solicitor General

Roles and Responsibilities

Office of the Attorney & Solicitor General

The Attorney General is the Chief Advisor to the Government. He or she is assisted by the Solicitor General, who is also the Permanent Secretary of the Attorney General's Chambers.

The Office of the Solicitor General is responsible for providing quality legal advice to all ministries and departments; drafting Government Bills and Subsidiary Legislations; undertaking systematic review; reform and development of laws in Fiji Islands; undertaking Statutory Law Revision; providing legal assistance to impoverished persons in family and criminal laws through legal representation and advice. The administration of the Registrar of Companies, Registrar General's Office, Registrar of Titles, Official Receivers Office, and Stamp Duties Office has all been assigned to the Solicitor General's Office.

Roles and Responsibilities

Department of Civil Aviation

The Department of Civil Aviation is responsible for economic regulation of air transport and facilitates processes for the development of air safety, security and infrastructure

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OFFICE OF THE ATTORNEY GENERAL

PART A: FINANCIAL STATEMENT

3.1 Audit Opinion

The audit of the 2013 financial statement of the Office of the Attorney General resulted in the issue of an unqualified audit report. Management attention was however drawn to the following matters:

- Note 4 disclose that a sum of \$1million was transferred from the Elections Office for the consultation and printing of the 2013 Constitution. The \$1million is not charged to the Special Expenditure – SEG 7 hence understating 2013 expenditure by the same amount.
- The department did not reconcile the expenditure in the FMIS general ledger as no expenditure ledger was maintained. The department prepared its financial statements from the FMIS general ledger. As a result, audit was not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

3.2 Statement of Receipts and Expenditure

The Office of the Attorney General and the Solicitor General collected revenue totalling \$365,864 and incurred a total expenditure of \$7,012,877 in 2013. Refer Table 3.1 for details.

Table 3.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
State Revenue		
Hotel License	208,531	138,441
Trademark and Patent Registration	47,987	41,847
Liquor License	0	3,913
Miscellaneous Fees	6,636	10,555
Other	84,775	68,893
Total State Revenue	347,929	263,649
Agency Revenue		
Miscellaneous	17,935	9,015
TOTAL REVENUE	365,864	272,664
EXPENDITURE		
Operating Expenditure		
Established Staff	2,017,037	1,996,200
Government Wage Earners	197,338	174,194
Travel & Communications	238,266	130,756
Maintenance & Operations	784,834	346,448
Purchase of Goods & Services	529,059	451,348
Operating Grants & Transfers	2,208,691	796,493
Special Expenditures	240,784	300,690
Total Operating Expenditure	6,216,009	4,196,129
Capital Expenditure		
Capital Construction	394,387	223,813
Capital Purchases	75,868	0
Total Capital Expenditure	470,255	223,813
Value Added Tax	326,613	209,501
TOTAL EXPENDITURE	7,012,877	4,629,443

Total revenue increased by \$93,200 or 34% in 2013 compared to 2012 as a result of increases in hotel license, other licenses and registration of patents revenue collection.

Total expenditure increased by \$2,383,434 or 51% in 2013 compared to 2012 due to increases in travel and communication costs, maintenance and operations costs, operating grant and transfer and capital construction costs.

3.3 Appropriation Statement

The Office of the Attorney General and the Solicitor General incurred expenditure totalling \$7,012,877 in 2013 against a budget of \$8,125,800 resulting in a savings of \$1,112,923 or 14%.

Details of expenditures against the budget estimates are provided in Table 3.2.

Table 3.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	2,897,774	(79,400)	2,818,374	2,017,037	801,337
2	Government Wage Earners	131,189	79,400	210,589	197,338	13,251
3	Travel & Communications	135,700	102,733	238,433	238,266	167
4	Maintenance & Operations	268,500	542,248	810,748	784,834	25,914
5	Purchase of Goods & Services	1,551,673	(987,843)	563,830	529,059	34,771
6	Operating Grants & Transfers	2,305,400	(93,360)	2,212,040	2,208,691	3,349
7	Special Expenditures	997,000	(569,705)	427,295	240,784	186,511
	Total Operating Costs	8,287,236	(1,005,927)	7,281,309	6,216,009	1,065,300
	Capital Expenditure					
8	Capital Construction	-	397,501	397,501	394,387	3,114
9	Capital Purchases	79,117	-	79,117	75,868	3,249
10	Grants & Transfers	-	-	-	-	-
	Total Capital Expenditure	79,117	397,501	476,618	470,255	6,363
13	Value Added Tax	454,800	(86,927)	367,873	326,613	41,260
	TOTAL EXPENDITURE	8,821,153	(695,353)	8,125,800	7,012,877	1,112,923

In 2013, Cabinet approved the redeployment of \$695,353 from the Department's budget to other Ministries and Department.

PART B: AUDIT FINDINGS

3.4 Transfer of Funds from the Elections Office

The Minister may, with the approval of Cabinet, authorize the redeployment of amounts appropriated by the most recent Annual Appropriation Act for administration by the Ministry of Finance to the heads of appropriation and appropriation categories to be administered by one or more other budget sector agencies. The Minister may authorize the redeployment of amounts appropriated by the most recent Annual Appropriation Act for administration by a budget sector agency (other than the Ministry of Finance) to the heads of appropriation and appropriation categories to be administered by one or more other budget sector agencies. The power of the Minister to give authorizations under this section cannot be delegated under this Act.¹

¹ Financial Management Act 2004 22
Office of the Attorney General

The Acting Permanent Secretary for Justice on 24/04/13 approved the transfer of \$1,000,000 from the Elections Office budget allocation to the Office of the Attorney General for the printing and consultation of the 2013 Constitution. A journal voucher was raised to facilitate this transfer of fund. Details of budget allocations affected are shown in Table 3.3.

Table 3.3: Allocations affected with the payment of the \$1million from the Elections office.

Department	Budget Allocation	Details of Account
Elections Office	110101-10999-070601	Preparation for General Election
Office of the Attorney General	103101-03101-840101	Drafts Constitution Consultation

The audit noted that a sum of \$1,000,000 was reflected in the Elections Office's General Ledger as its expenditure even though the expenditure was related to the Office of the Attorney General.

Hence, the 2013 expenditure in the Agency Financial Statements for the Office of the Attorney General and the Elections Office was understated and overstated respectively by one million dollars.

Recommendation

Proper consultations should be made prior to the transfer and allocation of funds to ensure that funds are correctly allocated and disclosed in the general ledger.

Management Comments

The recommendation is noted and appreciated. There is a process in place that accommodates Ministries and Departments performing works and services for and on behalf of other Ministries and Departments. In previous years this would be accommodated by the issue of Departmental Warrants (DW) where a department would issue a warrant to another department for goods and services required and debits and credits pertaining to the 'job' would be passed between the two ministry/department through the Inter-Departmental Account (IDC).

These days, DWs are no longer in use and the general process is to use the SLG84 accounts. The SLG84 are to be zeroed at the end of the year, meaning that if funds are not expensed, they are returned to the originating department. The receiving department is expected to send acquittals to the issuing department on a monthly basis.

In this instance, the Office of the Attorney General received \$1m from Elections Office and performed a service as well as provided goods (New Constitution) for and on behalf of the Elections Office.

Acquittals were sent to the Elections Office on a regular basis detailing the expenditure incurred. There was no gain to the Office of the Attorney General in terms of its core outputs, therefore it cannot be said that the AG's Office benefitted from the funds received. The benefit is to the Elections Office in that work was done for them by the AG's Office. The Elections Office can indeed account for the \$1m in their core output in terms of the Consultation works done for the Draft Constitution and the Production of the New Constitution. The Elections Office can show this in their General Ledger Accounts because they have tangible evidences accounting for the use of the funds.

Further OAG comments

The budget for the production of the new constitution is provided through the Office of the Attorney General on allocation 103101-03101-840101-Draft Constitution Consultation as shown on Table 3.3.

3.5 Expenditure Ledger Not Maintained

All payments, including VAT, must be immediately recorded in the Financial Management Information System (FMIS) and an Expenditure Ledger.²

A ledger shall be maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts, and expenditure and commitment accounts.³ Any transaction raised affecting these accounts shall be entered in the appropriate ledger.⁴

Audit noted that the Department does not maintain an expenditure ledger and prepared its financial statements from the FMIS general ledger.

Thus, the audit was not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure as the expenditure in FMIS could not be reconciled.

Recommendations

The Department should:

- **maintained an up to date expenditure ledger up to date; and**
- **reconcile its expenditure ledger with FMIS on a monthly basis.**

Management Comment

Since the introduction of the FMIS in 2006 Ministries and Departments have done away with Commitment Ledger and Expenditure Ledger because all these transactions are available on line. To introduce this again is likened to going back to pre-computer days. Every transaction is done on line from the creation of a Payment Voucher (PV) to printing of cheques. There is no manual transaction to be recorded in the Ledgers.

Various panels are available on line on which to view outstanding Purchase orders and Outstanding Payment Vouchers as follows:

- *PO525 report shows all outstanding and overdue purchase orders. This is printed on a regular basis and is used by the Purchase Order clerk to follow up with relevant persons with regards to the supply of goods and services requisitioned through the POs and the progress of the purchase.*
- *PO881 is a report that details Purchase Orders that have been received (goods delivered) but is still pending for payment. This report is used to remind the PO clerk to complete the payment process for the orders.*
- *PO556 is printed and used to check on PO still outstanding and overdue for payment. The report is used to age the PO status report and a control tool for the officer in Charge.*
- *AP711 is printed for "Open Payables". These are PV that has been created in the system (FMIS) but the cheques are yet to be printed. This report is printed out and processed/cleared on a regular basis. The report mainly shows payments that are due and payable on the following months eg. FNPF.*
- *AP471 is Undisbursed Vouchers report which list payments for which cheques have been printed but are still to hit the GL; an indication that the process is incomplete. This report is used to complete the payment process and close off each transaction.*

² Finance Instructions 2010 s15

³ Office of the Attorney General Finance Manual 16.3.1

⁴ Office of the Attorney General Finance Manual 16.3.2

3.6 Legal Aid Commission Grant

The Legal Aid Commission was established with the objective to assist economically disadvantaged people, to understand and protect their rights and have equal access to the legal system.

The operating expenses of the Legal Aid Commission is met from the interest earned from the lawyers' Trust Account and expenses pertaining to salary and wages are met from Government Grant.

Unless otherwise approved by Ministry of Finance, all grants over \$10,000 must be paid in monthly or quarterly instalments to ensure that:

- a) There is an incentive for the organisation to comply with the conditions of the grant; and
- b) Government financing costs are minimised.⁵

The Legal Aid Commission in 2013 was allocated \$2,010,000 as operating grant. However, audit noted that the Office did not pay the operating grant on a monthly or quarterly basis.

The Principal Accounts Officer revealed that Legal Aid Commission does not have the proper mechanism in place to administrate the grant money, as a result the wages and salaries were processed and managed by the Office of the Attorney General and Solicitor General.

Our review of the current arrangement of managing the Legal Aid Commission grant noted the following.

- The Commission is yet to be fully established to have its own corporate functions thus all corporate activities are carried out by the Office of the Attorney General and Solicitor General.
- The entire wages and salaries for all staffs at Legal Aid Commission were processed and managed by the Office of the Attorney General and Solicitor General.
- The budgetary allocation for Legal Aid Commission has increased from \$800,000 in 2012 to \$2,000,000 in 2013.
- 11 out of the 71 staffs' salary of the total Legal Aid Commission payroll are processed in the government's payroll system while the salaries for 60 staffs are processed manually.

The delay in fully setting up the Commission as a separate entity strains the department resources. In addition, manual payments of the Commission wages and salaries for the remaining 60 staff increases the risk of fraud and error.

Recommendations

- **The Solicitor General as the Chairman of the Legal Aid Commission should take appropriate measures to set the mechanisms to allow the Commission to manage its operating grant.**
- **Should the Office of the Attorney and Solicitor General decide to continue operating with the current arrangement, The Solicitor General should:**
 - **seek approval from Ministry of Finance for not paying the operating grant on monthly or quarterly basis; and**
 - **all the Legal Aid staffs are placed on an automated payroll system.**

⁵ Finance Instruction 2010 – s16 (7)
Office of the Attorney General

Management Comments

The Legal Aid Commission has this year, purchased and installed an accounting system called JIWA Financial. The system is CPA approved and was in full operation from August. The system has the following applications:

- *Payroll system;*
- *Human Resource Management system;*
- *Purchasing system;*
- *Payments system.*

The system is also linked to Fiji Revenue and Customs Authority as well as to Fiji National Provident Fund and ensures that correct and accurate tax and FPNF payments are made.

Since the system has been installed, the Office of the Attorney-General has ceased processing all accounting functions for the Legal Aid Commission. The Office is now paying grant on a quarterly basis beginning with the third quarter payment.

DEPARTMENT OF CIVIL AVIATION**PART C: FINANCIAL STATEMENT****3.7 Audit Opinion**

The audit of the 2013 financial statement of the Department of Civil Aviation resulted in the issue of an unqualified audit report. However attention was drawn to the following:

- The department did not reconcile the expenditure in the Financial Management Information System (FMIS) general ledger as no expenditure ledger was maintained. The Department prepared its financial statements from the FMIS general ledger. As a result, audit was not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.
- A board of survey was not carried out contrary to section 49 (2) of the Finance Instructions 2010. As such the completeness and accuracy of losses recorded in the Statement of Losses cannot be ascertained.

3.8 Statement of Receipts and Expenditure

The Department of Civil Aviation collected revenue totalling \$6,540 and incurred a total expenditure of \$2,235,850 in 2013. Refer Table 3.5 for details.

Table 3.5: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
State Revenue		
Civil Aviation Licence	6,540	2,200
Total State Revenue	6,540	2,200
TOTAL REVENUE	6,540	2,200
EXPENDITURE		
Operating Expenditure		
Established Staff	47,445	157,618
Government Wage Earners	10,692	9,574
Travel & Communications	18,201	13,622

Description	2013 (\$)	2012 (\$)
Maintenance & Operations	19,640	9,076
Purchase of Goods & Services	136,979	3,238
Operating Grants & Transfers	1,713,568	1,664,732
Special Expenditures	16,165	15,619
Total Operating Expenditure	1,962,690	1,873,479
Capital Expenditure		
Capital Construction	-	-
Grants & Transfers	222,481	1,320,223
Total Capital Expenditure	222,481	1,320,223
Value Added Tax	50,679	3,124
TOTAL EXPENDITURE	2,235,850	3,196,826

Total expenditure declined by \$960,976 or 30% in 2013 compared to 2012. The decrease was mainly due to the decrease in established staff and capital grants and transfers.

3.9 Appropriation Statement

The Department of Civil Aviation incurred expenditures totalling \$2,235,850 in 2013 against a budget of \$2,342,379 resulting in a savings of \$106,529 or 5%.

Details of expenditures against the budget estimates are provided in Table 3.6.

Table 3.6: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	170,911	(119,300)	51,611	47,445	4,166
2	Government Wage Earners	17,068	(6,300)	10,768	10,692	76
3	Travel & Communications	24,600	(5,900)	18,700	18,201	499
4	Maintenance & Operations	45,300	(24,700)	20,600	19,640	960
5	Purchase of Goods & Services	228,700	(90,900)	137,800	136,979	821
6	Operating Grants & Transfers	965,000	749,714	1,714,714	1,713,568	1,146
7	Special Expenditures	40,000	(23,800)	16,200	16,165	35
	Total Operating Costs	1,491,579	(478,814)	1,970,393	1,962,690	7,703
	Capital Expenditure					
8	Capital Construction	-	-	-	-	-
9	Capital Purchases	-	-	-	-	-
10	Grants & Transfers	800,000	(478,814)	321,186	222,481	98,705
	Total Capital Expenditure	800,000	(478,814)	321,186	222,481	98,705
13	Value Added Tax	50,800	-	50,800	50,679	121
	TOTAL EXPENDITURE	2,342,379	-	2,342,379	2,235,850	106,529

PART D: AUDIT FINDINGS

3.10 Expenditure Ledger Not Maintained

All payments including VAT must be immediately recorded in the Financial Management Information System (FMIS) and an expenditure ledger.⁶

A ledger shall be maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts, and expenditure and commitment accounts.⁷ Any transaction raised affecting these accounts shall be entered in the appropriate ledger.⁸

Audit noted that the Department of Civil Aviation did not maintain an expenditure ledger.

Thus, audit was not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure as the expenditure in FMIS could not be reconciled.

Recommendation

The department should maintain an expenditure ledger and reconcile it to FMIS records on a monthly basis.

Management Comment

As explained in paragraph 3.6 above, the introduction of Financial Information Management System has automated all accounting processes. Maintaining an expenditure ledger is not necessary as it would be time consuming for the limited staff available in the Section. GL874 gives an accurate status of funds for any allocation at any given time as follows:

- *Appropriation (YTD provision) - A*
- *Encumbrances (Vouchered but still not fully released) - B*
- *Commitments (Purchase Orders raised but goods not yet received) - C*
- *Actuals (Paid and closed off) - D*
- *Available funds (Funds available for expenditure- the balance of A-(B+C+D))*

GL876 gives the detailed breakdown of commitments and encumbrances listed in GL874 at any given point. GL 671 also gives the actual expenditure figure at any given time for any allocation. I believe these are the main purposes for keeping ledgers in the Accounts Section; to view commitments and actuals for each allocation for the purpose of determining whether funds are available for further expenditure.

⁶ Finance Instructions 2010 Section 15

⁷ Office of the Attorney General Finance Manual 16.3.1

⁸ Office of the Attorney General Finance Manual 16.3.2

Section 4

Ministry of Finance

Role and Responsibilities

The Ministry is responsible for formulating and implementing fiscal, financial and monetary policies. Its main functions are the collection and disbursement of public revenue, raising and repayment of loans, and developments of economic policies. It also provides various services to other departments, which include provision of printing and stationery services by the Government Printer, procurement and processing of supplies through Fiji Procurement Office. Also coming under the ambit of the Ministry of Finance are the several statutory bodies namely the Fiji Revenue & Customs Authority.

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PART A: FINANCIAL STATEMENT

4.1 Audit Opinion

The audit of the 2013 accounts of the Ministry of Finance resulted in the issue of a qualified audit report. The qualifications are as follow:

Trading & Manufacturing Account (TMA)

Records to substantiate \$4.9 million for the surplus capital transferred to Operating Fund Account and \$13 million as TMA accumulated surplus were 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 \$0.59 million and account receivable balance of \$2.9 million reflected in TMA Balance Sheet in the *Trading & Manufacturing Account* were not provided for audit.

Management attention was also drawn to the following matters:

Head 50

In the absence of any guideline for salary payments paid from *Head 50*, the correctness of the payment of Cabinet Ministers salary paid from *Head 50* totalling \$1.7 million could not be substantiated. In addition, the contract documents detailing the terms and conditions for the salaries of Cabinet Ministers were not made available for audit.

Head 51

Expenditure totalling \$6.1 million was disbursed by the Ministry of Finance from *Head 51* for pension payments facilitated by the Judicial Department, Prime Minister's Office and Fiji Military Forces. In the absence of a guideline for the acquittal report to be provided by these paying agencies under *Head 51*, the correctness of the amounts utilized could be not verified.

4.2 Head 4 - Statement of Receipts and Expenditure

The Ministry of Finance budget is appropriated as Head 4 in the 2013 Budget Appropriation Authority with Government Printing & Stationery Department (GPSD), Fiji Procurement Authority (FPO) and Information Technology and Computing Services (ITCS).

The Ministry of Finance budget is also appropriated as Head 50, Head 51 and Head 52 in the 2013 Budget Appropriation Authority.

The consolidated revenue for the Ministry totalled \$2,220,368,660 while it incurred a consolidated expenditure of \$69,395,219 during 2013 from Head 4.

Table 4.1: Head 4 – Consolidated Statement of Receipts and Expenditure in 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
State Revenue		
Operating Revenue	1,983,119,293	1,803,273,911
Investing Revenue	59,301,569	86,039,204
Borrowing Revenue	173,139,417	192,190,835
Total State Revenue	2,215,560,279	2,081,503,950
Agency Revenue		
Board Member Fee	142,701	158,454
Miscellaneous Revenue	4,578,705	1,543,217
Sales of Publications	86,975	355,697
Total Agency Revenue	4,808,381	2,057,368
TOTAL REVENUE	2,220,368,660	2,083,561,318
EXPENDITURE		
Operating		
Established staff	9,252,677	8,635,623
Government Wage Earners	573,628	563,278
Travel & communication	1,594,679	1,528,853
Maintenance & Operations	2,675,850	2,546,816
Purchase of goods & services	5,473,937	5,090,773
Operating grants & transfers	46,381,640	43,881,645
Special expenditures	2,874	14,309
Total Operating Costs	65,955,285	62,261,297
Capital Expenditure		
Capital Construction	258,616	---
Capital Purchases	720,511	1,192,291
Capital Grants & Transfers	1,000,000	2,800,000
Total Capital Expenditure	1,979,127	3,992,291
Value Added Tax	1,460,807	938,888
TOTAL EXPENDITURE	69,395,219	67,192,476

Total revenue increased by \$136,807,342 or 6.6% in 2013 due to the increase in operating revenue by \$179,845,382 or 10%. Miscellaneous revenue also increased by \$3,035,488 or 196.7% relating to crown agents payments, receipt of guarantee fee from Fiji Electricity Authority and unclaimed monies.

Total expenditure increased by \$2,202,743 or 3.3% due to the increase in operating grants and transfers by \$2,499,995 or 5.7%, increase in maintenance and operations cost by \$129,034 or 5.1% and established staff expenditure also increased by \$617,054 or 7.1% in 2013 compared to 2012.

The Ministry incurred expenditure of \$84,234,539 in 2013 from Head 50. Refer to Table 4.2 for details:

Table 4.2: Head 50 - Statement of Receipts and Expenditure in 2013

Description	2013 (\$)	2012 (\$)
EXPENDITURE		
Operating Expenditure		
Established staff	2,149,734	2,234,540
Travel & communications	1,880,356	1,975,824

Description	2013 (\$)	2012 (\$)
Purchase of goods & services	3,082,814	1,869,180
Operating grants & transfers	11,726,815	11,248,900
Special expenditures	5,472,386	4,914,064
Total Operating Costs	24,312,105	22,242,508
Capital Expenditure		
Capital Construction	0	200,000
Capital Purchases	11,057,666	7,358,135
Capital Grants & Transfers	45,819,004	101,151,762
Total Capital Expenditure	56,876,670	108,709,897
Value Added Tax	3,045,764	2,477,766
TOTAL EXPENDITURE	84,234,539	133,430,171

Total expenditure under Head 50 decreased by \$49,195,632 or 36.9%. This was related to the decline in miscellaneous expenditure under capital grants and transfers by \$55,332,758 or 54.7%.

Table 4.3: Head 51 - Statement of Receipts and Expenditure in 2013

Description	2013 (\$)	2012 (\$)
EXPENDITURE		
Operating Expenditure		
Pensions	25,893,960	27,059,294
Gratuities	1,061,235	1,204,758
Compassionate Allowance	8,385,446	8,107,071
Total Operating Costs	35,340,641	36,371,123
TOTAL EXPENDITURE	35,340,641	36,371,123

Total expenditure under Head 51 decreased by \$1,030,482 or 2.8% in 2013 compared to 2012. This was due to the decrease in pensions by \$1,165,334 or 4.3%, gratuities \$143,523 or 11.9%.

Table 4.4: Head 52 - Statement of Receipts and Expenditure in 2013

Description	2013 (\$)	2012 (\$)
EXPENDITURE		
Operating Expenditure		
Finance Charges on Public debt – Miscellaneous Payment	967,595	1,003,298
Finance Charges on Public debt – Overseas Loans	71,628,964	65,538,656
Finance Charges on Public debt – Domestic Loans	367,174,356	443,802,849
TOTAL EXPENDITURE	439,770,915	510,344,803

The finance charges on public debt decreased by \$70,573,888 or 13.8% compared to 2012 due to decreases in finance charges on public debt for domestic loans by \$76,628,493 or 17.3% and finance charges on public debt for miscellaneous payments by \$35,703 or 3.6%.

4.3 Appropriation Statement

The Ministry incurred expenditure totalling \$69,395,219 in Head 4 in 2013 against a revised budget of \$74,303,041, resulting in a saving of \$4,907,822 or 6.6%. The Ministry approved the transfer of funds totalling \$3,456,489 (out) and \$58,227 (in) of Head 4. Refer to Table 4.5 for details:

Table 4.5: Appropriation Statement for 2013 – Head 4

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	10,551,781	(92,717)	10,459,064	9,252,677	1,206,387
2	Unestablished Staff	581,317	25,393	606,710	573,628	33,082
3	Travel & Communication	1,637,409	(676)	1,636,733	1,594,679	42,054
4	Maintenance & Operations	3,341,104	32,834	3,373,938	2,675,850	698,088
5	Purchase of Goods & Services	6,702,551	(846,624)	5,855,927	5,473,937	381,990
6	Operating Grants & Transfers	46,381,640	---	46,381,640	46,381,640	---
7	Special Expenditure	1,655,000	(11,000)	1,644,000	2,874	1,641,126
	Total Operating Costs	70,850,802	(892,790)	69,958,012	65,955,285	4,002,727
8	Capital Construction	350,000	---	350,000	258,616	91,384
9	Capital Purchases	2,997,801	(2,062,220)	935,581	720,511	215,070
10	Capital Grants and Transfers	1,000,000	-	1,000,000	1,000,000	---
	Total Capital Expenditure	4,347,801	(2,062,220)	2,285,581	1,979,127	306,454
13	Value Added Tax	2,502,700	(443,252)	2,059,448	1,460,807	598,641
	TOTAL	77,701,303	(3,398,262)	74,303,041	69,395,219	4,907,822

The Ministry incurred expenditure totalling \$84,234,539 in Head 50 in 2013 against a revised budget of \$92,529,443 resulting in a savings of \$8,294,904 or 9%. The Ministry approved the redeployment of funds out from Head 50 totalling \$4,620,114 and \$7,042,423 was re-deployed into Head 50. Refer to Table 4.6 for details:

Table 4.6: Appropriation Statement for 2013 – Head 50

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	5,000,000	(2,538,747)	2,461,253	2,149,734	311,519
3	Travel & Communication	2,500,000	(524,044)	1,975,956	1,880,356	95,600
5	Purchase of Goods & Services	2,962,800	2,386,851	5,349,651	3,082,814	2,266,837
6	Operating Grants & Transfers	12,595,000	(813,006)	11,781,994	11,726,815	55,179
7	Special Expenditure	7,152,100	(744,317)	6,407,783	5,472,386	935,397
	Total Operating Costs	30,209,900	(2,233,263)	27,976,637	24,312,105	3,664,532
8	Capital Construction	---	---	---	---	---
9	Capital Purchases	11,565,710	---	11,565,710	11,057,666	508,044
10	Capital Grants and Transfers	44,704,424	4,655,572	49,359,996	45,819,004	3,540,992
	Total Capital Expenditure	56,270,134	4,655,572	60,925,706	56,876,670	4,049,036
13	Value Added Tax	3,627,100	---	3,627,100	3,045,764	581,336
	TOTAL	90,107,134	2,422,309	92,529,443	84,234,539	8,294,904

The Ministry incurred expenditure totalling \$35,340,641 in Head 51 in 2013 against a revised budget of \$32,947,400 resulting in over expenditure of \$2,393,241 or 7%. The Ministry approved the transfer of funds totalling \$8,900,000 being redeployed out from Head 51. Refer Table 4.7 for details:

Table 4.7: Appropriation Statement for 2013 – Head 51

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
11	Pensions, Gratuities and Compassionate allowance	41,847,400	(8,900,000)	32,947,400	35,340,641	(2,393,241)
	TOTAL	41,847,400	(8,900,000)	32,947,400	35,340,641	(2,393,241)

The Ministry incurred expenditure totalling \$439,770,915 in Head 52 in 2013 against a revised budget of \$451,549,100 resulting in a savings of \$11,778,185 or 2.7%. The Ministry approved the transfer of funds totalling \$2,000,000 being redeployed out from Head 52. Refer to Table 4.8 for details:

Table 4.8: Appropriation Statement for 2013 – Head 52

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
12	Finance Charges on Public Debt	453,549,100	(2,000,000)	451,549,100	439,770,915	11,778,185
	TOTAL	453,549,100	(2,000,000)	451,549,100	439,770,915	11,778,185

4.4 Statement of Losses

The Ministry of Finance recorded no loss in 2013 however the Annual Board of Survey wrote off various assets totalling \$568,006. Refer Table 4.9 for details:

Table 4.9: Assets written off in 2013

Ministry/Department	BOS No.	Amount (\$)	Date Approved	Item
Ministry of Finance	Various	419,819	Various	Various
Fiji Procurement Office	Various	79,995	Various	Various
Information Technology and Computing Services	Various	40,280	Various	Various
Government Printing and Stationery Department	Various	27,912	Various	Various
Total		568,006		

4.5 Consolidated Manufacturing Account – Trading & Manufacturing Activity

The Consolidated Manufacturing Account is for both Government Printing & Stationery Department and the Fiji Procurement Office. Total production costs in 2013 amounted to \$3.28 million, of which \$0.6 million was for raw materials used during the year, \$2.2 million for direct costs and \$0.3 million for direct labour costs.

Refer to Table 4.10 for details:

Table 4.10: Consolidated Manufacturing Account

Description	31 December 2013 (\$)	31 December 2012 (\$)
Raw Materials (01/01/13)	820,547	873,049
Add: Purchases	1,003,223	1,007,597
	1,823,770	1,880,646
Less: Raw Materials (31/12/13)	1,158,751	820,547
Raw Materials Used	665,019	1,060,099
Direct Costs	2,289,988	27,836
Direct Labor	331,907	89,420
Cost of Manufactured Goods Transferred to Trading Account	3,286,914	1,177,355

4.6 Consolidated Trading Account – Trading & Manufacturing Activity

The Consolidated Trading Account is a consolidation of both Government Printing & Stationery Department and Fiji Procurement Office accounts. The cost of goods sold amounted to \$5.91 million whilst sales income was only \$3.20 million, resulting in a gross loss of \$2.71 million. Refer Table 4.11 for details:

Table 4.11: Trading Account

Description	31 December 2013 (\$)	31 December 2012 (\$)
Sales	3,202,136	3,445,512
Stock of Finished Goods (01/01/13)	3,352,273	3,340,409
Add: Cost of Manufactured Goods	3,286,914	1,177,355
	6,639,187	4,517,764
Less: Stock of Finished Goods (31/12/12)	724,080	3,352,273
Cost of Finished Goods Sold	5,915,017	1,165,491
Gross (loss) Profit Transferred to Profit/(Loss) Account	(2,712,971)	2,280,021

4.7 Consolidated Profit & Loss Statement – Trading & Manufacturing Activity

The consolidated profit & loss statement showed a consolidated net loss of \$3.41 million compared to a profit of \$1.55 million in 2012.

Total expense for 2013 was \$701,817 with the major components of expenses being incurred on maintenance & operations. Refer Table 4.12 for details:

Table 4.12: Profit & Loss Statement

Description	31 December 2013 (\$)	31 December 2012 (\$)
Income		
Gross (Loss)/Profit transferred from Trading Account	(2,712,971)	2,280,021
Expenses		
Travel & Communication	4,679	2,549

Description	31 December 2013 (\$)	31 December 2012 (\$)
Maintenance & Operations	482,059	655,195
Other Expenses	211,062	68,450
Value Added Tax	4,017	---
Total Expenses	701,817	726,194
Net (Loss)/Profit	(3,414,788)	1,553,827

4.8 Balance Sheet – Consolidated Trading & Manufacturing Activity

The consolidated net assets of the Ministry during the year 2013 totalled \$7.5 million which declined by \$2.4 million (24%) compared to 2012. This was attributed to a reduction in finished goods by \$2.6 million (78%). Refer Table 4.13 for details:

Table 4.13: Balance Sheet

Description	31 December 2013 (\$)	31 December 2012 (\$)
Liabilities		
Accounts Payable	597,668	552,955
Deposits & Deductions	20,173	28,435
Total Liabilities	617,841	581,390
Equities		
TMA Surplus Capital Returned to Consolidated Fund	4,919,470	4,699,380
TMA Accumulated Deficit	(13,069,044)	(15,065,915)
Capital Expenditure	0	(150,000)
Total Equity	(8,149,574)	(10,516,535)
TOTAL LIABILITIES & EQUITY	7,531,731	9,935,145
ASSETS		
Current Assets		
Bank	2,484,273	2,756,441
Raw Materials	1,158,751	820,547
Finished Goods	724,080	3,352,273
Accounts Receivable	2,981,775	3,005,884
Fixed Assets	182,852	---
TOTAL ASSETS	7,531,731	9,935,145

The cash at bank balance decreased by \$272,168 or 10% due to decline in sales revenue by the Government Printing & Stationery Department in 2013 compared to 2012 as Ministries/Departments have opted to request other printing companies for their printing needs.

In addition, raw materials increased by \$338,204 or 41% due to increase of unused printing material as at 31/12/13. The sale of finished goods led to the decrease of \$2,628,193 or 78% in 2013 compared to 2012 which was attributed to Ministries/Departments having to outsource their printing needs to other printing companies.

The fixed assets of \$182,852 during the year 2013 resulted from new printing machines purchased for the Department.

4.9 Consolidated Trust Account Statement

Total trust funds for the Ministry declined by \$1,901,187 or 17.7% in 2013 due to the increase in refunds of performance bonds by \$3,234,652 or 69.8%. Refer Table 4.14 for details:

Table 4.14: Trust Account

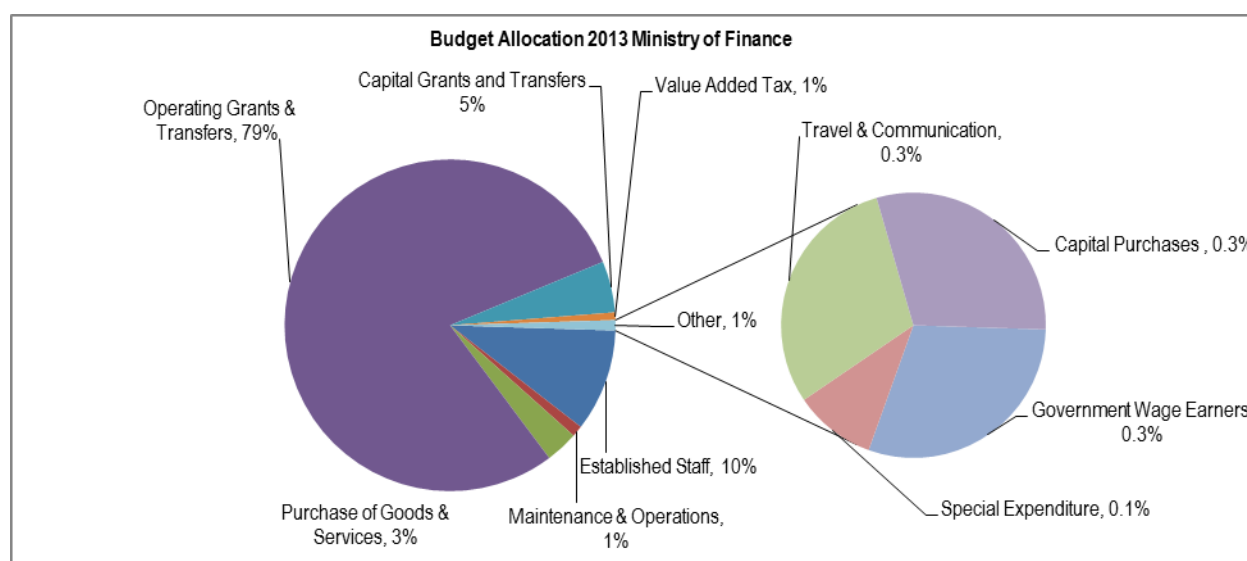
Description	31 December 2013 (\$)	31 December 2012 (\$)
Opening Balance 1 January	10,748,700	9,147,931
Receipts		
Receipts from Performance Bonds	5,968,560	6,235,864
Total Receipts	5,968,560	6,235,864
Payments		
Payments of Performance Bonds	7,869,747	4,635,095
Total Payments	7,869,747	4,635,095
Closing Balance	8,847,513	10,748,700

MINISTRY OF FINANCE

4.10 Budget Allocation For 2013

The Ministry's revised budget was \$55.2 million for the year ended 31/12/13 excluding Government Printing & Stationery Department, Fiji Procurement Office and Information Technology and Computing Services which are also discussed later in the report. The distribution of the Ministry's budget into the various Standard Expenditure Groups (SEGs) is shown in the figure 4.1:

Figure 4.1: Budget Allocation - Ministry of Finance



The Ministry's budgetary allocation was divided into operating expenditure totalling \$51.9 million, capital expenditure totalling \$2.9 million and VAT expenditure totalling \$0.4 million. Refer Table 4.15 below for details of budgeted expenditure to the actual expenditure incurred in 2013:

Table 4.15: Revised Budgeted Expenditure vs. Actual Expenditure - Ministry of Finance

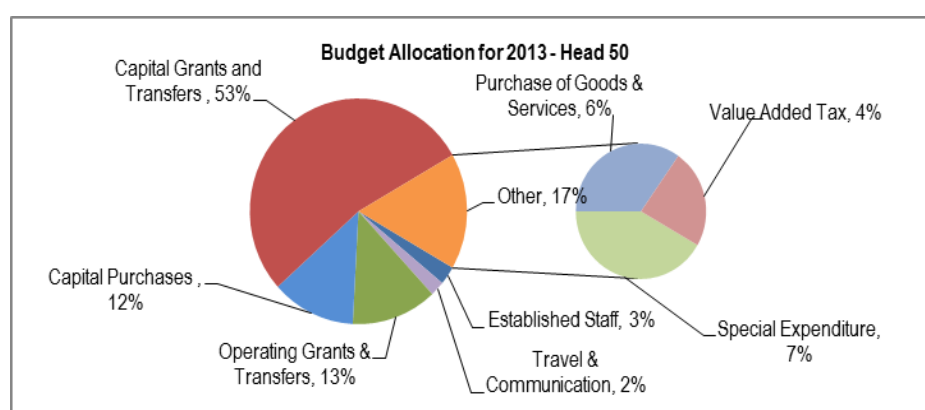
SEG	Item	Revised Estimate (\$)	Actual Expenditure (\$)	Savings (\$)	%age
1	Established Staff	5,284,063	4,616,732	667,331	12.6
2	Government Wage Earners	144,093	144,354	(261)	(0.2)
3	Travel & Communication	171,531	153,865	17,666	10.3
4	Maintenance & Operations	594,300	542,641	51,659	8.7
5	Purchase of Goods & Services	1,761,579	1,355,191	406,388	23.1
6	Operating Grants & Transfers	43,881,645	43,881,645	0	0
7	Special Expenditure	34,936	14,309	20,627	59.0
9	Capital Purchases	162,860	141,868	20,992	12.9
10	Capital Grants and Transfers	2,800,000	2,800,000	0	0
13	Value Added Tax	393,600	293,369	100,231	25.5
	Total	55,228,607	53,943,974	1,284,633	2.3

There was a savings of \$1.2 million or 2.3% of the budgeted expenditure.

4.11 Miscellaneous Payments of Government – Head 50

The budget estimates and budget statements are to be prepared as far as practicable in accordance with internationally accepted standards.¹

The revised budget for Miscellaneous Expenditure (Head 50) was \$92.5 million for the year ended 31/12/13. The distribution of the budget into the various Standard Expenditure Groups (SEGs) is shown in Figure 4.2:

Figure 4.2: Budget Allocation – Miscellaneous Expenditure of Government [Head 50]

The Head 50 budget allocation was divided into operating expenditure totalling to \$27.9 million or 30.2%, capital expenditure totalling \$60.9 million or 65.8% and VAT expenditure totalling to \$3.7 million or 4%. Refer Table 4.16 below for details of budgeted expenditure to the actual expenditure incurred in 2013:

Table 4.16: Revised Estimate versus Actual Expenditure – Head 50

¹ Financial Management Act 2004, Section 13 (3)

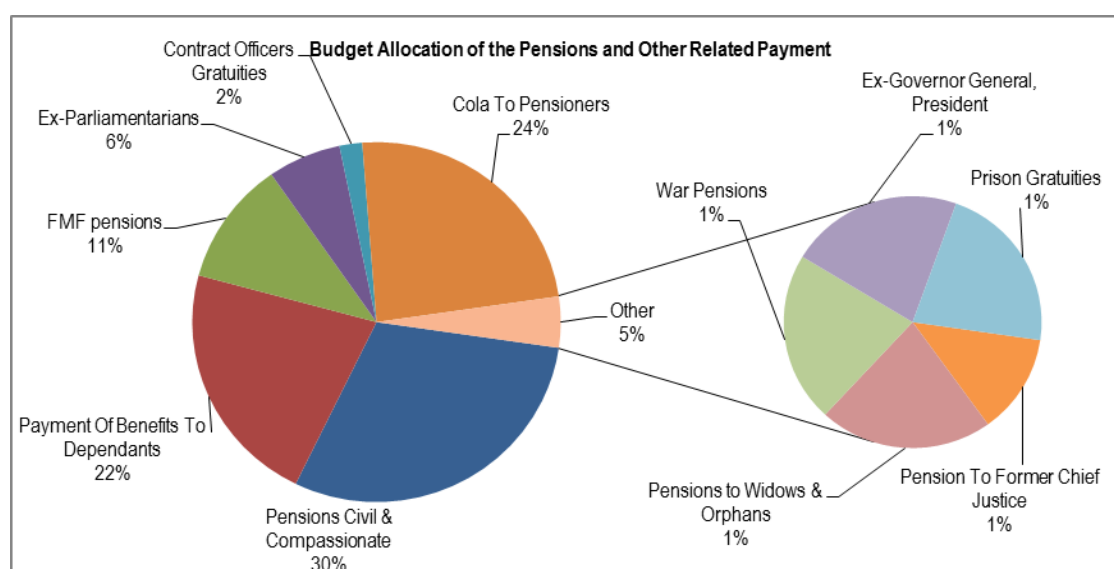
SEG	Item	Revised Estimate (\$)	Actual Expenditure (\$)	Savings (\$)	%age
1	Established Staff	2,461,253	2,149,734	311,519	12.7
3	Travel & Communication	1,975,956	1,880,356	95,600	4.8
5	Purchase of Goods & Services	5,349,651	3,082,814	2,266,837	42.4
6	Operating Grants & Transfers	11,781,994	11,726,815	55,179	0.5
7	Special Expenditure	6,407,783	5,472,386	935,397	14.6
9	Capital Purchases	11,565,710	11,057,666	508,044	4.4
10	Capital Grants and Transfers	49,359,996	45,819,004	3,540,992	7.2
13	Value Added Tax	3,627,100	3,045,764	581,336	16.0
	Total	92,529,443	84,234,539	8,294,904	8.9

There was a savings of \$8.2 million or 8.9% of the budgeted expenditure.

4.12 Head 51 – Pensions and Other related Payments

The revised budget for pension and other related payments was \$32.9 million for the year ended 31/12/13. The distribution of the Pension's budget into the various Standard Expenditure Groups (SEGs) is shown in Figure 4.3:

Figure 4.3: Budget Allocation of the Pensions and Other Related Payment



The Head 51 budget allocation was divided into operating expenditure totalling \$32.9 million comprising of Pensions, Gratuity and Compassionate allowances. Refer Table 4.17 below for details of budgeted expenditure against the actual expenditure incurred in 2013:

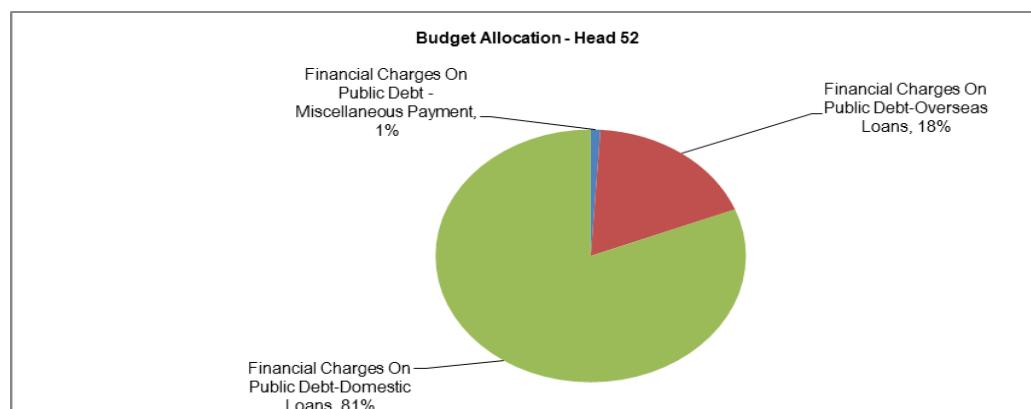
Table 4.17: Revised Expenditure versus Actual Expenditure

Item	Revised Estimate (\$)	Actual Expenditure (\$)	Savings (\$)	%age
Pensions Civil & Compassionate	10,000,000	12,244,324	(2,244,324)	(22.4)
Payment Of Benefits To Dependents	7,404,000	7,403,702	298	0.0
Pensions to Widows & Orphans	140,500	139,653	847	0.6
War Pensions	1,900	1,794	106	5.6
FMF pensions	3,678,300	3,670,079	8,221	0.2
Ex-Governor General, President	122,800	122,723	77	0.1
Ex-Parliamentarians	2,124,900	2,118,872	6,028	0.3
Pension To Former Chief Justice	193,100	192,813	287	0.1
Prison Gratuities	120,500	120,250	250	0.2
Contract Officers Gratuities	941,000	940,985	15	0.0
COLA To Pensioners	8,220,400	8,385,446	(165,046)	(2.0)
Total	32,947,400	35,340,641	(2,393,241)	(7.3)

There was an over expenditure of \$2.39 million or 7.3% in excess of the budgeted expenditure.

4.13 Debt Repayment Expenditures - Head 52

The revised budget for repayments of debt was \$451.5 million for the year ended 31/12/13. The distribution of the budget into the various Standard Expenditure Groups (SEGs) is shown in Figure 4.4.

Figure 4.4: Budget Allocation of the repayment of debt

The Head 52 budget allocation was divided into Finance Charge on Public Debt for Miscellaneous Payment of \$4.0 million or 1%, Finance charges on Public Debt for Domestic Loan of \$368.0 million or 81% and Finance charges on Public Debt for Overseas Loan of \$79.5 million or 18% of the budgeted expenditure.

Refer Table 4.18 for details of budgeted expenditure to the actual expenditure incurred in 2013:

Table 4.18: Revised Expenditure versus Actual Expenditure

Item	Revised Estimate (\$)	Actual Expenditure (\$)	Savings (\$)	%age
Interest treasury bills	2,000,000	722,946	1,277,054	63.9
Provision for contingent liability	1,000,000	0	1,000,000	100.0
RBF fees & charges	150,000	108,043	41,957	28.0
Agency & Management Fees	850,000	136,606	713,394	83.9
Financial charges on public debt-overseas loans	79,505,499	71,628,964	7,876,535	9.9
Financial charges on public debt-domestic loans	368,043,601	367,174,356	869,245	0.2
Total	451,549,100	439,770,915	11,778,185	2.6

There was a saving of \$11.7 million or 2.6% of the budgeted expenditure.

4.14 Absence of a Guideline for Salaries Paid from Head 50

The Chief Accountant Treasury is responsible for the safekeeping and proper maintenance of all accounting records or documents.²

For all payments made from Head 50 to Ministries and Departments, the Ministry of Finance must ensure appropriate acquittals are submitted. This ensures that funds have been expended for the intended purpose by; Ministries and Departments. It is imperative for the Ministry to strongly implement and maintain its role of monitoring the utilization of funds disbursed.

Our review of the Head 50 expenditure revealed that the Ministry paid a total \$1,860,947 as Cabinet Ministers salary in 2013.

The audit noted that the Ministry did not have any acquittal guideline for the payment of the salaries to Cabinet Ministers with the exception of the contract agreement for Mr. Inia Seruiratu which was made available for during our review.

Discussions revealed that the salaries are processed based on the amounts provided by the Alizpacific (Chartered Accountants & Business Advisors). Refer to the table below for the payment details.

Table 4.19: Details of Cabinet Ministers Salary for 2013

EDP #	2013 Gross Salary as per Payroll Report ³ (\$)
21915	278,750.16
90321	184,999.92
04074	150,000.00
12504	135,000.00
47948	135,000.00
90420	130,000.08
92495	130,000.08
53795	135,000.00
90510	135,000.00
90771	150,000.00

² Finance Manual 2011, section 18.1.3

³ Dated 10/01/14

EDP #	2013 Gross Salary as per Payroll Report ³ (\$)
93150	130,000.00
Total Ministers Gross Salary	1,693,750.24
Total adjustment for mis - posting of Ministers pay	30,045.66
Additional Ministers payroll expenditure	137,150.74
Total payment for Minister Salaries	1,860,946.64
Total additional funding to Ministry of Fisheries & Forests	286,996.38
Total as pay as per FMIS	2,147, 943.02

In addition, on 20/02/14, the Prime Minister received gratuity payment of \$57,500⁴ for the year ended 2013. The audit was verbally advised that the contract documents are with the Office of the Prime Minister.

We made a formal request on 14/01/14 to the Office of the Prime Minister for the verification of the contract documents however we were not furnished with the contracts despite follow up emails made on 27/01/14 and 31/01/14.

The Ministry of Finance also made request with the Office of the Prime Minister but was not provided with the documents.

In the absence of an acquittal guideline for salaries paid from Head 50, the audit was unable to provide an assurance that payments made were correct.

Recommendations

The Ministry should develop a guideline for the proper accounting of the Head 50 payments and to ensure that payments made from Head 50 in the general ledger are fully supported with relevant documents.

The Ministry should liaise with the Prime Minister's Office to obtain copies of the contract agreements and to be maintained for audit review purposes.

Management Comments

Similar to OAG, we have also requested for this information from the Prime Minister's Office. In these e-mail correspondences, the staffs of OAG have also been copied and as such they are aware of our attempts. We have even suggested to PM's Office to allow the auditors to view these documents.

4.15 Over - Expenditure

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.⁵

The audit noted that the Ministry had incurred over-expenditures amounting to \$2,393,241 in 2013 for Pensions, Gratuities & Compassionate Allowance. Refer to Table 4.20 for details.

⁴ from vote 1-51101-51999-110204 (BSP EFT cheque # 077 dated 20/02/14)

⁵ Section 7 – Finance Instruction 2010

Table 4.20: Over – Expenditure

Account ID	Description	Revised Budget (\$)	Actual (\$)	Over-Expenditure (\$)
1-51000-00000-110000	Pensions, Gratuities & Compassionate Allowance	32,947,400	35,340,641	2,393,241
Total				\$2,393,241

Discussion with Assistant Accounts Officer Jonathan Dunn during audit revealed that the over-expenditure resulted during the redeployment of funds.⁶

Incurring expenditures in excess of the budgetary allocation indicate poor financial management.

In addition, over-expenditure affects the Government's liquidity position and if not controlled may lead to cash flow problems.

Recommendation

The Ministry of Finance should monitor its utilization of its allocated funds and take remedial action to ensure that it does not incur over-expenditure as required under the Finance Instruction.

Management Comments

The redeployment of funds was to meet Fiji's peacekeeping mission to the Golan Heights which was a priority at the time.

4.16 Unsubstantiated Equity balances

The Accounting Head is responsible for the safekeeping and proper maintenance of all accounting records or documents.⁷

The following general ledger balances were not provided for audit and have been a recurring audit issues in prior audit years. Refer to Table 4.21 below for details:

Table 4.21: Unsubstantiated TMA Equity Balances

Account	Description	Balance as at 31/12/13 (\$)	Balance as at 31/12/12 (\$)	Movement (\$)
4-04000-00000-940300	TMA Surplus capital returned to consolidated fund	4,919,470	4,699,380	220,090
4-04000-00000-940400	TMA Accumulated surplus/deficit	(13,069,044)	(15,065,915)	1,996,871
Total		(8,149,574)	(10,366,535)	2,216,961

As a result, the issues were highlighted in the audit report of the Ministry for 2013.

Recommendation

The Ministry should take remedial action to ensure that these general ledger balances are cleared or supported with documentary evidences.

⁶ Email from Jonathan Dunn dated 08/04/14

⁷ Ministry's Finance Manual – Section 18.1.3

Management Comments

The Equity accounts above consist of FPO and GPSD TMAs Equity.

The \$220,090 variance in 940300 accounts was due to the following:

- 1. 2012 remittance of \$373, 017.33 that was submitted by GPSD (AP6459) which reduce the amount in the account.*
- 2. The corrective measures that was undertaken to correctly post the incorrect posting of GPSD \$150,000 which was added to the account (TMA020)*
- 3. The transfer of \$2,962.65 to Fund 1 due to inter-fund transactions which increase the account. However, GPSD did not manage to provide evidence to substantiate this amount but the Ministry is currently undertaking corrective measures to eliminate this inter-fund transactions. (TMA032)*
- 4. The corrective measure that was undertaken to reverse a mis-posting of GPSD \$36.05 that reduce the account. (TMA035)*

The \$1,996,871 variance in 940400 accounts was due to the following:

- 1. FPO made an adjustment of \$872,072.10 which reduce the account (JV 04F006 & 04F007)*
- 2. AMU made a reverse entry of misposting worth of \$1,114,133.22 (JV TMA037)*
- 3. Posting of FPO profits of \$907,042.97 in 2013(JV TMA012, TMA015, TMA024 &TMA039) and*
- 4. GPSD loss of \$2,031,842.09 in 2013 (TMA023)*

4.17 Variances in Drawings Account Balances

All bank accounts shall be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by the responsible officer.⁸

The audit noted of a variance of \$18,422,687.82 in the Drawing Account with the Ministry and the general ledger (FMIS) balance. Refer to Table 4.22 below for details.

Table 4.22: Variance between FMIS and Ministry's Reconciliation

Allocation	Description	FMIS (\$)	Ministry Records (\$)	Variance (\$)
1-04102-04202-530301	Drawings BSP Suva	(512,179.80)	3,817,149.52	4,329,329.32
1-04102-04202-530302	Drawings BSP Treasury	(2,150,099.56)	11,153,256.64	13,303,356.20
1-04301-65101-510108	COGS Australian Bank	838,171.36	138,980.02*	699,191.34
1-04301-65101-510505	COGS New Zealand Bank	145,673.82	54,862.26*	90,810.96
		(1,678,434.18)	15,164,248.44	18,422,687.82

*Reconciliation ending balance was disclosed in \$AUS & \$NZ. Using the exchange rate of 0.58 and 0.65, the above two balances were converted to \$FJ

The Ministry did not provide a respond to our enquiry through email dated 02/05/14. The anomalies imply ineffective internal controls over the recording of bank records and supervisory checks to perform reconciliations are lacking.

Recommendations

- **The Ministry should ensure that monthly reconciliations are carried and any variances identified are adjusted accordingly.**

⁸ Finance Instructions 2010 – Section 32 (6)

- **Supervisory checks on monthly reconciliations should be improved to ensure the accuracy of the balances reflected in the reconciliations and that it is reconciled to FMIS balances.**

Management Comments

Table 4.22: *Variance between FMIS and Ministry's Reconciliation*

<i>Allocation</i>	<i>Description</i>	<i>FMIS</i> \$	<i>Ministry</i> <i>Records</i> \$	<i>Variance</i> \$	<i>Comments</i>
1-04102-04202-530301	Drawings BSP Suva	(512,179.80)	3,817,149.52	4,329,329.32	As per below
1-04102-04202-530302	Drawings BSP Treasury	2,150,099.56)	11,153,256.64	3,303,356.20	As per below
1-04301-65101-510108	COGS Australian Bank	838,171.36	138,980.02*	699,191.34	
1-04301-65101-510505	COGS New Zealand Bank	145,673.82	54,862.26*	90,810.96	
		1,678,434.18)	15,164,248.44	8,422,687.82	

*Reconciliation ending balance was disclosed in \$AUS & \$NZ. Using the exchange rate of 0.58 and 0.65, the above two balances were converted to \$FJ

1-04102-04202-530301- Drawings BSP Suva

The \$3,817,149.52 is referring to the UP Listing and the FMIS Balance of -\$512,179.80 is incorrectly written- it should in fact be -\$236,884.80. The variance between the UP Listing of \$3817149.52 & the FMIS balance of -\$236884.80 is mostly due to the cheque control function in the AP process not being properly followed which is leading to the cheque mismatch as they get presented. When the List of Presented Cheques is compared to the List of Un-presented Cheques, the same cheque may not be marking off because they have different cheque numbers. Furthermore, there is also the issue of un-posted Bank Sweeps and Bank Fees. Furthermore, the stale cheques have not yet been removed from the UP List. We decided not to remove the Stale Cheques yet as we wanted to look at the holistic picture of the Reconciliation- the stale cheques will be removed when everything in the Drawings Account has been rectified.

1-04102-04202-530302- Drawings BSP Treasury

The UP List is \$14,206,823.31 and not \$11,153,256.64 as stated in the table above. The variance is a result of the Cheque control function in the AP process not being properly followed which is leading to the Cheque mismatch as they get presented. When the List of Presented Cheques is compared to the List of Un-presented Cheques, the same cheque may not be marking off because they have different Cheque Numbers. Furthermore, there is also the issue of un-posted Bank Sweeps and Bank Fees. Furthermore, the stale cheques have not yet been removed from the UP List. We decided not to remove the Stale Cheques yet as we wanted to look at the holistic picture of the Reconciliation- the stale cheques will be removed when everything in the Drawings Account has been rectified.

1-04301-65101-510108 & 104301-65101-510505

The above two accounts are for overseas bank accounts.

These two accounts acts as clearing accounts for pension paid to overseas Pensioners. The reconciliation performed was usually against the Bank statement and not against the GL balance thus the noted variance.

Adjustment to past years accounts will be challenging since they have been closed. FMIS Section and Pensions Unit are closely liaising on this issue and Principal Accountant (FMIS) confirmed that adjustments for previous years will be done through equity allocations in 2014. The same reconciliation arrangement that was applied to CFA reconciliation will be applied to the overseas bank accounts reconciliation.

4.18 Trust Fund Account Reconciliation

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. Un-reconciled items must be investigated and resolved promptly.⁹

The audit noted a variance of \$665,379.72 between the general ledger balance and bank statement balance as at 31/12/13. Details of the variances are shown in Table 4.23 below:

Table 4.23: Trust Account Variances

Trust Account	Amount (\$)
Balance as per financial statements (GL)	9,792,212.00
Bank statement balance as at 31/12/13	9,126,832.28
Variance	665,379.72

In addition, the audit noted that the Ministry is not using the correct bank reconciliation format to reconcile the Consolidated Trust Fund Account 9-04101-04001-520501 in 2013.

The above issues clearly indicate laxity in supervisory checks to ensure that reconciliations are carried out correctly. Hence, the Trust account balances in the financial statements are not fairly stated.

Recommendations

Supervisory checks on monthly reconciliations should be improved to ensure the accuracy of the balances reflected in the reconciliations and that it matches with FMIS.

The Ministry should immediately reconcile and adjust the variances noted between the general ledger (FMIS) and the bank statement balance.

The Ministry should ensure the use of the correct format of bank reconciliation and reconciliation of the trust account should be undertaken on a monthly basis.

Management Comments

The amounts reflected in the FMIS are extracted from the revenue account. As this is compared to the bank statement account there will always be a difference because other factors such as interest, bank charges and cheque fees that appear in the bank statement would have been posted to other appropriate revenue/expenditure votes.

We had been reconciling the bank statements by identifying and posting the difference between the bank opening and closing balances against the difference in GL postings. The new format that is now used is to reconcile both bank and GL balances. This is the preferred format by OAG.

4.19 Variances in Operating Account Balances

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. Un-reconciled items must be investigated and resolved promptly.¹⁰

⁹ Finance Instructions 2010 Section 58 (3)

¹⁰ Finance Instruction, Part 9, Section 58(3)

The Ministry's operating trust fund account had a variance of \$421,938.52 between FMIS records and the Ministry's record due to various postings to allocations in FMIS which were also not included by the Ministry in the reconciliations. Refer to the table below for details of general ledger allocation not included in Ministry's trust account reconciliation.

Table 4.24: Trust Accounts Not Included in Ministry's Records

Allocation	Account	Amount (\$)
1-04101-04101-860107	Retention	(61,940.33)
1-04101-04999-861101	202 PD OPR current year	31.03
1-04102-04999-861101	202 PD OPR current year	(291.99)
1-04102-04201-861102	384 PD OPR previous year	1.8
1-04102-04999-861102	384 PD OPR previous year	(341.33)
1-04102-04999-861309	388 PD PSC scholarship loan	(1,363.60)
1-04102-04999-861601	341 PD maintenance – Suva	40
1-04102-04999-861602	342 PD maintenance – Nausori	(3,545.00)
1-04102-04202-861901	201 PD tax arrears/PAYE	(4,727.20)
1-04102-04203-861901	Leave allowance PAYE	(1,361.00)
1-04102-04201-861902	204 PD depst a/c recoverable	(30)
1-04102-04999-861902	204 PD depst a/c recoverable	841.11
1-04102-04999-861920	501 PD employees FNPF	(76,109.86)
1-04105-04502-861920	501 PD employees FNPF	(15.76)
1-04102-04999-861923	Payroll deduction uniform	(2,610.95)
1-04101-04999-863201	VAT on revenue	265,000.51
1-04102-04999-863201	VAT from provision of goods & services	(535,515.95)
Total		(421,938.52)

The Ministry could not provide a satisfactory explanation on the above variances and this was a recurring audit issue.

The above anomalies indicate ineffective controls and lack of supervisory checks for trust account.

Recommendations

The Ministry should ensure that monthly reconciliations are carried out and any variances noted are adjusted accordingly.

The internal control procedures in the Accounts Section, specifically supervisory checks should be strengthened to avoid such discrepancies.

Management Comments

The identified variances occurred due mis-postings and are being verified and appropriate actions taken to resolve the issue.

4.20 Overpayment of Salaries and Overtime

Salary advices must be submitted promptly to the Ministry of Finance where there is any change to personnel emoluments or deductions such as appointments, promotions, transfers, acting allowances,

dismissals and resignations, income tax allowances, housing deductions, or other authorized charges or deductions.¹¹

The salaries officer shall prepare the appropriate input form for ceasing or reversing salary payments as well as a journal voucher (in duplicate) to reverse or cease all deductions for that particular pay period.¹²

Our review of payroll records revealed the following anomalies:

- The Public Service Commission in its letter dated 22/04/2013 approved that Officer (EDP # 61475) to be seconded to World Bank with effect from 01/05/2013. The audit noted that the Ministry continued to pay his salary until 30/07/2013 resulting in overpayment of \$14,972.91. While the Ministry has recovered \$11,619.30, the balance of \$4,551.37 is still outstanding from the Officer.
- The Ministry of Finance in its letter dated 05/04/12 approved that Senior Economic Planning Officer (SEPO) (EDP # 91524) to be seconded to Central Coordination Agency for Roads (CCAR) as Principal Economic Planning Officer (PEPO) with effect from 06/01/12 to 31/12/12. The Ministry continued to pay him on PEPO salary until 24/03/13 resulting in overpayment of 83 days totaling to \$2,209.73. The Ministry recovered \$853.60 from the Officer while \$1,356.13 remains outstanding. The Officer has resigned from the Ministry on 06/01/14.
- The salaries file for Officer (EDP #17485) was not provided for audit. The audit noted that it could not be located at the salaries section. Hence, the audit could not verify the accuracy of the retirement date for final salary payment.

The above findings indicate the lack of coordination and communication between Administration Section and the Accounts Section and the lack of proper supervision.

Recommendations

- **The Ministry should ensure that timely coordination and communication exist between the Corporate Division and Salary Division to activate ceasing of acting appointments, appointment, and retirement on effective dates.**
- **Surcharge action should be taken against Officers responsible for the salary overpayment.**
- **The Ministry should make a concerted effort to recover the salary overpayments from the Officer(s) concerned.**
- **Supervising Officers with Salaries section should carry out supervisory checks on salary input forms prior to any salary processing.**
- **The Ministry's Payroll Section should ensure that salary files of officers are secured and location of these files can be easily traced by a file movement register.**

¹¹ Finance Instructions 2010 –Section (17)(1)

¹² Finance Manual 2011, Section 4.10.2

Management Comments

In the past, timely submission of advises to Salaries Section form Administration has been a problem. Although not completely eliminated, there has been a big improvement.

61475 and 91524 - In points one and two above, advices for cessation of salary were sent to Salaries Section rather late resulting in overpayments.

Their payments will be reconciled and if overpayments are yet to be recovered, we will attempt to do so.

17485 – The officer's salary was terminated from the payroll on 26/01/2013. This date was fed into the payroll system in pay 04/2010 and can be verified from the Master-file Edit Report which is available on-line. The file however, could not be located.

Audit recommendations are noted. All efforts will be made to recover any overpayments. All filings are now done on a regular basis and documents are filed in individual officers' files. Changes have already been implemented whereby supervisors are required check, verify and sign all inputs forms before they are submitted for data-entry. Inputs forms are not punched unless they are signed and countersigned.

Further OAG Comments

The overpayments for 61475 and 91524 have yet to be recovered. The salary file for 17485 could not be located upon request.

4.21 Supporting Document of Acquittal Report provided by Ministry/Department being incomplete

The need to improve record management in all agencies is vital for promoting good governance, transparency and accountability in the public sector.

Accounting staffs are responsible for proper maintenance and safekeeping of accounting records and documents, giving the Accounting Head the responsibility in implementing a sound internal control system to oversee this matter.

The audit noted the acquittal reports provided by the Ministry were not fully supported with relevant documents to support the funds released by the Ministry from general reserve allocations. Refer to Table 4.25 for details.

Table 4.25: Examples of payments without full acquittal of expenses submitted by Ministry

Date Funds Transferred	Ministry	Amount (\$)	Remarks
06/06/13	Ministry of Youth and Sports	42,608.14	Supporting documents amounting to \$38,513.20 are not with the Budget Division
13/09/13	Ministry of Youth and Sports	463,382	Supporting documents amounting to \$22,085.90 are not with the Budget Division
29/01/13	Ministry of Youth and Sports	49,126	Supporting documents amounting to \$17,698.91 are not with the Budget Division
06/06/13	Ministry of Youth and Sports	289,565.22	Supporting documents amounting to \$57,709.06 are not with the Budget Division
30/08/13	Ministry of Youth & Sports	108,017.82	Supporting documents amounting to \$86,070.12 are not with the Budget Division

Date Funds Transferred	Ministry	Amount (\$)	Remarks
30/08/13	Ministry of Fisheries and Forests	139,685.65	Supporting documents amounting to \$133,540.06 are not with the Budget Division
27/03/13	Public Service Commission	189,130.43	Supporting documents amounting to \$84,676.26 are not with the Budget Division
07/11/13	Ministry of Defense, National Security & Immigration	24,348.00	Supporting documents amounting to \$6,107.62 are not with the Budget Division
31/01/13	Ministry of Foreign Affairs	119,443.40	Supporting documents amounting to \$119,443.40 are not with the Budget Division
23/07/13	Ministry of Foreign Affairs	42,528.28	Supporting documents amounting to \$42,528.28 are not with the Budget Division
13/02/13	Ministry of Agriculture	19,232.42	Supporting documents amounting to \$15,647.57 are not with the Budget Division
31/07/13	Ministry of Education	69,662.29	Supporting documents amounting to \$69,662.29 are not with the Budget Division
20/02/13	Ministry of Works, Transport and Public Utilities	21,739.13	Supporting documents amounting to \$8,455.38 are not with the Budget Division

The Senior Economic Planning Officers of the Budget Division revealed that the payment vouchers are only sent to the Budget Division while the supporting documents are maintained by respective Ministries/Departments.

Weak record management hinders the achievement of high levels of good governance, accountability and transparency for the Ministry. Hence, the risk of fraud and misappropriation of funds are possible if the Ministry continues to disregard internal controls in place.

Recommendation

The Ministry's Budget Division should carry out due diligence checks and to ensure that acquittals are received for the total amount requested by Ministries/Departments.

Management Comments

Ministry of Finance notes that this is a recurring audit query and will put in mechanisms to ensure that the acquittals for funds disbursed from Head 50 are acquitted on a timely basis.

4.22 Competitive Quotes not submitted with Ministry Request

A minimum of three competitive quotes must be obtained for the procurement of goods, services or works valued at \$1,000 and more but \$50,000 and less.¹³

The quotation process is intended to ensure that the agencies receive value for money based on fair competition and ethical dealing.¹⁴

The audit noted that the Ministries/Departments do not submit competitive quotes to the Ministry of Finance in their submission for the payment of airfares for the Ministers during 2013. Refer to Table 4.26 for details.

¹³ Procurement Amendments Regulations 2012 - Section 4 (a)

¹⁴ Guide To Procurement Process for Purchases up to \$50,000 - Section 4

Table 4.26: Examples of Competitive Quotes not provided during Head 50 fund submission

Date	Cheque No.	Payee	Amount (\$)
14/02/13	049035	One World Flight Centre	7,398.00
17/04/13	050206	Qantas Travel Centre	11,572.10
30/04/13	050445	Jad International	10,850.00
22/06/13	21581	Discount Flight Centre	10,981.20
26/09/13	022086	Jad International	12,436.00
29/04/13	286576	Jad International	26,109.00
25/03/13	284438	Jad International	6,153.00
21/02/13	018336	Macquarie Travel World Services	40,225.99
Total			125,725.29

Similarly, competitive quotes were not obtained for the payment on 19/09/13 totaling \$8,472 (cheque # 295050) to Devos on the park for the Humanitarian Coordination Training for the Ministry of Health.

The audit noted that due to urgency of the trips the Ministry was not able to obtain competitive quotations.

The findings indicate that due diligence is not properly carried out by the Ministry to ensure that service required was from the most economical source.

Recommendation

The Ministry of Finance should consider that Ministries/Departments submit competitive quotations when making requests for Head 50 funds.

Management Comments

Recommendation is noted and necessary checks will be put in place to ensure compliance with regulations.

4.23 Absence of Guidelines on Pension Payments

Each agency must have in place a cost effective system of internal controls which safeguards money and property against loss. The Accounting Head of an agency is responsible to the Permanent Secretary for the effective design and operation of internal controls across the agency.¹⁵

Each appropriation is to be administered by the budget sector agency specified in the appropriation Act concerned or the budget estimates tabled with the Bill for that Act as being responsible for its administration or the Ministry of Finance if no agency is so specified.¹⁶

It is important to check and verify the calculations on the RFMF Re-engagement and Prison Re-engagement award forms which are then submitted to Minister of Finance for approval¹⁷.

The audit noted payments were made from Head 51 totaling \$6,102,817 without any check or verification by the paying offices which include Judicial Department, Prime Minister's Office and Fiji

¹⁵ Finance Instruction 2010, Section 59(1) (a) & 2

¹⁶ Financial Management Act 2004, Section 14 (2)

¹⁷ Finance Manual – Section 20.2.9

Military Forces. Such checks and verification would provide an assurance to Pension Office that payments have been made to bona fide recipients.

Discussions with Jonathan Dunn at the Pensions Office revealed that the award forms are submitted to pension's office by the respective ministries for processing payment¹⁸. The pension's office relies on the award forms to process such payments since the records are maintained at respective ministries.

Refer to Table 4.27 details of payments processed by pension's office without any verifications being made to pensioners file records.

Table 4.27: Details of payments made from Head 51 by other Ministries

Payment Type	Ministry/Department maintaining file records	Amount paid (\$)
Pension to Ex Chief Justice & Retired Judge	Judicial	192,812
Ex-Governor General, Presidents, ex-PM Pension	Prime Minister's Office	122,723
Ex Parliamentarians	Prime Minister's Office	2,118,871
FMF Pensions	RFMF	3,668,411
Total		6,102,817

In addition, the audit noted that the reconciliations were also not provided by Judicial Department, Prime Minister's Office and Fiji Military Forces to the Pension Office for verification.

Moreover, the awards forms for payments being made from January 2013 to June 2013 for Fiji Military Force's retired servicemen processed by the Pension Office were not provided for audit.

The above shows poor internal controls in relation to payments made from Head 51.

There is a risk of overpayment and misappropriation of public funds when appropriate documents to support payments are not verified.

Recommendations

The Ministry should enter into a Memorandum of Understanding with the respective Ministries/Departments to take responsibility for the proper accounting of the pension payments and to ensure that they are correct.

The Ministry must verify all the details entered in the award forms to eliminate any risk of overpayment.

Management Comments

The current practice is that the proper verification for payment is handled by each Ministry who later on submit their payment vouchers and awards forms to Pension for processing.

If the pension office were to again verify these payments, then we will have to be provided with all documentation and personal files from these respective ministries for each and every individual officer. This would result in duplication of work and at the same time require unnecessary additional storage space. The continuous movement of personal files provides a risk of loss of documents.

Each Ministry has their own internal control procedures set up to which these payments apply.

¹⁸ Email from Jonathan Dunn dated 23/01/12

For reconciliation purposes, a request could be put forward to the respective Ministry for them to provide us with a list of confirmed payments directed into the officer's bank.

Further OAG Comments

Proper verification of payments promotes accountability & transparency of the use of public funds. Irrespective of OAG conducting the audit of respective Ministries, the issue will still arise in the absence of the non-performance of the reconciliation.

4.24 Overpayments of Pensions

All overpayments must be recovered fully before the dependant pension is processed. Banks are to be notified of the overpayment and to reverse or refund any pension left in pensioner's bank account.

Immediate families of deceased pensioner should be notified about overpayment, if they can recover or refund the overpaid amount.¹⁹

The Senior Accounts Officer shall prepare a quarterly report on the level of outstanding and overdue debts²⁰

The audit noted that the first and second quarter reports for 2013 showed overpayment amounting to \$52,298.56. However the Pension Office failed to prepare the third and fourth quarter reports for 2013.

Refer to Table 4.28 for details of overpayment for 2013.

Table 4.28: Details of Overpayment for 2013

PN#	Date of Death	Pay	Balance to be recovered Amount (\$)
10542	01-08-13	1	18.26
21972	02-03-13	3	192.25
20468	20/02/13	5	11.95
30130			30.37
13587	02-05-13	5	204.71
13241	26/02/13	6	984.25
21118	02-03-13	5	224.68
11538	13/02/13	8	976.40
21309	22/02/13	9	490.20
11637	18/04/13	8	514.11
12647	04-10-13	8	1,260.14
12284	05-01-13	9	693.34
10941	05-05-13	9	370.32
21903	24/4/13	9	914.84
21683	24/05/13	11	1,019.29
13446	05-01-13	12	1,009.94
21609	06-04-13	12	29,412.60
12693	03-05-13	13	2,947.43
21635	26/05/13	14	827.71
13471	16/06/13	15	1,326.85
20768	07-03-13	15	203.12
21756	07-05-13	16	585.75
22092	07-06-13	16	594.05

¹⁹Finance Manual – Section 20.13

²⁰ Finance Manual – Section 9.3.1

PN#	Date of Death	Pay	Balance to be recovered Amount (\$)
21697	23/07/13	16	155.45
11428	26/07/13	19	29.76
12204	17/06/13	19	543.51
12093	29/07/13	15	1,105.07
11681	07-10-13	14	313.85
20615	16/10/13	15	47.28
30298	16/10/13	21	52.67
20255	29/09/13	20	265.03
13358	31/03/13	7	714.06
20286	26/04/13	10	257.72
20795	15/09/13	19	302.36
30335	15/09/13	19	207.89
40015	17/04/13	8	668.10
10666	26/10/2013	22	668.10
20814	17/09/13	19	668.10
21016	24/10/13	23	242.05
21495	06-09-13	12	1,245.00
			\$52,298.56

In addition to the above, the Pension Office also failed to include these overpaid pensioners as highlighted by the internal audit report dated May 2013.²¹ Refer to Table 4.29 for examples:

Table 4.29: Details of Pensioners not included in overpayment list

Pension #	Date of Death	Overpayment Amount (\$)
<u>Widows – 60%</u>		
20600	12/11/2012	1,769.34
21182	11/11/2012	1,324.65
21488	06/05/2012	2,111.60
<u>Civil Pensioners</u>		
10594	30/04/2012	1,295.98
11365	21/08/2012	4,867.61
11548	28/06/2012	970.88
11692	11/07/2012	1,256.75
11913	23/11/2012	3,438.46
12275	01/01/2013	529.15
12466	01/10/2012	179.80
12782	03/07/2012	213.65
13534	06/02/2013	592.66
21412	07/01/2013	2,302.60
Total		20,853.13

Table 4.30: Details of Overpayment not recovered

Year	Amount (\$)
2011	17,161.40
2012	37,908.43
Total	55,069.83

²¹ Internal Audit report dated 13/05/13 – File Ref:SI01/2013

Moreover, our review of the internal audit report²² noted that the pension's office overpaid these pensioners during the year 2011 and 2012 totaling \$55,069.83 which have not been recovered as at the time of audit²³. Refer to table 4.30 for details of overpayment not recovered.

The Pensions Office - Assistant Accounts Officer revealed that the accessibility of data from BDM (Birth, Deaths and Marriage) system is yet to be put in place.

The above anomalies indicate the Ministry's laxity in maintaining records for pensioners not included in the pension's overpayment listing.

Hence, the Ministry will continue to face similar situations through irrevocable overpayment if proactive action is not taken up by the Ministry.

Recommendations

- **The Ministry should seek avenues to recover the amount overpaid. The Solicitor General's views can be sought to prosecute relatives/family members for withdrawing pensioner's funds after their death.**
- **The Ministry must ensure that the outstanding quarterly reports for the Pensions Section are prepared and checked by the Supervisors.**
- **The Supervisors must ensure that the overpayment list is correctly prepared including all the details of the pensioners.**
- **The Ministry should liaise with Ministry of Justice to consider a memorandum of understanding on possibility of having view access to the Birth, Death and Marriages system to verify the status of the pensions.**

Management Comments

The Pension Payments Section is in the process of completing the Arrears of Revenue for the final quarters of 2013. Delay was due to staff rotation and closed files being transferred to Archives, during clean-up. Approval has already been given by BDM for link-up between the 2 database and, the necessary configuration to be done by ITC Services. Request already sent to ITC, but no response yet.

Recovery letters written to banks are sometimes successful as there sufficient funds in the deceased pensioners accounts, but some are unsuccessful. Requests to next of kin are unsuccessful as some are unemployed and some are just ignorant of our requests.

Pension Office has already liaised with Small Claims Tribunal regarding the overpayments, but the steps and costs recommended are more than some of the overpaid amount. The overpayment amount of \$52,298.56 includes the \$29,000 case which is under Police investigation.

4.25 No Internal Audit Function

The Permanent Secretary for Finance must authorize the conduct of any audit that he/she deems necessary to determine whether –

- a.) The operations or activities of all Budget Sector Agencies are being performed effectively, economically and efficiently and in compliance with all relevant written laws;

²² Internal Audit report dated 13/0513 – File Ref:SI01/2013

²³ 06/01/14

- b.) The financial affairs of all budget sector agencies is in compliance with all relevant written laws and with due regard to the principles of responsible financial management.²⁴

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The audit noted that there was no internal audit done for the Debt Unit in 2013. The Debt Unit is an important section of the Ministry since the division deals with borrowings on behalf of the government and their responsibilities plays a huge part on determining the financial standing of the economy.

The absence of an internal audit indicates lack of internal controls assurance in place for the Unit. This gives room for complacency on the unit as their functions are not checked on a regular basis.

Recommendation

The Ministry should ensure that internal audits are done annually before external audit to improve the processes and procedures within the Debt Unit.

Management Comments

Internal audit is a separate Unit under MOF. It carries out its risk analysis and accordingly undertaken its audit.

4.26 Unutilized Funds – Loan Repayment allocations

Each year the Appropriation Act and the Budget Estimates set out details of the appropriations that the Cabinet approves for spending by each Agency.²⁵

The Accounting Head is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.

Our review of the debt portfolios noted that the Ministry did not utilize the amount set aside for repayment for various loan accounts totaling \$3,255,000 and \$1,169,506 for the year ended 2012 and 2013 respectively. Refer to Table 4.31 below for details:

Table 4.31: Budgeted Allocation for 2013 Loan Repayments Left Unutilized

Loan Account	Allocation	2012		2013	
		Budgeted Actual	Actual (\$)	Budgeted (\$)	Actual (\$)
Exchange and Interest Rate Fluctuations	1-52101-04402-141199	256,000	-	183,001	-
1989 Interest Rate Proc Loan No 2	1-52102-04402-141207	234,200	-	234,100	-
1990 Interest Free Proc Loan No 3	1-52102-04402-141213	658,000	-	658,000	-
Provision For exchange rate fluctuation	1-52102-04402-143218	-	-	94,405	-
2004 ADB Suva/Nausori Water Supply	1-52101-04402-143110	1,071,100	-	-	-
ADB 3 rd Road Upgrade	1-52101-04402-143116	759,000	-	-	-
2010 ADB Loan 2603	1-52101-04402-143117	276,700	-	-	-
Total		3,255,000		1,169,506	-

²⁴ Finance Instructions 2010 – Section 72(1)

²⁵ Finance Instructions 2010, Section 7

Discussions with the Debt Unit revealed that it is likely that repayment will commence from 2015 since the Government of China has extended the loan.

Providing unrealistic budget submission indicates poor planning by Debt Unit and hence provides an unnecessary burden to manage the debt. This will further lead to increase in government borrowings.

Recommendation

The Ministry should make realistic budget estimates as it could lead to budget deficits and increase in borrowings.

Management Comments

A review was undertaken on this issue and more care and verifications is now being undertaken to ensure that budget estimates are accurate and more precise for future budget estimates.

4.27 Foreign Exchange Losses

The Minister may, on behalf of the State, enter into a hedging transaction or hedging arrangement, for the purpose of avoiding or reducing the effect of currency or interest rate fluctuations, on such terms and conditions as the Minister thinks fit and whether within or outside the Fiji Islands.²⁶

A cash flow hedge is defined as hedging the exposure to variability in cash flows that is attributable to a particular risk with a recognized asset or liability. Therefore, the hedge is intended to protect the entity against the unfavorable impact on future cash flows from a change in exchange rates²⁷.

Our review of Overseas Loans noted that the Ministry incurred substantial amount of foreign exchange losses totaling \$70,711,949.77 in 2013. The audit noted that these foreign exchange losses were incurred due to fluctuations in exchange rates. Table 4.32 shows details of the Loans incurring foreign exchange losses.

Table 4.32: Exchange Rates Losses Incurred from Overseas Loans

Loan Description	Loan Before Revaluation (\$)	Revaluation Losses (\$)	Loan After Revaluation Balance as at 31/12/13 (\$)
ADB Loan 2514 FRUP 3 Supplementary	42,711,911.76	2,413,946.88	45,125,858.64
Fiji Road Upgrading Project Stage 3 Loan 1530	50,833,039.16	3,290,714.89	54,123,754.05
Suva Nausori Regional Water Supply Project	75,811,039.10	4,768,367.72	80,579,406.82
Suva Nausori Water Supplementary	30,739,545.99	1,574,455.31	32,314,001.30
ADB Loan 2541 Flood Recovery	21,499,371.86	1,154,012.13	22,653,383.90
EXIM Bank Of China E-Government Loan	39,574,491.20	3,505,412.02	43,079,903.22
Fiji Low Cost Housing Project	37,274,857.29	4,544,884.31	41,819,741.60
Fiji Public Rental Housing Project	8,984,886.91	770,939.02	9,755,825.93
Sigatoka Valley and Sawani Serea Road	59,889,602.97	6,150,657.50	66,040,260.47
Buca Bay and Moto Roads	73,680,025.56	7,413,294.87	81,093,320.43
Nabouwalu and Dreketi Road Upgrading Project	58,131,226.91	6,044,755.21	64,175,982.12
Queens Highway Road Development Project	32,258,792.24	1,430,509.91	33,689,302.15
Fiji Government Global Borrowing	446,825,000	27,650,000	474,475,000
Total	978,213,790.95	70,711,949.77	1,048,925,740.63

²⁶ Financial Management Act 2004 Section 60(1)

²⁷ International Accountant Standards 39 Paragraph 71-102

Discussions revealed that the losses are due to changes in foreign currency exchange rates. Exchange rate variations overtime are a potential source of risk to cross-border financial obligations.

The above findings indicate that the Ministry Officials failed to discuss on the hedging exposures with the Overseas Lenders to avoid foreign exchange losses.

Recommendation

The Ministry shall ensure that foreign exchange losses are kept at minimum level while borrowing overseas.

Management Comments

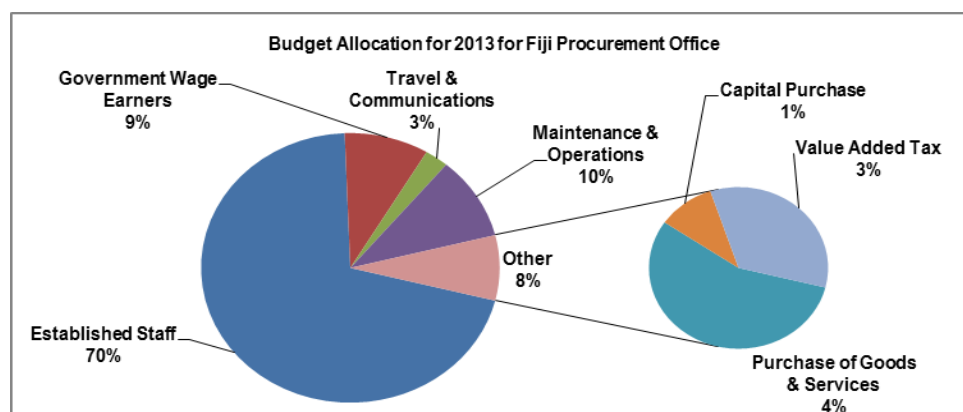
The Unit is assessing a number of foreign risk mitigation measures including hedging. It already has had discussions with a number of financial institutions. Some financial institutions are working on their hedge offer. MOF would be in a position to commend on the offer once all the analysis is completed.

FIJI PROCUREMENT OFFICE

4.28 Budget Allocation For 2013

The Department's revised budget of \$1.4 million in 2013 included payroll, non-payroll and VAT expenditure. The distribution of the Department's budget into the various Standard Expenditure Groups (SEGs) is shown in figure 4.5:

Figure 4.5: Budgetary Allocation by Standard Expenditure Group



The Department's budgetary allocation was divided into operating expenditure of \$1.3 million, capital expenditure of \$11,284 and VAT expenditure of \$37,000. Refer Table 4.33 for details of budgeted expenditure to the actual expenditure incurred in year 2013:

Table 4.33: Budgeted Expenditure vs Actual Expenditure

SEG	Item	Revised Estimate (\$)	Actual Expenditure (\$)	Savings (\$)	%
1	Established Staff	981,089	971,015	10,074	1.0
2	Government Wage Earners	127,388	125,278	2,110	1.7
3	Travel & Communications	35,716	29,462	6,254	17.5

SEG	Item	Revised Estimate (\$)	Actual Expenditure (\$)	Savings (\$)	%
4	Maintenance & Operations	139,000	124,983	14,017	10.1
5	Purchase of Goods & Services	60,500	54,612	5,888	9.7
9	Capital Purchase	11,284	11,109	175	1.6
13	Value Added Tax	37,000	35,657	1,343	3.6
	Total Expenditure	1,391,977	1,352,116	39,861	2.9

A savings of \$39,861 or 3% of the total budgeted expenditure was noted at the end of 2013.

4.29 Un-authorized Holding of Excess TMA Profit

When the operation of Trading and Manufacturing Accounts are approved by the Minister of Finance, a financial ceiling is set for the purposes of operating this account and at no point in time the Chief Accounting Officers who are controlling officers responsible for the operation of this account in the department/ministry can exceed the financial ceiling, as this may be unauthorized and officers responsible may be liable for a surcharge.²⁸

The Ministry of Finance advised all agencies operating TMA that all excess of TMA cash for the financial year ended 2012 are to be remitted to the Ministry of Finance before the 15/01/13.²⁹

The Fiji Procurement Office TMA has a financial ceiling of \$500,000.³⁰

The audit noted that the TMA had an excess profit of \$1,025,448.45 for the year ended 2012. The following anomalies were noted:

- (1) The Fiji Procurement Office paid excess TMA profit of only \$872,072.10 to the Consolidated Fund on 04/06/13 (cheque # 4350) contrary to Ministry of Finance circular dated 20/12/2012.
- (2) Of the excess profit of \$1,025,448.45, a sum of \$153,376.35 was retained by the Procurement Office. It was noted that the Office held the excess profit for its capital projects for 2013. The Permanent Secretary for Finance approved only \$45,385.80 to be retained for the cementing of the Suva Yard. The audit noted that there was no approval of amount totalling \$107,990.55 of TMA profit to be retained.

The above indicates breach of financial regulations put in place to ensure safeguard of TMA funds from being misused.

Recommendations

- **The Office must ensure that excess profit is deposited into the Consolidated Fund in accordance with Finance Regulation.**
- **The Office must obtain approval from the Permanent Secretary for Finance for retaining any excess TMA profit.**

²⁸ Finance Circular No. 37 of 1984 – Operation of Manufacturing and Trading Account

²⁹ Memorandum from Permanent Secretary Finance dated 20/12/12 – File 60/22

³⁰ TMA 2012 Remittance Update dated 11/02/13

Management Comments

The comments are noted. However, please note that the delay in payment was due to the delay in approval of FPO projects which was to be funded from TMA. Copies of relevant documentation as a testament to this are with us.

4.30 Variance between the Arrears of Revenue Records

Each agency must maintain a Debtors Register within the FMIS or an accounts receivable ledger for licenses, debts, court fees and other State or agency revenues receivable.³¹

The audit noted that the Fiji Procurement Office (FPO) uses Vision Core accounting software to record its daily transactions which is then uploaded onto the Financial Management Information System (FMIS) general ledger on a monthly basis.

The audit noted of a variance of \$2.2 million exists between the Fiji Procurement Office's (FPO) records and those balances reflected in the general ledger (FMIS). Refer to Table 4.34 for details:

Table 4.34: Fiji Procurement Office Record vs. General Ledger

Particulars	Amount (\$)
Balance as per General Ledger (FMIS)	2,337,960
Balance as per Office record (Arrears of revenue return)	113,548
Variance	2,224,412

The Office is yet to reconcile the general ledger balance to facilitate necessary adjustments. The composition of debt owed as per the arrears of revenue return is outlined at Table 4.35:

Table 4.35: Composition of Debt Owed as per the Arrears of Revenue Return

Debtor	Status on Recovery	Amount (\$)
Hola Security Services	Small Claims Tribunal	2,152
Vanua Designs & Associates	Fiji Police Force	111,397
Total		113,549

Non-reconciliation of balances in the general ledger has resulted in the accumulated balance hence, the overstatement of accounts receivable as at 31/12/13.

Recommendation

The Procurement Office should ensure that regular reconciliation of the debtor balance is carried out with the source documents and rectify the variances between the FMIS balances and the Office records and adjustment made accordingly.

Management Comments

The variance derived from previous years carried forward balance has been and ongoing query on the TMA balances. A proposal has been submitted to AMU requesting for the write off of the variance of the TMA allocations.

³¹ Finance Instructions, Section 40
Ministry of Finance

The correct figure for Arrears of Revenue is the balance as per FPO records amounting to \$113,549 is to be maintained.

4.31 Absence of Board Member during Tender Box Opening

The Board Secretary and Board Secretariat have a key to the tender box. On the day tenders are opened, the Board Secretary opens the tender box in the presence of one board member and bidders. When tenders are opened, the Board Secretary records all the bids received in a Tender Register. Bids are stamped and initialed by the Board Secretary and the member present during the opening. Every page of the bids received are stamped and initialed and dispatched to the procuring agency for evaluation.³²

The above processes and procedures is fundamental for promoting open and fair competition amongst suppliers and contractors, promoting the integrity of fairness and public confidence in the procurement process and achieving accountability and transparency in the public sector.

Our audit review of the tender opening attendance register for the year 2013 revealed that on numerous occasions a Board Member was not present during the tender box opening. In addition, the tender documents were not initialed before the tenders are evaluated. Refer to the Table 36 below for examples:

The Director Procurement Office and Manager Tenders confirmed that board members were not always available when the tender boxes are opened.

Table 4.36: Examples of tenders opened without the presence of a Board Member

Tender No.	Tender Opening Date	Tender For	Tender Amount
CTN 01/2013	27/02/13	Purchase of Laboratory Equipment	257,009.31
CTN 13/2013	20/02/13	Contract of Supply of Equipment	207,135.00
CTN 19/2013	27/02/13	Contract of Supply of Computer to Plate (CtP) Machine	239,512.05
CTN 35/2013	27/03/13	Contract for the Supply of Vaccines for Fiji Military Forces	178,230.07
CTN 44/2013	27/03/13	Contract of Supply of Multi Beam Echo Sounder System (MBES)	609,710
CTN 138/2013	25/09/13	Contract of Data Communication Networking Equipment	117,143.73
CTN 105/2013	17/07/13	Contract of Supply of Forensic Deoxyribose Nucleic Acid (DNA) Database	Withdrawn

The above practices indicate that the integrity of fairness and public confidence in the procurement process and achieving accountability and transparency is being compromised.

Recommendations

- **The Procurement Office should ensure that a board member is present during tender box opening.**
- **The Procurement Office should develop alternative procedures to ensure that the integrity of fairness and public confidence in the procurement process and achieving accountability and transparency in the public sector is maintained.**

Management Comments

FPO notes the recommendation made.

³² Guide to the Tender Board Procedures – Section 4.1.1 to 4.1.4

It should be noted that the membership of the GTB was amended which reduced the membership from 8 to 5. As such, given the reduced membership and their hectic schedules, it was difficult to have a GTB member present as highlighted. On that note, however, the GTB are quite aware of the requirement to have a member present and a roster has been drawn up to ensure that a GTB member is present during tender box opening.

It must also be noted that some bidders are also present during tender opening and when bids are opened company names are called out which are recorded by FPO and bidders alike. This in our view despite the absence of a member leaves no room for manoeuvre and is an indication of a fair, transparent and accountable process.

The GTB regulates its own proceedings and as such, the decision for an alternative is their decision and should not compromise the integrity and fairness of the procurement process.

4.32 Non-performance of reconciliations for Vision Core and FMIS Balances

Within 3 days of receiving the monthly general ledger reports from Payment Section, the CO Vote Book shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement.

Any errors or misallocations must be immediately adjusted by way of journal vouchers. The ledger reconciliation statement shall be forwarded to the Accounts Officer Treasury. The Accounts Officer Treasury must ensure that all balances are accurate and adequately supported; any misallocations or outstanding balances from the previous month have been dealt with.³³

The audit noted that the Fiji Procurement Office (FPO) uses Vision Core accounting software to record its daily transactions which is then uploaded onto the Financial Management Information System (FMIS) general ledger.

However, there were no reconciliations prepared and maintained for accounts receivable, accounts payable and vision core revenue batches that were uploaded from Vision core to FMIS. The following anomalies were attributed to differences arising as a result of balances uploaded from Government Supplies System to the FMIS general ledger:

- TMA creditors for Procurement Office showed debit balance of \$597,668 contrary to the nature of the balance that the account should have.
- TMA debtors for the Procurement Office totals to \$2,337,960 whereas the arrears of revenue as at 31/12/2013 showed arrears of \$113,548 only.

Failure to reconcile these uploaded balances made it difficult to rectify balances for the correct presentation of the TMA financial performance and position.

The audit was not provided with satisfactory explanation from the Office despite attempt to obtain comments.³⁴

Recommendation

The Procurement Office should ensure that the uploaded balances from the Vision Core accounting system to the general ledger (FMIS) are reconciled on a monthly basis.

³³ Finance Manual 2011, Section 16.3.3, 16.3.4 & 16.3.6

³⁴ E-mail dated 01/04/14

Management Comments

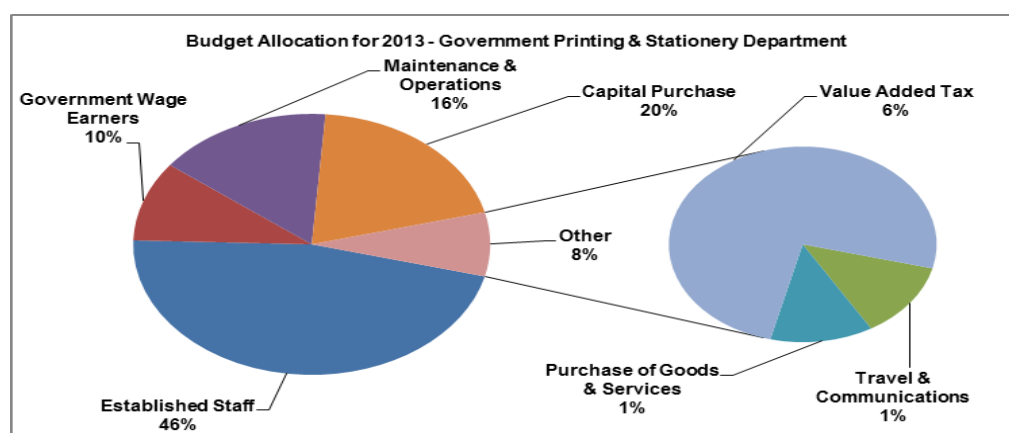
No comments received.

GOVERNMENT PRINTING & STATIONERY DEPARTMENT

4.33 Budget Allocation For 2013

The Department's revised budget in 2013 totalled \$2.77 million. The distribution of the Department's budget into the various Standard Expenditure Groups (SEGs) is represented in figure 4.6:

Figure 4.6: Budgetary Allocation by Standard Expenditure Group



The Department's budget allocation was divided into operating expenditure totalling \$2.1 million or 75%, capital expenditure totalling \$0.5 million or 20% and VAT expenditure totalling to \$0.1 million or 5%. Refer Table 4.37 for details of budgeted expenditure to the actual expenditure incurred in 2013:

Table 4.37: Budgeted Expenditure versus Actual Expenditure

SEG	Item	Revised Estimate (\$)	Actual Expenditure (\$)	Savings (\$)	%age
1	Established Staff	1,303,572	1,100,427	203,145	15.6
2	Government Wage Earners	283,110	269,674	13,436	4.7
3	Travel & Communications	15,400	15,226	174	1.1
4	Maintenance & Operations	443,207	327,820	115,387	26.0
5	Purchase of Goods & Services	27,631	25,657	1,974	7.1
9	Capital Purchase	550,993	550,993	0	0.0
13	Value Added Tax	155,600	136,248	19,352	12.4
		2,779,513	2,426,045	353,468	12.7

4.34 Variances between Departmental Records and General Ledger Account Balances

Within five working days when Ministry of Finance issues the monthly general ledger reports, the Accounts Officer shall reconcile the revenue figures in the report to the Revenue Statement.³⁵

The audit noted of a variance of \$21,628.06 between Departmental records and the Financial Management Information System (FMIS) general ledger records. Refer to table below for details.

Table 4.38 Variance between Trading & Manufacturing Account (TMA) Sales and FMIS Balance

Details	Amount (\$)
Sales as per General Leger (FMIS)	1,696,679.80
Sales as per Quarterly report 2013	1,718,307.86
Variance	21,628.06

The above variance was noted during the audit which was not rectified when the Department carried out its monthly reconciliation.

In addition, the audit noted that expenditure of \$9,175.97 was wrongly posted to TMA liability allocation of Unearned Income (4-04451-66999-850201) instead of a TMA expense allocation. The above variance clearly indicates the laxity in supervisory checks to ensure that reconciliations are carried out correctly.

Recommendation

The Department must ensure that these variances are investigated and rectified as required under the Government Printing Department Finance Manual.

Department Comments

For the variance noted in Table above, we would like to state that we have been preparing monthly reconciliations and at that point in time both our reconciliations and the general ledger figures were the same. We have now determined that the variance is reflected in April - \$20,587.30 and December - \$1,040.76.

This adjustment was raised and posted by AMU of Ministry of Finance vide Journal ID TMA016 as per screen shot below. We have been advising them to reverse this journal as the double posting was done by them.

Per/Yr	Journal	Amount	JOURNAL DESCRIPTION
12/2011	TMA012	9,175.97	TMA 012/2011
12/2011	TMA016	9,175.97	TMA 016/2011
12/2011	TMA016	9,175.97	TMA 016/2011
		0	

4.35 Variances between General Ledger and Department Records

Within one month after the end of each quarter, each agency with accounts receivable must submit a quarterly report on outstanding and overdue debts to the Ministry of Finance.³⁶

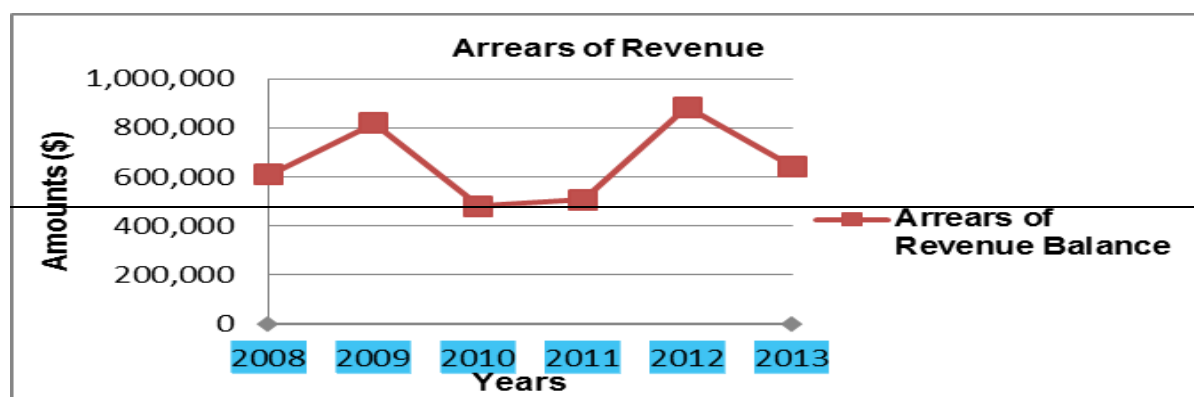
³⁵ GPSD Finance Manual 2011 - Section 5.5.12

The audit noted an unexplained variance of \$275,448 in the arrears of revenue return submitted by the Government Printing & Stationery Department (GPSD) to Ministry of Finance with the general ledger records. Refer to Table 4.39 for details:

Table 4.39: Variance between the Department Records versus General Ledger Records

Description	Amount (\$)
Arrears of Revenue as per the Department record (Arrears of Revenue Return)	368,368
Arrears of Revenue as per the General Ledger (4-04400-00000-560000)	643,816
Variance	275,448

Figure 4.7: Arrears of Revenue Trend Analysis for the past 6 years



The Department Accounts Officer revealed that the Department is liaising with Ministry of Finance (FMIS Division) to rectify to the abovementioned variance.

Despite being raised in previous years audit reports, the Department has yet to resolve this issue.

Recommendation

The Department should consult Ministry of Finance (FMIS) Unit and reconcile these variances between the Departmental records and the general ledger records.

Department Comments

The variance is due to the following:

- (i) *On some occasions we invoice customers for the normal printing charges plus a component of overtime payment.*
- (ii) *On other occasions customers raise one cheque for normal printing jobs plus payment for gazette subscriptions.*

When receipting is done in the 2 scenarios above, the total amount inclusive of overtime payment and subscription payment is initially receipted into Fund 4 (TMA). However, overtime payment and subscriptions needs to be accounted for in Fund 1.

Thus, we normally raise a cheque from the general ledger (Fund 4) and this is then paid into Fund 1 to offset the overtime payment made from SEG 1 and also to record the subscription as government revenue in Fund 1.

The effect of the above transactions is that the Arrears of Revenue in the G/L will always be less than the amount shown in the Aged Arrears Report maintained by the Department because the payment amount initially recorded in the G/L has been split and a portion of it has been paid to Fund 1.

³⁶ Finance Instruction 2010, section 43 (1)

The Aged Arrears Report is not affected because the raising of cheques and subsequent payment into Fund 1 is not reflected in that report but only in the G/L.

4.36 Urgent Printing Services without Approval

Outsourcing is the business process of contracting third-party providers to supply products or services which are delivered and paid for.

A tender must be called for the procurement of goods, services or works valued at \$50,001 and more.³⁷

Where there is an urgent need for goods, services or civil works and engaging in tender proceedings would be impractical due to time constraints or cost factors, but provided that the circumstances giving rise to that urgency were not foreseeable by the procuring ministry or department.

Agencies must seek approval of the Minister before undertaking any emergency procurement. These submissions must be processed and analyzed by the Fiji Procurement Office before submission to the Minister³⁸.

There will be properly vetted contracts through the Office of the Solicitor General prepared and entered into for any outsourced function of Government³⁹.

The audit noted that the Department outsourced its urgent printing services to Max Marketing & Publishing Ltd during 2013.

The following anomalies were noted:

- There was no agreement with Max Marketing & Publishing Ltd for the outsourced services during the year 2013; and
- The Department did not request the approval of the Minister due to the urgency of the services which was not foreseeable as required under section 32 of the Procurement Regulation 2010;
- Total outsourcing incurred by the Department for the printing of these books was \$85,118.03 and tender should have been called for as required under the section 30 of the Procurement Regulation.

Refer to Table 4.40 for details.

Table 4.40 Detail of Outsourced Services without Approval

Date	Cheque #	Amount (\$)	Payment for
06/02/13	04245	11,600.00	▪ Printing of Link 3 text book (2,000)
12/02/13	04255	18,580.00	▪ Maths Class 8B (1,000) ▪ Elementary Science 5 Workbook (1,010) ▪ Link 4 Pupils Book (1,750)
26/03/13	04282	19,579.99	▪ Link 1 Pupils Book (1,000) ▪ Link 4 Pupils Book (1,000)
13/06/13	04323	7,550.04	▪ Listen, Speak, Read and Write (1,000) ▪ Soopan 2 Class 3 (2,000)
10/09/13	04366	2,100.00	▪ 150gsm Matt Art SRA1 (20 pkts)
20/06/13	04397	10,820.00	▪ Printing of Civil List cover (150)

³⁷ Procurement (Amendment) Regulations 2012 – Section 30(1)

³⁸ Procurement Regulations 2010 – Section 32(1)-(4)

³⁹ PSC Circular No: 15/2011 – Section 6.1

Date	Cheque #	Amount (\$)	Payment for
			<ul style="list-style-type: none"> Viti Makawa (600) Agriculture posters (500) 2014 Diary (8,000)
22/11/13	04424	720.00	<ul style="list-style-type: none"> Burning of plates for school magazine (48)
07/11/13	04426	14,168.00	<ul style="list-style-type: none"> A4 Exercise Book 100pgs (3,000) A4 Exercise Book 200pgs (3,000) Maths 4C A4 200pgs (1,500) Maths 4C B5 100pgs (1,500) A4 TD Workbook 40pgs (1,000) B5 Exercise Book 80pgs (2,000) B5 Exercise Book 100pgs (1,000) B5 Exercise Book 160pgs (1,000) B1 Note Book 120pgs (500)
Total for 2013		85,118.03	

The Manager Tenders at Fiji Procurement Office verbally confirmed that tender should have been called for⁴⁰.

Proper procurement procedures were not followed by the Department as it did not comply with the Procurement Regulations.

Recommendation

- **The Department should ensure that prior approval of the Minister as required under section 32 of the Procurement Regulation 2010 is obtain for all urgent printing.**
- **The Department should obtain the Tender Board Approval if the procurement of goods and services are valued at \$50,000 or more as required under Section 30(1) of the Procurement (Amendment) Regulations 2012.**
- **The Department should enter into contractual agreement with printing company to supply the printing products or services.**

Department Comments

Firstly, we do not understand why the Auditors never asked management to comment on this. Let us give the background to this case. The Department normally receives order from Post Fiji Ltd around November and December every year to print school text books for the next school year. However, we had deliberately held on to the printing of text books since Post Fiji Ltd owed us \$20,691.94 for prior printing jobs. When the all clear was given to print, our main commercial printer (SM74) developed mechanical problems. The other printers we had did not have the capacity to print such a big order. In order to meet the delivery dates of these school text books we had no other options but to outsource the printing to commercial printers. Most of the printing was done during January and February 2014. Since the first term for 2014 commenced on 20/01/14, time was not on our side, hence outsourcing was the only viable option. The process undertaken to print each of the text book is summarized below:

- *Three quotations were obtained for each text book*
- *Job awarded based on the lowest quote received*
- *GPSD adds its 15% mark up*
- *LPO issued to printer to print which was within Government Printer's authority limits*
- *Invoices sent to Post Fiji Ltd upon successful delivery of text books*

⁴⁰Email from Josua Rabukawaqa dated 26/03/14

The point we would like to stress is that the Department needed to deliver its output on the due date and going through the tender process would have considerably delayed the availability of text books to Post Fiji Ltd and subsequently to students for the 2014 school year.

4.37 Anomalies in Stock Tally Cards

The Government Printer shall nominate officers to undertake an annual board of survey of fixed assets and expendable items to determine whether government plant, equipment and inventories under his or her control are in working condition or serviceable, unserviceable or obsolete or surplus to the requirement of that agency.⁴¹

When inventory items are purchased, the inventory clerk shall record them in the inventory register or non-expendable register. Inventories kept for sale must be recorded on tally cards. The inventory clerk or Store man or any officer responsible for stores or stock shall ensure that tally cards and non-expendable items or Assets register are kept up to date at all times.⁴²

The stock take officers shall count the stock and verify it to the inventory register or tally card. Details of the stock take must be recorded on inventory stock take sheets, which must be signed by the stock take officers after completing the stock count.⁴³

The following anomalies were noted on the stock tally records:

- (i) The Department did not update the tally cards for those items purchased during the year. Refer to Table 4.41 for details.

Table 4.41 Details of Purchased Items not entered in the Tally Card

Date	Cheque #	Description	Remarks
05/03/13	04239	Envelopes (6*4)	60 boxes were purchased but only 54 boxes were recorded in the tally card. 6 boxes were not recorded costing \$180.00
15/11/13	04404	Envelopes (9*4)	50 boxes not recorded in tally card costing \$1,932.00.

- (ii) Moreover, a random check of selected items revealed that those items in stock did not tally with the tally card records. Refer to Table 4.42 for details.

Table 4.42 Discrepancies in Tally Cards

Description	Physical Count	Tally Card Balance	Variance
A5 Diaries	0	148	148
Paper Stores – General			
Bank Paper 50GSM SRAI			
Blue	6,365	6,288	77
Green	18,506	18,424	82
Bond Paper 70 GSM SRAI			
Sunshine Yellow BD SRA2	4,815	4,690	125
Wood Free 120GSM SRA2	33,750	33,000	750
Legal Papers			
Green Board 230GSM SRAI	633	617	16

⁴¹ GPSD - Finance Manual 2011, Section 11.4.1

⁴² GPSD Finance Manual 2011 - Section 8.1.2 & 8.1.4

⁴³ GPSD Finance Manual 2011 – Section 8.3.2

Description	Physical Count	Tally Card Balance	Variance
Green Board 230GSM SRAI	1,756	1,759	3
Red Board 280MIC SRA2	363	360	3
Art Paper			
Pancote Sticker 1000x700	1,579	1,522	57
Gloss 130GSM SRAI	2,840	2,830	10
Gloss 150GSM SRAI	3,045	3,040	5
Gloss 200GSM SRAI	403	400	3
1 Side C/Coated BD 300GSM	2,348	2,332	16
NCR Paper			
Blue CFB NCR Paper	5,960	5,689	271
Pink CF	11,642	11,536	106
White CB	12,282	12,280	2
Green CF	35,830	35,750	80
Parchment Paper 140GSM SRA1			
Blue	19,372	19,375	3
Marble Paper			
Dark Brown	45	47	2
Light Green	400	403	3
Bookshop			
Commercial Studies Workbook	59	24	35
Form 7 Mathematics Solution Manual	8	10	2
Island of the Blue Dolphins	113	104	9
Maths 7 – EA101310	79	238	159

- (iii) A stock take report for the year ended 31/12/13 revealed that the stores records for Stationery and Factory Stores revealed huge deficit and surplus of inventory balances to records maintained by the Department during an actual physical count. Refer to Table below for details of these:

Table 4.43: Discrepancies in Inventory Balances

Name of Stores	Deficits (\$)	Surplus (\$)
Stationery	89,565	2,340
Factory Stores	22	816
Total	89,587	3,156

Inventory surplus/deficits are indications of tally cards not being updated and laxity in inventory control system hence there are risks of losses and theft.

The above indicate the lack of proper supervision and control procedures for handling inventories records have not been strengthened.

Recommendations

- The department should ensure that the management of inventory is strengthened and surprise inventory count could be considered to ensure that deficit and surplus being reduced to acceptable level.

- **Any disparity in the tally cards to the physical stock balances are investigated and surcharge action taken against the store man for laxity in record keeping.**

Department Comments

We did conduct the 2013 BOS contrary to your comments. However, since we have started reporting to the Ministry of Public Enterprise from the beginning of 2014, there had been a delay in the approval of the BOS team, thus the BOS has not been endorsed during the time of audit.

We have taken your second recommendation on board. Consequently, we have carried out another stock take on 30/06/14. Through this stock take we have updated all the stock cards and going forward, we will conduct surprise inventory count to ensure that stock cards are being updated on time. Finally, staffs responsible for handling stock will be advised to be more vigilant and to update stock cards as soon as there is a movement in stock.

4.38 Fixed Assets Register Anomalies

All assets acquired with a cost in excess of \$2000, shall be recorded in a fixed assets register⁴⁴.

The designated asset clerk must ensure that the fixed assets register is kept updated.⁴⁵ Relevant Discrepancy and Unserviceable Schedules shall be prepared and submitted to the Permanent Secretary of Finance (PSF) for approval⁴⁶.

The audit noted the following anomalies:

- (i) The Department did not update its fixed asset register during the year 2013. Refer to Table 4.44 for the details of the items purchased not recorded in the fixed asset register.

Table 4.44 Details of Items purchased during the year but recorded in FAR

Date	Cheque #	Vendor	Details	Amount (\$)
14/06/13	04301	Office Products	Bio security access control	6,000.00
04/09/13	04352	Office Products	Multimedia projector	4,195.00
12/04/13	04264	Logical System	3 Mac Computers	30,256.66
Total				40,451.66

- (ii) The Department failed to prepare the unserviceable schedule to be submitted to Permanent Secretary for Finance for write-off approval. The following items were disposed as scrap by the Department but still recorded in the fixed asset register as at 31/12/13. Refer to Table 4.45 for details:

Table 4.45 Unserviceable Items Still Recorded in FAR

Item Description	Original Cost (\$)	Unserviceable Item as per Board of Survey (BOS)
Wohlenberg – Guillotine Serial #: 3010-008	140,000	BOS dated 5/12/11 noted that the item is uneconomical to repair.
Wizard GW 12000 Numbering Machine	10,000	BOS dated 25/7/12 noted that the item is uneconomical to repair.

⁴⁴GPSD Finance Manual 2011 – Section 11.1.

⁴⁵ GPSD Finance Manual 2011 - Section 11.2.2

⁴⁶GPSD Finance Manual 2011 – Section 8.3.1

Item Description	Original Cost (\$)	Unserviceable Item as per Board of Survey (BOS)
Total	150,000	

There are some obsolete items still maintained by the Department and recorded in its fixed asset register. Refer to Table 4.46 for details.

Table 4.46 Obsolete Items Still Recorded in FAR

Item Description	Original Cost (\$)	Obsolete Item as per Audit Inspection
Bourg BST10 Collating Tower	42,000	Machine was purchased on 20/09/06 with an estimated useful life of 5 years. As per audit inspection on 02/03/14, the machine was no longer working but kept in the Department store. The machine is no longer in use as the electronic program is corrupted by faulty electronic boards and it will be a costly exercise to maintain the machine as per BOS Machine Report 2013.
Kord Printer	75,000	Machine was purchased on 18/07/60 with an estimated useful life of 5 years. As per audit inspection on 02/03/14, the machine was no longer working but kept in the Department production area.
Roland Favourit Printer	63,000	Machine was purchased on 05/09/69 with an estimated useful life of 5 years. As per audit inspection on 02/03/14, the machine was no longer working but kept in the Department production area. Machine is obsolete and uneconomical to repair as per BOS Report 2011.
KSBAZ Heidelberg Machine	50,000	Machine was purchased on 05/09/60 with an estimated useful life of 10 years. As per audit machine on 02/03/14, the machine was no longer working but kept in the Department production area. Machine is beyond repair due to the unavailability of parts as per BOS Machine Report 2013.
Total	230,000	

The above findings indicate that the Department has continued to maintain unserviceable items and machines which are uneconomical to repair thus occupying spaces unnecessarily

Recommendations

The Department must ensure to maintain and update the fixed assets register after every purchase of new assets and disposal of obsolete assets.

The Department should dispose all equipment that has been authorized for write off.

Department Comments

Your comments are noted. We had carried out the first step of identifying which machines needs to be written off but haven't proceeded to request for approval as all the GPSD assets are due for sale in 2014 and those machines that are no longer working would be disposed in the process.

INFORMATION TECHNOLOGY AND COMPUTING SERVICES

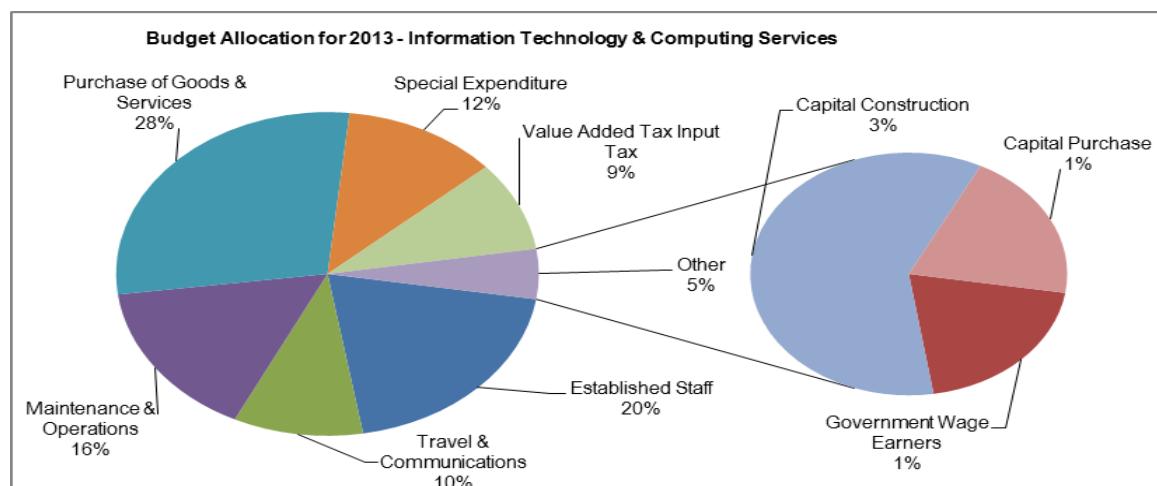
4.39 Budget Allocation For 2013

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.⁴⁷

The Department's budget was revised to \$13.8 million during the year. The distribution of the Department's budget into the various Standard Expenditure Groups (SEGs) is shown in Figure 4.8:

Figure 4.8: Budgetary Allocation by Standard Expenditure Group



The Department's budget allocation was divided into operating expenditure totalling to \$11.9 million or 86%, capital expenditure totalling to \$453,503 or 3% and VAT expenditure totalling to \$1.4 million or 11%. Refer Table 4.47 for details of budgeted expenditure to the actual expenditure incurred in 2013:

Table 4.47: Budgeted Expenditure vs Actual Expenditure

SEG	Item	Revised Estimate (\$)	Actual Expenditure (\$)	Savings (\$)	%age
1	Established Staff	2,743,458	1,852,136	891,322	32
2	Government Wage Earners	35,052	34,146	906	3
3	Travel & Communications	1,376,000	1,353,529	22,471	2
4	Maintenance & Operations	2,180,300	1,634,118	546,182	25
5	Purchase of Goods & Services	3,974,907	3,916,735	58,172	1
7	Special Expenditure	1,640,000	0	1,640,000	100
8	Capital Construction	350,000	258,616	91,384	26
9	Capital Purchase	103,503	100,181	3,322	3
13	Value Added Tax Input Tax	1,443,748	1,099,709	344,039	24
	Total Expenditure	13,846,968	10,249,170	3,597,798	26

A savings of \$3.6 million or 26% of the total budgeted expenditure was noted at the end of 2013.

4.40 Limitation of Scope

In the performance of his functions and duties under the Audit Act, the Auditor-General or any person duly authorized by the Auditor - General shall be entitled:

- a) to have access to all records, books, accounts, vouchers, documents, cash, stamps, securities, stores or other Government property under the control of any officer;
- b) to send for and have the custody of any records, books, accounts, vouchers or documents under the control of any officer, and to keep such records, books, accounts, vouchers or documents for such time as he or she may require them.⁴⁸

In the performance of his or her duties, the Auditor General or a person authorized by him or her has access to all records, books, vouchers, stores or other Government property in the possession, custody or control of any person or authority.⁴⁹

The Steering Committee shall ensure that ITC as a separate entity is audited at least once a year.⁵⁰

At the commencement, the following documents were requested from ITC for audit purposes however it was not being made available for our review. Refer below for details:

- IT policy for the Government of Fiji to be completed by Yalamanchili International PTE Ltd in accordance with section 6.2.1 of the Head Agreement;
- The Revenue sharing agreement between the Government of Fiji & Yalamanchili International PTE Ltd in accordance with 3.3 of the Head Agreement;
- Approved ICT procurement policy in accordance with section 14(3) of the ITC Decree;
- Internal audit report/compliance team report for the year 2013.

During the meeting on 11/02/14 with ITC Manager Messrs Nisar Ali and the Accounts Officer Atin Chan it was revealed that these documents are available with the Steering Committee. The audit made request to the Secretary of the Steering Committee which was not successful.⁵¹

The Department did not comply with the provision of the Audit Act and section 152(4) of the Constitution of the Republic of Fiji.

Hence, audit was unable to verify whether sound procurement process was followed by the Committee and whether Yalamanchili International PTE Ltd has complied with the head agreement.

Recommendation

The Department must ensure that the all requested documents are produced for audit purposes.

Management Comments

1. *It must be noted that the Reform of Information Technology and Computing Services Decree 2013 ('Decree') came into effect on 10 May 2013 and the ITC Steering Committee first convened on the last week*

⁴⁸Section 7.2: Audit Act

⁴⁹Section 152(4): Constitution of the Republic of Fiji 2013

⁵⁰Reform of ITC Decree No.17 of 2013

⁵¹Email to Tupoutua'h Baravilala dated 29/01/14 and 13/02/14

of August 2013. Therefore, ITC was going through a transitional period and attending to urgent ICT matters for whole of government.

2. *The Revenue Sharing Agreement was not provided by the Secretary to the Steering Committee at the time of the audit query as it was not yet finalised. We can confirm that there is no Revenue Sharing Agreement and that the Head Agreement was terminated on 24 April 2014. However, the Software and Management Agreement were both executed on April 2014 and it contains the relevant provisions from the Head Agreement.*
3. *The issue of the ITC Procurement Policy not being provided by the Secretary to the Steering Committee at the time of the audit query will be discussed in detail in the comments for issue 7.4*
4. *In any event, the Management reiterates that the provisions of the Decree are complied with and that the provisions of the Software and Management Agreements are also complied with.*
5. *With regards to the IT Policy and the Internal Audit Report/Compliance Team Report for the year 2013 not being provided by the Secretary to the Steering Committee at the time of the audit query, our response is that we are not in a position to formulate such a policy and Report. It must be noted that ITC is undergoing an ISO 27001 Certification “Information Security Management System and Quality Management System”. These certifications will address the following:*
 - *Systematically examine the organization’s information security risks, taking account of the threats, vulnerabilities, and impacts;*
 - *Design and implement a coherent and comprehensive suite of information security controls and/or other forms of risk treatment (such as risk avoidance or risk transfer) to address those risks that are deemed unacceptable; and*
 - *Adopt an overarching management process to ensure that the information security controls continue to meet the organization’s information security needs on an on-going basis.*

Further OAG Comments

The comments provided are noted however, audit was not able to fully cover the planned scope of the audit work for the 2013 engagement due to the non-availability of required information.

4.41 Absence of Information Technology (IT) Strategy

IT strategy is a comprehensive plan that information technology management professionals use to guide their organizations.

Once the steering committee agrees on a future direction for IT, the decisions should be formalised and documented in a plan. The future direction agreed by the IT steering committee is normally set out in a document known as the IT strategy.

The IT strategy is in effect the starting point for an IT investment as it identifies future changes which have to be budgeted for.

The decisions and planned changes specified within the IT strategy would then be fed into the Ministry’s and Department’s annual plan.

The Public Private Partnership agreement was signed between the Government of Fiji and Yalamanchili International PTE Ltd on 28/09/12.

Under the agreement, Yalamanchili was to provide the strategy and develop an overall blueprint of the Governments Technology Road map; identify, conceptualize, design, build and implement all the necessary software applications, enhance and implement the current applications and ensure seamless integration of all applications, current and new, so as to deliver services to government departments, its employees, citizens and end users as part of the Fijian Government e-governance programs.⁵²

The audit made request to the Secretary to the steering committee to confirm whether the IT strategy have been put in place but a response to our request were not forthcoming.⁵³

In the absence of an IT strategy would indicate that the head agreement for the public private partnership have not been adhered to and there is no blue print for the Government technology roadmap.

Recommendation

The Department must ensure that the Head agreement provisions are complied with.

Management Comments

1. *Preparatory work on the ISO certification has commenced. Our plan is to work for ISO audit and certification towards the end of the year. On completion of the ISO Certification, this will set the international standards for the Government to build and develop IT policies.*
2. *It must also be noted that the Government Technology Roadmap and Blueprint 2012 which was presented to and approved by the Prime Minister, also carried out a preliminary “As Is” audit of ITC and reported its findings in the report together with its recommendations. Please note that ITC has been implementing the recommendations of the report.*

4.42 Contracts awarded without Approved Procurement Policy

The Steering Committee shall formulate a procurement policy for the procurement of all ICT goods, services and works by ITC. All ICT goods and services procured by the Steering Committee shall be in accordance with the procurement policy.⁵⁴

The following anomalies were noted:

- (i) An annual procurement policy is yet to be put in place;
- (ii) There have been various purchases approved by the Steering committee without any reference to a procurement plan or aligned to the procurement policy. Refer to **Appendix 4.1** for details.

Discussions revealed that there was a draft procurement policy which is yet to be approved by the steering committee.⁵⁵ In addition audit made an effort for copies of the procurement policy for review but it was not made available.

In the absence of a procurement policy, the Department may not be able to put in place strategies in terms of planning on the steps to carry out any purchases for ICT equipment and also those measures to ensure that there is value for monies on those purchases.

⁵² Head Agreement for Public Private Partnership Agreement in Fijian Government – Section 7.1.1

⁵³ Email to Tupoutua'h Baravilala dated 29/01/14 and 13/02/14

⁵⁴ Reform of ITC Decree No.17 of 2013 – Section 14.1 & 14.3

⁵⁵ Email from Ponijese Bainimoli dated 29/01/14

Recommendation

The Annual Procurement Policy to be in put in place by the Steering Committee as required under the Reform of ITC Decree relating to ICT equipment.

Management Comments

1. *The Procurement Policy was not provided at the time of the audit query, as it was still being finalized. Notwithstanding this, ITC and the Steering Committee has continued to follow the standard government procurement process during this transition period. This is in-line with the process requirement of the Procurement Regulation 2010 ('Regulation'). Procurement process in-terms of Tender, Quotation and waiver of tender on sole supplier basis and urgent procurements. Also, all budgeted spending under the RIE goes through the normal process.*
2. *Since the promulgation of the Decree and establishing of the Steering Committee, the evaluation process has been significantly improved and enhanced, particularly, that all procurement undertaken (RFT & RFQ) had proper referencing such as invitation letters for submission of proposal, closing date and time, evaluation, recommendation and submission for management and ultimately, ITC Steering Committee approval. Furthermore, negotiations conducted by ITC – part of the Regulation requirements – resulted in government saving more than \$1 million last year.*
3. *As highlighted in your memorandum, the draft policy has yet to be finalized and endorsed by the Steering Committee; therefore it could not be disclosed at the time of the audit query. As highlighted in the 2013 minutes (which was disclosed to your office as an attachment to the 24 January 2014 letter), the draft Procurement Policy had gone through several rounds of vetting by the Office of the Solicitor General and it is anticipated to be finalized soon.*
4. *It is our position that the current interim process and practice undertaken by ITC, complies with the Decree and relevant legislations.*

Further OAG Comments

The audit is still not able to verify tenders processed in 2013 against the approved ITC procurement policy.

APPENDICES

Appendix 4.1: Approved Contracts Without Approved ICT Procurement Policy

Contract Name	Service Provider	Contracted Amount (\$)	Contract Term
Facilities Contract			
Maintenance & Support of the Data Center Electrical System	Danz Electrical Fiji Ltd	\$23,184.00	3 Years
Maintenance & Support of the Data Center Fire Systems	Fire Fighting Enterprise Ltd	\$30,406.50	3 Years
Maintenance & Support of the Fire Alarm Systems for the Data Center	Automatic Fire System Fiji Ltd	\$4,212.00	3 Years
Indoor Cleaning Services Contract for the Data Center	Eagle Cleaning Service (SP) Ltd	\$41,124.60	3 Years
Contract for External Cleaning Maintenance for Data Centre	Jaibul General Maintenance	\$4,020.00	3 Years
Contract for Government Data Centre Ventilation and Air Conditioning Unit Maintenance	Kooline Refrigeration Ltd	\$6,954.00	3 Years
Contract for Government Data Centre Water Blasting Services	Eagle Cleaning Service (SP) Ltd	\$4,300	3 years
Communication Contract			
GOVNET Private Network Service - MPLS Contract	Telecom Fiji Limited	\$56,685.35	1 Year
IP Transit Service (Internet Services)	FINTEL	\$12,650.00	3 Years
Private Network Services MPLS – Suva, Nausori, Savusavu, Rotuma.	DIGICEL	\$8,550.00	3 Years
VSAT Satellite C-Band Up and Downlink for e-Communities GOVNET Connection	Australia Satellite Communication Pty Ltd	US \$5,060.00	3 Years
ICT Core Infrastructure			
Primary Cisco Networking Equipment Maintenance & Support services	VT Solution	\$150,293.01	1 year
VeriSign SSL Secure Site Pro	Symantec Australia	AUD \$13,580.00	3 Years
Websense for Web-Content Filtering & Management Solution -	SignLab	\$108,767.00	1 year
CA Arc Serve Licensing for Backup Solutions	Data#3	\$90,440.17	3 years
Software Licensing			
Microsoft Enterprise Agreement	Data#3	\$10,645,415.35	3 years
Oracle Licensing	Oracle Australia	AU\$58,534.77	Annual
Oracle Short Fall & Licensing Conversion	Oracle Australia	\$393,075.95	Annual
Payroll Application Net Express and Server for COBOL Support	MicroFocus Pty Ltd Australia	AU\$5,193.30	Annual
Payroll Maintenance & Support Upgrade	Solutions For Business	\$30,000.00	Annual
Smart Draw 2013	SmartDraw	US \$999.00	Annual
Iron Speed designer	Iron Speed Pty Limited	US \$2,400.00	Annual

Section 5

Ministry of *i*-Taukei Affairs

Role and Responsibilities

The Ministry of *i*-Taukei Affairs is responsible for developing, implementing and monitoring policy advice and programmes focused on the 'good governance and well being of the *i*-Taukei people' as stipulated in the *i*-Taukei Affairs Act (Cap 120). MTA provides the link between the government and various units of the *i*-Taukei Administration that cascades to the fourteen (14) provinces throughout Fiji.

The Ministry is the custodian of official records of *i*-Taukei intellectual properties and various registers significant to the *i*-Taukei community and culture, and acts as the judiciary for all *i*-Taukei disputes on land, customary fishing grounds and traditional headship titles. The Ministry facilitates and promotes programmes aimed at safeguarding *i*-Taukei traditional knowledge and expression of cultures. An additional role of the Ministry is to administer scholarship awards for *i*-Taukei and Rotuman students, with the objective to facilitate academic development that will hasten an "enlightened vanua for a progressive Fiji".

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PART A: FINANCIAL STATEMENT

5.1 Audit Opinion

The audit of the 2013 accounts of the Ministry of *i*-Taukei Affairs resulted in the issue of a qualified audit report as supporting documents for an adjustment of \$507,905 made to the cash at bank was not provided during audit. As a result the audit was unable to verify the completeness and accuracy of the revenue recorded in the *Statement of Receipts and Expenditure*.

Without further qualifying the accounts, attention was also drawn to the following matters:

- (i) The revenue recovered from bond monies totalling \$509,934 was not reflected in the Statement of Receipts and Expenditure.
- (ii) The Statement of Losses failed to disclose other losses as the Ministry failed to prepare the board of survey report contrary to section 49 (2) of the Finance Instructions 2010.
- (iii) Details were not provided for the dormant Trust Fund Cash at Bank balance of \$1,959,998 recorded in the general ledger system. The Ministry did not disclose any trust receipts and payments in the financial statement. As such, the audit was unable to determine the impact on the financial statement if any, adjustment which may be necessary if Trust Receipts and Payments were included in the financial statements.
- (iv) The Ministry did not reconcile the expenditure in the Financial Management Information System (FMIS) general ledger as no expenditure ledger was maintained. The Ministry prepared its financial statements from the FMIS general ledger. As a result the audit was not able to ascertain the accuracy of the amounts stated in the Statements of Receipts and Expenditure.

5.2 Statement of Receipts and Expenditure

The Ministry of *i*-Taukei Affairs collected total revenue of \$12,691 and incurred total expenditure of \$15,270,002 in 2013.

Table 5.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
State Revenue	3,705	5,222
Agency Revenue	8,986	---
TOTAL REVENUE	12,691	5,222
EXPENDITURES		
Operating Expenditure		
Established Staff	2,040,303	1,901,642
Government Wage Earners	117,420	67,647
Travel & Communications	52,053	52,676
Maintenance & Operations	233,122	198,362
Purchase of Goods & Services	45,213	36,972
Operating Grants & Transfers	11,938,243	13,393,169
Special Expenditures	433,514	471,299
Total Operating Expenditure	14,859,868	16,121,767
Capital Expenditure		
Capital Grants & Transfers	317,250	438,406
Total Capital Expenditure	317,250	438,406
Value Added Tax	92,884	82,141
TOTAL EXPENDITURE	15,270,002	16,642,314

Total expenditure declined by \$1,372,312 or 8% in 2013 compared to 2012 due to re-deployment of scholarship fund to Public Service Commission Scholarship fund, unutilized funding for Child Protection, decrease in budget allocation provided to *i*-Taukei Land Trust Board for Native Reserve Commission and the one off capital commitment in 2012 for the construction of fish pond and dairy farm in Nadave (Centre of Appropriate Technology and Development) for which cost were fully disbursed in 2012.

5.3 Appropriation Statement

The Ministry of *i*-Taukei Affairs incurred expenditure totalling \$15,270,002 against the revised budget of \$18,188,131 resulting in a savings of \$2,918,129 or 16%. Details of expenditure against the budget estimates are provided in Table 5.2.

Table 5.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	2,240,795	---	2,240,795	2,040,303	200,492
2	Government Wage Earners	111,996	---	111,996	117,420	(5,424)
3	Travel & Communications	70,542	---	70,542	52,053	18,489
4	Maintenance & Operations	269,500	---	269,500	233,122	36,378
5	Purchase of Goods & Services	50,587	---	50,587	45,213	5,374
6	Operating Grants & Transfers	14,750,700	(322,225)	14,428,475	11,938,243	2,490,232
7	Special Expenditure	534,850	---	534,850	433,514	101,336
	Total Operating Costs	18,028,970	(322,225)	17,706,745	14,859,868	2,846,877
	Capital Expenditure					
10	Capital Grants & Transfers	348,586	---	348,586	317,250	31,336
	Total Capital Expenditure	348,586	---	348,586	317,250	31,336
13	Value Added Tax	132,800	---	132,800	92,884	39,916
	TOTAL EXPENDITURE	18,510,356	(322,225)	18,188,131	15,270,002	2,918,129

In 2013, Cabinet approved the redeployment of \$322,225 from Ministry of *i*-Taukei Affairs to Public Service Commission.

PART B: AUDIT FINDINGS

5.4 Expenditure Ledger Not Maintained

All payments, including value added tax (VAT), must be immediately recorded in the Financial Management Information System (FMIS) and an Expenditure Ledger.¹

A ledger shall be maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts, and expenditure and commitment accounts.² Any transaction raised affecting these accounts shall be entered in the appropriate ledger.³

The audit noted that the Ministry does not maintain an expenditure ledger.

As a result, the Ministry could not reconcile its expenditure with that of the FMIS general ledger⁴ maintained by the Ministry of Finance. The audit was also not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

Recommendation

The Ministry should maintain an expenditure ledger and reconcile its expenditure with the FMIS general ledger on a monthly basis.

¹ Finance Instruction 2010 – Section 15

² Ministry of *i*-Taukei Affairs Finance Manual 2011 - Section 13.3.1

³ Ministry of *i*-Taukei Affairs Finance Manual 2011 - Section 13.3.2

⁴ Financial Management Information System controlled by Ministry of Finance

Management Comment

Recommendation is duly noted. The unit has now established a Monitoring team to update and reconcile the Expenditure ledger and the General Ledger.

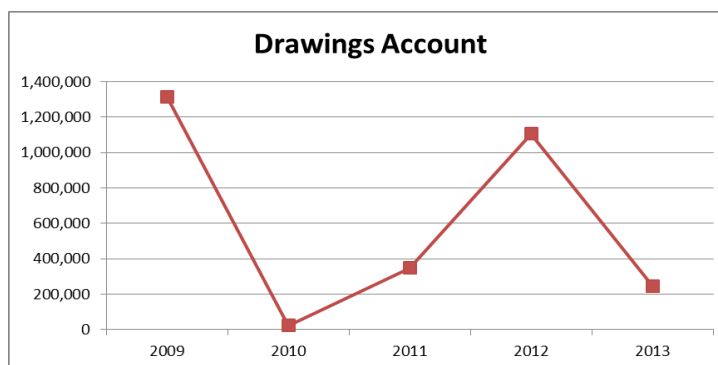
5.5 Uncleared and Significant Un-presented Cheques

Ministries/ Departments are required to plan their expenditures well in order to avoid the accumulation of un-presented cheques at year end.⁵ The Accounts Officer shall prepare bank reconciliation within five days after the general ledger report is received from Ministry of Finance.⁶ If a replacement cheque is not required, the Accounts Officer shall clear the stale cheques to Expenditure Account and Revolving Fund Account (RFA) – Recoveries of Overpayment in Previous Years.⁷

As at 31/12/13, the Ministry's un-presented cheques amounted to \$246,830 compared to \$1.1million as at 31/12/12, a decrease of \$858,477. Refer Table 5.3 below for details.

Table 5.3: Unpresented Cheques over the 5 Year Period

Year	Amount (\$)	Increase / (Decrease)	%
2009	1,315,129	(405,772)	(24)
2010	23,875	(1,291,254)	(98)
2011	347,233	323,358	1,354
2012	1,105,307	758,074	218
2013	246,830	(858,477)	(78)



The audit noted a variance of \$188,604 between the general ledger report and the Ministry's records. Refer to Table 5.4 below for details.

Table 5.4: Details of variances between General Ledger and the Ministry's records

Allocation	General Ledger (\$)	Ministry's Records	Variance (\$)
1-05101-05101-530301	246,830	58,226	188,604
Total	246,830	58,226	188,604

The audit further established that the Ministry did not prepare its reconciliations in a timely manner and as a result the variances were not always properly rectified. Hence uncleared amount accumulates and were carried forward to the next period. Refer Table 5.5 for details.

⁵ Finance Circular 13/2012 dated 19/10/12, paragraph 5.1.3

⁶ Ministry of i-Taukei Affairs, Finance Manual 2011 – Section 6.3.7

⁷ Ministry of i-Taukei Affairs, Finance Manual 2011 – Section 6.4.3

Table 5.5: Uncleared Amounts Carried Forward From Past Years

Year	Description	Amount (\$)
2011	November cheques 2011 – voided in 2012	132,269
2012	Excess Debit (Bank Statement – 01/10/12)	(130)
2012	Excess Debit (Bank Statement – 13/12/12)	(59)
2012	Excess Debit (Bank Statement – 24/12/12)	(2,064)
2012	Excess Credit (Bank Statement – 04/07/12)	685
2012	Bank Adjustment – Joape Saurewa (Bnk Stat. 15/10/12)	145
2012	Bank Adjustment – Joape Saurewa (Bnk Stat. 23/11/12)	145
	Total	130,991

The audit further noted that stale cheques amounting to \$78,655 are appearing as a balancing item in the record maintain by the Ministry⁸ which were not cleared at year end and is contributing to the significant variance noted above. Refer to Table 5.6 below for details.

Table 5.6: Details of stale cheques

Date	Payee	Cheque	Amount (\$)
06/08/2012	Fiji National University	025234	1,050
16/08/2012	Vodafone Fiji	025275	1,092
16/08/2012	Water Sewerage	025276	390
31/08/2012	Sangam Institute	025384	70,000
29/10/2012	Cathay Hotel	025769	14
02/11/2012	Ps Indegenous Affairs	025816	2,537
13/12/2012	Josaia W	026153	59
14/12/2012	Telecom	026159	2,064
20/12/2012	USP Labasa Campus	026173	117
31/12/2012	Brijlal	026268	180
31/01/2013	Luke V	026399	300
05/04/2013	Orisi Vunivi	026862	23
11/06/2013	ANZ	027272	529
18/06/2013	Kalisito Vuki	68	108
21/06/2013	Kalisito Vuki	92	192
Total			78,655

The above shows the laxities of the Accounting Head to ensure the timely preparation of reconciliation to allow clearance of identified variance in a timely manner.

Recommendations

- **The Senior Accounts Officer should ensure that drawing account reconciliation is prepared in a timely manner.**
- **The Senior Accounts Officer should clear the variances identified to avoid significant variances reported in the drawing account reconciliation.**

Management Comment

The recommendations are duly noted. The Ministry has always ensure that outputs are met as highlighted in Table 5 of the Ministry of i-Taukei Affairs Annual Corporate Plan on the Ministry of Finance Deliverables and the preparation of the Drawings Accounts Reconciliation. This is one strategy that we comply with.

⁸ 2013 December Drawing Account Reconciliation

- *The variance highlighted comprises of the number of cheques/payments that did not hit the General Ledger even though the Accounts Payable (AP) processes were completed.*
- *Part of these includes payments from the Bond Repayments that were directly deposited into Drawings Account with Bank of South Pacific.*
- *Most of the Cheques were reflected in AP 470, but somehow missed out when scheduling into GL350. These cheques will be rectified and Bond repayment cheques to be journalized in the correct Bond Repayment Account.*
- *The attempt to clear this variance is an ongoing issue in this Ministry. Therefore once all these cheques are tabulated and submitted for cancellation or to be scheduled further, they automatically omitted from the Drawings report.*
- *One of the challengers we are also facing is the Financial Management Information System errors in terms of the General Ledger report that we receive monthly. There seems to be a lot variances, and variations which are notable every now and then. In that case we fall back to our manual records for confirmation.*

5.6 Non-reconciliation of Cash Collection recorded in the General Ledger

Within four days of receiving the monthly general ledger reports from the Ministry of Finance, the accounts supervisor shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement. A ledger reconciliation statement shall be signed and dated by the accounts supervisor.⁹

With the implementation of Financial Management Information System (FMIS), the recording required by the Ministry/Department for the receipt of revenue is a debit to cash at bank and credit to the revenue allocation.¹⁰ Thus, any increase in revenue should be met by the corresponding increase in cash at bank general ledger.

The audit noted that the Ministry failed to reconcile the increase in cash at bank general ledger¹¹ to the revenue¹² collected during the year. Refer to Table 5.7 for the variances noted over the three year period:

Table 5.7: Increase in Cash versus the Revenue Collections

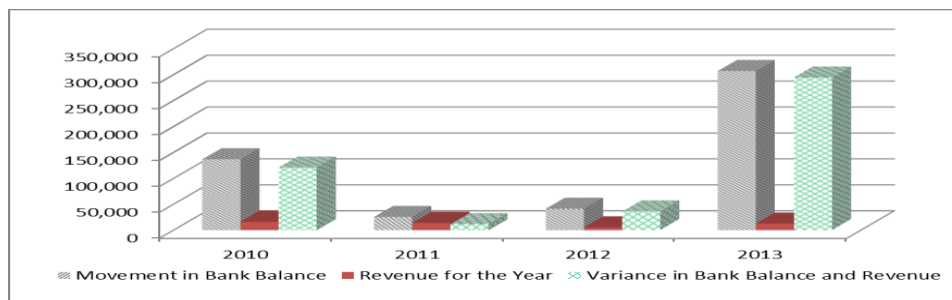
Year	Cash (\$)	Movement (\$)	Revenue (\$)	Variance (\$)	Variance (%)
2010	136,721	136,721	16,148	120,573	88
2011	162,134	25,413	14,061	11,352	45
2012	203,333	41,199	5,222	35,977	87
2013	510,223	306,890	12,691	294,199	96
Total	1,012,411	510,223	48,122	462,101	91

⁹ Ministry of i-Taukei Affairs, Finance Manual 2011 – Section 13.3.3 and 13.3.5

¹⁰ Guide to Streamlining IDC Accounts 2006, Paragraph 3.4

¹¹ Financial Management Information System General Ledger Account BSP/CNB – Indigenous Affairs Scholarship - 1-05101-05101-520415

¹² Financial Management Information System General Ledger Account - TOTAL REVENUE - 1-05000-00000-SDTR00



In addition, the audit noted that an adjustment of \$507,905 was recorded in the general ledger account¹³ inflating the cash at bank balance for the year. The Accounting Head failed to adjust the cash at bank general ledger which is accumulating over the years, for which the cash at bank does not exist.

In the absence of reconciliation and the variances noted, the cash at bank balance in the general ledger could not be substantiated. As such, the balance reflected in the general ledger at the end of the financial year could not be relied upon.

Recommendation

The Senior Accounts Officer in consultation with the Ministry of Finance should reconcile the increase in cash at bank general ledger to the revenue collected during the year and adjust the cash at bank general ledger for the actual cash held in the bank account.

Management Comment

Recommendation of Audit is noted.

It was the practice from previous years that the Ministry of Finance reconciles all Government agencies Consolidated Fund Account (CFA) now Bank Lodgement Clearance Account (BLC) at the end of every month against the records of revenue received/deposited by the Ministry. This record is forwarded to Ministry of Finance at the end of the month. As for the reconciliation against General Ledger - Ministry sometimes post current pay-ins the following month which results in variances in the ledger. These variations have been rectified and taken off.

As for the \$507,905 highlighted by Audit – Audit to consult with Financial Management Information System Unit.

5.7 Revenue Collected from Recovery of Bonds not reflected in the Agency Financial Statement

A bond is a legal undertaking between the student and the Ministry of *i*-Taukei Affairs specifying the course, time and cost to undertake the programme. It requires the students to sign an undertaking to complete the course within the prescribed period, and to be employed in Fiji at the end of studies. Failure to fulfil the obligations specified in the bond will make the student liable for penalties imposed under the bond.¹⁴

A total of \$509,934 was recovered as bond monies from overseas sponsored students who failed to return to Fiji to serve their bond. Refer Table 5.8 below for details of recoveries made for the past three years.

¹³Financial Management Information System General Ledger Account BSP/CNB – Indigenous Affairs Scholarship - 05101-05101-520415

¹⁴ Policies and Management Guidelines of the Ministry of Fijian Affairs Scholarship Scheme 2006 – Part 6.15.1

Table 5.8: Summary of Bonds Recovered by Country

Country	Total Recovered (F\$)		
Year	2011	2012	2013
Fiji	72,879	54,070	246,924
New Zealand	23,030	54,976	150,804
Australia	21,956	53,650	89,206
Great Britain	23,000	---	23,000
Totals	140,865	162,696	509,934

The audit noted that the revenue collected has not been recorded in the general ledger and subsequently in the financial statements. The Ministry agreed that the transaction would be accounted in the general ledger by processing a journal voucher in 2013 and follow up will be made to Ministry of Finance to ensure that Account Receivable is integrated in the general ledger system, however this did not eventuate.¹⁵

As such, revenue collected by the Ministry is materially understated in the Statement of Revenue and Expenditure in the agency financial statement.

Recommendations

- **The Senior Accounts Officer in consultation with the Ministry of Finance should journalize revenue collected from the recovery of bond to correctly reflect the financial performance of the Ministry.**
- **The Senior Accounts Officer and the Director Corporate Services should ensure that concerted effort is made to integrate the Account Receivable in the general ledger.**

Management Comment

This is noted. The Ministry continues to receive bond repayments through specific Bank account that was opened by Ministry of Finance and solely maintained by them. The only linkage between us is that we can access the Bank Statement and also that an account created under head 5.

In terms of reconciling these Bond Recoveries, this was an area that we lacked in 2013, however, revenue received from Drawings Account have been journalised accordingly.

The effort to implement the Accounts Receivable module here would be not necessary at this stage. With the Scholarship Unit being transferred to Attorney General's office, it would be more appropriate to transfer the reconciliation as well for monitoring purpose.

5.8 Unreconciled Trust Cash at Bank Fund Account

The Ledger Clerk is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.¹⁶ The Assistant Account Officers shall keep a trust ledger to record movement of trust money. The ledger shall record the name of the trust; date and amount of receipts and payee; date and amount paid and payer including reference number; balance to date.¹⁷

¹⁵ 2012 Management Comments on the same issue reported.

¹⁶ Ministry of i-Taukei Affairs, Finance Manual 2011 – Part 13

¹⁷ Ministry of i-Taukei Affairs, Finance Manual 2011 – Section 12.3.2

As at 31/12/13, the Ministry's trust cash at bank balance in the general ledger account (*Provincial Development - 9-05201-68999-520301*) totalled \$1.9 million. Refer Table 5.9 for details of cash at bank balance in the general ledger account for the last five years.

Table 5.9: Trust Cash at Bank Balance over the 5 Year Period

Year	Amount (\$)	Increase/ (Decrease)
2009	1,030,259	-
2010	(494,122)	(1,524,381)
2011	(903,039)	(408,917)
2012	(1,959,998)	(1,056,959)
2013	(1,959,998)	0

The audit noted that the Ministry did not maintain any financial records to reconcile the above general ledger balance.

The above shows the laxities of the Accounting Head to ensure that all general ledger account balances are reconcile to the department records.

Recommendation

The Senior Accounts Officer should reconcile the cash at bank general ledger account balance in consultation with Ministry of Finance.

Management Comment

The Ministry at this stage did not operate True Trust. However, the amount highlighted by the Auditors belonged to the Ministry of Provincial Development. This was when the two Ministries were under the same head. These amounts have been verified with the Ministry of Finance and Provincial Development accordingly.

5.9 Operating Trust Fund Account – Unresolved Carried Forward Balances

Within 10 days after the end of each month, the Assistant Accounts Officer shall prepare a trust reconciliation to reconcile trust account balances to the ledger total and the trust bank account.¹⁸ The ledger reconciliation statement shall be prepared by the Accounts Officer and forwarded to the Senior Accounts Officer and the Permanent Secretary. The Senior Accounts Officer must ensure that all balances are accurate and adequately supported and any misallocations or outstanding balances from the previous month have been dealt with.¹⁹

Where charges are for payments to organizations through salary deductions, the relevant creditor account shall be credited. When actual payment is made to the organization, the creditor account shall be debited.²⁰

As at 31/12/13, the Ministry's Operating Trust Fund Account (TFA) had a credit balance of \$27,058 compared to \$22,922 in 2012, an increase of \$4,136 or 18%. These comprise of direct payroll deductions made from employee salary and wages. Refer Table 5.10 for details of balances over the 5 year period.

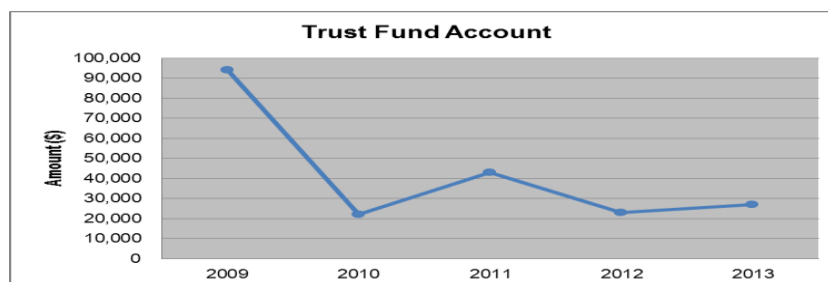
¹⁸ Ministry of i-Taukei Affairs, Finance Manual 2011 – Section 12.4.1

¹⁹ Ministry of i-Taukei Affairs, Finance Manual 2011 – Section 13.3.3 to 13.3.6

²⁰ Ministry of i-Taukei Affairs, Finance Manual 2011 – Section 4.4.3

Table 5.10: Trust Fund Account over the 5 Year Period

Year	Amount (\$)
2009	94,072
2010	22,029
2011	43,100
2012	22,922
2013	27,058



The increase resulted from an increase in bond recovery during the year; however unresolved carried forward balances were noted in Fiji National Provident Fund and Tax. Refer Table 5.11 below for details.

Table 5.11: Unresolved Carried Forward Balances

Description	Brought Forward Balance	Credit for the Month (December)	Debit for the Month (December)	Closing Balance (December)
FNPF	(10,843) Dr	15,523	(38,589)	(33,909) Dr
Tax Arrears	35,681 Cr	295	(645)	35,331 Cr
Total	24,838	15,818	(39,234)	1,422

The closing balance indicated that the Fiji National Provident Fund was overdrawn which indicate that more payments have been made from the trust fund account than authorized. In addition, there could be operating expenditures paid from the trust fund account, understating expenditure reflected in the Statement of Revenue and Expenditure.

The above anomaly was reported in the 2012 audit report however the Ministry fail to take appropriate action to rectify the overdrawn balance noted.

The audit further noted that the monthly trust account reconciliations were not prepared within the required timeframe. As a result a variance of \$24,047 was noted between the Department records and the general ledger record as at 31/12/2013. Refer Table 5.13 below for details.

Table 5.13: Details of Variances Between the General Ledger and the Ministry Record

Account	Department (\$)	General Ledger (\$)	Variance (\$)
1-05000-00000-860000	27,058	3,011	24,047
Total	27,058	3,011	24,047

Failure to prepare trust fund reconciliations accurately and timely will result in the misstatement of the payroll expenditure recorded in the general ledger and in the statement of revenue and expenditure.

It is apparent that the Ministry may not rectify the variances in a timely manner if it continues to delay the preparation of the reconciliations.

Recommendations

- **The Senior Accounts Officer should ensure that reconciliations are prepared on time and reconcile accurately to allow the rectification of the variances in a timely manner.**

- **The Senior Accounts Officer should ensure that any overdrawn trust fund account is investigated and rectified accordingly.**

Management Comment

Comments are duly noted.

The Ministry has been encountering some wrong postings from Ministry of Finance, that is, Trust Accounts that do not belong to us. An example is the Parliamentary Premium. Some of the allocations have also been identified and forwarded to Ministry of Finance to be closed.

As for Fiji National Provident Fund (FNPF), point taken. These debits have been identified to be wrong postings and have been rectified accordingly. Currently, the FNPF clerk is monitoring very closely the charges passed into trust especially FNPF which should always reflect same amount sitting as credits.

5.10 Revenue Not Included in VAT Assessment

Subject to the provision of the Value Added Tax (VAT) decree 1991, the tax shall be charged in accordance with the provisions of the decree at the rate of fifteen per cent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.²¹

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.²² Under Section 71 of VAT Decree, penalties can be imposed on incorrect lodgement of VAT.

The Ministry's VAT expenditure totalled \$92,884 against a budget of \$132,800 resulting in a savings of \$39,916 or 30% for the year 2013.

The audit noted that revenue was not accounted in the VAT returns lodged to Fiji Revenue and Customs Authority (FRCA) for VAT assessment neither it was recorded in the general ledger VAT account of 1-05000-00000-863200.

Failure to account for VAT on revenue implies that the VAT payable to Inland Revenue was understated.

Recommendations

- **The Senior Accounts Officer should ensure that Revenue is included in the VAT Return submitted to FRCA for assessment.**
- **The Senior Accounts Officer should ensure that monthly VAT reconciliations are properly checked before payments are made to FRCA.**

Management Comment

Points noted. The Revenue of this Ministry has not been included in the Vat Assessment due to the following:

The attempts to implement Account Receivable Module were unsuccessful. We had a few meetings with the Financial Management Information System Unit, who were supposed to advise us on the possibilities. The

²¹ Value Added Tax Decree 1991 4th edition revised to 30/04/04 – Section 15 (1)

²² Finance Circular, 09/95

accounting for revenue was something new to the Ministry whereby staffs were needed to be trained. As a result Revenue were not accounted for nor assessed properly in terms of Vat payment.

5.11 Unauthorized In-Service Training

An Officer who is granted study leave with salary shall be required to sign an undertaking to serve the Government for such period as specified in the rules governing bonding of recipients of in-service training.²³

Officers applying for sponsorship with other scholarship agencies shall liaise with their Permanent Secretaries first regarding their release on study leave with or without salary. The In-Service Training sponsorship will not cover any research thesis other than full course work (units) programmes. All releases on study leave with or without salary for part-time/full-time studies must be done with the prior written approval of the Public Service Commission (PSC). Successful awardees will be bonded and official release granted by PSC prior to commencement of studies.²⁴

A ministry official (EDP No. 91588) was offered a partial scholarship from Ministry of iTaukei Affairs for Master Program in Pacific Studies at the University of the South Pacific for three years effective from 09/02/2013 to 08/02/2015. The officer was granted a study leave with full pay during his studies.

The audit noted the following anomalies with regards to the release of the officer prior to his In-Service Training:

- There was no evidence of the official release with full pay from the Permanent Secretary of the Ministry of iTaukei Affairs;
- The officer's salaries were not bonded for on leave study with full pay contrary to the Public Service Regulations;
- There was no written approval from PSC regarding the release to undertake study.

Standing public service regulations were disregarded therefore the awarding of this in-service training for a Masters Research program was unauthorized.

Recommendations

- **The Director Corporate Services in consultation with the Permanent Secretary should immediately instigate an investigation and implement appropriate disciplinary actions for the laxity of the responsible officer(s) involved.**
- **The Director Corporate Service should ensure that Public Service Commission regulations are strictly complied with in regards to study leave.**

Management Comment

- *There was laxity on the former Manager Corporate Services in providing proper release of the officer prior to his In-Service Training.*
- *However, a study leave letter was issued on 16/07/2014 after the officer signed the Ministry Scholarship Bond and other study leave requirements.*

²³ General Order 2011 – 711 (d)

²⁴ Public Service Commission Circular No.30/2013 & 75/2012 – Appendix II, Section 1.5, 1.8, 1.13 & 2.6

- A guiding tool in place in the Ministry is a Training Guide which is to be strictly followed by Corporate Service Division. Conduct refresher training for all staffs to be aware on the In-Service Training Procedure.

This was developed in June, 2014 which includes Standard Operating Procedures (SOP) and study leave check list. This will be used as a monitoring tool therefore the said problem will not incur again. Director Corporate Service must also ensure compliance with Public Service Commission Regulation and to work closely with the Training Unit to monitor the release of staff prior to Study Leave.

Further OAG Comments

The Ministry later issued study leave letter to the officer on 16/07/2014 after one year of in-service study leave regularising the in-service training from 09/02/2013 to 08/02/2015. The Ministry had breach the PSC regulation by offering an in-service training on a full thesis program and hence disciplinary actions should be placed on responsible officers.

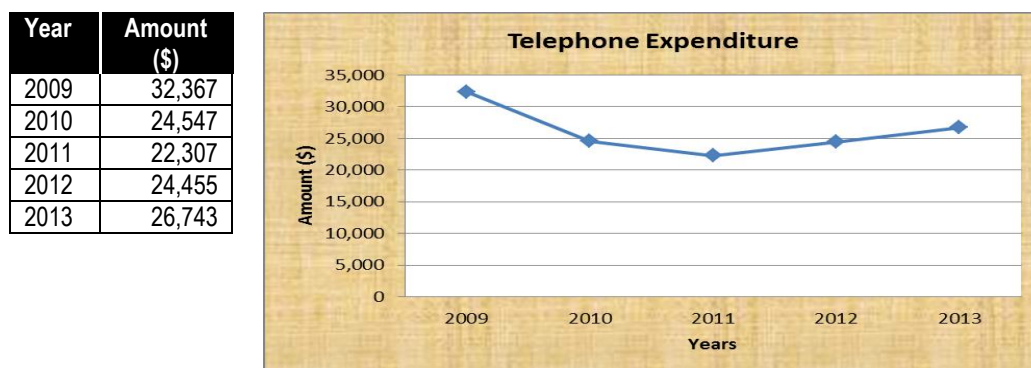
5.12 Fail Internal Control for Telecommunication

The Compact Array Broadband Backend (CABB) software provided the list of outgoing calls from an officer's unique telephone code to monitor personal or extravagant telephone charges per code. The Ministry commences using the software in 2011 to monitor and control the telephone cost which was significant in the past years.

Despite the above, the audit noted that telecommunication expense continues to increase since 2011. The audit noted that the Ministry loss the CABB software in February 2011 which was a contributing factor to the increase in trend of telephone cost since 2011.

Refer Table 5.14 below for telecommunication expenditure incurred over the 5 year period.

Table 5.14: Telephone Expenditure over the 5 Year Period



In addition, the Ministry does not have a policy on the telephone codes issued to officers for measures and responsibility to be taken when their codes are suspected to be misused.

The above anomaly was first highlighted in the 2012 Draft Audit Memorandum which was issued to the Ministry on 19/07/2013 however the Ministry failed to take immediate action by not strengthening controls for telephone.

Failure to effectively monitor telephone could result in misuse and wastage of tax payers' money.

Recommendations

- **The Manager Corporate Services should implement internal controls to monitor telephone calls made.**
- **The Manager Corporate Services should ensure that telephone policy on the usage and responsibility of unique codes is prepared.**

Management Comment

- *Director Corporate Service will be tasked to implement internal controls and to monitor phone calls;*
 - *A way forward for the Ministry;*
- (1) *Director Corporate Service is currently compiling the Telephone Policy which is to be presented to the Senior Management Board for approval.*
 - (2) *Purchase the telephone Call accounting system (CAABS software) to strictly monitor phone calls.*
 - (3) *Have disconnected mobile calls from all extension except for Permanent Secretary of i-Taukei Affairs and Deputy Secretary of i-Taukei Affairs.*
 - (4) *Energy Efficiency Audit Committee (currently monitoring the electricity usage) to also responsible for monitoring telephone calls.*
 - (5) *Liaise with ITC Services of using voice over IP to reduce cost when calling within Government Ministries and Department.*
- *TAB has ceased calling mobiles and making private calls through the switchboard.*

5.13 Absence of Planned Spending for Scholarship Funds

The principles of responsible financial management are to ensure value for money in the use of money and resources and to report transparently.²⁵ The Ministry is to administer scholarship awards for *i-Taukei* and Rotuman students, with the objective to promote and develop excellence in academic performance of *i-Taukei* students thus facilitating academic development that will hasten an “enlightened vanua for a progressive Fiji”.²⁶ A total of \$9.7 million was allocated for the provision of scholarships for the year.

The *i-Taukei* Education Committee (TEC) is responsible for administering the Scholarships scheme, in particular the awarding of Scholarships. The Committee is appointed by the Minister of *i-Taukei* Affairs and consists of the Chairman who is the Permanent Secretary for the Ministry and four other members. The Committee conducts interviews for potential candidates and selects candidates to be awarded scholarships.²⁷

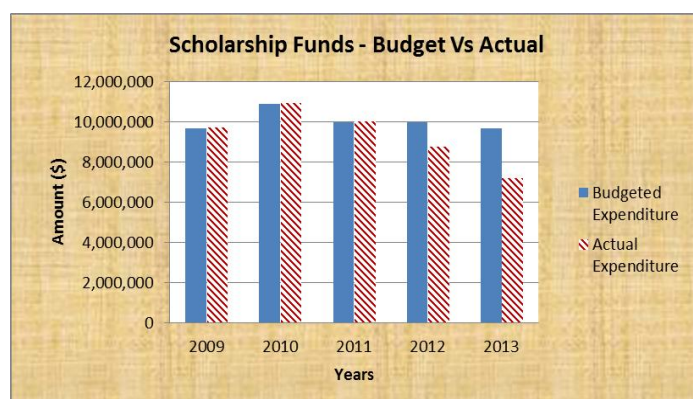
The audit noted that only \$7.2 million or 74% of the scholarships funds were utilized from the total of \$9.7 million allocated for the year. Refer Table 5.15 below for scholarship expenditure incurred over the 5 year period.

Table 5.15: Details of Scholarship Funds over the 5 Year Period

Year	Budgeted Expenditure (\$)	Actual Expenditure (\$)	Budget Savings
2009	9,691,602	9,691,339	263
2010	10,899,601	10,897,391	2,210
2011	10,000,000	9,984,236	15,764

²⁵ Financial Management Act 2004, Section 5²⁶ 2013 Budget Estimates, Ministry of *i-Taukei* Affairs, Roles and Responsibilities, Page 43²⁷ Policies & Management Guidelines of the Ministry of *i-Taukei* Affairs Scholarships Schemes – Section 2.1 & 2.2

Year	Budgeted Expenditure (\$)	Actual Expenditure (\$)	Budget Savings
2012	10,000,000	8,742,469	1,257,531
2013	9,677,775	7,188,443	2,489,332
Total	50,268,978	46,503,878	3,765,100



In addition, the \$9.7 million allocated did not have a plan for the number students that will be assisted in various categories – number of existing students, new students, and the number of various levels of diplomas and degrees that will be supported locally and overseas.

Furthermore, the Ministry did not carry out awareness of the scholarships that are available and therefore, is one of the contributing factors for the unspent budget.

In the absence of proper planning, the students to be assisted are open and subject to the discretion of *i-Taukei* Education Committee. As such the students selected for scholarships cannot be deduced to be fair and without favouritism.

Unutilized scholarship funds denies students a chance of higher education and thus has undermine its objective to facilitate academic development that will hasten an enlightened state for a progressive Fiji.

Recommendations

- **The Manager Scholarships should ensure that annual plans are prepared for the categories in which the scholarships that will be provided so that scholarship funds are fully utilized.**
- **The Manager Scholarship should ensure that more public awareness programmes are undertaken for the availability of the scholarships for *i-Taukei* and the Rotumans.**

Management Comment

- *Manager Scholarships to review Awards Management Systems for effective bond recovery and more public awareness on availability of scholarships. Annual categories of awards plan was developed and followed.*
- *Awareness was conducted in all parts of Fiji including interiors of Viti Levu and Vanua Levu, outer Islands and Rotuma. The responsibility is on the teachers and students to meet the passing marks. The Government at the beginning of this year 2014 has instructed that the administration of scholarship to be transferred to the Tertiary Scholarship and Loans Board.*

5.14 Failure to Instigate the Recovery of Bond

A bond is a legal undertaking between the student and the Ministry of *i-Taukei* Affairs specifying the course, time and cost to undertake the programme. It requires the students to sign an undertaking to complete the course within the prescribed period, and to be employed in Fiji at the end of studies. Failure to fulfil the obligations specified in the bond will make the student liable for penalties imposed under the bond.²⁸

²⁸ Policies and Management Guidelines of the Ministry of Fijian Affairs Scholarship Scheme 2006 – Part 6.15.1

The Awards Management System is the scholarship system that records various details of sponsored students.

The audit noted that a total of \$4.56 million is owed by sponsored students who have absconded their bonds. Refer Table 5.16 below for details.

Table 5.16: Summary of Bonds to Be Recovered by Country

Country	Number of Applicants		Bond Amount (F\$)		Total Recovered (F\$)		Bond Amount Owed (F\$)	
Year	2012	2013	2012	2013	2012	2013	2012	2013
Fiji	9	29	322,982	509,362	54,070	246,924	268,912	262,438
New Zealand	16	21	2,320,987	2,502,369	54,976	150,804	2,266,011	2,351,565
Australia	13	15	1,820,781	1,842,736	53,650	89,206	1,767,131	1,753,530
Great Britain	1	1	200,003	223,003	---	23,000	200,003	200,003
Totals	39	66	4,664,753	5,077,470	162,696	509,934	4,502,057	4,567,536

The followings anomalies were noted:

- The total amount owed in recovery of bonds increased by \$65,479 or 1% from 2012 to 2013;
- The bond recovered for the year 2013 was \$509,934 or 10% of the total outstanding;
- The scholarship award management system failed to provide record of students who have absconded their bond; and
- The report to instigate the recovery of bond is generated manually.

In the absence of strengthened controls, the total recovery to be made is yet to be ascertained and could result being abandoned with the lapse in time. Also, the investment made in students to enhance the nation's human resource is lost.

Recommendations

- **The Manager Scholarship and Information Technology should review the Awards Management System to extract reports on students that have absconded their bonds.**
- **The Manager Scholarship should benchmark scholarship operations with other scholarship providers such as the Public Service Commission to effectively manage its scholarships.**

Management Comment

Review Awards Management Systems for effective bond recover and Benchmark operations with other scholarship providers for effective management of scholarships.

Please note that the Bond recovery was strengthened in late 2011 and operational in 2012. This is after approval by respective agencies on the following:

- Solicitors General's office on the Bond Recovery Agreement;*
- Bank Account and deduction code by the Ministry of Finance; and*
- Watch list by the Dept. of Immigration.*

Also on the same note we have been working closely with PSC and other Institutions on the effective management of scholarship. However, these Scholarship operations came to an end from the beginning of this year, 2014 after the full administration of scholarship has been transferred to the Tertiary Scholarship and Loans Board.

5.15 Failure to Submit Progress Report on Key Result Areas

Within the end of each quarter, *i*-Taukei Affairs Board will provide a comprehensive report to the Minister of *i*-Taukei Affairs of the operation of the *i*-Taukei Affairs Board and the *i*-Taukei institutions of that quarter. Each report must detail the progress report on the programmes undertaken for each of the key results areas.²⁹ Similarly, the Centre for Appropriate Technology and Development (CATD) will provide the progress report of the grant utilized.³⁰

A grant agreement must provide for the organization or person receiving the grant to agree to keep proper files and accounting records in relation to the grant and to make these files and records available upon request by the administering agency or the Auditor-General.³¹

The Ministry paid a total of \$4.75 million of grants to *i*-Taukei Affairs Board and CATD. Refer Table 5.17 below for details.

Table 5.17: Details of CATD & i-Taukei Affairs Board Grant Disbursement

Grant Recipient	Amount (\$)	
	Actual Vote	Sub Total
CATD (Nadave)	627,500	627,500
<i>i</i> -Taukei Affairs Board	2,000,000	
Provincial Council	1,000,000	
Na Mata	50,000	
Turaga-ni-Koro Allowance	722,300	
Mata ni Tikina Allowance	350,000	
<i>i</i>-Taukei Affairs Board		4,122,300
Total		4,749,800

The audit was not provided with progress reports of the fund utilized on the programmes undertaken for each of the key results areas.

The above anomaly was first highlighted in the 2012 Draft Audit Memorandum which was issued to the Ministry on 19/07/2013 however the Ministry failed to take immediate action by not strengthening controls for disbursing grants to *i*-Taukei Affairs Board and CATD.

The above denotes that controls relating to disbursement of grants is lacking exacerbated by the lack of follow up for progress reports prior to the release of the quarterly grant. As a result, the audit could not determine whether both organisations have achieved the required key result.

Failure to implement controls indicates a passive role of the Ministry to monitor and account for the yearly budget appropriated and the required services to be delivered.

Recommendation

As an administering agency, the Director Administration and Finance should ensure that Statement of acquittals and progress reports are received and reviewed prior to the release of the quarterly grant to the respective organization.

Management Comment

Comments noted

²⁹ Grant Agreement between the Fiji Government & the *i*-Taukei Affairs Board – 6.1(a)

³⁰ Grant Agreement between Government and CATD, paragraph 6

³¹ Finance Instruction 2010 – 16 (3)

Statement of acquittals and progress report has been complied with by i-taukei Affairs Board (TAB). All quarterly Requests to Incur Expenditure (RIE) Forms are prepared and submitted by TAB to MTA account departments with acquittals and progress reports. A copy of acquittals is filed with TAB Registry. Perhaps the external auditors were not provided with the acquittals and progress reports by MTA at the time of audit.

Further OAG Comments

The Ministry did not provide progress reports of the fund utilized on the programmes undertaken for each of the key results areas upon further audit inquiries on 26/09/2014.

5.16 Significant Unutilized Grant in Provincial Council

Administering agencies must review each grant scheme each year to determine whether it is achieving its specified outcomes as efficiently and effectively as possible and, where it is not, must take action necessary to improve its efficiency and effectiveness. The administering agency must ensure that each grant has been used only for the purpose for which it was provided.³²

The audit noted significant unutilized grant of \$167,799 or 17% of the total grant disburse for Provincial Council operation. The i-Taukei Affairs Board reveal that vacant post were not filled since the beginning of the year which have contributed to the savings. Refer Table 5.18 below for details.

Table 5.18: Details of Unutilized Grant in Provincial Council

Acquittals	Grant (\$)	PC Staff Salary (\$)	PC Operating Expenses (\$)	Unutilized Grant (\$)
1 st Quarter Acquittals	250,000	143,306	51,336	55,358
2 nd Quarter Acquittals	250,000	169,414	49,767	30,819
3 rd Quarter Acquittals	250,000	142,029	57,052	50,919
4 th Quarter Acquittals	250,000	170,988	48,309	30,703
Total	1,000,000	625,737	206,464	167,799

Unutilized grant funds depicts improper management and administrations of funds by the board exacerbated by the lack of follow up by the Ministry to ensure that the councils have the full capacity to achieve all the outcomes and deliver the required services to the provinces. Furthermore, significant unutilized grant increases the risk of misuse and fraud and wastage of taxpayers' funds.

Recommendation

As an administering agency, the Ministry should ensure that the i-Taukei Affairs Board fill all vacant post in all respective Provincial Councils.

Management Comment

The i-Taukei Affairs Board (TAB) grant of \$2.0M is allocated for TAB staff and Provincial Council (PC) staff (Roko Tui, Senior Assistant Roko Tui, Assistant Roko Tui and Provincial Treasurer). This allocation is not enough to meet the personal emoluments of TAB and PCs officers. Because of this, vacant post in TAB and PCs were not advertised for recruitment.

We have advertised vacant PC posts in 2014. Positions been filled. As for the 2013 savings from these vacant posts, funds were redirected to fund the 2013 TAB budget deficit particularly on the Personnel Emoluments.

³² Finance Instruction 2010 – Part 3, Division 4 – Section 16 (6 & 9)

Section 6 Ministry of Defence, National Security & Immigration

Roles and Responsibilities

The Ministry manages the nation's security (a prerequisite to stability and peace) and delivers this through the formulation and implementation of legislation, policy initiatives, programmes and projects on matters of national security and public order, man-made national crises and emergencies, defence, aerial surveillance, search and rescue operations, national day and other celebrations.

The Ministry is also responsible for immigration matters that include citizenship, detention and deportation, passports, visa, permits, border control, combat trafficking in person, refugee status determination and migration. It also provides a coordinating role through the Defence and Security Forces Liaison Unit on policy matters for the two disciplined services in the Fiji police Force and Republic of Fiji Military Forces.

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PART A: FINANCIAL STATEMENTS

6.1 Audit Opinion

The audit of the financial statements of the Ministry of Defence, National Security & Immigration resulted in the issue of a qualified audit report for the year ended 31 December, 2013. The issues qualified are as follow:

- Variances of \$181,505 and \$149, 299 exist for the Cash Receipts and Cash Payments respectively between the Department of Immigration Trust Fund Account Cash Book and the Financial Management Information System (FMIS) general ledger balances. As a result the audit was not able to ascertain that all receipts and payments had been accurately accounted for and disclosed in the Main Trust Fund Account.
- There is an un-reconciled difference amounting to \$1,794,695 between the FMIS general ledger Cash at Bank and Bank Statement balance. As a result the audit was not able to ascertain the accuracy and completeness of the Immigration Trust Fund Cash at Bank Account as at 31 December 2013.

Management attention was also drawn to the following matter:

- The Ministry did not reconcile the expenditure in the FMIS general ledger as no expenditure ledger was maintained. The Ministry prepared its financial statements from the FMIS general ledger. As a result the audit was not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure

6.2 Statement of Receipts and Expenditure

The Ministry collected revenue amounting to \$9,718,596 and incurred expenditure totalling \$5,971,936 in 2013. Refer Table 6.1 below for details.

Table 6.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
State Revenue	9,694,175	9,308,045
Agency Revenue	24,421	2,540
TOTAL REVENUE	9,718,596	9,310,585
EXPENDITURE		
Operating		
Established Staff	2,704,768	2,685,122
Government Wage Earners	258,919	188,364
Travel and Communications	243,705	233,231
Maintenance and Operations	464,224	392,357
Purchase of Goods and Services	712,245	777,235
Operating Grants and Transfers	25,555	27,976
Special Expenditures	307,654	248,787
Total Operating Expenditure	4,717,070	4,553,072
Capital Expenditure		
Capital Construction	199,685	113,800
Capital Purchases	705,397	425,177
Total Capital Expenditure	905,082	538,977
Value Added Tax	349,784	258,024
TOTAL EXPENDITURE	5,971,936	5,350,073

Total revenue increased by \$408,011 or 4% in 2013 compared to 2012. The increase is attributed to the increase in demand for Fiji passports.

Total expenditure increased by \$621,863 or 12% in 2013 compared to 2012. This was due to the completion of the national war memorial museum and the implementation of the Integrated Border Management System.

6.3 Appropriation Statement

The Ministry incurred expenditure totalling \$5,971,936 against the revised budget of \$6,019,770 resulting in a savings of \$47,834 or 0.8%. Details of expenditure against the budget estimate are provided in Table 6.2.

Table 6.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	3,056,348	(350,769)	2,705,579	2,704,768	811
2	Government Wage Earners	200,853	60,760	261,613	258,919	2,694
3	Travel & Communications	171,300	73,626	244,926	243,705	1,221
4	Maintenance & Operations	398,837	72,759	471,596	464,224	7,373
5	Purchase of Goods & Services	753,762	(27,499)	726,263	712,245	14,018
6	Operating Grants & Transfers	29,200	(3,530)	25,670	25,555	115
7	Special Expenditures	300,000	23,189	323,189	307,654	15,534
	Total Operating Costs	4,910,300	(151,464)	4,758,836	4,717,070	41,766
	Capital Expenditure					
8	Construction	200,000	---	200,000	199,685	315
9	Purchase	554,270	151,464	705,734	705,397	337
	Total Capital Expenditure	754,270	151,464	905,734	905,082	652
13	Value Added Tax	355,200	---	355,200	349,784	5,416
	TOTAL EXPENDITURE	6,019,770	---	6,019,770	5,971,936	47,834

6.4 Trust Fund Account Statement of Receipts & Payments

The Immigration Trust Fund Account records immigration bond received from permit holders. Refer Table 6.3 for receipts and payments for the year ended 31/12/13.

Table 6.3: Trust Account Statement of Receipts & Payments for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
Immigration Bond Received	4,877,245	3,670,459
TOTAL Receipts	4,877,245	3,670,459
PAYMENTS		
Immigration Bond Payment	2,204,760	1,723,869
Description	2013	2012
TOTAL PAYMENTS	2,204,760	1,723,869
Net Surplus	2,672,485	1,946,590
Opening Balance as at 1 January	7,993,102	6,046,512
Closing Balance as at 31 December	10,665,587	7,993,102

Net surplus increased by \$725,895 or 37% in 2013 compared to 2012 as a result of increase in bond receipts during the year.

PART B: AUDIT FINDINGS

DEPARTMENT OF IMMIGRATION

6.5 Expenditure Ledger Not Maintained

A ledger shall be maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts, and expenditure and commitment accounts.¹ Any transaction processed affecting these accounts shall be entered in the appropriate ledger.²

The audit noted that the Department does not maintain an expenditure ledger. As a result, the Department could not reconcile its records with the expenditure recorded in the general ledger system³ maintained by the Ministry of Finance.

The audit was also not able to ascertain the accuracy of the expenditure amounts stated in the Statement of Receipts and Expenditure.

Recommendation

The Department should maintain an expenditure ledger and reconcile its expenditure ledger with FMIS on a monthly basis.

Management Comment

Comments are noted. The department will ensure that it maintains an expenditure ledger and that it reconcile with General Ledger (FMIS) on a monthly basis.

6.6 Main Trust 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. Un-reconciled items must be investigated and resolved promptly.⁴

The audit noted that the Department failed to prepare monthly bank reconciliations for the Immigration Trust Fund Account – Bond. As a result there was an un-reconciled variance of \$1,794,695 between the cash at bank general ledger and bank statement balance.

In addition, the audit noted variances between the following records:

- Departments cash book and the FMIS general ledger records;
- Opening balance as per draft submitted Statement of Receipts and Payments and the audited FMIS general ledger. Refer to Table 6.4 below for details.

Table 6.4: Variance in Trust Fund Account Balances

Description	Total Receipts (\$)	Total Payments (\$)
Departments Cash Book balances	4,695,740	2,055,461

¹ Immigration Department Finance Manual (2012) – Section 16.3.1

² Immigration Department Finance Manual (2012) – Section 16.3.2

³ Financial Management Information System controlled by Ministry of Finance.

⁴ Finance Instruction (2010) – Section 58 (3)

Description	Total Receipts (\$)	Total Payments (\$)
FMIS General Ledger balances	4,877,245	2,204,760
Variance	(181,505)	(149,299)

Table 6.5: Variance in Trust Fund Account Opening Balance

Description	Opening Balance (\$)
Draft Agency Statement of Receipts & Payments	9,060,923
FMIS Audited General Ledger	7,993,102
Variance	1,067,821

The above findings indicate the laxity of the Accounting Head in ensuring that the trust receipts and payments recorded in the Department's books reconcile with that recorded in the FMIS general ledger system and the bank records.

As such, audit was not able to ascertain that all receipts and payments have been accurately accounted and disclosed in the Main Trust Fund Accounts.

Recommendations

- **The Accounting Head should reconcile the trust receipts and payments recorded in the Department's books with trust money recorded in the FMIS general ledger and the bank records.**
- **The Accounting Head should investigate and rectify the variances noted.**

Management Comment

The department have just completed updating the reconciliation from 2009 to 2012, and have just started with 2013. However, your comments are noted. The department will ensure that Trust Fund Account Bank Reconciliation is reconciled with General Ledger on a monthly basis.

6.7 Payroll Overpayment and Excess Staffing Contrary to Approved Establishments

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.⁵

Permanent Secretaries and Heads of Departments are to work within the number of Established and Government Wage Earner posts approved by the Commission that is recorded in the Staff Establishment Register.⁶ To ensure that only approved Government Wage Earner (GWE) staffs are paid from SEG 2 payroll.⁷

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

⁵Finance Instructions (2010) – Section 7

⁶Public Service Commission Circular No. 78/2012 – Procedure 6.1

⁷Public Service Commission Circular No. 78/2012 – Procedure 6.5

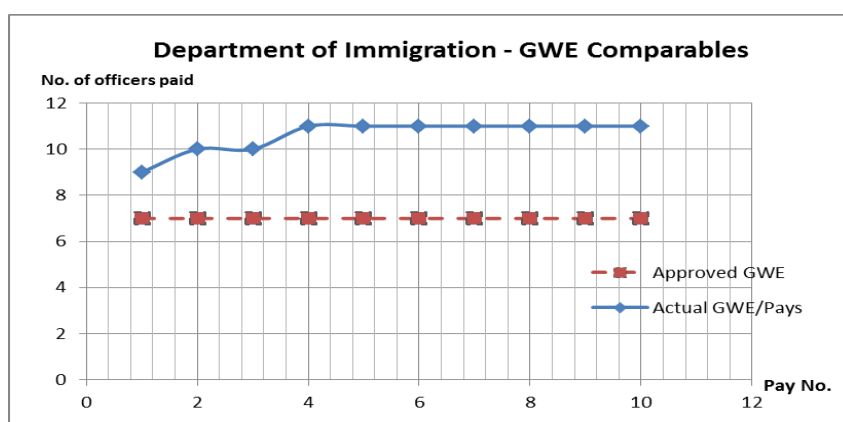
deductions.⁸Overtime shall be approved only in essential circumstances and on specific approval by the Permanent Secretary and if is provided for in their Budgetary allocation. Delegates shall ensure proper planning of work to avoid unnecessary overtime.⁹

The Minister of Finance announced that a Fringe Benefits Tax (FBT) is to come into effect on 1st January 2012¹⁰. The FBT is imposed on employers who has fringe benefits taxable amount by Section 5 of the *Fringe Benefits Tax Decree 2012*¹¹ for each quarter.

The audit noted the following anomalies for payroll;

- The Department made an overpayment totaling \$18,868¹² of FBT to FRCA in 2012. Despite the above overpayment, the Department continues to make payments to FRCA in 2013 totaling \$4,458¹³;
- The Department have a total of seven (7) GWE as per approve staff establishment. The audit noted that the Department paid more than seven (7) GWE for the year, hence the payment of additional officers above the approved establishment of seven (7) are unauthorised. Refer Figure 6.1 for detail examples of excess GWE paid for some of the pays.

Figure 6.1: Department of Immigration – Government Wage Earners



- In addition, the department made a departmental virement¹⁴ of \$15,000 from Capital Purchase to Wages for the year. The audit noted that the transfer of funds was not approved by the Permanent Secretary of Finance and the transfer of funds has concealed the over-expenditure in SEG 2. It is apparent that the Government Wage Earners (GWE) expenditure allocation would exceed the approved appropriations by 17% or \$13,125 without the unauthorised transfer of funds. Refer Table 6.6 and Figure 6.2 for detail of budget and actual expenditure for Government Wage Earners (GWE) with the unauthorised virement accounted in the revised budget concealing the over-expenditure.

⁸Finance Instructions (2010) – Section (17) (1)

⁹Public Service Commission Circular 70/2012 & Appendix 1

¹⁰The 2012 Budget Address

¹¹Decree No.7 of 2012 dated 10 January 2012.

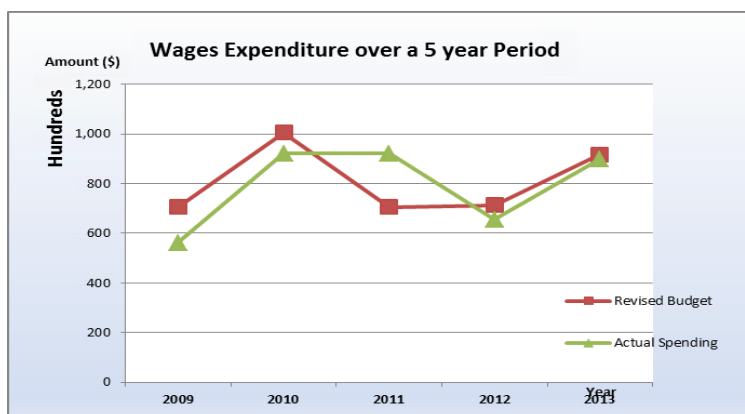
¹²Cheque No. 012059

¹³Cheque No. 13089

¹⁴Virement reference number - DV 660 – Transfers of funds from (1-06201-70999-090151, New Office Equipment) to (1-06201-70999-020101, Wages)

Table 6.6 and Figure 6.2: Details of Budget and Actual Expenditure for GWE

Year	Revised Budget (\$)	Actual Spending (\$)	Variance (\$)
2009	70,600	56,202	14,398
2010	100,482	92,038	8,444
2011	70,503	92,046	(21,543)
2012	71,207	65,506	5,701
2013	91,702	89,827	1,875



- Some officers were substantively paid higher than their normal annual salaries and wages for the year. The audit could not substantiate the significant increase in salaries and wages as approvals for overtime were not produced to audit. Refer Table 6.7 below for details.

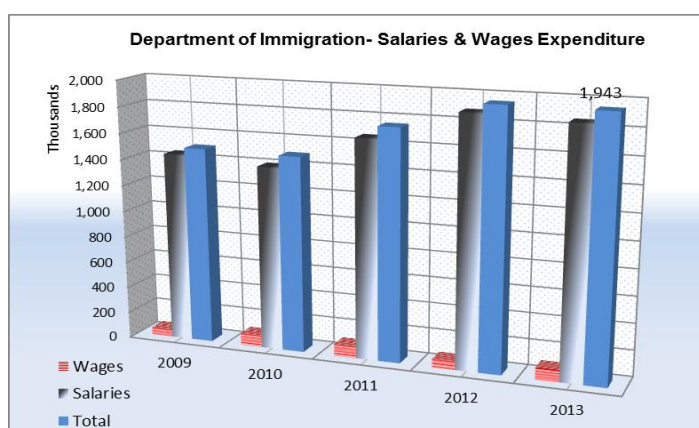
Table 6.7: Significant Overtime Paid During the Year

EDP Number	Normal Salary (\$)	Amount of Extra Hours paid (\$)	Amount of Meals paid (\$)	Total/Year (\$)	Percentage Increase (%)
MY685	9,700	10,189	3,349	23,445	142
90031	7,281	9,597	2,997	20,215	178
JA114	9,716	14,853	4,869	29,629	205
90259	10,292	7,181	1,530	21,370	108
91774	9,868	7,847	54	20,560	108
64686	10,724	6,283	1,512	20,986	96
91223	10,292	4,774	1,053	18,486	80
91222	10,292	9,372	2,412	24,443	137
92598	10,292	6,276	1,098	20,033	95
92599	10,724	5,092	189	18,472	72
Total		81,464	19,063		

- The salary and wages reconciliations prepared were not dated hence the audit could not ascertain the timeliness of the preparation of the reconciliation which could detect and rectify the above overpayment and irregularities in a timely manner.
- Moreover, there were fifteen (15) vacancies from the total of 82 approved established posts hence the department's human resource unit is hindered from delivering the required services and outputs to the public which has resulted in the substantial overtime noted above. Refer Table 6.8 and Figure 6.3 below for details of the department's salaries and wages expenditure for the past five year period.

Table 6.8 and Figure 6.3: Salaries and Wages over Five (5) year Period

Year	Salaries Amount (\$)	Wages Amount (\$)	Total (\$)
2009	1,444,703	56,202	1,500,905
2010	1,399,242	92,038	1,491,280
2011	1,658,474	92,046	1,750,519
2012	1,882,113	65,506	1,947,619
2013	1,853,428	89,827	1,943,254



The anomalies highlighted indicate the laxity of the supervising officer in ensuring that adequate supervisory checks on payroll are made.

Excessive overtime hours may indicate poor human resource management and inadequate capacity of the Department in carrying out its operations with the current resources available.

Supervisors may also lack the drive in ensuring that the work targets are met by individual officers in accordance with the Individual Work Plans, Business Plans and Department's Corporate Plans.

Unauthorised virement and payment of excess GWE contrary to the approved establishments post is a breach of Government Policy and Finance Instructions.

Overpayment in salary is unauthorised and failure to strengthen proper controls for salary payments increases the risk of fraudulent or unauthorized payments, inaccurate payroll reports and invalid pay rates.

This could be catalyst to abuse, misappropriation and could result in wastage of taxpayer's funds.

Recommendations

- The Department should ensure that salaries and wages reconciliation are prepared and checked properly in a timely manner.
- The Department should ensure that work targets are met by individual officers within the required time to minimize excessive overtime cost incurred.
- The Director Immigration should ensure that staff capacity and capability is assessed to ensure effective and efficient delivery of operation with the current resource available.
- The Department should liaise with FRCA to utilise the overpaid amount for other tax payables.
- The prior approval of the Director of Immigrations must be obtained for working overtime.
- The internal control procedures in the Accounts Section, specifically supervisory checks should be strengthened.

Management Comment

- Recommendation is noted, Salaries and wages reconciliation are prepared and submitted on a timely manner, to avoid overpayment.

- *Recommendation is noted. With the demand from our clients/stakeholders/customers building up on a daily basis and the fact that the Department is required to man our borders 24/7 and this will require officers to be rostered after hours and during weekends. Drivers are also required to transport these officers when the need arises during these odd hours thus the accumulation of overtime hours. It must be noted that names mentioned in table 6.9 are drivers.*
- *Recommendation is noted, the Department has put in place procedures and processes to ensure that work targets are met on a timely basis. However it must be noted that vacancies still exist whereby vacant posts needed to be filled to ensure that all tasks assigned to the department is accounted for. The Department has been allocated with additional 34 posts in the 2014 budget and this should address some of the HR concerns.*
- *Recommendation on FBT is noted. Given that the staffs are now fully aware of the procedures and control measures have been put in place, no further payments will be made until full overpayment amount is expended.*
- *Overtime work at our borders is conducted on a routine basis, which does not require prior approval from the Director of Immigration.*

6.8 Damage/Loss of Passport, Visas and Permit Due to Poor Administration of Records

All Heads of Government bodies, Permanent Secretaries and Heads of Departments are responsible for endorsing the National Record Management Policy and integrating the guiding principles of the said policy within their recordkeeping systems.¹⁵ The need to improve record management in all agencies is vital for promoting Good Governance, Transparency and Accountability in the Public Sector.¹⁶

Every employer shall ensure the health and safety at work of all his or her workers.¹⁷ Each agency must have in place a cost effective system of internal control which safeguards money and property against loss.¹⁸

Passport is a current valid travel document which is issued by or on behalf of the Government of any country, containing a photograph and a personal description of the holder which purport to establish the identity and nationality or citizenship of the holder, or which gives a right of re-entry to that country.¹⁹ The Passport officer shall, upon application made to him in the appropriate form, issue to any citizen of Fiji who satisfies such conditions as may be prescribed, a passport in the appropriate form.²⁰

Officers responsible for managing assets, revenue collection or cash shall prepare a loss report whenever a loss is incurred. The loss report shall outline the nature of the loss, circumstances leading to it and recovery measures taken. A copy of the loss report must be submitted to the Senior Accounts Officer who shall record details of each loss in the Losses Register.²¹ A surcharge must be imposed on an officer who is directly or indirectly responsible for the destruction, damage, theft or other loss of property.²²

The audit noted the following anomalies in the administration of passports, visas and permits;

¹⁵ Public Service Commission Circular No. 10/2011

¹⁶ Finance Instructions (2010) – Section 59

¹⁷ OHS Act (1996) – Part II – Section 9 (1)

¹⁸ Finance Instruction (2010) – Section 59 (1) (a)

¹⁹ Passports Act [cap 89] Section 2

²⁰ Passports Act [cap 89] Section 3 (1)

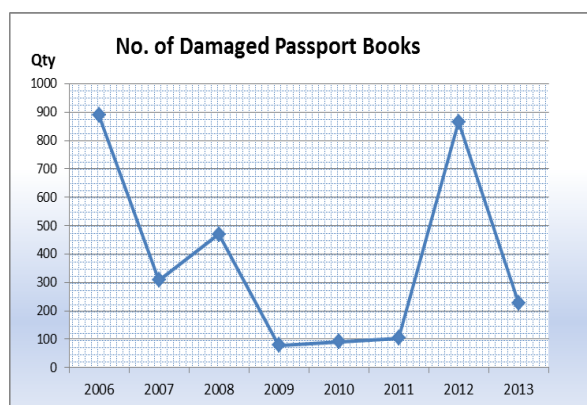
²¹ Department of Immigration Finance Manual (2012) – Section 14.1.1, 14.1.2 and 14.1.5

²² Finance Instructions (2010) - Section 63 (1) (b)

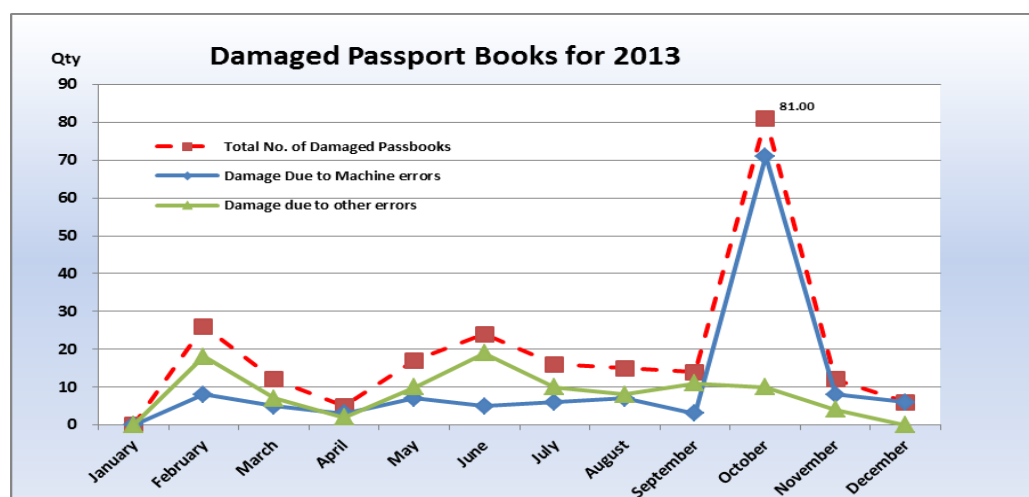
- The damaged passport books for 2013 totalled 228 costing \$17,328 and the audit noted that the number have decreased in year 2013 compared to 2012. Refer Table 6.9 below for number of damaged passport books over the 8 year period:

Table 6.9 and Figure 6.4: Damaged Passport Books From 2006 – 2013

Year	No. of Damaged Passport Books	Amount (\$)	Per cent (%)Change
2006	888	65,712	---
2007	308	22,792	-65%
2008	470	34,780	53%
2009	79	5,846	-83%
2010	91	6,734	15%
2011	104	7,904	14%
2012	865	65,740	732%
2013	228	17,328	-74%
Total	3,033	226,836	



- More than 50% of the errors resulted from machine errors such as printing problems, improper lamination, overheating and inking problems while some were human errors arising from judgemental errors, typing errors, incorrectly placing the passport books in the machine. Refer Figure 6.5 below for detail.

Figure 6.5: Damages Passports for 2013

- With the continued increase in passport processing including applications from abroad, postal services and travel agents, the audit noted that the department insufficiently has only one computer set and passport printer in its custody to handle the increased work load.
- The passport applications received to be batched for filing were unsatisfactorily safeguarded and were placed on the floor.
- In addition, passport number 929648 was missing from the office and another replacement passport number of 935711 had to be re-issued as a result of negligence.

- A loss report was not prepared for damaged books contrary to section 14 of the Finance Manual to instigate recovery of losses in accordance with section 63 (1) (b) of the Finance Instructions.
- Moreover all damaged books were stored in the strong room with those from the previous years.
- Furthermore, a manual visa register was not updated and there was unsatisfactory maintenance and safekeeping of visa files. Refer Figure 6.6 below for details.

Figure 6.6: Unsatisfactory Maintenance of Visa files



- In addition the visa and permit files were not produced for audit verifications upon audit request. As such, the audit could not determine whether the permits were processed and approved in accordance with the “*policies and management guidelines on permits and processing and issuance of non- citizen permits, visas and exemptions*”. Refer Table 6.10 below for details of files requested which were not produced to audit.

Table 6.10: Record Keeping Anomalies

File Reference/ Passport #	File Name	Permit/ Visa	Audit Remarks
307587338	Po Han Fang	Residence Permit	Not produced for audit verifications

File Reference/ Passport #	File Name	Permit/ Visa	Audit Remarks
302814	Milaneta Monterey Malifa	Student Permit	Not produced for audit verifications
T268225	Mikaele Lemi Ah Kuoi	Student Permit	Not produced for audit verifications
PWSM1369775/ L4125603	Asif Ismail	Permit	Not located as per records
PWSS1302790/ G21588181	Fuli Cao	Short term work permit	Not produced for audit verifications
PWSM1389741/ G49824564	Tian Ke	Short term work permit	Not produced for audit verifications
PWSM1354396/CGXPK4ZLN	Betina Renner	Short term work permit	Not produced for audit verifications

- The audit also noted security failure on the first and second floor rear office entrances of the building. People of different nationalities gain allowable entries easily into the office facilities and at times pass through the conference room and account section where cabinets, files are located along the walkway. Hence there is a high risk of loss of data pertaining to the Integrated Boarder Management System (IBMS) servers in Suva. The matter has been an on-going practice and state resources are prone to theft and misuse particularly the safety of data recorded in the IBMS.

The above shows the laxity on the part of the management in implementing proactive precautionary measures to prevent the potential and possible threats and incidents that are likely to occur in the Department operation centre.

Failure to produce records for audit inspection is a breach of constitutions hence it increases the risk of corrupt practises, breach of permit conditions and fraudulent collusion between employees and the applicants of permits and passports.

Recommendations

- The Department should acquire another passport printer and computer set and ensures proper storing facilities for passport applications.**
- The Manager should ensure efficiency of passport processing, reducing the damages made to passport processing to avoid wastage of taxpayers' funds used on passport processing.**
- The loss report should be prepared in accordance with the Finance Manual 2011 for all losses of passports.**
- Disciplinary action should be instituted against officers for negligently damaging passports books and failure to keep confidential information properly and safely.**
- The Manager Permits should improve on record keeping and avail all records when requested for audit.**
- The Department must ensure the “National Policy for Records Managements” is complied with at all times.**
- The Director Immigration should strengthened security control access into the Department's operation centre such as Accounts and Administration section and ensure the safety of state resources.**

Management Comment

- Recommendation is noted. A new passport computer and printer has been purchased and installed and applications for passport that are more than 10 years old will be destroyed to make space for proper storage of current passport applications.*
- Recommendation is noted. In an effort to try and reduce processing errors passport typists are now rotated on a quarterly basis. Other staffs in the passport section are constantly reminded to ensure efficient passport processing.*

- *Recommendation is noted. Efforts will be put in place to ensure that Loss report is prepared and policies are adhered to.*
- *Recommendation is noted. There was an investigation done in 2013 on the damaged passports and a report submitted highlighting the way forward. Apart from the above, warning letters are issued to officers who have committed these errors and recovery procedures are implemented.*
- *Recommendation is noted. The Department is now opening company files to allow for proper filing and safe keeping of all permit records. Old visa records will need to be destroyed to allow for proper safe keeping of current records.*
- *Recommendation is noted. The Department will ensure to adhere to the National Policy.*
- *Recommendation is noted. Policies are in place to ensure that access into the main office requires all staff to use electronic cards/keys and staff will be reminded to ensure that all doors are locked at all times. Visitors to the office are normally escorted to the respective sections.*

6.9 Anomalies Noted for Data Recorded in the Permit Database System

The Policies and Management Guidelines on Processing and Issuance of non-citizen permits, visas and exemptions should assist in the conduct of the processing officer's role in a fair and transparent manner.²³

A total of 7,971 new permits were issued in 2013 compared to 10,362 in 2012, where majority of the permits were student permits, exemptions and work permits. This was a reduction of 2,391 or 23%.

The audit assessments of the work permit records have identified the following inconsistencies;

- The system data for permit holders of foreigners does not have the issued and expiry dates of applications. Refer to **Appendix 6.1 and 6.2** for details;
- In addition, the system data for permit holders of foreigners does not have the residential addresses in Fiji, hence monitoring of these 828 foreigners within Fiji will prove futile. Refer to **Appendix 6.3** for details;
- Instances were noted where permit system data recorded the name of other countries as the local addresses of permit holders for foreigners in Fiji. Refer to **Appendix 6.4** for details;
- Moreover, the audit noted variances for the data reported²⁴ and the data recorded in the system. Refer Table 6.11 below for details.

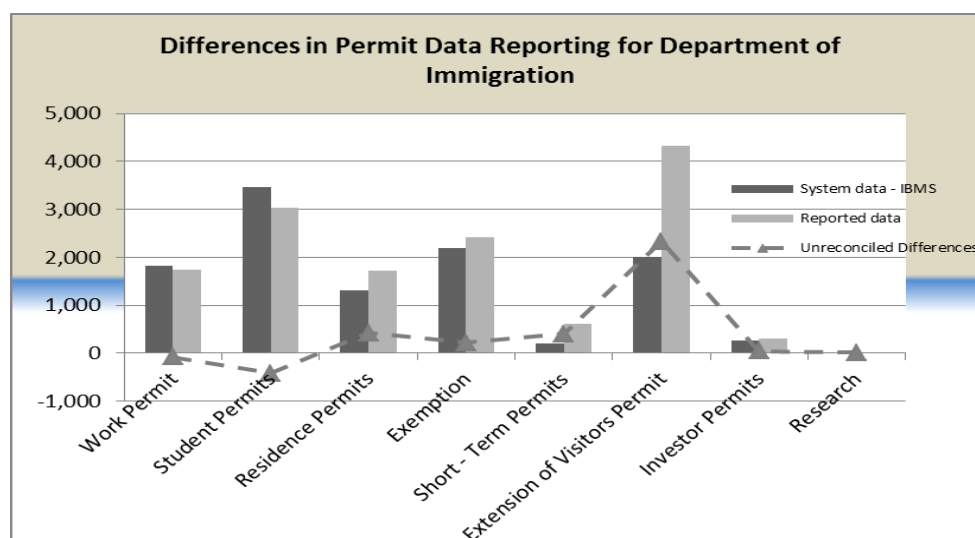
Table 6.11 and Figure 6.7: Differences in Department's System and Reported Data

Permit Type	System data	Reported data ²⁰	Unreconciled Differences
Work Permit	1,820	1,745	-75
Student Permits	3,455	3,036	-419
Residence Permits	1,307	1,726	419
Exemption	2,190	2,412	222
Short - Term Permits	203	608	405
Extension of Visitors Permit	2,000	4,328	2,328

²³ Policies & Management guidelines on Processing and Issuance of Non- Citizen permits, visas & exemptions – Preface

²⁴ Department of Immigration Annual Report for 2013

Permit Type	System data	Reported data ²⁰	Unreconciled Differences
Investor Permits	262	303	41
Research	0	9	9
Total	11,237	14,167	2,930



The variances above highlight the inconsistency and probable unreliability of the system generated data. Thus integrity and authenticity of reports generated by the current system appears dubious.

The Department may face difficulty in monitoring foreigners within Fiji as it will prove futile due to the unavailability of information and unreliability of data recorded in the database.

The above anomalies pose more challenges than solutions for the border control and security operations.

Recommendations

- The Department should update the data recorded in the system to ensure that the database is reliable which will deliver quality, efficient and informed decisions.
- The Department should ensure proper data management including appropriate inputs into the system.
- Disciplinary actions should be instituted against officers for processing permits contrary to the policies and management guidelines for processing and issuance of non-citizen permits, visa and exemptions.

Management Comment

- Recommendation is noted. The Department will address the un-reconciled differences highlighted in table 6.13.
- Recommendation is noted. The Department will ensure that all data is entered into the system.
- Recommendation is noted. All permit processing officers are aware of policies and guidelines in place for the processing of permits and the consequences they could face should they breach any policy or guideline.

6.10 Decline in Child Protection Programme Funding Due to Non Utilisation of Funds

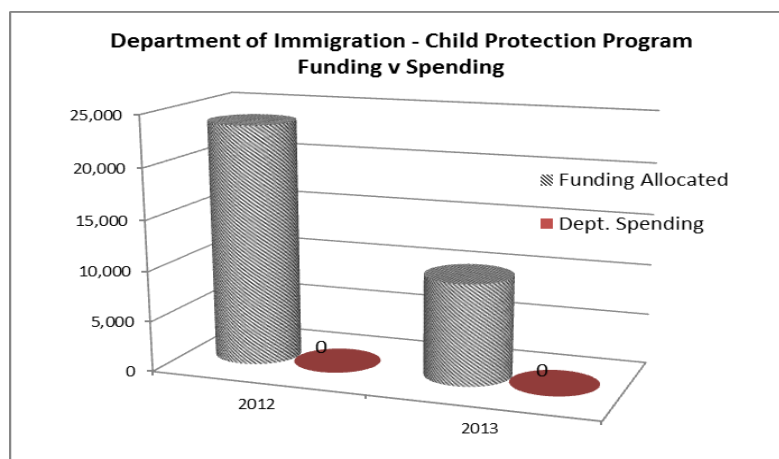
In 2011, a whole of government approach was established known as the “National Plan of Action to Eradicate Trafficking in Persons (TIPs) and Child Trafficking in Fiji”. This was spearheaded and co-ordinated by the the Department of Immigration. Other stakeholders involved were – other Govt. agencies (known as GWEN – Inter-Agency Working Group on People Trafficking), NGOs, NPOs and Individuals.

The formulation of the action plan was to eradicate TIP, prosecute offenders and provides protection and assistance to victims of trafficking. This also includes efforts or proactive awareness programs.²⁵ The department was provided a budget for \$10,000 for the Child Protection Program which was received from United Nation International Children Emergency Fund (UNICEF).²⁶

The audit noted that the Department did not utilize the funds provided by UNICEF to formulate an action plan to eradicate trafficking in person. As a result the funds received from UNICEF decline over the years due to the non- utilization of funds. Refer Table 6.12 and Figure 6.8 below for details of funding and expenditure incurred for the past two years.

Table 6.12 and Figure 6.8: Program Funding and Department spending

Year	Budget (\$)	Actual (\$)
2012	23,650	0
2013	10,000	0



The audit further established that funding declined to \$5,000 in 2014.

The above denotes the Department failure to prepare an action plan to eradicate trafficking in person for Child Trafficking in Fiji and also indicate its laxity in ensuring that Child Trafficking in Fiji is prevented and reduced.

Failure to prepare an action plan will result in withdrawal of funding by the UNICEF and increase the risk of child trafficking in Fiji.

Recommendations

- **The Department should prepare an action plan to allow the continuous funding from the UNICEF and rectify child trafficking in Fiji.**

²⁵ Fiji National Plan of Action to Eradicate Trafficking in Persons - 2011

²⁶ The funds were provided through the general ledger allocation 1-06201-70999-070409

- **The Director Immigration should ensure that staff capacity and capability is assessed to ensure that the Department have the capacity to prepare an action plan to eradicate trafficking in person for Child Trafficking in Fiji.**
- **The Department should inform and consult Ministry of Finance to allocate the funds to other agencies if it does not have the capacity to prepare an action plan.**

Management Comments

- *Recommendation is noted. The National Action Plan to eradicate trafficking in Fiji was launched in February 2011 and the Department and other stakeholders will work together as required in the plan to eradicate trafficking in Fiji. Assistance will be sought from UNICEF and other donor agencies to assist in the implementation of the plan.*
- *Recommendation is noted. There is a dedicated team within the Department to deal with all trafficking issues in collaboration with the Police trafficking team and other stakeholders.*
- *Recommendation is noted.*

6.11 Non-Submission of Overseas Training Reports

An officer who undertakes a course of instruction, attachment or visit shall submit a report in duplicate to the secretary for the Public Service through his Head of Department.²⁷

Permanent Secretaries and Heads of Departments should examine the recommendations in the report and, wherever possible, take appropriate action and advise the secretary for the Service accordingly.²⁸

The audit noted that the following Officers who attended overseas training, workshops and courses in 2013 failed to submit the reports to the department and the Public Service Commission. Refer Table 6.13 below for details.

Table 6.13: Overseas Training, Workshop and Courses Reports not submitted

Officer(s)	Training/Workshop/Courses	Period	Country
Nemani Vuniwaqa and Maika Koli	PIDC ITC Community Practice Forum;	18 - 20/2/13	Canberra, Australia
Nemani Vuniwaqa	High Level dialogue on International Migration & development	3 - 4/10/13	New York
Nemani Vuniwaqa	Training course on Bilateral Training for Senior Civil Servants	11-22/11/13	China
Yogendra K	Secondment to the Pacific Transitional Co-coordinating Center (PTCCC)	11/2 -10/3/13	Apia, Samoa
Chanel Tuisawau	Pacific Director Conference Operational Placement	27/5 - 1/6/13	Australia
Jone Ledua	Attachment – Shanghai	14 - 20/10/13	Shanghai China
Alekisio Sela	Interpol Capacity Building Programme	21 - 28/10/13	Asia
Edward Brown	PIDC Meeting	4 - 5/11/13	Palau
Nemani Vuniwaqa Litia S Navilesh C	Asia Pacific Regional Preparatory Meeting for the General Assembly High Level Dialogue on International Migration and Development.	29 - 31/5/13	Bangkok, Thailand

The findings indicate that the Officers attending overseas training did not comply with the provisions of the General Order by not submitting their training reports to PSC.

²⁷ General Orders (2011) - Section 902 (a)

²⁸ General Orders (2011) - Section 902 (b)

In addition, the benefits to the Department for sending officers for overseas training will not be evaluated and effectively measured if training reports are not submitted and assessed.

Moreover, the experience and knowledge gained from attending the courses and workshop are not being imparted to other members of the staffs. Thus, vital information and knowledge which could be imparted and implemented to improve the efficiency and operation of the Department is not conveyed to other staff of the Department.

Recommendations

- **The Department should ensure that all Officers who attend trainings/workshops/conferences overseas submit a training report to the Public Service Commission.**
- **The Department should ensure that all Officers sent on overseas training strictly comply with General Orders 902 and necessary actions taken for non-compliance.**

Management Comments

Recommendation is noted. The Department will ensure that all Officers who attend trainings/workshops/conferences overseas submit a training report as required under General Orders 902.

6.12 Unserviceable Vehicles

The maintenance and replacement of government vehicles is a significant cost to Government. The behaviour of drivers, usage of vehicles for private purposes and lack of proper care all contributes to the cost of maintaining vehicles.²⁹

The audit noted that two (2) unserviceable vehicles registrations GN 714 and GN 727 were grounded at the Headquarters car park during the year. Audit also noted that no reports were prepared outlining the history of the vehicle use, maintenance costs, results of the test or servicing and the estimated costs of replacing the vehicle.

As of the date of audit³⁰ the Department did not make any decision whether to repair or dispose the vehicles.

It is evident from the dilapidated state of the vehicles that it would not be economical to repair and their disposal value also continues to decline.

The above reflect poor resource management by the Department and disregard to standing government regulations.

Recommendation

The Department should prepare vehicle reports and take appropriate action to dispose the vehicles.

Management Comment

The Department has contacted Ministry of Finance [Vehicle Control Unit] who has advised that a team will be sent to carry out the Board of Survey before the vehicles are removed.

²⁹ Department of Immigration Finance Manual (2012) – Part 12 – Introduction; Section 12.1

³⁰ June 2014

DEPARTMENT OF DEFENCE

6.13 Expenditure Ledger Not Maintained

A ledger shall be maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts, and expenditure and commitment accounts.³¹ Any transaction processed affecting these accounts shall be entered in the appropriate ledger.³²

The Department of Defence maintains a vote book of expenditure however the audit noted that the Department does not maintain an expenditure ledger. As a result, the Department could not reconcile the expenditure recorded in the general ledger system³³ maintained by the Ministry of Finance.

The audit was also not able to ascertain the accuracy of the expenditure amounts stated in the Statement of Receipts and Expenditure.

Recommendation

The Department should maintain an expenditure ledger and reconcile its expenditure ledger with FMIS on a monthly basis.

Management Comment

The department has taken your audit findings into consideration as opportunities for improvement and way forward to ensure that:

- *an expenditure ledger is maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts and expenditure and commitment account.*
- *Monthly reports are extracted from the FMIS Reports folder and reconciled by the clerical officer monthly to ensure all payments and miss-postings or adjustments or clearances of advance and etc. are recorded and reconciled.*

6.14 Lack of Acquittal, Supporting Documents and Payments Control

Immediately after payment has been effected, the Assistant Accounts Officer (Payments) must stamp “paid” on all vouchers and supporting documentation to avoid any double payments.³⁴

A travelling officer shall recoup the travel advance within seven days of completing travel by submission of an acquittal report with supporting documents. If an advance has not been fully expended, the travelling officer must repay the balance within seven days of completing travel.³⁵

Competitive quotes, instead of public tenders, may be called for procurements below \$50,000 unless the PS has approved an exemption in accordance with Procurement Regulation 29-(3).³⁶

The audit noted the following anomalies in the payment made by the Ministry;

- There was no stamp paid on vouchers and supporting documents;

³¹ Ministry of Defence Finance Manual (2011) – Section 16.3.1

³² Ministry of Defence Finance Manual (2011) – Section 16.3.2

³³ Financial Management Information System controlled by Ministry of Finance.

³⁴ Ministry of Defence Finance Manual (2011), Section 2.8.5

³⁵ Ministry of Defence Finance Manual (2011), Section 10.1.11 & 10.1.12

³⁶ Ministry of Defence Finance Manual (2011), Section 2.3.1

- The Ministry did not obtain three competitive quotation for supplier of services;
- Non submission of acquittals report with supporting documents such as receipts to substantiate the overseas travel expenditures incurred;
- The payments made for the “Remembrance Day” were not acquitted by the organisers and various ex-servicemen association of the returned soldiers. The Ministry was allocated³⁷ \$108,189 to fund the celebration of “*Remembrance Day*” for those who serve during the war and on peacekeeping duties. Refer Table 6.14 for details.

Table 6.14: Details of Breach of Finance Policies

Date	Cheque No. (Reference)	Amount (\$)	Payee	Details	Remarks
22/06/13	021581	10,981	Discount Flight Centre	Airfare for Minister’s tour to Russia	No competitive quotation attached.
26/9/13	022086	12,436	Jad International Travel Services	Airfare for Minister’s tour to New York	
07/11/13	022288	100	PS Defence	Payment of contingent fund for workshop in Nadi	No acquittal provided on how fund was used.
01/11/13	022255 (RD01/13)	4,680	Aminiasi Vuase – Kadavu ex-servicemen association	Based on budget submitted for Remembrance Day	There was no acquittals submitted by all the ex-servicemen organization for the funds disbursed to them for the “remembrance day” celebration
01/11/13	000098 (RD02/13)	3,620	PS Provincial Dev. for Ovalau/Moturiki ex-servicemen association		
01/11/13	022256 (RD03/13)	1,210	Nacanieli Draunidalo – Moala ex-servicemen		
01/11/13	000097 (RD04/13)	3,825	Cakaudrove Returned Soldiers		
01/11/13	000098 (RD05/13)	20,100	PS- Provincial Dev. – Western Division		
01/11/13	000099 (RD06/13)	2,514	PS – Provincial Dev. – Tailevu North		
01/11/13	022275 (RD07/13)	5,000	Tebara Returned Soldiers Association		
05/11/13	000100 (RD11/13)	9,200	PS- Provincial – Bua/ Macuata ex-servicemen		
05/11/13	022277 (RD12/13)	6,000	Serua/Namosi/Beqa ex-servicemen association		
08/11/13	022290 (RD28/13)	1,200	Cicia ex- Servicemen		
EFT – PV – 14619	30/12/13	378	Nemani Vakacabeqoli	Overtime for closing of accounts.	Voucher were not stamp paid
EFT 000288	30/12/13	207	Salesi Cama		
Total		81,451			

The above indicates ignorance of governing procedures and breach finance instructions and policies in place which could result in double or fraudulent claim of payments. This could also be catalyst to abuse, misappropriation and could result in wastage of taxpayer’s funds.

³⁷ The funds were allocated through the SEG 7 – Special Expenditure
Ministry of Defence, National Security & Immigration

Recommendations

- **The Accounting Head should ensure that supervisory checks in the procurement of goods and services are strengthened and all records are stamp paid immediately after payments.**
- **The Accounting Head should ensure that funds paid for “Remembrance Day” and overseas travel advances are properly acquitted.**
- **The ministry may also need to review how the Remembrance day celebrations in the various centers were organized and plan for improvements to ensure effective and efficient use of funds allocated.**
- **The Accounting Head should ensure that all funds utilized are properly accounted for in the records of the Ministry.**

Management Comment

The Department notes your comment and submitted hereunder is the department’s response.

1. *Flight bookings for the Russian trip in June 2013 was in fact arranged and booked through Discount flight centre by the Prime Minister’s Office. The Ministry was advice to make payments accordingly as communicated by the PM’s Office who was handling the travel arrangements. The Ministry did not obtain the three required quotations as stated above.*
2. *JAD International travel Services is the Ministers preferred travel agent for his entire official trip. Jad travel accommodates the changing itinerary needs and does not charge any extra cost even though the change occurs at the eleventh hour or when he is already en routed on his trip.*
3. *We noted that officers attending to this workshop have yet to submit the relevant document to acquit the contingent funds provided and have agreed deduct at source from their salary the amount of \$100.00.*
4. *We however noted the importance of providing the three quotations as per policy and will strictly adhere as advised.*
5. *The detail for expenses used for R/Day in Kadavu was personally delivered to the Ministry HQ by Mr. A Vuase in May 2014.*
6. *The details of expenses for R/Day in the Lomaiviti Group was acquitted to the Commissioner Eastern Office and forwarded to the Ministry of Defense Accounts Section on 16/01/14*
7. *Despite the Ministry’s plea during the RSESA forums where all members around Fiji attend, there is still no improvement in respect to the submission of acquittal to the Ministry of Defense HQ. Follow up reminder made with the RSESA HQ upon receipt of the Audit report.*
8. *Despite the Ministry’s plea during the RSESA forums where all members around Fiji attend, there is still no improvement in respect to the submission of acquittal to the Ministry of Defense HQ. Follow up reminder made with the RSESA HQ upon receipt of the Audit report.*

The officials from Commissioner Northern’s Office are following up on acquittal reports for R/Day.

9. *Despite the Ministry’s plea during the RSESA forums where all members around Fiji attend, there is still no improvement in respect to the submission of acquittal to the Ministry of Defense HQ. Follow up reminder made with the RSESA HQ upon receipt of the Audit report.*

The officials from Commissioner Western’s Office are following up on acquittal reports for R/Day.

10. *Despite the Ministry’s plea during the RSESA forums where all members around Fiji attend, there is still no improvement in respect to the submission of acquittal to the Ministry of Defense HQ. Follow up reminder made with the RSESA HQ upon receipt of the Audit report.*

The officials from Commissioner Central's Office following up on acquittal reports for R/Day.

11. *The detail for expenses used for R/Day in Tailevu was personally delivered to the Ministry HQ in Quarter 1 of 2014.*
12. *Despite the Ministry's plea during the RSESA forums where all members around Fiji attend, there is still no improvement in respect to the submission of acquittal to the Ministry Defense HQ. Follow up reminder made with the RSESA HQ upon receipt of the Audit report.*

The officials from Commissioner Northern's Office following up on acquittal reports for R/Day.

13. *The detail for expenses used for R/Day in Serua/ Namosi/ Beqa was personally delivered to the Ministry HQ to MLO cell in July 2014.*
14. *Despite the Ministry's plea during the RSESA forums where all members around Fiji attend, there is still no improvement in respect to the submission of acquittal to the Ministry of Defense HQ. Follow up reminder made with the RSESA HQ upon receipt of the Audit report.*
15. *Accounts are now complying with all accounting requirement, all vouchers related to above are now stamp paid on the date of payment.*

6.15 Discrepancies in Meal Allowance Payments

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

An officer shall be paid meal allowance under the following circumstances;

- a) If required to work or undertake official travel during the lunch meal period during normal working days. An additional meal allowance for each successive period of 5 hours continuous work performed immediately after the initial meal break;
- b) In respect of Saturdays, Sundays and Gazetted public holidays, he shall be paid a meal allowance if he is required to work and/or undertake official travel continuously for each period of not less than five (5) hours.³⁹

From our review of records, the audit noted the following:

- Accounts section officers continuously worked overtime for 2 months effective from 25/11/2013 to 15/02/2014 including lunch hour break. Prior approval to work during lunch hour break could not be determined as the Ministry fail to produce approval to work during lunch hour.
- The audit further established that officers continues to work overtime for the last two weeks of February and for the month of March 2014 hence overtime for this additional period were not approved and payments of meal allowance were unauthorised.
- Reasons for working overtime included clearing payment vouchers, ledgers reconciliation from January to December, stamping vouchers, checking that all funds disbursed are properly acquitted, daily collection of revenue are lodged and recorded in the general ledger, salary & wages inputs, processing payments and cheques for all outstanding payments and closing of

³⁸ Ministry of Defence Finance Manual (2011), Part 2 Expenditure – Introductory Statement

³⁹ General Orders (2011) - Section 526

accounts, most of which are routine tasks that should have been carried out during official working hours.

- The meal allowance claim submitted by the officers does not document the actual work done on each day;
- Taxi fare claims were also paid to all officers without submitting the taxi fare receipts.

Refer Table 6.15 for some detail examples.

Table 6.15: Examples of Discrepancies in Payment of Meal Claim

Name	Cheque Number	Date	Amount (\$)	Details	Audit Remarks
Marika Qalo – Clerical Officer	020985	05/03/13	133	Meal allowance payments for overtime compiling draft response to audit query from 28/02/13 to 04/03/13	<ul style="list-style-type: none"> - The overtime period of work were not within the approval period of overtime work; -The audit noted that there were unauthorised amendments for the time out in the attendance records that were used to process the payment of meal allowance; -Included in the meal allowance payment were taxi claim which does not have supporting documents such as receipts to validate the transport claim; -The officer were also paid allowance for working during lunch hour for which the audit could not determine the approval and evidence for working during lunch hour break.
Salesi Cama – Clerical Officer Payments	020984	05/03/13	122	Meal allowance payments for overtime worked from 01/03/13 to 04/03/13	<ul style="list-style-type: none"> - The overtime period of work were not within the approval period of overtime work; - There was no approval document attached to the payment voucher such as daily attendance records and reason for working overtime were not stated in the voucher claim form. - Included in the meal allowance payment were taxi claim which does not have supporting documents such as receipts to validate the transport claim; -The officer claims two meal allowances per day even though the officer signs out at 7.00pm; -The officer were also paid allowance for working during lunch hour for which the audit could not determine the approval and evidence for working during lunch hour break.
Salesi Cama – Clerical Officer Payments	021014	11/03/13	114	Meal allowance payments for overtime work from 08/03/13 to 10/03/13	<ul style="list-style-type: none"> -The overtime period of work were not within the approval period of overtime work; - There was no approval document attached to the payment voucher such as daily attendance records; - Included in the meal allowance payment were taxi claim which does not have supporting documents such as receipts to validate the transport claim.
Salesi Cama	020964	01/03/13	152	Meal allowance payments for overtime from 25/02/13 to 28/02/13	<ul style="list-style-type: none"> -The overtime period of work were not within the approval period of overtime work; -There was no approval document attached to the payment voucher such as daily attendance records and reason for working overtime were not stated in the voucher claim form; - Included in the meal allowance payment were taxi claim which does not have supporting documents such as receipts to validate the transport claim; - The audit noted that there were unauthorised amendments for the time out in the attendance records that were used to process the payment of meal allowance.

Name	Cheque Number	Date	Amount (\$)	Details	Audit Remarks
Nemani Vakacabe qoli – AAO	EFT – PV – 14619	30/12/13	378	Meal allowance payments	-Overtime work includes closing of accounts and transporting overtime staff from 02/12/13 to 29/12/13; -The officer were paid allowance for working during lunch hour for which the audit could not determine the approval and evidence for working during lunch hour break.
Salesi Cama	EFT 000288	30/12/13	207	Meal allowance payments	-Overtime works includes compiling of ACP 2014 & assist in closing of accounts from 06/12/13 to 29/12/13; -The officer were paid allowance for working during lunch hour for which the audit could not determine the approval and evidence for working during lunch hour break.
Luisa Lomavatu	021463	31/05/13	81	Meal allowance payments	There was no approval document attached to the payment voucher such as daily attendance records to substantiate the overtime work for the preparation & formatting of Defence Annual Report 2012 from 20/05/13 to 29/05/13.
Akata Motufaga	021465	30/05/13	81		
Total			1,268		

The manner in which officers continuously worked overtime from November 2013 to March 2014 appeared suspicious as works undertaken during overtime are the normal routine tasks that should have been carried out during official working hours.

The Ministry does not have adequate internal controls to closely monitor overtime allowance payments or minimise overtime resulting from inefficiencies. Although working overtime is necessary in certain circumstances, continuous overtime indicate that officers are unproductive during official working hours.

Recommendations

- The Accounting head should ensure that all necessary supporting documents are provided by Officers when claiming for meal allowance.
- With substantial overtime hours worked by officers in the Department, management and those with supervisory roles need to proactively engage in management of overtime hours.
- Working overtime should be closely monitored and properly managed and procedures developed to closely monitor overtime costs.
- Prior approval should be sought from the Permanent Secretary to approve overtime.
- Routine tasks should be appropriately planned and allocated to be completed during official working hours.
- Processes for evaluating the efficiency and effectiveness of various work production should be developed.

Management Comments

The Ministry noted the comments of the audit team and provide as follows the explanation:

- The approval was provided under a separate cover and is now attached to the meal claims identified.*
- Since no transport was provided to take officers home after work, they reverted to Public Service vehicle as means for travel. The officers who had taken this mode of transportation were unable to produce the required receipt and therefore will have these fares deducted at source from their salary.*
- Nemani Vakacabegoli was requested to drive in the absence of the official driver and has submitted the vehicle running sheets as evidence. His engagement as driver during official hours needed him to clear pending work during lunch. The vehicle sheets are now attached to the meal claim for verification.*

We will however adhere to the advice provided in the above and implement it according to improve work standards

Further OAG Comment

The Ministry did not submit the approval for overtime after the period 15/02/2014 upon further audit inquiry on 29/09/2014.

APPENDICES

Appendix 6.1: System Data Without Issue Dates Of Applications

Permit No	Vapp Date	Issue Date	Exp Date	Passport No	Country	Surname	Full name	Sex	Birth Date	Address In Fiji
Dwc1300064	5/28/2013	?		H1603210	India	Ganguly	Parthiv Ganguly	M	8/15/2002	
Dwc1300066	5/28/2013	?		J2651336	India	Ganguly	Jayashree Ganguly	F	8/16/1964	
Pwll1302705	6/19/2013	?		J9520843	India	Garikipati	Phanindra Garikipati	M	12/25/1983	
Pwlm1353976	1/11/2013	?	1/11/2016	488351969	United States	Irvin	Andrew Grant Irvin	M	10/5/1986	35 Nayau Street Samabula, Suva
Pwlm1389377	4/1/2013	?	4/1/2014	651419675	United Kingdom	Luno	Daniel Jerome Luno	M	5/19/1984	55 Mcgirath Crescent Nadi
Pwln1301659	6/3/2013	?		M5025410	Australia	Murgida	Mark Stewart Murgida	M	1/3/1975	
Pwln1307281	9/16/2013	?		Kr0353585	Republic Of Korea	Woo	Giha Woo	M	10/10/1959	
Pwls1300083	5/7/2013	?		La662149	New Zealand	Patel	Atin Patel	M	10/17/1978	12 Navatu Street Varadoli, Ba
Pwls1300088	5/8/2013	?		La869042	New Zealand	Kiesanowski	Craig Frances Kiesanowski	M	7/1/1965	223 Princes Road , Suva
Pwls1300295	5/14/2013	?		N2157961	Australia	Clarke	Debra Leigh Clarke	F	9/29/1963	217 Grand Parade, Bonnells Bay, Nsw 2264, Australia
Pwls1300376	5/16/2013	?		N6150844	Australia	James	Kieran James	M	11/17/1968	
Pwls1301758	6/4/2013	?		K7703361	India	Purohit	Kamleshkumkar Chhotalal Purohit	M	6/1/1968	
Pwls1302712	6/19/2013	?		7207787	Republic Of Korea	Oh	Si Chun Oh	M	9/2/1957	11 Tikaram Namadi Heights Suva
Pwls1303850	7/10/2013	?		Testppclrj	Australia	Test Pplication	Sdfadf Test Pplication	M	6/3/1984	
Pwls1303953	7/12/2013	?		E15530613	China	Xu	Wenyu Xu	M	8/15/1981	Nabouwalu Section 2 Nawaca
Pwls1304786	7/30/2013	?	7/30/2015	505459078	United States	Ouaknine	Albert Alain Ouaknine	M	8/9/1946	
Pwls1304966	8/1/2013	?	1/10/2017	N4421913	Australia	Davies	John Cameron Davies	M	8/27/1944	Villa Raiyawa Ratu Penaia Drive Taveuni

Permit No	Vapp Date	Issue Date	Exp Date	Passport No	Country	Surname	Full name	Sex	Birth Date	Address In Fiji
										Estates
Pwls1311030	12/6/2013	?		N1579568	Australia	Siddiqi	Mohammed Irfan Siddiqi	M	4/10/1968	
Pwls1311550	12/18/2013	?		G37601559	China	Zhou	Zunping Zhou	M	9/30/1985	Suva
Pwls1311568	12/18/2013	?		N5007419	Australia	Miskelly	Preston John Sydney Miskelly	M	5/18/1973	
Pwsn1302033	6/8/2013	?		La618948	New Zealand	Herbert	Malcolm Andrew Herbert	M	11/26/1963	
Pwss1300041	5/6/2013	?		Aah035934	Spain	Gea Cabrera	Roberto Gea Cabrera	M	4/4/1983	
Pwss1300728	5/22/2013	?		Ln692319	New Zealand	Caffell	Anthony Francis Caffell	M	6/22/1942	
Pwss1301696	6/4/2013	?		G45725212	China	Gao	Anhong Gao	F	3/11/1976	C/-Heng Yuan Company Fiji Ltd
Pwss1304128	7/17/2013	?		A03897106	Nigeria	Asonibe	Henry Uche Asonibe	M	6/5/1991	
Pwss1305496	8/13/2013	?		Et331385	Ukraine	Siusarenko	Andrii Siusarenko	M	6/14/1966	Ukraine Donetsk 83077 Denisenko St 4/4
Pwss1305978	8/20/2013	?		E24461379	China	Shou	Kuigang Shou	M	5/17/1962	
Pwss1305979	8/20/2013	?		E24460998	China	Chen	Jianhua Chen	M	1/22/1970	
Pwss1305980	8/20/2013	?		E24461376	China	Shou	Zhifang Shou	F	5/6/1963	
Pwss1305981	8/20/2013	?		E24461378	China	Ma	Haimin Ma	M	1/27/1969	
Pwss1305982	8/20/2013	?		E24461377	China	He	Qianjiang He	M	1/17/1992	
Pwss1306147	8/22/2013	?		M6762766	Australia	Underwood	Melanie Jane Underwood	F	1/3/1978	
Pwss1309291	10/29/2013	?		N3246991	Sri Lanka	Perera	Kodikara Arachige Mary Bernadette Perera	F	2/1/1966	Nasinu Guest House, Fiji National University, Nasinu
Pwss1310516	11/26/2013	?		G58166863	China	Zhu	Binggui Zhu	F	1/23/1977	Suva
	6/17/2013	?		R397747	TONGA	VEITUNA	MELELUA FALETELE VEITUNA	F	6/9/1967	

Appendix 6.2: System Data Without Expiry Dates Of Applications

Permit No	Vapp Date	Issue Date	Exp Date	Passport No	Country	Surname	Full Name	Sex	Birth Date	Address In Fiji
Dwc1300064	5/28/2013		?	H1603210	India	Ganguly	Parthiv Ganguly	M	8/15/2002	
Dwc1300066	5/28/2013		?	J2651336	India	Ganguly	Jayashree Ganguly	F	8/16/1964	
Pwll1302705	6/19/2013		?	J9520843	India	Garikipati	Phanindra Garikipati	M	12/25/1983	
Pwlm1353976	1/11/2013		1/11/2016	488351969	United States	Irvin	Andrew Grant Irvin	M	10/5/1986	35 Nayau Street Samabula, Suva
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Pwln1301659	6/3/2013		?	M5025410	Australia	Murgida	Mark Stewart Murgida	M	1/3/1975	
Pwln1307281	9/16/2013		?	Kr0353585	Republic Of Korea	Woo	Giha Woo	M	10/10/1959	
Pwls1300083	5/7/2013		?	La662149	New Zealand	Patel	Atin Patel	M	10/17/1978	12 Navatu Street Varadoli, Ba
Pwls1300088	5/8/2013		?	La869042	New Zealand	Kiesanowski	Craig Frances Kiesanowski	M	7/1/1965	223 Princes Road, Suva
Pwls1300295	5/14/2013		?	N2157961	Australia	Clarke	Debra Leigh Clarke	F	9/29/1963	217 Grand Parade, Bonnell's Bay, NSW 2264, Australia
Pwls1300376	5/16/2013		?	N6150844	Australia	James	Kieran James	M	11/17/1968	
Pwls1301758	6/4/2013		?	K7703361	India	Purohit	Kamleshkumar Chhotalal Purohit	M	6/1/1968	
Pwls1302712	6/19/2013		?	7207787	Republic Of Korea	Oh	Si Chun Oh	M	9/2/1957	11 Tikaram Namadi Heights Suva
Pwls1303850	7/10/2013		?	Testppclrj	Australia	Test Pplication	Sdfadf Test Pplication	M	6/3/1984	
Pwls1303953	7/12/2013		?	E15530613	China	Xu	Wenyu Xu	M	8/15/1981	Nabouwalu Section 2 Nawaca
Pwls1304786	7/30/2013		7/30/2015	505459078	United States	Ouaknine	Albert Alain Ouaknine	M	8/9/1946	
Pwls1304966	8/1/2013		1/10/2017	N4421913	Australia	Davies	John Cameron Davies	M	8/27/1944	Villa Raiyawa Ratu Penaia Drive Taveuni Estates
Pwls1311030	12/6/2013		?	N1579568	Australia	Siddiqi	Mohammed Irfan Siddiqi	M	4/10/1968	

Permit No	Vapp Date	Issue Date	Exp Date	Passport No	Country	Surname	Full Name	Sex	Birth Date	Address In Fiji
Pwls1311550	12/18/2013		?	G37601559	China	Zhou	Zunping Zhou	M	9/30/1985	Suva
Pwls1311568	12/18/2013		?	N5007419	Australia	Miskelly	Preston John Sydney Miskelly	M	5/18/1973	
Pwsn1302033	6/8/2013		?	La618948	New Zealand	Herbert	Malcolm Andrew Herbert	M	11/26/1963	
Pwss1300041	5/6/2013		?	Aah035934	Spain	Gea Cabrera	Roberto Gea Cabrera	M	4/4/1983	
Pwss1300728	5/22/2013		?	Ln692319	New Zealand	Caffell	Anthony Francis Caffell	M	6/22/1942	
Pwss1301696	6/4/2013		?	G45725212	China	Gao	Anhong Gao	F	3/11/1976	C/-Heng Yuan Company Fiji Ltd
Pwss1304128	7/17/2013		?	A03897106	Nigeria	Asonibe	Henry Uche Asonibe	M	6/5/1991	
Pwss1305496	8/13/2013		?	Et331385	Ukraine	Siusarenko	Andrii Siusarenko	M	6/14/1966	Ukraine Donetsk 83077 Denisenko St 4/4
Pwss1305978	8/20/2013		?	E24461379	China	Shou	Kuigang Shou	M	5/17/1962	
Pwss1305979	8/20/2013		?	E24460998	China	Chen	Jianhua Chen	M	1/22/1970	
Pwss1305980	8/20/2013		?	E24461376	China	Shou	Zhifang Shou	F	5/6/1963	
Pwss1305981	8/20/2013		?	E24461378	China	Ma	Haimin Ma	M	1/27/1969	
Pwss1305982	8/20/2013		?	E24461377	China	He	Qianjiang He	M	1/17/1992	
Pwss1306147	8/22/2013		?	M6762766	Australia	Underwood	Melanie Jane Underwood	F	1/3/1978	
Pwss1309291	10/29/2013		?	N3246991	Sri Lanka	Perera	Kodikara Arachige Mary Bernadette Perera	F	2/1/1966	Nasinu Guest House, Fiji National University, Nasinu
Pwss1310516	11/26/2013		?	G58166863	China	Zhu	Binggui Zhu	F	1/23/1977	Suva
	6/17/2013		?	R397747	TONGA	VEITUNA	MELELUA FALETELE VEITUNA	F	6/9/1967	

Appendix 6.3: System Data Without Known Local Addresses Whilst On Visit

Permit No	Country	Full Name	Permit No	Country	Full Name
PWSM1354455	United States	Richard G Binkler Sr	PWSM1355513	Canada	Ursula Claudia Ingeborg Scheid
PWLS1307989	Indonesia	Sodikin	PWLM1355215	New Zealand	Hayden Russell Anderson
PWSM1354053	Canada	Josephine Jane Olver	PWLM1355222	New Zealand	Philip William Casey
PWLM1353851	New Zealand	Herring Matthew Paul William	PWSM1354358	Nepal	Sulav Pradhanang
PWLM1354095	Australia	Aubrey Kevin Swift	PWSM1354450	Unknown	Mirko Antonio De Giorgi
PWLM1354132	United Kingdom	Clare Elizabeth White	PWLM1356368	Japan	Eika Fujita
PWLM1354174	Australia	Gerard Prevost Knight	PWSM1354458	Sri Lanka	Koralalage Kalutara
PWLM1354184	China	Huiting Yin	PWSM1355310	United Kingdom	Jennifer Sarah Scott
PWLM1354185	China	Junzhou Feng	PWLM1389021	Pakistan	Sameel Haya
PWLM1354186	Ukraine	Anastasiia Slavytka	PWSM1354606	Congo Brazaville	Gachlem Zepharos Ngassaki-Zoni
PWLM1354365	New Zealand	Shane Bond	PWLS1311169	Vietnam	Ngoc Thang Nguyen
PWLM1354441	China	Hui Li	PWLS1311170	Vietnam	Van Au Hoang
PWSM1353848	Australia	Nikul Khatriu	PWSM1354841	United Kingdom	Carole Ann Vance
PWSM1353916	United States	Juri Mandla	PWLM1389070	Philippines	Lover Butalid
PWSM1354393	Australia	Natalie Louise Giofre	PWLM1355384	Australia	Tyson James Bramwell
PWLM1389186	Australia	Kim Edward Brennan	PWLM1355607	China	Qianmei Xie
PWSM1354337	New Zealand	Amy Caroline Grant	PWLM1355993	Republic Of Korea	Hany Yoon
PWSM1354317	United Kingdom	Lee Smith	PWLM1356365	Australia	Michael Harold Ty Goulter
PWSM1354006	China	Zhuoye Chen	PWLM1389071	Philippines	Rafael Lanon
PWSM1354203	Australia	Michael Leslie White	PWLM1389854	China	Chen Yunlong
PWSM1354087	China	Liu Mingsen	PWLM1354843	Australia	George Joffre Trinkler
PWSM1354205	New Zealand	Sarah Elizabeth Hutchison	PWSM1353898	Israel	Guy Jakobi
PWLM1354356	India	Kevinkumar Yashwantbhai Hariawala	PWLM1352243	China	Liming Shen
PWLM1354439	China	Erpin Wu	PWLM1355227	Liberia	Clarence G Clarke
PWLM1354537	Papua New Guinea	Joseph Kola Kelaga	PWLM1355308	Australia	Sachin Deobarama
PWLM1354589	United States	Duke Eric Long	PWLM1355397	Canada	David Jonathan Murphy
PWLM1354592	Malawi	Noel Weddington Nyirenda	PWLM1355398	Canada	Jacqueline Susanne Murphy
PWLM1354793	Papua New Guinea	Wilson Suku Mano	PWLM1355699	United Kingdom	Simon Chadwick Jinks
PWSM1354118	Pakistan	Sheikh Nasir Sohail	PWLM1355309	Indonesia	Abdul Hakim Kadir Yasin
PWSM1354179	Japan	Ken Kawamura	PWLM1356129	China	Chuangqiu Chen
PWSM1354396	Unknown	Betina Renner	PWLM1355965	New Zealand	Timothy Michael Langley
PWLM1354581	United States	Robert Edward Wilkes	PWSM1389563	Australia	Eric Gregory Cornell
PWLM1354582	Australia	Susan Elizabeth Jones	PWLM1354738	Nepal	Arjun Sapkota
PWLM1348345	Solomon Islands	Junior Toloau	PWLM1354739	Nepal	Himnath Sapkota
PWSM1354214	Ireland	Laura Jane Houlihan	PWLM1356039	Australia	Darrien Brent Valler
PWSM1354233	China	Yang Liu	PWLS1300226	Japan	Takayuki Tanaka
PWSM1354539	Sri Lanka	Camerino Valance Bartholomeusz	PWSM1389595	South Africa	Dylan Anderson Burgers
PWSM1354725	Canada	Riley Gibson	PWLM1389113	Canada	Emilie Marie Jeanne Simard
PWSS1304577	China	Yang Liu	PWLM1389131	Canada	Matthew Kirby
PWSM1354316	New Zealand	Paul Muchada Makumbe	PWLM1389144	China	Guosheng Zhang

Permit No	Country	Full Name	Permit No	Country	Full Name
PWLM1389147	China	Qinjie Fu	PWLM1389878	United States	Mc Fadden Gary Albert
PWLM1389148	China	Bizheng Shou	PWLM1389879	United States	Mc Fadden Kathleen
PWLM1389149	China	Guomin Wang	PWSM1389564	Philippines	Vicentino Igot
PWLM1389150	China	Yingxian Zhao	PWSM1389565	Philippines	Rogelio Estoquia
PWLM1389151	China	Laisheng Ai	PWSS1301512	Portugal	Claudia Ferreira Rodrigues
PWLM1389152	China	Feijun Du			
PWLM1389153	China	Liang He	PWSM1389743	Switzerland	Sandro Zellweger
PWLM1389155	China	Qi Jiang	PWLM1389785	China	Meiqi Yang
PWLM1389157	China	Jiangang Sun	PWSS1300005	United States	Steven Carl Jaegers
PWLM1389158	China	Fangming Zhang	PWSS1300010	Australia	Brian Michael Sloane
PWSS1304843	China	Guosheng Zhang	PWSM1354289	Australia	Gerrard Jack Jordan Mcnamara
PWSS1304844	China	Yingxian Zhao			
PWSS1304845	China	Liang He	PWSS1301247	China	Feifei Deng
PWSS1304846	China	Laisheng Ai	PWLM1389870	China	Yushuang Liu
PWSS1304847	China	Guomin Wang	PWLM1389871	China	Xiaowei Gong
PWSS1304848	China	Bizheng Shou	PWSM1389800	France	Fanny Valentine Castel
PWSS1304849	China	Jiangang Sun	PWSM1389847	Australia	Jacques Paul Louis Prouchandy
PWSS1304850	China	Fangming Zhang			
PWSS1304851	China	Feijun Du	PWSS1300072	China	Bian Xin
PWSS1304852	China	Qi Jiang	PWSS1300070	Ireland	Ronan Thomas Mc Gowan
PWSS1304854	China	Qinjie Fu	PWSS1300079	India	Ankur Surana
PWSM1389580	China	Jianyong Zhou	PWSS1300081	Denmark	Anders Bitsch
PWSM1389581	China	Guoyang Zhu	PWSS1300082	Denmark	Tai Kare Lund Joergensen
PWSM1389584	China	Nengjun Fu	PWSS1300085	Australia	Sandra Lee Harper
PWSS1304853	China	Nengjun Fu	PWSN1305325	India	Jatinder Singh Brar
PWSS1304859	China	Guoyang Zhu	PWSN1305327	India	Mukesh Kumar Kumar
PWSS1304860	China	Jianyong Zhou	PWSS1300104	China	Zhigang Sun
PWSM1310840	Unknown		PWSS1300105	China	Yongkang Cai
PWSM1312747	Unknown		PWSS1300106	China	Xufeng Lou
PWSM1324202	Unknown		PWSS1300165	Republic Of Korea	Jinyoung Kim
PWSM1389560	Pakistan	Zeeshan Riaz			
PWLM1389138	Italy	Davide Fivizzani	PWLS1300131	China	Dayong Cui
PWSM1389592	India	Radha Kishan Gurjar	PWSS1300162	India	Jayant Sawant
PWSM1389593	India	Pappu X	PWSS1304069	China	Bo Huang
PWSM1389594	India	Kalyan Singh	PWSM1389898	South Africa	Ian Shipman
PWSM1389691	Australia	Gyaneshwaran Pillay	PWSS1300252	New Zealand	Maire Dwyer
PWLM1389349	China	Ying Shen	PWSS1300304	China	Zeming Lu
PWLM1389808	China	Cen Weigen	PWLN1302444	Australia	One Work Testone
PWSM1389638	New Zealand	Alex Matthew Murray	PWSS1300340	Sri Lanka	Dhanushka Dhamruwan Basnayaka Basnayaka Mudiyansele
PWSM1389726	Philippines	Ryan Jay liagan			
PWSM1389727	Philippines	Dandy Farnazo	PWSS1300342	Australia	James Alexander Ferguson
PWLM1355317	United Kingdom	Kristopher Williams			
PWLM1389509	China	Zhixuan Tian	PWSS1300588	New Zealand	Bevan John Clark
PWSM1389589	Philippines	June Sibug Lagao	PWSS1300600	India	Kamleshkumar Rasiklal Jogia
PWSM1352793	Syrian Arab Republic	Khaldoun Alsavah			
PWSM1389716	United States	Craig Neal Williams	PWSS1300693	Australia	James John Zannakis
PWLM1389876	United States	Edwards Donald	PWSS1300707	China	Ling Ye
PWLM1389877	United States	Edwards Jahine Morgan	PWSS1300708	China	Yanfang Shen
			PWSS1302823	New Zealand	Warren Charles Tipa

Permit No	Country	Full Name	Permit No	Country	Full Name
PWSN1301126	United Kingdom	Alexander John Jenks	PWLS1301165	China	Kai Wang
PWSN1301134	United States	Monica Anne Keenan Laurence	PWLS1301237	New Zealand	Antonio Junior Tu'i Motuliki
PWSN1301151	Japan	Yumi Sakai	PWLS1301238	United States	Megan Emily Wright
PWSN1301152	Republic Of Korea	Minji Kim	PWLS1301365	China	Tiangang Sun
PWSN1301277	Taiwan, Province Of China	Chien Kuo Chen	PWLS1301382	China	Zhitao Zong
PWSN1300922	South Africa	Yngve Muldal	PWSN1301405	Tunisia	Selim Souissi
PWSN1301266	Netherland	Maud Schreuders	PWLS1300375	China	Yun Li
PWSN1301281	United States	Nicolas Raymond Troitin	PWLS1301227	United States	Shaun Kimball Morgan
PWSN1301282	United Kingdom	Nicola Claire Turville	PWLS1301228	New Zealand	Makiha Moka
PWSN1301284	Belgium	Michel Robert Lambotte	PWLS1301229	Kiribati	Kantabu Moantewa
PWSN1301345	Canada	Stephane Hiromi Regner	PWLS1301232	United States	Jarom Kimball Wall
PWSS1300568	China	Jianwei Feng	PWLS1301233	United States	Kara Elizabeth Trammell
PWSS1300850	China	Guoxi Lin	PWLS1301234	United States	Devon Jedediah Tenney
PWSS1301240	Republic Of Serbia	Slobodan Matic	PWLS1301235	United States	Joseph Roy Tafunai
PWSS1303144	South Africa	Grant Stephen Budde	PWLS1301236	United States	Aaron Jason Peery
PWLS1302293	China	Jiawen Zhan	PWLS1301551	United States	Evelina Sooto
PWLS1300110	Kiribati	Falesa Toange	PWLS1301683	China	Chaoda Zhong
PWLS1300111	Kiribati	David Biara	PWSN1301880	South Africa	Jeffrey Stephen Gush
PWLS1300112	Kiribati	Teratabu Bakanebo	PWSN1301901	France	Christelle Claude Jeanne Huet
PWLS1300113	Kiribati	Mataba Teriki	PWSS1300431	United States	Peter Malvin Leininger
PWLS1300140	Kiribati	Mabubu Taenibela	PWSS1301562	United States	Kenneth Stewart Ward
PWLS1300163	Indonesia	Winarto	PWSS1301814	Australia	Rodney J Lahrs
PWLS1300177	China	Wendong Wang	PWSS1301876	Australia	Jill Denise Cuthbertson
PWLS1300185	United States	Shirley Parker Jackson	PWSS1301710	Canada	Marie Pia Fazio
PWLS1300186	United States	Alma De Wayne Jackson	PWSS1301770	China	Bing Li
PWLS1300209	China	Xixue Yang	PWSS1302822	New Zealand	Frank Andrew Van Der Sluys
PWLS1300210	China	Mawei Lin	PWSS1301811	Australia	Amanda Joan Thompson
PWLS1300369	Indonesia	Sanusi	PWSS1302068	China	Liang Shan
PWLS1300370	Indonesia	Remon Pranyoto	PWLS1302202	China	Shitong Li
PWLS1300371	Indonesia	Sultoni	DWLS1300059	India	Manju Gupta
PWLS1300372	China	Guojin Li	DWLS1300061	India	Durga Giri Devaguptapu
PWLS1300373	China	Zhongjian Pan	DWLS1300062	India	Hiranya Devaguptapu
PWLS1300374	China	Changtuan Zheng	DWLS1300063	India	Hiranmai Devaguptapu
PWLS1300429	United States	Eric Paul Schwing	PWSN1302635	New Zealand	James Richard Davies
PWLS1300587	Philippines	Mallari	PWSS1302163	China	Jianhua Zhao
PWLS1300601	China	Songpo Guo	PWSS1302385	New Zealand	Johanna Michelle Forrest
PWLS1300673	United States	Ikaia Kalei O Keola Nawahine	PWSS1302467	Philippines	Abraham Agas
PWLS1300926	United States	Annie Elizabeth Pyne	PWSS1302487	China	Yuzhe Tian
PWLS1301019	India	Bhupesh Chandra Little	PWSS1304127	China	Yongdi Chen
PWLS1301020	Sri Lanka	Pattividanelqebandula Karunatilaka	PWSN1302634	United Kingdom	Lynn Mccowan
PWLS1301021	India	Sharad Kumar Mathur	PWSN1302781	South Africa	Mohamed Coolam Hoosen Cassim
PWLS1301269	India	Subhasish Ganguly	PWSS1302711	China	Aicheng Liao
PWLS1301513	China	Zhiqiang Guo	PWSS1302762	China	Haiyang Tao
			PWSS1302778	China	Jianfeng Mo
			PWLS1300224	China	Jian Li

Permit No	Country	Full Name	Permit No	Country	Full Name
PWLS1300540	China	Sandi Guo	PWSS1301895	Kiribati	Raoboa lareta
PWLS1301160	China	Wenfeng Lyu	PWSS1301896	Kiribati	Taatau Urio
PWLS1301620	China	Huatai Jiang	PWSS1303255	Australia	Luke Wyley
PWLS1301621	China	Huafeng Mai	PWLN1301820	Ireland	Patrick Padraic Sicora
PWLS1301800	China	Yunpeng He	PWLN1301821	Malaysia	Harcharan Singh
PWLS1301949	China	Guoping Zhang	PWLS1303398	China	Shishuang Du
PWLS1301950	Indonesia	Slamet Efendi P	PWSS1303387	Sri Lanka	Mudiyanselage Galapitagedara Nimal Kumar Attanayake
PWLS1301951	Indonesia	Hendro Purwanto P	PWLS1303683	Sri Lanka	Sdfasf Dsfvf
PWLS1301952	Indonesia	Tiar Jatnika Sunjana P	PWSS1303192	China	Xiuxiu Yu
PWLS1301953	Indonesia	Warman P	PWSS1303193	China	Nannan Zhang
PWLS1302058	Indonesia	Wayono Wayono	PWSS1303478	China	Ziyuan Xiong
PWLS1302079	Indonesia	Suwardi	PWSS1303643	Sri Lanka	Aranjan Lionel Karunanayake
PWLS1302080	Indonesia	Joko Susanto	PWSS1303644	Australia	Julie Margaret Papps
PWLS1302193	Indonesia	Tajudin Tajudin	PWSS1303677	India	Singh Kanwaljeet
PWLS1302275	China	Qinghe Zhang	PWSS1303680	India	Mandeep Goswai
PWLS1302818	China	Ronghui Jiang	PWSS1303733	China	Xiaobin Lin
PWSS1302653	Australia	Geoffrey Charles Lawrence	PWSS1303734	China	Fei Yan
PWSS1302880	China	Guiping Wang	PWSS1303782	Germany, Fed. Rep Of	Sirkka Beatriz Killmann
PWSS1303041	China	Quanfang Luo	PWLS1302141	Republic Of Korea	Kiwon Shim
PWSS1303261	Australia	Knox Coco Cullen	PWLS1303673	Tonga	Kisione Wesley Finau
PWLS1301907	China	Zhaokai Ti	PWLS1303838	China	Guangqiang Lin
PWLS1301749	India	Rameshchandra Juthalal Unadkat	PWSS1303640	United Kingdom	Christopher John Daniel
PWSN1302763	United Kingdom	Joakim Sven Zetterberg	PWSS1303820	Australia	Tara Garrood
PWSN1303053	Australia	Christina Irene Spillane	PWSS1303846	New Zealand	Sarah Marie Collinson
PWSN1303054	Australia	Rajiv Krishna Pai	PWLS1301231	United States	Sylvia Summer Kamakanoenoe Crowell
PWSN1303082	India	Uma Shankar Gupta	PWLS1302153	United States	Beverly Ray Walker
PWSS1303262	United Kingdom	Ross Ziegelmier	PWLS1302154	United States	Sazanne Challis Limburg
PWLS1301829	China	Shaofu Chen	PWLS1302391	Kiribati	Arthur Patrick
PWLS1302782	China	Zhidou Ma	PWLS1302392	Kiribati	Tangiraua Kaioka
PWSS1302875	Nepal	Sulav Pradhanang	PWLS1302393	Kiribati	Boboia Berenato
PWSS1302703	Canada	Josephine Jane Olver	PWLS1302524	Kiribati	Tom Timom
PWSS1302791	China	Gouyan Zhao	PWLS1302525	Kiribati	Ioane Kabeti
PWSS1303155	Australia	Cameron Colin Milliken	PWLS1302526	Kiribati	Raratu Tinou
PWLS1301744	United Kingdom	Noel Thomas Lawlor	PWSN1302389	New Zealand	Kim Robert Hudson
PWLS1301745	Malawi	John Stephen Kauta	PWSN1302399	New Zealand	Pauline Beth Ireland
PWSN1303206	United States	Mark Charles Meirs	PWSS1303943	United Kingdom	Susan Joan Kearton
PWSN1303207	Spain	Miguel Echevarria Sese	PWSS1304650	Zimbabwe	Dakarai Prince Manjonjo
PWLM1389885	China	Jie Wang	PWLS1301975	United States	Nelson Ryan Vasconcellos
PWLS1303538	Sri Lanka	Dsfaf	PWLS1303389	Indonesia	Sumito
PWSN1303111	Australia	Frances Lesley Parker	PWLS1303391	Indonesia	Karyono
PWSN1303114	Australia	Michael Ronsley Parker	PWLS1303393	Indonesia	Nasori
PWSN1303181	Nigeria	Nelson Olatunde Oladiji	PWLS1301974	United States	Melissa Maggie Vasconcellos
PWSN1303388	Netherlands	Jeroen Van Bilsen			
PWSS1303307	Taiwan, Province Of China	Te Lin Tsai			
PWSS1303362	Philippines	Jose Dena			
PWSS1301889	Kiribati	Tekinene Tetabo			

Permit No	Country	Full Name	Permit No	Country	Full Name
PWLS1302156	United States	Lee Ren L Walker	PWLS1304440	China	Zhiqiang Peng
PWLS1302696	Indonesia	Nurapriyana	PWLS1304728	Australia	Karen Elva Phillips Ross
PWLS1302697	Indonesia	Alik Saepudin Deden	PWLS1304768	Republic Of Korea	Seong Hyeon Kim
PWLS1302698	Indonesia	Aripin Dede	PWSN1304537	Australia	Mark Anthony Landy
PWLS1302783	United States	Robert David Epstein	PWSS1304007	China	Zhiwen Lin
PWLS1303701	China	Fengli Li	PWSS1304293	Australia	Simon Andrew Hendel
PWLS1302813	India	Mohan Rao Daulath Rao	PWSS1304307	Australia	Lok Yin Evelyn Cheng
PWLS1303376	New Zealand	Ryan Arthur Scott	PWSS1304610	Australia	Kara Jane Campbell
PWLS1304206	Sri Lanka	Sdfsaf Dsfafds	PWLS1303034	India	Jaya Vasudevan Suseela
PWSN1303885	Italy	Mirka Caselli	PWLS1303073	India	Konoorayar Konoorillam
PWSN1303886	Australia	Sajeda Ashika Singh	PWSS1304576	United States	David Richard Zoellner
PWLS1303462	Indonesia	Asep Tatang Muhyidin	PWSS1304704	China	Shengli He
PWSN1302026	Japan	Yuki Jimbo	PWLS1305029	India	Babu Nadappilly Raman
PWSS1304236	Nepal	Sulav Pradhanang	PWLS1305019	India	Bangkit Trio Laksono
PWSN1304297	New Zealand	Ryan Alexander Bergman	PWSS1304855	China	Liming Zhou
PWLS1302844	China	Xuekang Yu	PWSS1304997	Australia	Ezra David Mathew Williams
PWSN1302382	Japan	Reiko Takahashi	PWLN1305078	Sri Lanka	Testing Bond Refund
PWLS1304323	China	Yili Xu	PWLS1302189	Canada	Robert John Aril
PWLS1304427	New Zealand	Mark Brough Sims	PWLS1301890	Kiribati	Arawatau Mouata
PWLS1304464	China	Bin Bin Chen	PWLS1301892	Kiribati	Raomati Taakam
PWSS1304372	China	Xingguo Ma	PWLS1301893	Kiribati	Titau Raurenti
PWSS1304373	China	Ying Wang	PWLS1301894	Kiribati	Botiko
PWLS1304627	China	Changchun Li	PWLS1303641	Sri Lanka	Ajantha Wijesinghe Perera
PWSN1304371	Japan	Yuki Jimbo	PWSS1305046	Ireland	Laura Jane Houlihan
PWSS1304538	China	Shuling Han	PWSN1304365	United Kingdom	Ronald Thompson
PWSS1304539	China	Yin Deng	PWSN1304705	India	Boovaragavan Shanmugamoorthy
PWLS1301658	France	Melodie Hinaraurea Tuahivaatetonohiti	PWSN1304797	United States	Heather Elizabeth Pacey
PWLS1302155	United States	Patricia Kathleen Newsom	PWSN1304798	United States	Daniel James Bowling
PWLS1302460	Philippines	Jhondee Fernandez	PWSN1304799	United Kingdom	Simon Alexander Hall
PWLS1302461	Philippines	Garry Osal	PWSS1304086	Philippines	Dompur Elisa Bongato
PWLS1303149	Indonesia	Nasroh Muhammad	PWSS1305171	New Zealand	Thomas Andrew Westgarth
PWLS1303150	Indonesia	Supriono	PWSS1305183	New Zealand	Francis Maximan Butler
PWLS1303294	Tonga	Sione Paea	PWSS1305195	New Zealand	Ross William Harper
PWLS1303311	Germany	Manfred Ernst	PWSS1305200	Indonesia	Hadi Pawazir
PWLS1303372	Bangladesh	Al Mamun Kabir	PWLS1302625	Indonesia	Muhamad Akbar
PWLS1303373	New Zealand	David Robert Aitchison	PWLS1302626	Indonesia	Mailani
PWLS1303678	New Zealand	Madhumita Bhattacharya	PWLS1304273	China	Di Zhang
PWLS1303729	Australia	Carl Howard Mooney	PWLS1304661	China	Junsheng Wang
PWLS1303950	Indonesia	Tosiron P	PWLS1304689	China	Longming Lin
PWLS1303951	Indonesia	Riski Pahrudin P	PWLS1304690	Philippines	Jerry Tampus Alburoto
PWLS1304095	China	Xijiang Wang	PWLS1304691	Philippines	Daniel Palomar Suarez
PWLS1304096	Indonesia	La Ode Muhammad Sadam P	PWLS1304739	Philippines	Zosimo Heredero
PWLS1304097	Indonesia	Aep Saepul Rohman P	PWLS1304740	Philippines	Gene Inguillo
PWLS1304344	Philippines	Arniel Paradero Canillo	PWLS1304790	China	Chongqian He
PWLS1304363	Indonesia	Bambang Cipto	PWLS1304791	China	Chao Wei
PWLS1304404	China	Guode Li			
PWLS1304405	China	Yakui An			

Permit No	Country	Full Name	Permit No	Country	Full Name
PWSN1305047	United Kingdom	John Alexander Hughes Nuttal	PWLS1303611	China	Zhongguo Zhou
PWSN1305379	France	Regis Darricau	PWLS1303858	United States	Kathy Christiansen
PWSN1305037	New Zealand	Wilson George Hamilton	PWLS1303883	Tonga	Sione Silongo Uluilakepa
PWSN1305362	Vanuatu	Jack Niko	PWLS1303960	China	Yi Liu
PWSN1305363	Vanuatu	Jean Kaltact	PWLS1304294	India	Akash Dutt Dubey
PWSN1305488	United Kingdom	Lee Smith	PWSS1305914	India	Dipen Asvin Raniga
PWSS1304781	China	Xingcha Huang	PWSS1306111	China	Shaomin Zhou
PWSS1304782	China	Li Zhang	PWSS1306143	China	Wenjuan Li
PWSS1305185	United Kingdom	George Henry Louis Jermy	PWSS1306190	China	Haozhou Weng
PWSS1305201	China	Shenghong Ni	PWLS1303639	India	Rashmi Yadav
PWSS1305203	China	Li Li	PWSS1305967	China	Luming Sun
PWSS1305480	New Zealand	Mathew Russell Fleming	PWSS1306150	Australia	Lynn Marie Pieper
PWLS1304745	United States	Ryland Johnson	PWLS1302370	Indonesia	Santoso Santoso
PWLS1304750	United States	Joseph Cole Painter	PWLS1306439	Mexico	Luis Enriques Izaza Avila
PWLS1304751	New Zealand	Seth Pita Po Ona	PWLS1306549	United States	Daniel Louis Buck
PWLS1304752	United States	Daniel Tyler Pulli	PWLS1306569	China	Hongliang Cong
PWLS1304753	Canada	Drayvin Richard Raju	PWSN1306216	Australia	Hope Yvie Gaze
PWLS1304754	United States	Courtney Carol Ann Rich	PWSN1306218	United Kingdom	Samuel Paul Robertshaw
PWLS1304755	United States	Leroy Sitake Tanoai	PWLS1305042	Canada	Marie Pia Fazio
PWLS1304757	Australia	Maafi Joe Utaileuo	PWLS1300477	Australia	Scott James Macdonald
PWLS1304758	New Zealand	Taavao Junior Vole	PWLS1304770	Philippines	Rayblas Conanan
PWLS1304761	New Zealand	Isaac Thomas Brouwer	PWLS1306585	China	Quanhong Wu
PWLS1304762	United States	Caleb Verl Brower	PWLS1306586	China	Bing Zhang
PWLS1304763	United States	Kiara Chong	PWLS1306643	Australia	Mark Komene
PWLS1304766	United States	Riley Makan Higa	PWLS1306649	China	Libin Tang
PWLS1304767	United States	Gabriel Hosea	PWSL1305880	Republic Of Korea	Jang Po
PWSN1305204	United Kingdom	Jennifer Sarah Scott	PWSL1306481	United States	Leigh Elizabeth Stewart
PWSN1305206	New Zealand	Paul Muchada Makumbe	PWSS1306445	France	Julie Leze
PWSL1305121	Australia	Theresa Lea Gortan	PWSS1306465	China	Zhenxia Feng
PWSL1305144	Japan	Chisato Fukuda	PWSS1306601	China	Jianhua Chen
PWSS1300167	United Kingdom	Christine Coard	PWSS1306602	China	Haimin Ma
PWSS1305506	Sri Lanka	Lakshapathi Vidanalage Anton Nishantha Oscar De Mel	PWSS1306603	China	Changxiao Xu
PWSS1305423	China	Chi En Hung	PWSS1306604	China	Tiande Xu
PWSN1305782	Australia	Aaron James Young	PWSS1306605	China	Qianjiang He
PWSS1304653	United Kingdom	Iling Kuo	PWSS1306606	China	Zhifang Shou
PWSS1304990	Sri Lanka	Jayantha Udaya Weerasinghe	PWLS1302739	Australia	Wendy Ann Draayers
PWSS1305324	Tuvalu	Luke Paeniu	PWLS1306739	India	Akash Gupta
PWSS1305431	Nigeria	Gentility James Akpogbdi	PWLS1303035	India	Lokanath Mishra
PWLS1303856	United States	Fredric Christiansen	PWLS1303038	Sri Lanka	Mudiyansele Galapitagedara Nimal Kumar Attanayake
PWLS1304298	India	Akash Dutt Dubey	PWLS1303836	Indonesia	Mamur Khasani
PWLS1304359	United States	John Edward Collins	PWLS1304654	Samoa	Desmond Uelese Amosa
PWLS1304360	United States	Truman Myers Leishman	PWLS1304746	Samoa	Daniella Manusavaii Ulusele
PWLS1304361	United States	Carol Leishman	PWLS1304748	France	Teraina Mataoa
PWLS1304362	United States	Joyce J Collins	PWLS1304749	New Zealand	Dannica Irene Manga
PWSS1305438	Pakistan	Hamza Malik	PWLS1304756	Australia	Saz Tonumaie A

Permit No	Country	Full Name	Permit No	Country	Full Name
PWLS1304759	Samoa	Tofiga Alofoe	PWSS1307138	New Zealand	Vernon Walker
PWLS1304760	United States	Kendal Rodney Banks	PWSS1307140	New Zealand	Corbin Gilbert Hart
PWLS1304764	United States	Kaden Lane Day	PWSS1307517	China	Liyang Zhang
PWLS1304765	United States	Adam Lee Henrickson	PWSS1307041	China	Li Yang
PWSN1306362	Morocco	Miriam Benslimane	PWSS1307042	China	Yan Li
PWSS1306540	Australia	John Maurice Southwood	PWSS1307194	China	Wei Chen
PWSS1306743	New Zealand	Charlton Chang Tuiloma	PWSS1307286	China	Yan Li
PWSS1306757	Italy	Federico Atzeri	PWSS1307288	China	Yongzhi Guo
PWSN1306775	Australia	Geoffrey Greville Cooper	PWSS1307316	China	Bin Gao
PWSN1306776	Australia	Mark W Tregurtha	PWSS1306447	United Kingdom	Ciara Luke
PWSS1306561	Australia	Joel Shane Dawson	PWSS1307314	China	Zheng Sun
PWSS1306562	Australia	Cydney Ann Atkins	PWSS1307131	New Zealand	John Desmond Hinton
PWLS1302196	Australia	Robin Damien Mckenzie	PWSS1307132	New Zealand	Mason Richard Cowin
PWLS1302197	Australia	Jennifer Dawn Mckenzie	PWSS1307136	New Zealand	Ryan Matthew Colthurst
PWSS1306685	United Kingdom	Steven Charles Arthur Walker	PWSS1307137	United Kingdom	Simon Peter Marrs
PWLS1302815	Australia	Lesley Carmen Lens	PWSS1307141	New Zealand	Aaron John O'Brien
PWLS1302819	China	Jie Wei	PWSS1307492	Australia	Jack Matthew French
PWLS1306482	Australia	Testing Test	PWSS1307648	China	Lifang Huang
PWLS1306921	China	Qiangzhen Fan	PWSN1306473	Australia	Adrian Bernard Hickey
PWSS1306746	New Zealand	Gary John Martin	PWSS1307477	Ireland	Kirean John Rabbitt
PWSS1306950	Austria	Karl Osterreich	PWSS1307487	Vanuatu	Merriam Toalak Seth
PWLS1307261	China	Zhixing Chen	PWSS1307745	China	Meifeng Chen
PWSN1307059	Switzerland	Sandro Zellweger	PWLS1307150	Sri Lanka	Sanath Kumara Ranathunga Arachchige Don
PWLS1303037	Russian Federation	Yulia Tsepeleva	PWLS1307233	Unknown	Erman Kablama
PWSS1307190	Australia	Jane Alexandra Blakston	PWLS1307974	Australia	Benjamin Arthur Coutman
PWSN1307139	India	Mahendra Saini	PWSN1306906	South Africa	Dylan Burgers
PWSN1307158	Australia	Peter Glen Nolan	PWSN1307668	China	Ying Shen
PWSN1307238	United Kingdom	Stephen Frank Weller	PWSN1308279	India	Gurpreet Singh Dhillon
PWSN1307358	New Zealand	Christian Andrew Burtcher	PWLS1308294	Australia	Colin Charles Shelly
PWSN1307583	Philippines	Renato Purgatorio	PWSS1307300	Nepal	Dipak Bahadur Singh
PWSS1307332	New Zealand	Glenn Wayne Browne	PWSS1307984	China	Ying Han
PWSS1306994	Philippines	Rudy Tablate	PWSS1308172	Pakistan	Sohail Zafar
PWSS1307494	China	Zhizhao Zheng	PWSS1308185	New Zealand	Edwin George Mee
PWLS1304969	China	Qiao Hu	PWSS1308273	Nigeria	Uchenna Emelike
PWLS1304970	China	Yongsheng Gai	PWSS1308274	Nigeria	Chinonso Nwankwo
PWLS1304971	China	Fuhong Li	PWSS1308275	Nigeria	Paul Abejegah
PWSS1306800	Italy	Gianni Bozzato	PWSS1308297	New Zealand	Steven James Airey
PWSS1306972	Indonesia	Iis Kadarisman	PWSM1352156	Japan	Nishihara Nana
PWSS1307124	New Zealand	Ben Adam Richardson	PWSN1308219	New Zealand	Elysha Janne Hoyland
PWSS1307125	New Zealand	Christopher Seth Nelson	PWSS1307577	Bhutan	Dorji Wangay
PWSS1307126	South Africa	Evashen Govender	PWSS1308058	China	Yinglin Tan
PWSS1307127	New Zealand	Francis Joseph Smith	PWSS1308283	India	Ashok Srinivasan
PWSS1307128	New Zealand	Gregory John Turton	PWSS1308371	Republic Of Korea	Chieon Lee
PWSS1307129	New Zealand	James Thomas Moses	PWSS1308373	Australia	Paul Wright
PWSS1307130	New Zealand	Jared Stickland	PWSS1308542	United Kingdom	Felix Sebastien De Wattripont
PWSS1307133	New Zealand	Quinn Ian Robinson			

Permit No	Country	Full Name	Permit No	Country	Full Name
PWSS1308555	New Zealand	Liam Keith Cumberpatch	PWSL1309359	New Zealand	Nathan Timothy Rogers
PWLS1306438	India	Veejendra Kumar Yadav	PWSL1309360	New Zealand	Joseph Bernard Michael Johnson
PWSS1308269	Republic Of Korea	Taehwan Yoon	PWSL1309361	New Zealand	Aaron Gordon Chatfield
PWSS1308377	Sri Lanka	Mapalagama Laleendra Senaka Kumarage	PWSL1309362	New Zealand	Daniel William Ross Laird
PWSN1308303	Italy	Elisa Fusi	PWSL1309363	New Zealand	Nooroa O Tere Tipuia Ki New Zea George
PWLN1306941	Tunisia	Yassine Ouled Dlala	PWSN1309255	South Africa	Ian Shipman
PWSN1308056	China	Menggai Li	PWSN1309369	South Africa	Stephen Hermanus Lemmer
PWSN1308223	United Kingdom	Joanne Teresa Goodall	PWSN1309496	Australia	Sandra Lee Harper
PWSS1308218	United States	Geoffrey David Deutschmann	PWSS1308785	Philippines	Brian Alcantara
PWSS1308541	China	Delei Qiu	PWSS1309071	Pakistan	Zeeshan Riaz
PWSS1308545	China	Xianqin Zhu	PWSS1309256	Philippines	Cherie Reyes
PWSS1308662	Pakistan	Javed Arshad	PWSS1309321	United States	John Wesley Lawrence
PWSS1310662	Indonesia	Soni	PWSS1309371	New Zealand	Barry John Carroll
PWLS1304972	China	Gang Ren	PWSN1309473	India	Subhendu Koner
PWLS1307978	Indonesia	Hidayat P	PWSS1309547	China	Xueping Jiao
PWLS1308041	Indonesia	Kasirun	PWLS1306759	Uk - National	I-Ling Kuo
PWLS1308042	Indonesia	Suleman	PWLS1308790	United States	Cynthia Cook
PWSS1308556	New Zealand	Hugo William Gainor Jackson	PWLS1309747	Australia	Testing Hello Tstone
PWSS1308803	China	Maomao Sun	PWSN1309405	India	Ranveer Singh Gill
PWSS1308794	China	Yanjie Wan	PWSS1309131	China	Jun Yu
PWSS1308795	China	Hui Liu	PWSS1309132	China	Lei Yu
PWLS1307434	New Zealand	Nirmala Devi Nath	PWSS1309574	China	Xiaolin Lin
PWSL1308891	Canada	Victor Vishal Sharma	PWSS1309810	China	Hengzi Ren
PWSN1308088	Australia	Charmaine Yvette Tale	PWSS1309795	Australia	Michael Mjaskalo
PWSN1308667	China	Yang Yu	PWLS1309546	China	Liguo Wang
PWSS1308788	Australia	Anthony Richard Healy	PWSS1309420	Indonesia	Riyanto
PWSN1308611	Spain	Marco Vargas Guerrini	PWSS1309421	Indonesia	Narito Tarmudi
PWSN1308612	Nepal	Shailesh Kumar Gyawali	PWSS1309422	Indonesia	Warto
PWSN1308668	New Zealand	Kim Robert Hudson	PWSS1309460	Australia	Yoichi Sakaguchi
PWLL1304946	Sri Lanka	Indika Menal Gankandage Don	PWSS1309685	Australia	Joshua Andrew Greene
PWSN1308670	United Kingdom	Ben Charles Cornick	PWSS1309790	China	Fenghuan Lu
PWSS1309040	China	Guiying Ye	PWSS1309886	United States	Michael Leon Weiss
PWSS1309047	China	Guiping Ye	PWSS1309885	China	Guoming Cheng
PWSS1309054	Australia	Lisa Mamone	PWSN1309402	New Zealand	Campbell Thomas Diack
PWSL1308398	United States	John Carl Raynar	PWSN1309996	Philippines	Miguel Mapilisan Peralta
PWSL1309084	India	Rakesh Sharma	PWSN1309997	Philippines	Genaro Merrero Balitbit
PWSN1306931	China	Ningning Li	PWSN1309998	Philippines	Benjie Recto Canaveras
PWLS1309202	New Zealand	Mathew Buckley Allan	PWSN1309999	Philippines	Elmer Ancheta Tagudin
PWSS1308845	United Kingdom	Samantha Beverley Revell	PWSN1310000	Philippines	Renato Tolentino Magno
PWSN1308132	New Zealand	Andrew Hugh Griffiths	PWSN1309523	United Kingdom	Douglas Alexander Shannon Duvosin
PWSN1309003	China	Xiaomei Zhang	PWSN1309528	United States	Chad Joseph Murphy
PWSN1308947	United States	Bern Hans Endres	PWSN1309631	India	Mohannad Gouse Gaffar
PWSS1308781	Australia	Ashwin Benjamin Maharaj Deo	PWSN1310006	Netherland	Jose Bol
PWSS1308888	China	Zhenyu Chen	PWSN1310007	United Kingdom	Jeffery Peter Allen
			PWSN1310206	Australia	Stephen Neil Laffey

Permit No	Country	Full Name	Permit No	Country	Full Name
PWSS1310115	Australia	Dean Swaagman	PWSN1311432	France	Alexandre Marie Bruno Putois
PWSS1310220	Tonga	Sulieti Malia Nive Havea	PWSS1311444	China	Jianhua Zhao
PWSS1310147	China	Jintang Zhong	PWLS1306859	China	Hongwei Zheng
PWLS1309410	China	Qizhou Xian	PWLS1306860	China	Caswanto
PWLS1309411	China	Gang Yuan	PWLS1309094	Indonesia	Puji Muamar
PWLS1307810	China	Shiyang Fu	PWLS1309870	China	Baoqing Li
PWLS1310591	Australia	Testtttt Testing	PWLS1310405	China	Shaozhang Wu
PWLS1310648	Australia	Testtttt Testing	PWLS1310406	Indonesia	Mugiran
PWSN1310366	South Africa	Jacques Louw	PWLS1310407	Indonesia	Nasir
PWSN1310367	Spain	Maria Cruces Truan De Pineda	PWLS1310455	Indonesia	Ridho
PWSS1309618	Thailand	Sirilak Tansiri	PWLS1311072	Indonesia	Sudanto
PWSS1310335	Sri Lanka	Athula Weerasingha	PWSS1311216	Australia	Tara Garrood
PWSS1310557	China	Qingjun Zhuang	PWSS1311217	China	Zhuangwei Zhai
PWSS1310558	China	Biao Xiang	PWSS1311470	Solomon Islands	Siyu Chen
PWSN1310233	India	Gagandeep Singh Gill	PWSS1311504	Sri Lanka	Aranjan Lionel Karunanayake
PWSN1310266	Australia	Paul Kenneth Tyers	PWLS1306518	China	Keqi Sun
PWSN1310267	Sweden	Johan Martin Svan	PWLS1307428	China	Zishan Tian
PWSN1310268	Italy	Vincenzo Tremante	PWLS1307429	China	Bingjun Qu
PWSS1310616	United Kingdom	Alistair Keith Miles	PWLS1307499	China	Chao Liu
PWSN1310269	United Kingdom	Ian Graham Davies	PWLS1310108	China	Chongjun Bi
PWSN1309316	India	Jajhar Singh	PWLS1311560	China	Dezhi Liu
PWSS1310563	China	Youlian Zhou	PWSN1311255	United Kingdom	Rosemary Clare Fisher
PWSS1304998	United States	Jessica Sara Hawthorne	PWSN1311256	United Kingdom	Edward Charles Lancelot Davidson Brett
PWSS1310772	China	Xin Wei	PWSN1311306	United States	Christopher Freedom Ryan
PWLS1310976	Philippines	Dulce Deasa	PWSN1311465	Germany	Verena Blanchet
PWSN1310672	Latvia	Kristiana Daugava	PWSN1311467	Australia	Emma Louise Olsen
PWSN1310712	Canada	Stephane Hiromi Regner	PWSN1311468	United Kingdom	Benjamin John Pearcey
PWSS1310844	China	Qingxiang Qiu	PWSS1310130	China	Ling Ye
PWSS1310848	Papua New Guinea	Jenny Harry	PWSS1311148	Philippines	Greggy Tibang
PWSS1310340	China	Yan Liu	PWLS1310777	Samoa	Toetu Tuia
PWSS1310711	China	Shaomin Peng	PWLS1311606	United States	Keith Alan Nicholson
PWLN1308903	India	Vishwa Nath Maurya	PWLS1311615	New Zealand	Amanda Susan Kennedy
PWLS1307747	China	Zhirong Lin	PWLS1311661	India	Singh Harpreet
PWLS1307919	China	Dengfeng Wang	PWLN1311147	Australia	A B M Shawkat Ali
PWLS1307920	China	Wang	PWLN1311149	China	Mizhang Xiao
PWLS1307921	Indonesia	Nurma Relianto	PWLN1311150	New Zealand	Richard Kevin Coll
PWLS1307922	Indonesia	Jumaedi	PWLS1308278	China	Zhanjie Li
PWLS1307923	Indonesia	Jaka Setiawan	PWSS1311471	China	Xia Li
PWLS1307925	China	Xu	PWSS1311624	Pakistan	Awais Malik
PWLS1307926	Indonesia	Purwanto	PWSS1311626	United Kingdom	Rowena Johnson
PWSN1310761	India	Mohannad Gouse Gaffar	PWSS1311757	China	Meili Zhu
PWSN1310800	France	Franck Michel Billion	PWSS1311824	China	Xiuwen Zheng
PWSS1310835	Australia	Angus Stewart Rowe	PWLS1308276	China	Wenjie Lin
PWSS1310836	Australia	Johanna Ruth Clapper	PWLS1307259	China	Chongyang Ju
PWSS1311113	China	Jian Zhou			
PWSS1310372	China	Lin Zhang			
PWSS1310864	New Zealand	Stephen Allen Wright			

Permit No	Country	Full Name	Permit No	Country	Full Name
PWLS1311389	China	Fulin Zhang	PWLS1311030	Australia	Mohammed Irfan Siddiqi
PWLS1311517	China	Loqoang Zhou	PWLS1311568	Australia	Preston John Sydney Miskelly
PWSS1311625	New Zealand	Wayne Melville Annan	PWSN1302033	New Zealand	Malcolm Andrew Herbert
PWSS1311722	Philippines	Abraham Agas	PWSS1300041	Spain	Roberto Gea Cabrera
PWLS1304417	Republic Of Korea	Pyeong Il Yang	PWSS1300728	New Zealand	Anthony Francis Caffell
PWLS1309573	United States	Shandon Dion Sidebottom	PWSS1304128	Nigeria	Henry Uche Asonibe
PWLS1309575	New Zealand	Shaun Laurence Glasier	PWSS1305978	China	Kuigang Shou
DWC1300064	India	Parthiv Ganguly	PWSS1305979	China	Jianhua Chen
DWC1300066	India	Jayashree Ganguly	PWSS1305980	China	Zhifang Shou
PWLL1302705	India	Phanindra Garikipati	PWSS1305981	China	Haimin Ma
PWLN1301659	Australia	Mark Stewart Murgida	PWSS1305982	China	Qianjiang He
PWLN1307281	Republic Of Korea	Giha Woo	PWSS1306147	Australia	Melanie Jane Underwood
PWLS1300376	Australia	Kieran James		Tonga	Melelua Faletete Veituna
PWLS1301758	India	Kamleshkumkar Chhotalal Purohit			
PWLS1303850	Australia	Sdfadf Test Pplication			
PWLS1304786	United States	Albert Alain Ouaknine			

Appendix 6.4: Ambiguous System Data for Local Addresses

Permit No	Vapp Date	Issue Date	Exp Date	Passport No	Country	Surname	Full name	Sex	Birth Date	Address In Fiji
PWLL13 02831	6/21/13	11/22/13	3/31/14	LA425709	New Zealand	Ludlow	Robert Leonard Ludlow	M	11/1/1986	NZL
PWSN13 10172	11/19/13	11/28/13	5/10/14	N2339606	Australia	Brennan	David Christopher Brennan	M	6/17/1981	AUS
PWLS13 10483	11/26/13	11/29/13	11/29/16	084595	Solomon Islands	Itea	Beverly Itea	F	3/28/1991	SOLOMON ISLANDS
PWLM13 54195	1/1/13	1/1/13	1/1/15	N7329271	Australia	Korare	Dianne Korare	F	3/30/1948	19 MARCO POLO ST ESSENDON 3040 VICTORIA AUSTRALIA
PWSN13 07347	9/17/13	9/24/13	3/17/14	467963926	South Africa	Stebbing	Rochelle Ashton Stebbing	F	1/15/1982	SOUTH AFRICA
PWSS13 07134	9/11/13	9/30/13	3/31/14	LN451372	New Zealand	Gibbons	Richard Stephen Gibbons	M	10/8/1964	NZL
PWSS13 07135	9/11/13	9/30/13	3/31/14	LN396958	New Zealand	Armstrong	Ross Neil Armstrong	M	1/8/1955	NZL
PWSS13 07123	9/11/13	9/24/13	3/2/14	LH045828	New Zealand	Ironside	Andrew Paul Ironside	M	2/21/1986	NZL
PWSS13 04784	7/26/13	4/22/13	2/19/14	K1802606	India	Shah	Sameer Mahendra Shah	M	12/5/1978	IND
PWSL13 05113	8/6/13	8/17/13	2/17/14	301740075	Taiwan, Province Of China	Chung	Chia-Chen Chung	M	7/29/1989	TWN
PWSL13 02416	6/14/13	6/26/13	12/26/13	563130438	Republic Of Korea	Wi	Jong Chol Wi	M	4/11/1972	KOR
PWSN13 03047	6/25/13	6/26/13	12/26/13	LA425709	New Zealand	Ludlow	Robert Leonard Ludlow	M	11/1/1986	NZL
PWSL13 08070	9/30/13	10/8/13	12/30/13	J6932121	India	Petchy	Praveen Kumar Petchy	M	4/2/1979	INDIA
PWSL13 02639	6/19/13	6/26/13	12/19/13	F4065196	India	Rajalingam	Sambathkumar Rajalingam	M	3/9/1985	INDIA
PWLM13 56045	4/1/13	4/1/13	10/1/13	E3003883	Australia	Jalijali	Eduardo Jalijali	M	3/18/1958	8 WOODRUFF COURT SANCTUARY LAKES VICTORIA AUSTRALIA
PWSM13 54286	2/4/13	2/4/13	8/4/13	G32107592	China	Zhang	Guixiu Zhang	F	8/9/1968	CHINA
PWSM13 69775	4/6/13 13:05	4/6/13 13:05	11/26/12	L4125603	Australia	Ismail	Asif Ismail	M	8/20/1979	AUSTRALIA
PWLM13 89059	3/27/13	3/27/13	9/27/13	G54836900	China	Luo	Huan Luo	M	12/11/1989	CHINA
PWSS13 08184	10/2/13	10/14/13	4/14/14	LN162244	New Zealand	Wratt	Leslie James Wratt	M	9/22/1963	
PWSN13 09577	11/5/13	11/8/13	5/4/14	M6676858	Australia	Carroll	Lynette Jan Carroll	F	10/7/1964	AUS
PWSN13 10922	12/5/13	12/17/13	6/17/14	AH258713 4	Greece	Anagnostou	Leonidas Anagnostou	M	8/23/1979	GREECE

Permit No	Vapp Date	Issue Date	Exp Date	Passport No	Country	Surname	Full name	Sex	Birth Date	Address In Fiji
PWSS13 10839	12/4/13	12/18/13	6/18/14	E10826953	China	Xiao	Xiaoyue Xiao	F	11/4/1987	CHINA
PWLS13 08044	9/30/13	9/30/13	10/9/15	G37402515	China	Qin	Yongzhang Qin	M	6/13/1972	CHINA
PWLS13 00812	5/22/13	6/4/2013	2/21/16	G37407500	China	Qiao	Xuetao Qiao	M	2/7/1963	CHINA
PWLS13 01391	5/29/13	6/4/13	5/7/16	G36384248	China	Yu	Xiuling Yu	F	5/4/1988	CHINA
PWLS13 02176	6/11/13	6/11/13	5/23/16	G20123879	China	Zhang	Jin Hong Zhang	M	3/4/1972	CHINA
PWLL13 02780	6/20/13	10/2/13	10/12/16	M2987481 8	Republic Of Korea	Lee	Ki Sun Lee	F	5/2/1967	KOR
Same Individual - Different Permit Ids - Enquire)										
PWLS13 05792	8/16/13	8/23/13	11/30/13	L5223240	India	Malik	Ravi Malik	M	1/21/1948	NASINU
PWLS13 01023	5/24/13	9/17/13	11/30/13	L5223240	India	Malik	Ravi Malik	M	1/21/1948	NASINU
PWLS13 00295	5/14/13			N2157961	Australia	Clarke	Debra Leigh Clarke	F	9/29/1963	217 GRAND PARADE, BONNELLS BAY, NSW 2264, AUSTRALIA
PWLM13 56338	3/8/13	3/8/13	10/8/13	G37737981	China	Wang	Yingying Wang	F	8/30/1977	CHINA

Section 7 Ministry of Labour, Industrial Relations and Employment

Role and Responsibilities

The Ministry's core responsibility is to pursue the attainment of decent work standards through; fair working conditions; stable and constructive labour relations; and an environment that encourages productivity, human resource development and employment growth. These responsibilities are achieved by focusing on developing an enabling environment supported by sound labour laws, policies and practices.

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PART A: FINANCIAL STATEMENT

7.1 Audit Opinion

The audit of the 2013 accounts of the Ministry of Labour, Industrial Relations and Employment resulted in the issue of a qualified audit report. The qualifications are as follows:

- A variance of \$485,641 exists between the trust fund cash at bank account balance and the trust fund liability account balance contrary to section 58 (3) of Finance Instructions 2010. Therefore, the *Trust Fund Account Statement of Receipts and Expenditure* cannot be ascertained to be fairly stated.
- A variance of \$427,280 exists between the trust fund cash at bank recorded in the general ledger and the cash at bank balance as per bank reconciliation, contrary to section 32 (6) of Finance Instructions 2010. As such, audit was not able to ascertain that all receipts and payments have been accurately accounted and disclosed in the Main Trust Fund Accounts.

Management attention was also drawn to that the Ministry did not reconcile the expenditure in the FMIS general ledger as no expenditure ledger was maintained. It prepared its financial statements from the FMIS general ledger. As a result, the audit was not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

7.2 Statement of Receipts and Expenditure

The Ministry of Labour, Industrial Relations and Employment collected revenue totalling \$333 and incurred expenditure totalling \$8,493,664 in 2013.

Table 7.1: Statement of Receipts and Expenditure for 2013

Descriptions	2013 (\$)	2012 (\$)
RECEIPTS		
State Revenue		
Commission	333	343
Total State Revenue	333	343
Agency Revenue		
Miscellaneous	-	129,890
Total Agency Revenue	-	129,890
Total Revenue	333	130,233
EXPENDITURE		
Operating Expenditure		
Established Staff	3,028,453	2,687,442
Government Wage Earners	152,727	145,559
Travel & Communications	286,934	243,803
Maintenance & Operations	346,160	363,502
Purchase of Goods & Services	915,217	781,570
Operating Grants & Transfers	29,193	39,618
Special Expenditures	3,077,981	3,071,328
Total Operating Expenditure	7,836,665	7,332,822
Capital Expenditure		
Capital Purchase	-	50,000
Total Capital Expenditure	-	50,000
Value Added Tax	656,999	642,222
TOTAL EXPENDITURE	8,493,664	8,025,044

The total expenditure increased by \$468,620 or 5.8% in 2013 compared to 2012 mainly due to the Revolutionary Labour Reform and the undertaking of the National Minimum Wages Reform. This resulted in the increase in the number of established position from 133 in 2012 to 149 in 2013.

7.3 Trust Statement of Receipts and Expenditure

The Ministry of Labour, Industrial Relations and Employment has five trust accounts:

1. Occupational Health and Safety Trust Account (OHS)
2. Child Labour Trust Fund (CLU)
3. Employment Relations Trust Account (ERT)
4. National Employment Centre Trust Fund (NEC)
5. Ministry of Labour Trust Account (WBC)

7.3.1 Occupational Health and Safety Trust Statement of Receipts and Expenditure

The OHS Trust Account collected revenue totalling \$1,372,500 and incurred expenditure totalling \$972,036 in 2013.

Table 7.2: OHS Trust Statement of Receipts and Expenditure for 2013

Descriptions	2013 (\$)	2012 (\$)
RECEIPTS		
OHS Trust Fund	1,372,500	2,022,872
Total Receipts	1,372,500	2,022,872
PAYMENTS		
OHS Trust Fund	972,036	1,033,088
Total Payments	972,036	1,033,088
Net Surplus	400,464	989,784
Balance as at 1 January	4,360,893	3,371,110
Closing Balance as at 31/12/13	4,761,357	4,360,893

The total expenditure decreased by \$61,052 or 5.9% in 2013 compared to 2012 mainly due to the decreases in the payments of project officers, vat and training for OHS staffs.

7.3.2 Child Labour Trust Statement of Receipts and Expenditure

The CLU Trust Account collected revenue totalling \$20,010 and incurred expenditure totalling \$88,293 in 2013.

Table 7.3: CLU Trust Statement of Receipts and Expenditure for 2013

Descriptions	2013 (\$)	2012 (\$)
RECEIPTS		
CLU Trust Fund	20,010	264,029
Total Receipts	20,010	264,029
PAYMENTS		
CLU Trust Fund	88,293	232,827
Total Payments	88,293	232,827
Net Surplus	(68,283)	31,202
Balance as at 1 January	48,383	17,181
Closing Balance as at 31/12/13	(19,900)	48,383

The total expenditure decreased by \$144,534 or 62.1% in 2013 compared to 2012 mainly due to the decrease in expenses for the operation of the Child Labour Unit within the Ministry. The decrease in expenditure was also due to the decrease in contribution from the International Labour Organisation.

7.3.3 Employment Relations Trust Statement of Receipts and Expenditure

The ERT Trust Account collected revenue totalling \$72,267 and incurred expenditure totalling \$81,364 in 2013.

Table 7.4: ERT Trust Statement of Receipts and Expenditure for 2013

Descriptions	2013 (\$)	2012 (\$)
RECEIPTS		
ERT Trust Fund	138,225	61,414
Total Receipts	138,225	61,414
PAYMENTS		
ERT Trust Fund	4,332	23,464
Total Payments	4,332	23,464
Net Surplus	133,893	37,950
Balance as at 1 January	41,561	3,610
Closing Balance as at 31/12/13	175,454	41,561

The total expenditure decreased by \$19,132 or 81.5% in 2013 compared to 2012. Expenses were incurred were mainly on bank fees.

7.3.4 National Employment Centre Trust Statement of Receipts and Expenditure

The NEC Trust Account collected revenue totalling \$138,225 and incurred expenditure totalling \$4,332 in 2013.

Table 7.5: NEC Trust Statement of Receipts and Expenditure for 2013

Descriptions	2013 (\$)	2012 (\$)
RECEIPTS		
NEC Trust Fund	72,267	1,307,120
Total Receipts	72,267	1,307,120
PAYMENTS		
NEC Trust Fund	81,364	1,046,903
Total Payments	81,364	1,046,903
Net Surplus	(9,097)	260,217
Balance as at 1 January	499,881	239,664
Closing Balance as at 31/12/13	490,784	499,881

The total expenditure decreased by \$965,539 or 92.2% in 2013 compared to 2012. Expenses incurred were mainly for work attachment allowances together with general administration of NEC staffs.

7.3.5 Ministry of Labour Trust (WBC) Statement of Receipts and Expenditure

This account comprises of Wages Disputes, Workmen's Compensation and OHS Consultancy. The WBC Trust Account collected revenue totalling \$3,589,805 and incurred expenditure totalling \$3,116,039 in 2013.

Table 7.6: WBC Trust Statement of Receipts and Expenditure for 2013

Descriptions	2013 (\$)	2012 (\$)
RECEIPTS		
Workmen's Compensation	2,113,278	1,451,607
Wages Dispute	578,467	220,938
OHS Consultancy	898,060	527,596

Descriptions	2013 (\$)	2012 (\$)
Total Receipts	3,589,805	2,200,141
PAYMENTS		
Workmen's Compensation	2,057,196	2,203,560
Wages Dispute	558,160	207,329
OHS Consultancy	500,683	455,082
Total Payments	3,116,039	2,865,971
Net Surplus	473,766	(665,830)
Balance as at 1 January	286,408	952,238
Closing Balance as at 31/12/13	760,174	286,408

The total expenditure increased by \$250,068 or 8.7% in 2013 compared to 2012. Expenses incurred were mainly for workmen's compensation, wages dispute and OHS consultancy:

- Workmen's compensation – compensation that is paid to workmen and their dependents are first placed in the trust account before it is paid to them.
- Wages dispute – has the arrears of wages owed by employers to workmen. These are first placed in the trust account before it is paid out to them.
- OHS consultancy – OHS officers usually carry out overtime for clients. Overtime is paid into the trust account by clients and is later paid out to OHS officers.

7.4 Appropriation Statement

The Ministry of Labour, Industrial Relations and Employment incurred expenditure totalling \$8,493,664 in 2013 against the revised budget of \$8,525,336 resulting in a savings of \$31,672 or 0.4%. Details of expenditures against the budget estimates are provided in Table 7.7.

Table 7.7: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	3,227,837	(199,379)	3,028,458	3,028,453	5
2	Government Wage Earners	178,020	(25,248)	152,772	152,727	45
3	Travel & Communications	219,500	68,401	287,901	286,934	967
4	Maintenance & Operations	294,300	52,323	346,623	346,160	463
5	Purchase of Goods & Services	824,900	92,322	917,222	915,217	2,005
6	Operating Grants & Transfers	55,000	(25,806)	29,194	29,193	1
7	Special Expenditures	3,068,779	37,387	3,106,166	3,077,981	28,185
	Total Operating Expenditure	7,868,336	0	7,868,336	7,836,665	31,671
	Capital Purchase	-	-	-	-	-
	Total Capital Expenditure	-	-	-	-	-
13	Value Added Tax	657,000	-	657,000	656,999	1
	TOTAL EXPENDITURE	8,525,336	-	8,525,336	8,493,664	31,672

PART B: AUDIT FINDINGS

7.5 Variance in Trust Fund Bank Account Balance

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 responsible officer shall sign the reconciliation. Un-reconciled items must be investigated and resolved promptly.¹

The Ministry has five main trust fund bank accounts, namely, the *Workmen's Compensation*, *OHS*, *National employment Centre*, *Employment Relations Agency*, and *Child Labour*.

The audit noted a variance of \$485,641 exists between the trust fund account and the trust fund bank account balance in the general ledger.

In addition, a variance of \$427,280 exists between the trust fund bank account balance in the general ledger and the cash at bank balance as per bank reconciliations. Refer Table 7.8 for details.

Table 7.8: Variance between Trust Fund Bank Balance as per Bank Reconciliation and Trust Fund Bank Account in GL

Trust Fund	Cash at Bank (FMIS)	Cash at Bank Balance as per Bank Reconciliation	Variance
	(\$)	(\$)	(\$)
Workmen's Compensation, Wages Dispute & Consultancy Services (9-07101-07003-520301)	1,218,603.85	1,524,703.22	306,099.37
OHS (9-07101-07006-520401)	4,735,999.19	4,849,776.50	113,777.31
ERT (9-07101-07010-520401)	179,948.82	187,357.42	7,408.60
Child Labour (9-07101-07011-520401)	429.78	424.78	(5.00)
Total	6,134,981.64	6,562,261.92	427,280.28

The above indicates that the Ministry failed to reconcile the cash at bank general ledger balance to the bank reconciliation balance, resulting in the variances.

As a consequence, the Trust Fund Statement of Receipts and Expenditure for the financial year cannot be relied upon.

Recommendations

- **The Accounting Head should ensure that proper reconciliations are carried out between the general ledger and the bank records and any error or variance noted should be investigated and adjusted accordingly.**
- **The Ministry should investigate and adjust the above variance in consultation with Ministry of Finance.**

Management Comment

The variance issue is an on-going issue with the Ministry of Labour since 2009. The Office of the Auditor General highlighted this matter while auditing the 2013 accounts.

There was no clear guideline or procedure on how to rectify and reduce the variances in previous years.

¹ Finance Instructions 2010 – Section 58 (3)

It was queried by the Auditor General's Office in 2009 and reflected in the Public Accounts Committee for 2014. In 2009 the Workman's Compensation, Wages Disputes and Consultancy Services variances was \$89,445.01. In 2013 the variance increased to \$306,099.

Below are steps to be taken for variance to be adjusted in order to rectify this issue before it is taken to Ministry of Finance for the.

No	Procedures	PIC	Remarks
1	Verifying names of clients who had not been paid in past years	Atish Kumar	Completed
2	Verifying client names in accordance with their corresponding account (W/C, WD, OHS Con); and is to clear UP cheques	Viliame N Banuve	Updating of UP list completed up to 2010.
3	Advertise the names of clients who have not been paid in the newspapers (twice)	Atish Kumar	1 completed 30/06/14
4	Confirm the unrepresented cheque numbers with the banks	Viliame N Banuve	Sent to MOF on 30/05/2012
5	Void all cheques until last 6 months	Viliame N Banuve	Await confirmation of section 4 (above)
6	Update FMIS for reconciliation – with approval from the Auditor General.	Viliame N Banuve	To be completed by August

As for OHS, ERT and Child Labour, we have visited Ministry of Finance (FMIS – Luke) on Friday (30/05/2014) and who confirmed these accounts will be journalized by the Auditors. This is to balance the General Ledger and the Bank Statement.

We have adjusted our Standard Operating Procedures (SOP's) for reconciliation accordingly to rectify this problem.

Currently we are working with the Ministry of Finance in reconciling the smaller variances in the Trust Account. Attached please find a format that was raised by MOF and will be forwarded to Auditor General for approval to balance this account.

7.6 Expenditure Ledger not maintained

The Accountant and the AAO OHS shall enter details on payment vouchers in an Expenditure Ledger. The ledger shall record:

- (i) date of payment and name of payee;
- (ii) type and amount of payment;
- (iii) cheque and payment voucher number;
- (iv) expenditure account;
- (v) cumulative totals.²

The audit noted that the Ministry does not maintain an expenditure ledger. As a result, the Ministry could not reconcile the expenditure in the FMIS maintained by the Ministry of Finance. The audit was also not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

² Ministry of Labour Finance Manual 2011 – Section 2.8.11

Recommendations**The Ministry should:**

- maintain an expenditure ledger; and
- reconcile its expenditure ledger with FMIS on a monthly basis.

Management Comment

Your recommendation is noted. We have opened an Expenditure Ledger for 2014 and will reconcile with FMIS at the end of each month.

7.7 Approving Local Purchase Orders above the Authorising Limit

The following officers are delegated authority to procure goods, services and works up to the following limits specified. Refer Table 7.9 for details

Table 7.9: Delegated Authority Approval Limits

Designation	Authorised Limit
Permanent Secretary for Labour	\$50,000 ³
Deputy Secretary Headquarters	\$10,000
Deputy Secretary OHS	\$10,000
Manager Corporate Services	\$5,000
Senior Accounts Officer	\$3,000
Accountant	\$1,000

Any officer who authorizes expenditure exceeding his/her procurement limits, including by splitting purchase orders shall be liable for surcharge to repay the unauthorized amount. ⁴

The audit noted instances where officers authorized local purchase order beyond their authorized limit. Refer to Table 7.10 for examples.

Table 7.10: Local Purchase Orders approved

Date	Cheque Number	Payee	Details	LPO Amount (\$)	Remarks
05/08/13	34105	Gumatua Builders	Payment to Gumatua Builders as 50% advance payment for the construction of mini library and Minister's cabinet	12,500.00	The Deputy Secretary's authorizing limit is \$10,000 but he approved this LPO of \$12,500
20/09/13	34546	Gumatua Builders	Payment for the 2 nd and last stage of work for construction of library, Minister's cabinet and shelves	11,000.00	The Deputy Secretary's authorizing limit is \$10,000 but he approved this LPO of \$11,000
20/05/13	33331	Holiday Inn Hotel	Payment for providing sound system for the road show	4,950.00	The Senior Accounts Officer's limit is \$3,000 but he approved this LPO of \$4,950
25/10/13	34890	Fiji Airways	Payment of air fare for Mr. Lim for SMC training in Suva	15,129.00	The Deputy Secretary's authorizing limit is \$10,000 but he approved this LPO of \$15,129

³ Amended from \$30,000 to \$50,000 after the revision of the Procurement Regulations 2010 in July 2012

⁴ Ministry's Finance Manual 2011 – Section 2.3.3

The approval of expenditure above authorized limits shows total disregard of regulations in place which could result in abuse of office and misappropriation of public funds.

Recommendations

- **The Senior Accounts Officer should ensure that procurements are approved by the delegated officer.**
- **The Ministry of Finance should consider surcharge as per Finance Manual.**

Management Comment

We would like to acknowledge the recommendation by auditors.

- *Please note during this time the Permanent Secretary for Labour, Industrial Relations & Employment was unavailable due to his busy schedule and we have to provide commitments to our clients due to the urgency of the tasks.*
- *Please be advised that for cheque number 33331 of 20/05/2013 payable to Holiday Inn Hotel, the PO was initially approved by DSHQ on the FMIS however, the Senior Accounts Officer signed on the PO.*
- *On the payment of Fiji Airways via cheque number 34890 of 25/10/2013 amounting to \$15,129.00 there was no PO prepared. A direct payment was made due to Fiji Airways requirement as the trip was close to the end of the month.*
- *However, on our way forward, the 2013 Ministry of Labour Finance Manual, we have been adjusted for cater of this problem. We have increased the limit for the two Deputy Secretaries from \$10,000 to \$25,000.*

7.8 NEC Training Repayment Program

An unemployed person whose employment status changes must inform the National Employment Centre of that change within seven days of the change.⁵

The NEC shall maintain case files for each NEC trainee including the MOU for repayment, details of the trainees training and updated into the database.

All NEC trainees under the Formal Employment Service, the Self Employment Service and the Foreign Employment Service who are current employees or candidates to whom an offer of permanent employment or employees serving a contract of 1 year or more or employees serving on appointment for more than 6 months with a prospect of conversion to permanent appointments, are required under section 45 of the NEC (Administration) Regulations 2010 to repay all outstanding fees owed to the Centre.

This repayment Programme is applicable to all unemployed persons who have registered under the NEC and have undertaken Professional Counselling, Aptitude Assessment, Life Skills Training, Employment Skills Training and Work Attachment including Business Attachment and have been absorbed into permanent employment.

The audit noted that the Ministry failed to maintain records of the total amount spent on trainings and allowances for which 50% will be refunded. As at the date of the audit⁶, 104 clients who were registered under NEC and found permanent employment in 2013, failed to make 50% repayment to the Centre.

⁵ National Employment Centre Decree 2009 – Section 39 (3)

⁶ 07 January 2014

The above findings indicate laxity by the Ministry to maintain up to date records to initiate 50% recovery. This can lead to wastage of public funds.

Recommendations

- **The NEC administrators should keep proper records of all money owed to them through the NEC Training program.**
- **Prompt recoveries should be instigated against all clients who have exited the NEC training program and those who have find permanent employment.**

Management Comment

Recommendation is acknowledged with appreciation

The NEC Secretariat handling of its resources is clearly stipulated under the Section 96 (2) and Regulation 14 of the NEC Trust Fund Regulations 2012. At the moment we are drafting an enforcement policy to assist in implementing this section.

It is basically putting in place a system and process to comply with this provision. We will be tabling this policy to the next NEC board meeting.

At the moment we are organizing a unit to conduct this recovery processes whereby to identify, sorting and calling the NEC clients that had absorbed into permanent employment. We are liaising with Employers to assist in the enforcing of this policy.

To date in good faith, the NEC clients are coming forward to pay their dues as was highlighted during the Life Skill training programs and other NEC promotion activities.

Section 8

Ministry of Foreign Affairs and International Co-operation

Role and Responsibilities

The role of the Ministry of Foreign Affairs and International Co-operation is to lead the formulation and conduct of Fiji's Foreign Policy. Major outputs are still being delivered in the conventional foreign relations activities of global intelligence gathering, especially through Fiji Missions abroad and the conduct of attendant analysis and guidance in such policy options that would maximize Fiji's national gains from strategic future directions.

Emerging dimensions in international relations have resulted in newer outputs through

Summit Diplomacy, Group Diplomacy and the Information Technology media. In recent years, there has been an increasing range of outputs, including the communication of government policy choice and rationale to the international and domestic stakeholders for a stronger partnership in policy implementation. These stakeholders include other government departments, international agencies, business sector, media, the academia, and civil societies. This output class is expected to increase as greater civic responsibility generates interest and awareness in government's policy processes and implementation.

The climate change unit is obligated to meet its Rio Conventions Obligations namely the United Nations Framework Conventions on Climate Change (UNFCCC).

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PART A: FINANCIAL STATEMENT

8.1 Audit Opinion

The audit of the 2013 accounts of the Ministry of Foreign Affairs and International Co-operation resulted in the issue of a qualified audit report. The Ministry did not reconcile the Overseas Missions cash at bank balance totalling \$5.08 million as at 31 December 2013 contrary to section 32 (6) of the Finance Instruction 2010. As such, audit cannot ascertain the completeness and correctness of the cash at bank account balance disclosed in the notes nor the expenditure and revenue recorded in the Statement of Receipts and Expenditure.

Management attention was also drawn to the following matter:

- Board of surveys were not carried out for all Fiji Missions overseas contrary to section 49 (1) of the Finance Instructions 2010. As such, the completeness and accuracy of the Statement of Losses could not be ascertained.
- An un-reconciled difference of \$469,775 exists for expenditure recorded in the Financial Management Information System (FMIS) general ledger and the department expenditure ledger. The Ministry did not perform any reconciliation for expenditure and as a result, the audit was not able to ascertain the accuracy of the amounts stated as expenditure in the Statement of Receipts and Expenditure.
- The total expenditure includes a book entry for a budget carry-over of \$1,150,747 to be spent in 2014. Consequently, the actual expenditure in 2013 has been overstated by the same amount.

8.2 Statement of Receipts and Expenditure

The Ministry collected revenue totalling \$30,900 and incurred expenditure totalling \$34,870,144 in 2013.

Table 8.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
State Revenue		
Operating Revenue	30,471	23,759
Total State Revenue	30,471	23,759
Agency Revenue		
Miscellaneous Revenue	429	---
Total Agency Revenue	429	---
TOTAL REVENUE	30,900	23,759
EXPENDITURE		
Operating Expenditure		
Established Staff	9,822,318	7,657,735
Government Wage Earners	2,879,876	2,310,936
Travel & Communications	2,722,716	2,285,754
Maintenance & Operations	9,049,054	6,513,892
Purchase of Goods & Services	596,106	373,266
Operating Grants & Transfers	2,707,793	2,428,804
Special Expenditures	4,417,349	3,623,152
Total Operating Expenditure	32,195,212	25,193,539
Capital Expenditure		

Description	2013 (\$)	2012 (\$)
Construction	145,383	226,544
Purchases	191,171	165,625
Total Capital Expenditure	336,554	392,169
Value Added Tax	2,338,378	1,559,735
TOTAL EXPENDITURE	34,870,144	27,145,443

The Ministry's total revenue increased by \$7,141 or 30% in 2013 compared to 2012. This was due to increase in recovery of overpayments.

Total expenditure increased by \$7,724,701 or 28% in 2013 compared to 2012. This was mainly due to the upgrading of base salaries as per Public Service Commission Circular number 87/2012 and filling of vacant posts. Postal allowances provision for the newly established Missions in South Korea and United Arab Emirates also contributed to the increase. There were also increases in expenditure for repair and maintenance of fixed assets, lease and rent payments.

8.3 Appropriation Statement

The Ministry incurred expenditure totalling \$34,870,144 in 2013 against the revised budget of \$38,652,573 resulting in a savings of \$3,782,429 or 10%. Details of expenditure against the budget estimates are provided in Table 8.2.

Table 8.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry Over (\$)	Lapsed Appropriation (\$)
1	Established Staff	8,016,462	1,173,697	9,190,159	9,822,318	0	(632,159)
2	Government Wage Earners	3,231,129	(350,159)	2,880,970	2,879,876	0	1,094
3	Travel & Communications	1,663,564	1,058,695	2,722,259	2,722,716	0	(457)
4	Maintenance & Operations	10,162,027	(1,110,792)	9,051,235	9,049,054	0	2,181
5	Purchase of Goods & Services	700,902	(101,873)	599,029	596,106	0	2,923
6	Operating Grants & Transfers	3,307,223	(599,128)	2,708,095	2,707,793	0	302
7	Special Expenditures	7,646,579	1,171,812	8,818,391	4,417,349	1,000,650	4,401,042
	Total Operating Expenditure	34,727,886	1,242,252	35,970,138	32,195,212	1,000,650	3,774,926
	Capital Expenditure						
8	Capital Constructions	300,000	(148,995)	151,005	145,383	0	5,622
9	Capital Purchases	0	193,048	193,048	191,171	0	1,877
	Total Capital Expenditure	300,000	44,053	344,053	336,554	0	7,499
13	Value Added Tax	2,410,900	(72,518)	2,338,382	2,338,378	150,097	4
	TOTAL EXPENDITURE	37,438,786	1,213,787	38,652,573	34,870,144	1,150,747	3,782,429

In 2013, Cabinet approved a redeployment of \$1,213,787 from other Ministries and Departments to the Ministry's budget.

8.4 Statement of Losses

There was no loss of fixed asset recorded for the year 2013. However, the following items worth \$87,706 were written off, following the Ministry's and Overseas Mission's Board of Survey conducted for the year ended 31 December 2013. Refer Table 8.3 for details.

Table 8.3: Value of Items Written off

Mission	Amount (\$)
Head Quarters	18,454
Canberra	3,022
London	4,158
PRUN - New York	---
PNG	36,542
Tokyo, Japan	20,629
Malaysia	2,130
New Delhi	881
Sydney	1,890
Total	87,706

PART B: AUDIT FINDINGS

8.5 Non-Reconciliation of Overseas Mission Bank Accounts

The Senior Accounts Officer shall prepare bank reconciliation within 5 days of the end of the month.¹ All bank accounts must be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and dated by the responsible officer.²

The Principal Accountant must verify the balances in the bank reconciliation to the cash book, bank statements, un-presented cheque list and the previous month's bank reconciliation before certifying it.³

The overseas mission's bank accounts facilitate the payment for mission expenditure and the transfer of monies from the consolidated fund account. At the end of the month, the expenditure is journalized to respective budgetary expenditure allocation.

Cash held in overseas missions bank accounts as at 31/12/13 totalled \$5,079,765 compared to \$4,565,692 in 2012, an increase by \$514,073 or 11%. Refer Table 8.4 for details of bank balances with overseas missions.

Table 8.4: Overseas Missions Bank Balances

Account Number	Mission	2013 (\$)	2012 (\$)	Movement (\$)
1-08101-08101-510106	FIJI TRADE COMMISSION SYDNEY	---	(2,027)	2,027
1-08103-80102-510106	FIJI CONSULATE GENERAL SYDNEY	222,038	121,140	100,898
1-08103-80101-510107	FIJI HIGH COMM. CANBERRA	55,430	53,060	2,370
1-08103-81001-510202	FIJI HIGH COMM. LONDON	44,043	67,278	(23,235)
1-08103-80501-510401	FIJI EMBASSY TOKYO DOM CASH	895,416	238,405	657,011
1-08103-80701-510502	FIJI HIGH COM WELLINGTON	20,406	8,400	12,006
1-08103-80201-510504	FIJI HIGH COMMISSION BEIJING	406,205	579,608	(173,403)
1-08103-80301-510601	FIJI MISSION BRUSSELS	692,243	684,885	7,358
1-08103-81001-510801	FIJI HIGH COMMISSION UN	12,178	---	12,178
1-08103-81101-510801	FIJI HIGH COMMISSION UN	229,563	270,689	(41,126)
1-08103-81102-510802	WASHINGTON	436,044	378,770	57,275

¹ Ministry of Foreign Affairs and International Co-operation, Finance Manual 2011 – Section 5.3.7 and 5.3.10

² Finance Instruction 2010 – Section 32 (6)

³ Ministry of Foreign Affairs & International Co-operation Finance Manual 2011 – Section 5.3.10

Account Number	Mission	2013 (\$)	2012 (\$)	Movement (\$)
1-08103-80301-510901	BANK IN KULAR LUMPUR	---	11,544	(11,544)
1-08103-80402-510901	BANK IN KULAR LUMPUR	63,274	(33,539)	96,813
1-08103-80405-510901	BANK IN KULAR LUMPUR	42,616	---	42,616
1-08103-80406-510901	BANK IN KULAR LUMPUR	43,473	---	43,474
1-08103-80601-510901	BANK IN KULAR LUMPUR	549,010	595,424	(46,414)
1-08103-80801-510902	CLOSING BALANCE FOR PNG	(3,540)	99,570	(103,110)
1-08101-08101-510903	FHC NEW DELHI	---	26,023	(26,023)
1-08103-80301-510903	FHC NEW DELHI	809,590	395,773	413,817
1-08103-80401-510903	FHC NEW DELHI	24,642	406,479	(381,837)
1-08103-80401-510905	FIJI EMBASY INDONESIA	---	(170,337)	170,337
1-08103-80402-510905	FIJI EMBASY INDONESIA	339,654	303,874	35,780
1-08103-80403-510905	FIJI EMBASY INDONESIA	203,067	79,740	123,327
1-08103-80404-510905	FIJI EMBASY INDONESIA	39,899	230,649	(190,750)
1-08103-80405-510905	FIJI EMBASY INDONESIA	(45,486)	349,090	(394,576)
1-08103-80406-510905	FIJI EMBASY INDONESIA	---	-128,806	128,806
	Total	5,079,765	4,565,692	514,073

The audit noted the following anomalies:

- The Principal Accountant failed to reconcile the cash at bank balances reflected in the general ledger to the actual cash held in the overseas mission bank accounts. The cash balance relates to income less expenditure to the account. As such, mission expenditure recorded in the *Statement of Receipts and Expenditure* could not be ascertained to be fairly stated.
- The Ministry did not provide satisfactory explanation to audit for missions that have more than one bank account in the general ledger, namely, Fiji embassy in New Delhi, Indonesia, United States and Kuala Lumpur.
- In addition, the Ministry did not provide satisfactory explanation to audit for missions that have overdrawn bank accounts in the general ledger, namely, PNG and Indonesia

Thus, the receipts and expenditure recorded in respect of missions in the *Statement of Receipts and Expenditure* of the Ministry's financial statements could not be relied upon to be fairly stated.

Recommendations

- **The Principal Accountant should ensure that bank balances in overseas mission accounts are reconciled with the overseas mission general ledger.**
- **The Ministry should ensure that mission expenditure is reconciled to the cash at bank and then recorded in the respective general ledger expenditure.**
- **The Ministry should seek the assistance of the Ministry of Finance to reconcile the accounts.**

Management Comments

Reconciliations of Missions bank accounts have been on going, however this have been a challenge at hand due to the increase in numbers of our Missions abroad. Nonetheless we are in the process of strengthening our accounts sections in order to meet work demands at hand.

All our missions abroad are differentiated by various cost centers, as clearly reflected in drawing accounts highlighted. Each mission has different costs centers even though FMIS narrations naming were the same in most cases. Matters were highlighted to FMIS in some training we had, on the need to correctly reflect right naming against each FMIS allocations.

We have tried our best to address issue raised and the recruitment of additional staff will greatly assist with staff shortage currently experienced.

8.6 Overdrawn Trust Fund Account Balance

Trust Fund Accounts compromise monies, which are not the property of the state and not utilized for the purpose of government. In addition, Trust money is to be accounted for separately from public money and other money,⁴ and by convention should always have credit balances. Thus, the trust fund accounts should not at any time be overdrawn.⁵

The Ministry's Operating Trust Fund Account had overdrawn balances totalling \$62,191 as at 31/12/14. The following trust fund accounts had overdrawn balances.

Table 8.5: Overdrawn Trust Fund Accounts

Account ID	Description	Amount (\$)
1-08101-08101-861902	204 PD DEPST A/C Recoverable	8,799
1-08103-80701-863101	Admin Contributions Foreign Mission	53,253
1-08101-08101-864102	Sundries	140
Totals		62,191

The overdrawn trust funds indicate the lack of adequate internal control and supervision and a disregard for procedures in the Finance Instructions.

Recommendations

- **The Principal Accounts Officer must ensure that the Trust Funds are not overdrawn at any time.**
- **The Principal Accounts Officer must investigate these overdrawn (debit) Trust Funds and take appropriate action.**
- **Internal Control procedures such as supervisory checks in the Accounts Section should be strengthened to avoid such anomaly.**

Management Comment

Comments have been noted and corrective measures have been taken to address the overdrawn accounts. Missions concerned have been advised accordingly to refrain from debiting these expenditure allocations.

8.7 Incomplete Board of Survey Report

An annual board of survey must be conducted each year to verify the existence and condition of assets recorded on the asset register.⁶ The PSFA&IC and HOM shall nominate two boards of survey officers to undertake an annual board of survey of fixed assets and expendable items at a specified date as required by Procurement Regulations 24-(1).⁷

The audit noted that the Ministry failed to carry out the board of survey of the nine missions and embassies. Refer Table 8.6 for Missions whose board of survey was not carried out.

⁴ Financial Management Act 2004 – Section 25 (1)

⁵ Finance Circular No. 4/98 of 30/03/98

⁶ Finance Instructions 2010 – Section 49 (1)

⁷ Ministry of Foreign Affairs & International Co-operation Finance Manual 2011 – Section 7.4.1

Table 8.6: Board of Survey Not Carried Out for Overseas Missions

Mission	Remarks
Abu Dhabi	No file sighted
Brussels	BOS 2012 report dated 30/09/13
Brazil	No 2013 report
Wellington	Last BOS dated 16/12/2011 received in 2013, Report #23-27/4/13
Washington	No 2013 report
Beijing	No 2013 report
Indonesia	Last BOS dated 03/03/11
South Africa	No 2013 report
Taiwan	No 2013 report

Without a board of survey, the Statement of Losses (other than money) cannot be substantiated.

The risk of misappropriation of assets is also high and the statement of losses report reflected in the agency financial statement is not exhaustive.

Recommendation

The Principal Accounts Officer must ensure that Section 49 of the Finance Instruction 2010 and section 7.4.1 of the Ministry's Finance Manual 2011 are strictly complied with.

Management Comment

Comments have been noted and we worked on a follow up process on Board of Survey as stipulated in the Ministry's Finance Manual. A correspondence already issued to the Heads of Missions to conduct Board of Survey (BOS).

8.8 Expenditure Ledger

All payments, including VAT, must be immediately recorded in the financial management information system and an expenditure ledger.⁸ The Accountant is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.⁹

The special purpose financial statements of the Ministry of Foreign Affairs and International Co-operation for the year ended 31 December 2013 was prepared from the Financial Management Information System (FMIS) general ledger maintained by the Ministry of Finance.

The Ministry maintains the expenditure ledger for all the payments done during the year. However, upon reconciliation of the expenditure ledger with the total expenditure as per FMIS general ledger, a variance of \$469,775.11 was noted. Also, the audit noted that the Ministry did not reconcile the expenditure in the FMIS general ledger to its expenditure ledger or any other separate record.

As a result the audit was not able to ascertain the accuracy of the amounts stated as expenditure in the Statement of Receipts and Expenditure.

⁸ Finance Instruction 2010 - Section 15

⁹ Ministry of Foreign Affairs & International Co-operation Finance Manual 2011, Part 12: Ledger Accounts – Introduction Paragraph

Recommendation

The Senior Accounts Officer should ensure that the expenditure ledger is reconciled to the expenditure as per the FMIS general ledger on a monthly basis.

Management Comment

Comments have been noted. We have strengthened our manual expenditure ledger updating and ensure that these are balanced at the end of each month.

8.9 Unauthorised Balances in SLG 84

If an amount appropriated by an Annual Appropriation Act for a financial year has not been used in that financial year; or is unlikely to be used in that financial year, the Minister may authorise the carry-over to the following year of all or part of the unused appropriation that relates to known liabilities as at a particular date, and the amount authorised for carry-over may be used accordingly in that following year, subject to such conditions as the Minister specifies in the authorisation.¹⁰

Natural account in Standard Liability Group (SLG) 84 relates to accounts payable balances that therefore should have a credit balance or zero balance at a particular point in time.¹¹

The Ministry's SLG 84 had a balance of \$2.6 million as at 31/12/13, a 100% increase compared to 2012. Due to unavailability of the relevant records, the audit was unable to substantiate the carry-over balances in SLG 84 with the revised budget and, approved carry-over by Ministry of Finance and carry-over requests from Ministry of Foreign Affairs. The only Ministry of Finance approval provided to audit authorises the carry-over of \$1,720,791. Refer Table 8.7 for details of balances in SLG 84.

Table 8.7: Balances in SLG 84

Account Number	Description	Amount (\$)
1-08101-08101-840102-002	MARINE AFFAIRS UNIT	(11,345.85)
1-08101-08101-840102-003	CDM PROJECT	(2,556.47)
1-08101-08101-840102-004	TNC PROJECT	(21,767.42)
1-08101-08101-840102-005	PIDF KUWAIT	(172,320.46)
1-08101-08101-840102-006	PIDF	(12,573.00)
1-08101-08101-840102-007	SNC PROJECT	(84,613.98)
1-08101-08101-840102-008	PIDF UAE	(187,359.45)
1-08101-08101-840102-009	PIDF RUSSIA	(189,609.40)
1-08101-08101-840102-010	PIDF TIMOR LESTE	(467,551.90)
1-08101-08101-840102-011	ITC RENOVATION -ABHU DHABI	(252,611.33)
1-08101-08101-840103-001	ESTABLISHMENT OF THE PIDF OFFICE	(735,994.00)
1-08101-08101-840103-002	G77	(64,382.75)
1-08101-08101-840103-003	RELOCATION OF F.AFFAIRS TO ITC BLDG	(350,370.00)
1-08101-08101-840103-004	PSC CUBA SCHOLARSHIP	(89,253.83)
1-08101-08101-840602	WITHHOLDING TAX	(151.20)
1-08000-00000-840000	TOTAL	(2,642,461.04)

As a result audit was not able to ascertain the accuracy and completeness of the amounts stated in SLG 84.

¹⁰ Financial Management Act 2004 – Section 19(1)

¹¹ Chart of Accounts – Account Number Structure for Fiji Government

Recommendation

The Principal Accounts Officer should ensure that all records and documentation are available for audit verification.

Management Comment

The Ministry's initial carry over request was submitted to Ministry of Finance (MOF) on 20th December 2013 and was approved for 2014 carry over. Balance of fund released in 2013 was also part of the approved amount for carry over. We have also included in the request, those funding that were provided by development partners at the Ministry of Finance (MOF) Treasury but was yet to be released to us due to fund shortage within Head 50 of MOF.

Since fund received are earmarked for our Ministry, we have included them in our carry over request too; including the amount of \$1,097,132 reflected those that were provided by development partners in 2013 but was not released to the Ministry due to Head 50 fund shortage with the MOF, however these were made available to the Ministry in 2014, thus its reflections in 2014 SLG 84.

8.10 Overstatement of Expenditure

If an amount appropriated by an Annual Appropriation Act for a financial year has not been used in that financial year; or is unlikely to be used in that financial year, the Minister may authorise the carry-over to the following year of all or part of the unused appropriation that relates to known liabilities as at a particular date, and the amount authorised for carry-over may be used accordingly in that following year, subject to such conditions as the Minister specifies in the authorisation.¹²

The purpose of the carry-over policy is to ensure that funds requested for this initiative are reflected in the budget allocation of requesting Ministries and Departments for the respective year.¹³

The audit noted that the Ministry recorded \$1,150,747 an amount authorised to be carried over under the carry-over-policy as expenditure for year 2013 in the FMIS general ledger contrary to the carry-over policy. Refer Table 8.8 for details.

Table 8.8: Accounting Entry for Carry-Over of Funds

Allocation	Description	DR (\$)	CR (\$)
1-08103-81101-070101	Government Hospitality	55,985	
1-08101-08101-070299	Relocation of Foreign Affairs to ITC	321,291	
1-08101-08102-070299	Establishment of Pac Island Dev Office	623,374	
1-08103-08101-130101	Value Added Tax Input Tax	104,397	
1-08101-08101-130101	Value Added Tax Input Tax	45,700	
1-08101-08101-840000	Standard Liability Group 84		1,150,747

As such, the Special Expenditure and Value Added Tax expenditure is overstated by \$1,000,650 and \$150,097 in the FMIS general ledger respectively.

Recommendation

The Principal Accounts Officer in consultation with the Ministry of Finance should ensure that carry-over expenditure is appropriated in the budget of the following year.

¹² Financial Management Act 2004 – Section 19(1)

¹³ Ministry of Finance – Carry-Over Policy, January 2012

Management Comment

Comments have been noted and will try to improve in the near future.

8.11 Lack of salary deductions for late arrival

If the accumulated absence in a month exceeds one hour the monetary equivalent should be deducted from the officer's salary. The waiver for exemption depending on the circumstances of late arrival or early departure rests only with the Permanent Secretaries and Heads of Ministry.¹⁴

Review of payroll records revealed that staff's salary were not deducted for staff who continues to arrive late to work by more than one (1) hour in a month. Refer Table 8.9 for the sample reviewed during audit.

Table 8.9: Details of Unrecovered deductions for Late Arrival

EDP No.	Late Arrival Hours for the Month						Total Hours: Minutes	Salary (\$)	Monetary Value (\$)
	Jan	Feb	Mar	April	May	June			
92465	-	1:00	-	-	2:10	5:20	8:30	10,724	47.38
53305	1:15	1:45	4:40	3:19	6:10	-	17:09	44,720	398.62
53364	2:35	1:10	3:40	1:40	5:59	1:30	16:34	30,833	265.49
91390	6:45	-	1:20				8:05	10,292	43.24
91389	3:13	1:35	3:00	1:40	2:15	2:00	13:43	18,218	129.88
92464	5:40	1:32	2:30	2:10	1:00	-	12:52	10,292	68.83
59930	2:46	1:41	2:33	5:10	10:00	6:25	28:35	17,109	254.17
63618	1:15	3:50	-	-	-	2:38	7:43	16,160	64.81
90182	-	-	-	1:15	4:55	3:40	9:50	26,845	137.20

In addition, the Ministry did not provide the late arrival return for the third and fourth quarter of the financial year 31/12/13.

Excessive late arrivals to work may have an effect on the work performance of the officers and the productivity of the Ministry.

Recommendations

- **The late arrivals should be recovered from the relevant officers and the Ministry should ensure that the late arrival returns for all the months are prepared.**
- **Supervision of staffs should be strengthened to avoid continuous late arrival for the staff of the Ministry.**

Management Comment

The Ministry is in the process of implementing the deduction of salaries and wages from staff in accordance with GO 304. At the same time, the Ministry wishes to inform that some of these officers are required to work late due to pressing work commitments but this is not recognised for those who are not entitled to be paid overtime.

In terms of professionalism, fairness and natural justice, the Ministry is looking at ways and means to ensure the system does not unnecessarily punish the committed and hard-working officers in the process. This in itself is

¹⁴ Public Service Commission Circular 58/2008 – Clause 6.0

staff retention strategy and a way forward for the Ministry in creating and building a work environment that is healthy, friendly, trusting, professional, fair and just.

8.12 Excessive Annual Leave

The Permanent Secretary or Head of Ministry shall ensure scheduling of leave to avoid bulging of leave entitlements at any time of the year. Officers may be allowed to carry over up to a maximum of ten working days leave entitlement from one leave year to the next.¹⁵

There should be no reason or justification for the accumulation of leave beyond what is permissible, nor payment in lieu, if leave were properly administered.¹⁶ Due to Government's stringent control of funds, the compensation of accumulated leave will not be entertained and officers are encouraged to utilize their accumulated leave on a piece meal basis.¹⁷

The review of the leave records revealed that some officers have accumulated leave balances in excess of 10 working days carried over to the next leave year. Refer Table 8.10 for examples.

Table 8.10: Excessive Annual Leave Carried Forward

EDP No.	Balance B/F	Leave Due on Pro-rata ¹⁸	Total	Leave Taken	Balance Due	Consecutive Days	Salary	Leave Liability (\$)
64690	20.5	19	41.5	10	31.5	44.1	23,458	2,842
64691	16	7.5	23.5	0	23.5	32.9	12,659	1,144
91270	16	21	37	18	19	26.6	29,530	2,158
63618	49	21	70	28	42	58.8	19,069	3,080
92464	36	7.5	43.5	0	43.5	60.9	12,659	2,118
91389	42	12	54	21.5	32.5	45.5	21,497	2,687
53699	50	5	55	0	55	77	29,530	6,247
53305	37.5	1.5	39	0	39	54.6	44,720	6,708
13931	59	3.5	62.5	0	62.5	87.5	62,979	15,139
48863	52	0	52	0	52	72.8	62,979	12,596
40960	43	10.5	53.5	14	39.5	55.3	39,452	5,994
Total								60,713

Due to excessive unutilised leaves, the Ministry accrued leave liability of \$60,713 as at the date of audit.

It is important that scheduling of leave is carried out on a regular basis as an internal control mechanism. The findings indicate that the Ministry lacks proper administration and management of leaves. This may result in compensating for unutilized leaves days when Officers resigns or retire from the service.

Recommendations

- The Ministry should ensure that Officers utilize their leave when due and only 10 annual leave days are carried forward to next leave year.
- The Ministry should request Officers with long outstanding leave days to utilize their leave.

¹⁵ General Order - Section 705 (c)

¹⁶ Public Service Commission Circular No. 09/2003

¹⁷ Public Service Commission Circular No. 53/2009 – Effective Leave Administration dated 03/11/09

¹⁸ Leave due on pro-rata is calculated till the month of June 2014

- **The Ministry should comply with circulars issued by the Public Service Commission from time to time regarding the administration of leave.**

Management Comment

The Ministry has been working on having divisions plan/draw up their respective leave schedules and officers are taking leave on piece-meal basis in order to comply with the leave regulations.

While this is being adhered to, the Ministry would like to state that due to the current organisation's staff establishment and the nature of work being carried out, it is often difficult to have officers taking leave on prolonged absences. It is hoped that through the reconfigured structure, should it be approved, the new and additional positions will enable more cover to be available for staff to take their full annual leave entitlements.

8.13 Incorrect Remuneration of Post Allowances

The Heads of Missions and officers posted overseas are entitled to post allowances.¹⁹ The Fiji Embassy in Abu Dhabi has an authorized establishment of an Ambassador, a counsellor in US04 salary grade, a first secretary in salary grade SS01 and a second secretary in salary grade SS02.²⁰

The cost of gas, electricity, water and heating charges in respect of accommodation provided under sub-regulation 63(1) shall be borne by Government subject to a contribution of F\$30 per fortnight by each single officer and F\$50 per fortnight by each married officer deducted from post allowance.²¹

The audit noted that the Counsellor at Abu Dhabi was remunerated at an incorrect rate. Refer Table 8.11 for details.

Table 8.11: Post Allowance Calculation

Pays	Amount (\$)
From pay 5 onwards underpayment	1,053
For Pay 4 underpayment for 6 days only	21
Total underpayment as at 31/12/13	1,073

In addition, the audit noted that Mr. Emosi Rakai (First Secretary) was not remunerated on the approved married rate for First Secretary from Pay 24/13 onwards. Refer Table 8.12 for details.

Table 8.12: Difference between Post Allowance Rates

Postal Allowances	Approved Rate (\$)	Amount Paid (\$)	Annually Difference (\$)	F/N Difference (\$)
Location Allowance	58,961	49,001	9,960	383
Representational Supplement	18,544	15,411	3,133	121
Representational Allowance	14,624	4,051	10,573	136
Child Allowance	8,249	7,618	631	24
Total				663

¹⁹ Public Service (Diplomatic and Consular Services) Regulations 2005 – Section 50 (1)

²⁰ Public Service (Diplomatic and Consular Services) Regulations 2005 – Post Allowance for UAE – Abu Dhabi against Japan Tokyo

²¹ Public Service (Diplomatic and Consular Services) Regulations 2005 – Section 63 (2)

As a result Mr. Rakai was underpaid for the period 19/11/13 to 31/12/13 totalling \$1,990.

Furthermore, it was noted that utilities deduction was not made from Ambassador's post allowance at Korea Mission resulting in overpayment of post allowance of \$1,300 on yearly basis.

The above indicates the laxity of the supervising officer in ensuring that adequate supervisory checks on postal allowance payments are made.

Recommendations

- **The internal control procedure in the accounts and administration section, specifically supervisory checks should be strengthened to avoid such discrepancies.**
- **Overpayments should be recovered from relevant officers and the underpayments of salary should be paid to the relevant officers.**

Management Comment

Comments have been noted and furthermore, the Ministry is looking to strengthen human resource developments as missions abroad continue to expand.

8.14 Anomalies in Procurement of Goods and Services

The accounts officer preparing payment voucher must ensure that all information required under Finance Instruction 14(1) has been included on the payment voucher or attached to it, before passing it to the SAO for certification.²²

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

- i. it is in accordance with the 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.²³

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 Regulations 30 (1).²⁴

The audit noted that the Ministry failed to comply with its Finance Manual (2011) in accounting for the procurement of goods and services. Refer below for details of anomalies noted;

- Local purchase order were issued after the receipt of invoice from the supplier of services;
- Local Purchase Order(LPO) were not generated and issued to the supplier;
- Payment Voucher and other supporting payment records were not stamp paid, checked and authorised by the supervising officer;
- Instances were noted where there was inadequate supporting documents attached to the payment records to justify the payment made to the supplier of goods and services;
- Three quotations were not obtained; and

²² Ministry of Foreign Affairs and International Co-operation, Finance Manual 2011 – Section 2.8.3

²³ Ministry of Foreign Affairs and International Co-operation, Finance Manual 2011 – Section 2.8.4

²⁴ Ministry of Foreign Affairs and International Co-operation, Finance Manual 2011 – Section 2.3.1

- Tender Board Approvals were not obtained for payments above \$50,000.

Refer to **Appendix 8.1** for details.

Processing payments without proper documentation and authorisation increases the risk of double and fraudulent payments.

The Ministry would not receive value for money based on fair competitions and ethical dealings if it continues not to procure from the cheapest supplier for all the procurements.

It is apparent that the Ministry continues to ignore governing procedures and breach Finance Instructions and policies in place. The deliberate disregard of rules and regulations by public servant is evident in the above anomaly which warrants disciplinary actions. This could be catalyst to abuse, misappropriation and could result in wastage of taxpayer's funds.

Recommendations

- The Principal Accounts Officer should ensure that the Ministry complies with its Finance Manual at all times. Any deviation should be properly authorized and supported with documentary evidence.
- The internal control procedure in the Accounts Section, specifically supervisory checks should be strengthened.
- The Principal Account Officer should ensure that procurement procedures and guidelines are followed.
- The Ministry should investigate the officers responsible for not adhering to the financial regulations and implement appropriate disciplinary actions if the responsible officers continue to breach financial regulations.

Management Comment

Headquarters:

Date	Chq #	Payee	Description	Amount	Anomalies	Ministry's comments
04/02/13 22/01/13 26/04/13	25936 25844 26522	Jad international	Airfare Esala Nayasi, Rhadika Kumar Kumar & Minister	11,840 10,854 10,145	LPO Raised After receipt of Invoice	LPO were raised on the same date the approval and invoice were given, however since funding was an issue, shifting and virements were necessary. This contributes to the latter dates on LPO issued.
20/02/13 31/01/13 31/01/13 28/03/13	26039	Jad international Vodafone Fiji Ltd	Pmt airfare Litia Mawi & DJ Payment of Bills	37,708 8,318 5,500 10,970	No paid stamp	Comments have been noted and it must have been overlooked. Measures are in place to see that all are complied with when making payments.

Overseas Missions

Missions	Issues Raised	Ministry's comments
Beijing	Payments documents not stamp paid and not checked by supervisor	Comments have been noted and Missions will be reminded accordingly.
Brazil	Payment Voucher not stamped paid	Missions were informed and there were improvements already.
South Africa	Payment Voucher have not been authorized	Payments have been fully authorized.
PNG	PV not stamped paid	Comments have been noted and Missions will be reminded accordingly
Korea	Supporting documents not attached	Missions were informed and there were improvements already.

Missions	Issues Raised	Ministry's comments
London	<i>Direct debits does not have details attached</i>	<i>Comments have been noted and Missions will be reminded accordingly</i>
Brussels	<i>Competitive quote not attached</i>	<i>Comments have been noted and Missions will be reminded accordingly</i>
Abu Dhabi	<i>PV not paid stamp</i>	<i>Comments have been noted and Missions will be reminded accordingly</i>
	<i>Supporting documents not attached</i>	<i>Documents for payment are attached and there were improvements already.</i>

8.15 Failure to Maintain and Produce Proper Records for Audit Verification

The Principal Accounts Officer is responsible for the safekeeping and proper maintenance of all accounting records or documents.²⁵ The need to improve record management in all agencies is vital for promoting Good Governance, Transparency and Accountability in the public sector. It is the responsibility of all staff hierarchy levels in each agency to integrate proper record management upkeep.²⁶

All accounting staffs are responsible for proper maintenance and safekeeping of accounting records and documents, giving the Accounting Head the responsibility in implementing a sound internal control system to oversee this mater.²⁷

The Senior Accountant is responsible for the safekeeping and proper maintenance of all accounting records or documents.²⁸

The audit noted the following anomalies in the administration and maintenance of accounting records and documents pertaining to payments;

- The Ministry did not provide to audit the acquittal files for Tokyo Mission for the month of April, May, August, September and October. As a result audit was unable to verify expenditure totalling \$1,028,132 for the respective months. Refer Table 8.13 below for details.

Table 8.13: Missing Acquittal Files Expenditure Detail

Account Description	Amount (\$)
Allowance – Transfer	310,975
Allowance – Education	172,995
Wages	119,327
Travel	28,861
Subsistence	11,202
Telephone	5,463
Fuel and Oil Civil Vehicle	2,177
Repair & Maintenance – Building	63,694
Lease & Rental – Building	255,760
Repair Fixtures	52,646
Repair Others	4,187
Office Books, Periodicals & Publication	845
TOTAL	1,028,132

- The audit further noted that personnel files and its pertinent records were not updated or maintained for mission employees to determine the accuracy of post and education allowances paid. Refer Table 8.15 for summary of missing supporting documents;

²⁵Ministry of Foreign Affairs and International Co-operation, Finance Manual 2011 - Section 14.1.3

²⁶Public Service Commission Circular No. 10/2011

²⁷Finance Instruction 2010 – Section 59

²⁸Ministry Foreign Affairs and International Co-operation, Finance Manual 2011 – Section 17.1.3

- Marriage Certificates to vouch the payment of allowances at married or single rates;
- Birth certificates of children to determine the eligibility of education allowances; and
- Board papers to verify appointment of diplomats. Refer Table 8.14 below for details.

Table 8.14: Details of Missing Records

Name of Officer	Post holder	Total (\$)	Remarks
H.E Yogesh Jitendra Karan	Ambassador (New Delhi)	4,661	The marriage certificate and birth certificate of the 2 child were not produced to audit to substantiate the payments of locational allowance of \$2,157, Representational Allowance of \$931, Representation Allowance of \$766, child allowance of \$498 and Domestic Help Allowance of \$308.
Ana Rokomokoti	Counsellor (New Delhi)	3,644	The marriage certificate and birth certificate of the 3 children were not produced to audit to substantiate the payments of locational allowance of \$1,943, Representational Allowance of \$736, Representation Allowance of \$216 and child allowance of \$748.
Om Prakash Gounder	Second Secretary (New Delhi)	3,259	There were no appointment letter or board papers for appointment in the personal file. The audit also noted that the marriage certificate and birth certificate of the 4 children were not produced to audit to substantiate the payments of locational allowance of \$1,747, Representational Allowance of \$400, Representation Allowance of \$115 and child allowance of \$998.
Emosi Rakai	First Secretary (Abu Dhabi)	2,926	The audit noted that the marriage certificate and birth certificate of the child were not produced to audit to substantiate the payments of locational allowance of \$1,885, Representational Allowance of \$153, Representation Allowance of \$593 and child allowance of \$293.
Total		14,490	

In addition, the Ministry failed to provide weekly wages reconciliation for pay 2, 3, 36, 37, 11 to 29 and 47 to 52.

The above shows the laxity of the accounts and administration section in implementing a sound internal control system.

In the absence of records and supporting documents, transactions recorded in the general ledger are unauthenticated.

Recommendations

- **The Principal Accounts Officer should ensure that all accounting records are properly maintained in accordance to section 14.1.3 of the Finance Manual.**
- **The Director Corporate Services should strengthen supervisory checks for records kept with the Accounts Division.**

Management Comment

Table 8.13:- Missing Acquittals Files Expenditure Detail

- *Processing of payment of allowances for each diplomat is cleared by the Admin section before any payments is processed. However the comment is noted as Ministry sighted all their passports and personal details whilst processing their Visa applications and other postings logistics.*

Table 8.14:- Details of Missing Records

- *Comments noted and Ministry will adhere to, however all Diplomats and family members passports and personal details whilst processing their Visa applications and other postings logistics.*

8.16 Locally Engaged Staff (LES) in Seoul

The Permanent Secretary in consultation with the Head of Mission may appoint any person on contract basis to serve as locally recruited staff in any overseas mission.²⁹

The audit of the Fiji Mission in Seoul, South Korea revealed that two (2) Fiji Nationals were recruited as locally engaged staff in 2013. The first officer Rosalini Dalituicama (Personal Assistant) has since been promoted to Third secretary while the second officer Patrick Gork assumes the position of Office assistance.

The audit noted that the two Fiji national were also engaged in protocol, consular and semi diplomatic duties but were not entitled to diplomatic privileged and working conditions and allowances. The 2013 internal audit report stated that Rosalini Dalituicama accompanied the Ambassador for overseas trip while Patrick Gork has also been performing consular and protocol duties such as receiving Fiji Government dignitaries at the airport in Seoul as also required by his Individual Work Plan.

The audit also noted that the two Fiji nationals engaged as LES also lacked proficiency in written and oral Korean language thus have little to offer in terms of communications and interpretations of Korea language.

Furthermore, accounting records revealed that the two Fiji nationals were paid Accountable Advances at the beginning of their contract to assist them with their 3 months security deposits for their rent and relocation to Seoul. Ms Dalituicama was paid an advance of US\$ 6,550.86 while Mr Gork received an advance of US\$3,949 contrary to Finance regulations.

There are no guidelines in place to cater for employing Fiji residents as Locally Engaged Staff in the various Fiji missions overseas especially in respect to assistance for their relocation and other benefits for assuming other diplomatic related work.

Recommendation

- **The engagement of Fiji residents to take LES posts in overseas missions should be reviewed with the LES employment conditions, otherwise be discouraged.**

Management Comment

The Ministry believes the performance of the Fiji embassy in Seoul is the best gauge against which this issue should be measured. The input of the Fijian national engaged as LES has been a strategic decision made by the Ambassador in liaison with the Ministry and the results have been very positive in terms of the huge investments and development commitments the Fiji embassy has been able to secure from the Republic of Korea.

The Ministry is reviewing the Foreign Officers Service Regulations (FOSR) especially with regards to terms and conditions of employment for LES in view of the dynamic geo-political and socio-economic environment we are facing in the world today and the challenge for the Ministry is to come up with a document that recognises the need to be flexible in order to be relevant and seize the opportunities when they present themselves.

²⁹ Public Service (Diplomatic and Consular Services) Regulations 2005 – Section 6 (5)

APPENDICES

Appendix 8.1: Anomalies in Procurement and Accounting for Goods and Services

Headquarters

Date	Cheque No.	Payee	Description	Amount (\$)	Anomalies
04/02/13	25936	Jad International	Airfares for Esala Nayasi – Accompanying Minister to their trip to Rome	11,840	LPO raised after receipt of invoice
22/01/13	25844		Payment for eco class travel – Radhika – 11/01 – 26/01	10,854	
20/02/13	26039		Payment for airfare for Mrs Litia Mawi & Daniel Johnson	37,708	No paid stamp
26/04/13	26522		Payment for airfare for Minister to PNG	10,145	LPO raised after receipt of invoice
31/01/13	25908	Vodafone Fiji Limited	Payment for Ministers bill for Dec 2012	8,318	No paid stamp
31/01/13	25910		Payment for the months of Dec – 2012	5,500	
28/03/13	26306		Payments for the executive bills for the month of Feb-2013	10,970	
19/11/13	JV11/11/13	N/A	Adjustment for telecom payments charged to Directories allocation	9,727	JV not approved by the supervising officer
22/05/13	26713	Auto Mech	Payment for the maintenance for the Ministry's vehicle GN329	3,480	No LPO issued.
Total				108,542	

Overseas Mission

Mission	Date	Cheque No.	Amount (FJD)	Payee	Description	Anomalies
Beijing	13/03/12	1346569	7,716	Commodore Esala Teleni	Being payment of the Ambassador's (Advance) and per diem to Hong Kong – Accompany H.E. The President and meet potential investors & later join the Fiji national sevens team	Payments documents not stamp paid and inadequate supporting documents noted.
	27/09/13	0421310	1,856	China Unicom	Being payment of rental, telephone & ADSL line for the Chancery for the month ending 31/08/13	No paid stamp and Voucher not checked by supervisor.
	16/09/13	01421305	2,445	China Mobile	Being payment of Ambassador & Counsellor's mobile chargers for August 2013	
Brazil	22/02/13	850714	15,083	Commissair Conquessor	Payment for return air ticket from BSB to Fiji in respect to Ambassador Tuiloma to attend consultation with Ministries & Dept.	Payments documents not stamp paid and no travel memo sighted
	22/03/13	850739	1,720	Commissair	Payment towards the	

Mission	Date	Cheque No.	Amount (FJD)	Payee	Description	Anomalies
				eventos e Turismo	Ambassadors return ticket to Chile to present his credentials	
	22/03/13	850740	9,062	Commissaire e eventos e Turismo	Payment towards the Ambassadors return ticket to Washington DC to attend the HOM of the Americans that is scheduled to be held on the 8 – 9 th of April 2013	
	22/03/13	850742	2,304	Commissaire e eventos e Turismo	Payment of Madame Tuilomas return airfare to Chile to accompany Ambassador at presentation of credential ceremony	
South Africa	05/07/13	EFT	11,964	Harvey World Travel	Payment for return air ticket for High Commissioner to attend HOM meeting in Suva	Payment voucher not properly authorized
PNG	16/01/13	004772	7,544	Air Niugini	Being payment made for 2 persons (Business class), HE Mr Romanu Tikotikoca and Madam for presentation of credentials in Solomon Islands	Payments documents not stamp paid and no travel memo sighted.
	12/07/13	0000137	6,496	HE Mr Romanu Tikotikoca	Payment being made for HC per diem outstanding balance as per PGK7436.3 refund for purchasing of Airline ticket at PGK4001.60	Payments documents not stamp paid and inadequate supporting documents
Korea	28/03/13	130340	719	Rosalini Dalituicama	Being the payment of per diem for PA to Ambassador, for Fiji Korea Investment Tour	Inadequate supporting documents sighted
London (Jan)	31/12/12	Direct Debit	1,759	Be Fuel cards Ltd	Direct debit to Fuel cards Ltd	Inadequate supporting attached. The only supporting document attached is the bank statement showing direct debit.
London (Feb)	31/01/13		1,006			
	15/02/13		825			
	28/02/13		1,119			
London	02/04/13		1,253			
London	01/07/13		1,445			
	15/07/13		1,005			
PNG	14/03/13	000017	177	Canaan Service Station	Payment being for fuel refill to Nissan patrol BDT478, the Mission official vehicle	Payments documents not stamp paid and properly authorized and passed by supervising officer
	16/03/13	000019	44	Canaan Service Station	Payment being for fuel refill to Nissan Patrol BDT478, the	Payments documents not

Mission	Date	Cheque No.	Amount (FJD)	Payee	Description	Anomalies
					Mission official vehicle	stamp paid payment voucher not properly authorized
	19/03/13	000029	222	Canaan Service Station	Payment being for fuel refill to Nissan Patrol BDT478, the Mission official vehicle	Payments documents not stamp paid and no receipt or invoice sighted
Korea (Jan)	14/01/13	130102	234	Samsung Electronics	Being the payment and the purchase and installation of Hi-Pass stand for FES Mission support vehicle	No competitive quotation sighted
Brussels (July)	15/07/13	15	444	Hale Tristan	Maintenance work done at the office and at diplomats residence	
	19/07/13	25	7,945	Vandiest BVBA	Supply of oil for central heating system for our Counsellor's residence	
HQ	15/03/13	26211	24,164	Jad International	Payment of account for airfare to various offices	Misallocation of expenditure
PNG (March)	19/03/13	28	1,064	Mrs Loraini Bulivakkarua	Payment being made for vehicle hire by FHC for PM Port Moresby visit	Payments documents not stamp paid and the payments were 2012 expenses.
PNG (April)	24/04/13	56	3,710	JS Bula Hire Cars	Payment for hire of support vehicle Reg#BDV383 for PM's state visit and trade mission to PNG	Payments documents not stamp paid and there was no competitive quote and invoice.
PNG (July)	31/07/13	173	593	Cash	Being made for purchase of vehicle necessities for the two official vehicles	Payments documents not stamp paid and there was no competitive quote.
Korea (Nov)	26/11/13	131141	2,667	Kumho Tyre Centre	Being payment o replacement of snow tyres for FES official & Mission support vehicle	No competitive quote
Beijing (July)	30/07/13	1407653	15,209	Mary's Hospital for Women & Infants	Being deposit for maternity expenses of the SS's wife	No Invoice and payment voucher and supporting documents not stamped 'Paid'
Beijing (July)	17/07/13	1407645	3,042		Payment of deposit for an immediate surgical operation for the first secretary's wife – Mrs Tuima	

Mission	Date	Cheque No.	Amount (FJD)	Payee	Description	Anomalies
Beijing (July)	31/07/13	1407652	899	Josefa Tuima	Reimbursement of medical expenses incurred for the first secretary's wife	
Abu Dhabi (April)	14/04/13	306	154	Lumen Saeed	Payment of insurance compensation (Plan HSS)	Inadequate supporting documents. Payment voucher and supporting documents not stamped 'Paid'
	30/04/13	308	254	Sylvia Sagar	Payment of insurance compensation (Plan H55)	
Total			136,143			

Section 9 Elections Office

Roles and Responsibilities

The Supervisor of Elections administers the registration of voters and conducts election of members of the House of Representatives and Municipalities Councils or any such other elections as prescribed by law. The supervisor is also responsible with providing its administrative support for both the electoral commission and the constituency boundaries commission in the discharge of its duties.

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PART A: FINANCIAL STATEMENTS

9.1 Audit Opinion

The audit of the 2013 accounts of the Elections Office resulted in the issue of an unqualified audit report. Management attention was however drawn to the following matter:

- Note 3(f) discloses that a sum of \$1million was transferred to the Office of the Attorney General's trust fund allocation for the consultation and printing of the 2013 Constitution. The \$1million is charged to Special Expenditure, hence overstating 2013 expenditure by the same amount.

9.2 Statement of Receipts and Expenditure

The office incurred a total expenditure of \$3,799,984 in 2013 compared to \$6,538,546 in 2012. Refer to Table 9.1 for details.

Table 9.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
Commission	97	0
Miscellaneous Revenue	68,125	30
TOTAL REVENUE	68,222	30
EXPENDITURE		
Operating Expenditure		
Established Staff	219,539	199,746
Unestablished Staff	77,861	77,450
Travel & Communications	34,841	19,977
Maintenance & Operations	109,126	81,131

Description	2013 (\$)	2012 (\$)
Purchase of Goods & Services	942	25,087
Special Expenditures	3,187,772	5,895,983
Total Operating Expenditure	3,630,081	6,299,374
Value Added Tax	169,903	239,172
TOTAL EXPENDITURE	3,799,984	6,538,546

Total expenditure declined by \$2,738,562 (42%) in 2013 compared to 2012 due to the decrease in special expenditure by 46% in 2013.

9.3 Appropriation Statement

The Office incurred expenditure totalling \$3,799,984 in 2013 against a revised budget of \$8,407,403 resulting in a savings of \$4,607,419 or 55%. Details of expenditure against the budget estimate are provided in Table 9.2.

Table 9.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	401,600	(7,661)	393,939	219,539	174,400
2	Government Wage Earners	70,200	7,661	77,861	77,861	0
3	Travel & Communications	24,000	14,551	38,551	34,841	3,710
4	Maintenance & Operations	98,200	24,445	122,645	109,126	13,519
5	Purchase of Goods & Services	25,300	---	25,300	942	24,358
6	Special Expenditures	11,500,000	(4,785,950)	6,714,050	3,187,772	3,526,278
	Total Operating Expenditure	12,119,300	(4,746,954)	7,372,346	3,630,081	3,742,265
13	Value Added Tax	1,747,100	(712,043)	1,035,057	169,903	865,154
	TOTAL EXPENDITURE	13,866,400	(5,458,997)	8,407,403	3,799,984	4,607,419

PART B: AUDIT FINDINGS

9.4 Transfer of Funds to the Office of the Attorney General

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

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

The power of the Minister to give authorizations under this section cannot be delegated under this Act.¹

The Acting Permanent Secretary for Justice on 24/04/13 approved the transfer of \$1,000,000 from the Elections Office budget allocation to the Office of the Attorney General for the consultation and

¹ Financial Management Act 2004 22
Elections Office

printing of the 2013 Constitution. A Journal Voucher was raised to facilitate this transfer of fund. Details of budget allocation affected are shown in Table 9.3 below.

Table 9.3: Budget Allocation

Department	Budget Allocation	Details of Account
Elections Office	110101-10999-070601	Preparation for General Election
Office of the Attorney General	103101-03101-840101	Drafts Constitution Consultation

The audit noted that there was no Cabinet approval for the transfer of the \$1,000,000.

Furthermore, the same amount was reflected in the Elections Office's General Ledger as its expenditure even though the expenditure was related to the Office of the Attorney General. Hence, the 2013 expenditure in the Elections Office Agency Financial Statements was overstated by \$1,000,000.

Proper approval was not followed in the transfer of the above fund, hence, unauthorised.

Recommendation

Any redeployment of funds should be approved by Cabinet.

Management Comments

We acknowledge your comments and will ensure that in future we will seek Cabinet approval for transfer of funds to another department. Funds were transferred to accommodate cost of the printing and consultation expenses for the 2013 constitution. This was done to allow unhindered operation during the preparation of the constitution. The Solicitor General's office provided proper acquittals and no funds were misused. All such documents have already been provided.

9.5 Overdrawn Operating Trust Fund Accounts

Trust Fund Accounts comprises monies, which are not the property of the state and not utilized for the purpose of Government. In addition, trust money is to be accounted for separately from public money and other money,² and by convention should always have credit balance. Thus, the trust fund accounts should not at any time be overdrawn.³

As at 31 December 2013, the Office Operating Trust Fund Accounts had an overdrawn balance of \$509,865 compared to \$495,101 in 2012. Refer to Table 9.4 for details.

Table 9.4: Overdrawn Trust Fund Accounts

Allocation	Description	2013 (\$)	2012 (\$)
1-10101-10999-840602	Withholding Tax	0	(84.00)
1-10101-10999-861101	OPR Current Year	10.00	10.00
1-10101-10999-861105	Public Rental Board	0	69.00
1-10101-10999-861106	Water rates	0	(70.00)
1-10101-10999-861201	Fiji Care Insurance	0	(789.83)
1-10101-10999-861202	CMLA	(29.56)	(29.56)
1-10101-10999-861204	LICI	0	165.25
1-10101-10999-861601	MAINT – SUVA	0	(12.50)

² Sections 25 (1) of the Financial Management Act 2004

³ Finance Circular No 4/98 of 30/03/98

Allocation	Description	2013 (\$)	2012 (\$)
1-10101-10999-861901	Tax Arrears/PAYE	398,028.45	398,078.23
1-10101-10999-861902	Deposit A/C Recoverable	0	(6,373.56)
1-10101-10999-861920	Employees FNPF	111,675.75	98,886.91
1-10101-10999-861921	Employers FNPF	0	5,419.20
1-10101-10999-861924	MPAISA	0	(252.00)
Total		509,684.64	495,101.14

These overdrawn balances were brought forward from previous years.

The trust accounts with zero balances highlighted in the table above were approved for write off by the Minister for Finance.

Despite the write off, the overdrawn balance continued to increase from \$495,101 in 2012 to \$509,685 in 2013 mainly due to the increase in Employees FNPF account. The overdrawn of Operating Trust Fund Account may have resulted from incorrect journal entries passed to these accounts or through incorrect postings.

The above findings indicate that monthly reconciliations and independent checks by supervisors were not effectively carried out which may lead to substantial amount of write offs.

Recommendations

- **The Accounting Head should ensure that the Trust Account is not overdrawn at any point in time in accordance with Finance Circulars 4/98.**
- **The Accounting Head should ensure that all FNPF deductions are credited to the trust accounts.**
- **The Accounting Head must investigate the overdrawn (debit) trust fund accounts and take appropriate action.**
- **The internal control procedures in the Accounts Sections, specifically supervisory checks should be strengthened to avoid such discrepancies.**

Management Comments

We acknowledge your comments and we have established a system that a General Ledger report on the trust fund account will be printed and attached to the payment voucher for verification before the payment is passed and certified for payment.

Established staffs FNPF deductions was posted under the Prime Minister's Office trust fund account in the previous years since Fijian Elections Office payments was managed by the Principal Accounts Officer at the Prime Minister Office.

We will reconcile the overdrawn amounts with the PM Office Trust Fund Account to regularise the debit balance and request for write off for unreconciled amounts.

9.6 Long Outstanding Revolving Fund Accounts

The Accounts Officer is responsible for the safekeeping and proper maintenance of all accounting records or documents.⁴

The audit of Revolving Fund Account records noted that \$50,751.58 had been carried forward from previous years which have not been cleared. Refer to Table 9.5 for details.

Table 9.5: Revolving Fund Account Balances

Allocation	Description	2013 (\$)	2012 (\$)
1-10101-10999-560302	Employee Advances	50,607.22	51,683.35
1-10101-10999-570101	Prepaid Expenses	0	1,730.00
1-10101-10999-570301	Advances	144.36	7,874.50
Total		50,751.58	61,287.85

The Revolving Fund Account balance declined by \$10,536.27 or 17% in 2013 due to the write-off of \$9,604 by the Minister of Finance.

Most of the employee advance balances had been carried forward since 2006 and that the proper records were not maintained by the previous Accounts Officer. This account balance is unnecessarily overstating the Revolving Fund Account.

This issue was highlighted in the previous audit reports, however, no corrective action have been taken by the Office to clear these balances.

Recommendation

The Accounting Head must investigate these long outstanding balances and take appropriate action.

Management Comments

Advances issued to staff was manually done and updated in the Finance system from 2006-2011. In 2012 the FMIS system was established in the Elections Office. Accountable advance issued to staff in 2012 and 2013 was updated and reconciled with the amounts issued to staff. Previous outstanding amount cannot be reconciled due to improper documents and request for write off of the outstanding amount of \$50,607.22 will be submitted this year to Ministry of Finance as advised by the Principal Accounts Officer in FMIS. Submission made in 2013 did not include the allocation 1-10101-10999-560302- \$50,607.22

The outstanding advance of \$144.36 was advance issued to officers conducting voter display in the month of December 2013. Acquittals were submitted and journalised in the month of January 2014.

⁴ Elections Office Finance Manual 2011 – Section 18.1.3

Section 10

Judiciary

Role and Responsibilities

The Judiciary Department is responsible for enhancing the quality of justice in the community by ensuring an effective and accessible court system and as the cornerstone of justice; the court system will uphold the principles of equality, fairness and access while protecting the dignity and rights of all members of the community.

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PART A: FINANCIAL STATEMENT

10.1 Audit Opinion

The audit of the 2013 accounts of the Judiciary Department resulted in the issue of an unqualified audit report. Management attention however was drawn to the Department that it owed arrears of revenue totalling \$11,968,031 as at 31 December 2013 of which arrears of revenue of \$9,485,449 are being considered for write off.

10.2 Statement of Receipts and Expenditure

The department collected revenue totalling \$4,174,717 and incurred expenditure totalling \$21,567,478 in 2013. Refer to Table 10.1 for details.

Table 10.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
State Revenue		
Court Fines	2,651,192	2,284,711
Court Fees	1,304,990	1,261,619
Others	5,462	15,525
Total State Revenue	3,961,644	3,561,855

Description	2013 (\$)	2012 (\$)
Agency Revenue		
Miscellaneous	166,721	143,183
Revenue from Surveys	46,352	25,539
Total Agency Revenue	213,073	168,722
Total Revenue	4,174,717	3,730,577
EXPENDITURE		
Operating Expenditure		
Established Staff	14,898,751	11,937,920
Government Wage Earners	650,141	556,931
Travel & Communication	810,798	846,652
Maintenance & Operations	878,698	704,097
Purchase of Goods & Services	512,491	464,387
Special Expenditure	683,933	957,871
Total Operating Expenditure	18,434,812	15,467,858
Capital Expenditure		
Construction	1,213,784	492,801
Purchases	1,194,478	1,105,015
Total Capital Expenditure	2,408,262	1,597,816
Value Added Tax	724,404	557,744
TOTAL EXPENDITURE	21,567,478	17,623,418

The department's total revenue increased by \$444,140 or 12 % in 2013 compared to 2012 due to the increases in court fees and fines.

The total expenditure increased by \$3,944,060 or 22% in 2013 compared to 2012 due to increases in expenditure for established staff and capital construction.

10.3 Appropriation Statement

The department incurred expenditure totalling \$21,567,478 in 2013 against the revised budget of \$22,706,577, resulting in a savings of \$1,139,100 or 5%. Details of expenditures against the budget estimates are provided in Table 10.2.

Table 10.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	16,466,712	(702,000)	15,764,712	14,898,751	865,961
2	Government Wage Earners	765,439	-	765,439	650,141	115,298
3	Travel & Communication	896,350	(44,000)	852,350	810,798	41,552
4	Maintenance & Operations	723,600	176,000	899,600	878,698	20,902
5	Purchase of Goods & Services	545,235	5,445	550,680	512,491	38,189
6	Operating Grants & Transfers	3,400	-	3,400	-	3,400
7	Special Expenditure	1,468,950	(766,250)	702,700	683,933	18,767
	Total Operating Costs	20,869,686	(1,330,805)	19,538,881	18,434,812	1,104,069
	Capital Expenditure					
8	Construction	6,250,000	(5,035,696)	1,214,304	1,213,784	520
9	Purchases	300,000	896,016	1,196,016	1,194,477	1,539
	Total Capital Expenditure	6,550,000	(4,139,680)	2,410,320	2,408,261	2,059
13	Value Added Tax	1,526,200	(768,824)	757,376	724,404	32,972
	TOTAL EXPENDITURE	28,945,886	(6,239,309)	22,706,577	21,567,477	1,139,100

In 2013, Cabinet approved the redeployment of \$6,239,309 from the Department's budget to other Ministries and Departments

10.4 Statement of Losses

The Department recorded loss of money amounting to \$4,126.95 in 2013.

- Small Claims Tribunal – one of the Sheriff Officers embezzled \$1,826.95. This was reported to Police and investigation was carried out. The officer failed to pay the sum; hence the department paid.
- Domestic Court Suva – one of the officers embezzled \$2,300. This was reported to Police and investigation was carried out. The officer failed to pay; hence the department paid the sum.

10.5 Trust Fund Account Statement of Receipts & Payments

Judiciary fund and Legal Practitioners' trust fund accounts are used to record the interest received from the trust fund kept by the individual legal practitioners. Suitors, maintenance and sundries trust fund accounts are used to deposit and make payments pursuant to the orders made by the courts. Table 10.3 outlines the trust fund account receipts and payments for the year.

Table 10.3: Trust Fund Account Statement of Receipts & Payments for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
Judiciary Trust Fund Account	227,005	257,792
Legal Practitioners Unit Fund	98,894	124,944
Suitors Fund	12,196,581	10,804,080
Maintenance Fund	3,732,580	3,718,465
Sundries Fund	2,298,805	2,527,898
TOTAL REVENUE	18,553,865	17,433,179
PAYMENTS		
Judiciary Trust Fund Account	771,870	250,110
Legal Practitioners Unit Fund	171,310	50
Suitors Fund	9,174,938	8,505,520
Maintenance Fund	3,635,963	3,676,351
Sundries Fund	2,911,028	2,633,080
TOTAL PAYMENTS	16,665,109	15,065,111
Net Surplus/(Deficits)	1,888,756	2,368,068
Opening Balance as at 1 January	15,602,158	13,234,090
Closing Balance as at 31 December	17,490,914	15,602,158

The trust fund account balance increased to \$17.5 million in year 2013 compared to \$15.6 million in 2012, an increase by \$1.9 million or 12% due mainly to the increase in collections from suitors fund.

PART B: AUDIT FINDINGS

10.6 Arrears of Revenue

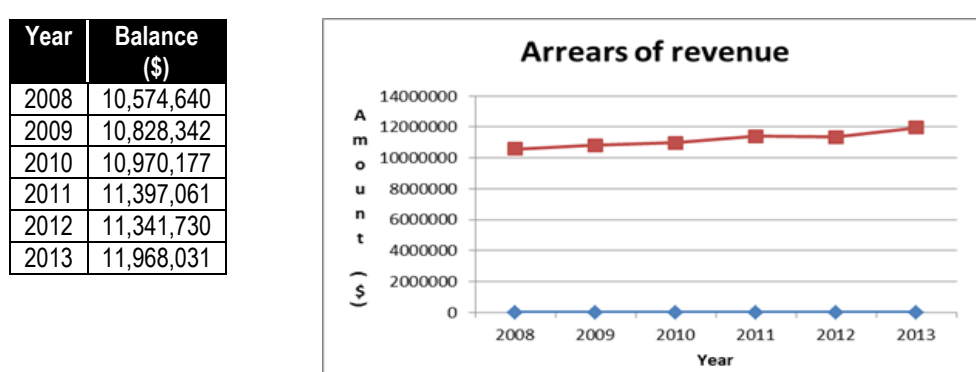
The credit officer must promptly follow up accounts that fall due. If the recovery is unsuccessful after one month, the following actions shall be taken:

- a demand notice for payment shall be sent to the debtor after his/her debt has been overdue for more than a month;
- if the account still remains unpaid after the first demand notice was issued, a final notice shall be issued demanding payment within fourteen days.¹

If a final notice had been issued to one of the debtors listed, the Principal Accounts Officer may approve the case to be referred to the Solicitor General or the Small Claims Tribunal, after considering the cost implication and the probability of recovery.²

The Department's arrears of revenue amounted to \$11,968,031 as at 31/12/13. Refer Table 10.4 for details.

Table 10.4: Arrears of Revenue



The arrears of revenue comprises of Court Fees, fines and cost to State. The Department has established a Fine Enforcement Unit to manage the arrears of revenue. Despite this exercise, the arrears of revenue for the Department remained substantial. Refer Table 10.5 for Aging of Debtors.

Table 10.5: Aging of Debtors

Age of Debtors	Amount (\$)	Percentage of Total (%)
Less than 1 year	957,297.00	7.999
1-2 Years	365,727.00	3.06
2-5 years	1,159,558.00	9.69
More than 5 years	9,485,449.00	79.26
Total Debtors	11,968,031.00	100

79% of the arrears of revenue are aged more than 5 years. Further delay in collecting the outstanding revenue increases the risk of revenue not likely to be collected which may require writing it off.

Recommendations

- A thorough review of the arrears should be undertaken and irrecoverable arrears should be considered for write off.
- The Chief Registrar should continue to seek Ministry of Finance's assistance in enforcing appropriate actions to collect arrears of revenue since the fine is enforced by Court but the Police are warranted to collect the fines.

¹ Judicial Department Finance Manual 2011 –s 9.2.1

² Judicial Department Finance Manual 2011 – s 9.2.4

Management Comment

The Arrears of Revenue for the department arises due to the non-payment of fines and court costs. Fines are imposed by the court are generally to be paid within fourteen (14) to twenty one (21) days. Warrants are issued if these fines are not paid within the specified time frame. The execution of warrants is undertaken by the Fiji Police Force. It is pertinent to note that Judicial Department has neither authority nor control over the execution process, this is mainly vested with the Police Department. If only Police is able to execute the warrant, then Arrears of Revenue will decrease. Otherwise it will keep increasing.

The debtors of Judicial Department are the accused who appear in court. They are fined. If a fine is not paid a committal warrant is issued and handed over to Police. There is no procedure to issue demand notice or take them to Solicitor General or SCT as they are apprehended only, they either pay the fine or are sent to prison. The department has set up a FEU and hired rental cars to assist Police to go and execute warrants. Some arrears have been cleared but it is difficult to collect the very old ones. In most cases the accused seems to have changed their address and in some instances they might have passed away or migrated as the cases are quite old.

A team have been set up whereby all arrears are entered in the database. Massive checks of all files are being carried out and the actual dollar value entered in the system. Once this exercise is completed, recommendation will be made to Ministry of Finance for write off of irrecoverable Arrears aging more than 5 years.

The department has requested Ministry of Finance for vehicles whereby Police Officers can go and execute warrants. There is also a Fine Enforcement Unit (FEU) set by the department that assists Police in arresting of the defaulters. As already advised department has no authority over the execution process but can assist by means of providing resources such as manpower and vehicles.

Comments from the Auditors are noted. The Principal Accountant depends on the figures provided by each court registry which is compiled and reflected in the quarterly returns. The Court Registries maintain the records and the figures they provide to Accounts Section should be accurate at all times because the same figures are transferred to the quarterly return. Accounts Section relies on each Officer in charge to provide the correct information.

The variance was only \$500.00 whilst it was verified in the presence of the Audit Team and not \$153,117.31. The variance is based from the new records that were compiled early this year. The Arrears of Revenue Returns for the last quarter i.e. December 2013 were calculated from the old record books which were submitted to Accounts. These figures could not be relied upon as it did not match with the source documents, thus a new set of records were prepared. Apparently only the registry copy is the one where amendments take place upon receipt of the paid documents.

10.7 Acting Appointments Contrary to PSC Regulations

The Public Service Commission in its circular dated delegated the appointment of officers on acting position and advertisement of the vacant positions as the earliest. The Civil Service will not have acting appointments and temporary relieving officers beyond 3 months after 30th April, 2012.

All acting appointments will be strictly for up to three (3) months or the date the appointment is revoked whichever is earlier. Extensions will only be granted in cases where the post has to be re-advertised due to lack of applications from suitable candidates. Appointments to cease by Wednesday, 29th February 2012.^[2] The appointment of acting was re-delegated to Permanent Secretaries and Heads of Department on 29/10/12.^[3]

The audit noted that acting appointment continued for officers contrary to PSC circular No 08/12 and 14/12. Refer to Table 10.6 below for details.

^[3] PSC Circular No. 70/2012

Table 10.6: Acting Appointments

Name	EDP No.	Acting Since from	Acting position	Period Of Acting ³
Kelerani Koroivueta	63458	2006	Secretary	More than 7 years
Wati Vueta	92221	29/3/12	Secretary	More than 2 years
Shobna Lata	91567	07/02/12	Secretary	More than 2 years
Pretty Prasad	61020	Mid 2012	Senior Administration Officer	Almost 2 years
Susau Mukund	49014	Late 2012	Court Reporter	More than 1 ½ years
George Chand	64163	Mid 2009	Senior Administration Officer	More than 5 years
Jasima Bano	91848	Mid 2011	Administration Officer	More than 3 years
Claude Whippy	64165	Late 2012	Assistant Statistician	More than 1 ½ years
Maria Naceva	92965	Late 2012	Court Reporter	More than 1 ½ years
Hirdeshni Kumari	91351	Mid 2011	Court Officer	More than 3 years
Losana Sanu	91345	Late 2012	Court Reporter	More than 1 ½ years
Maria Dimaimuri	91893	Late 2012	Court Officer	More than 1 ½ years

There was no evidence to indicate that the above positions have been advertised. Appointments contrary to Public Service regulations are unauthorized.

Recommendation

The Manager Corporate Services should ensure that Public Service Commission regulations are strictly adhered to and vacant positions are advertised and filled as soon as practical.

Management Comments

Name of the Officer	EDP No.	Acting since from	Acting position	Period of Acting	Comments from the Department
Kelerani Koroivueta	63458	2006	Secretary	More than 7 years	Commenced acting as secretary from 19/6/06. Acting was ceased in April 2009 due to suspension of Judicial Officers' appointments as a result of the abrogation of the Constitution. Acting re-activated from 30/11/09. She requested for regularization of acting appointment but it was declined as there was a break in her service from 17/6/09 to 30/11/09 which fell short of the six months continuous acting criteria. In 2011 she was posted to Family Court to act secretary to RM Ms Mua. Post advertised on 31/10/12. Staff Board's decision to re-advertise the post, there were no suitable applicants. Advertised the post again on 30/01/2014, awaiting Chief Registrar's endorsement on Staff Board's recommendation.
Wati Vueta	92221	29/3/12	Secretary	More than 2 years	Commenced acting on 29/3/12. Post substantively filled by Ms Anjani Lata – outside applicant. FPSOC dated 31/10/12. Upon the promotion of Ms Lata, Ms Vueta's acting was to expire

³ As at 16 July 2014

<i>Name of the Officer</i>	<i>EDP No.</i>	<i>Acting since from</i>	<i>Acting position</i>	<i>Period of Acting</i>	<i>Comments from the Department</i>
					<i>from 31/5/13. RM Ms Hamza insisted to retain Ms Vueti as her secretary. Ms Vueti's acting was then tagged to another vacant secretary post in Magistrate's Court at that time. Advertised the post again on 30/01/2014, awaiting Chief Registrar's endorsement on Staff Board's recommendation.</i>
<i>Shobna Lata</i>	<i>91567</i>	<i>07/02/12</i>	<i>Secretary</i>	<i>More than 2 years [broken acting appointments and not only on secretary's post].</i>	<i>Commenced acting on this post on 7/2/12. Acting ceased from 31/8/12 to 27/9/12 – overseas leave. Acting re-activated from 1/10/12 to 31/1/13. Again ceased on 22/11/13.</i> <i>Acting as Court Reporter from 25/11/13. Again ceased from 30/6/14 – maternity leave. Advertised the post again on 30/01/2014, awaiting Chief Registrar's endorsement on Staff Board's recommendation.</i>
<i>Pretty Prasad</i>	<i>61020</i>	<i>Mid 2012</i>	<i>Senior Administration Officer</i>	<i>Almost 2 years</i>	<i>Commenced acting on 1/8/12. Post advertised on 30/04/13 (FPSOC). SB on 13/3/14. Chief Registrar's decision that post be re-advertised. Will advertise in the next vacancy circular.</i>
<i>Susau Mukund</i>	<i>49014</i>	<i>Late 2012</i>	<i>Court Reporter</i>	<i>More than 1 ½ years</i>	<i>Commenced acting on this post from 22/10/12. Post advertised on October 2012, Staff Board decided that the post be re-advertised since there were no suitable candidates for the post. Post advertised on 31/1/14. Awaiting Chief Registrar's decision on Staff Board recommendation.</i>
<i>George Chand</i>	<i>64163</i>	<i>Mid 2009</i>	<i>Senior Administration Officer</i>	<i>More than 5 years (13 months)</i>	<i>Commenced acting as SAO –Asset from 24/6/13 after Mr. Salen Sharma was posted to PSC. Prior to that he was acting on Admin Officer (Project Post) which was withdrawn by Ministry of Finance on 31/12/13. The SAO post will be advertised in the next vacancy circular.</i>
<i>Jasima Bano</i>	<i>91848</i>	<i>Mid 2011</i>	<i>Administration Officer</i>	<i>More than 3 years (15 months)</i>	<i>Commenced acting as AO from 4/4/13. The post holder is still acting SAO.</i>
<i>Claude Whippy</i>	<i>64165</i>	<i>Late 2012</i>	<i>Assistant Statistician</i>	<i>More than 1 ½ years (7 months)</i>	<i>Commenced acting on this Fine Enforcement Project post from 01/01/14. Prior to this acting appointment, he was acting Executive Officer on a Public Relations Project Unit which was withdrawn by Ministry of Finance on 31/12/13.</i>

<i>Name of the Officer</i>	<i>EDP No.</i>	<i>Acting since from</i>	<i>Acting position</i>	<i>Period of Acting</i>	<i>Comments from the Department</i>
<i>Maria Naceva</i>	<i>92965</i>	<i>Late 2012</i>	<i>Court Reporter</i>	<i>More than 1 ½ years</i>	<i>Acting commenced on 22/10/12. Post advertised on 31/1/14. Awaiting Chief Registrar's decision on Staff Board's recommendation.</i>
<i>Hirdeshni Kumari</i>	<i>91351</i>	<i>Mid 2011</i>	<i>Court Officer</i>	<i>More than 3 years [broken acting appointments and not only on Court Officer's post]</i>	<i>Been acting Court Officer at High Court, Suva since the post holder has been acting Senior Court Officer I since October 2010. Awaiting Chief Registrar's decision on Staff Board recommendation on the SCO I post.</i>
<i>Losana Sanu</i>	<i>91345</i>	<i>Late 2012</i>	<i>Court Reporter</i>	<i>More than 1 ½ years</i>	<i>Acting commenced on 22/10/12. The post was advertised on October 2012, no suitable candidates based on the old MQR. Post advertised on 31/01/14. Awaiting Chief Registrar's decision on Staff Board recommendation.</i>
<i>Maria Dimaimuri</i>	<i>91893</i>	<i>Late 2012</i>	<i>Court Officer</i>	<i>More than 1 ½ years</i>	<i>Acting commenced on 5/11/12. Post was advertised March 2013, decision of the SB to re-advertised the post since there were no qualified candidates. Post advertised again on 31/01/14 (FPSOC). Staff Board completed. Awaiting Chief Registrar's decision on Staff Board recommendation.</i>

10.8 Pending Court Cases

The Judiciary Department is responsible for enhancing the quality of justice in the community by ensuring an effective and accessible Court System and as the cornerstone of Justice.⁴

The audit of Court records noted that there is a substantial number of pending cases under each category of Court. Refer Table 10.7 for details.

Table 10.7: Pending Court Cases

Court	Cases Initiated	Cases Disposed	Pending Cases
Supreme Court	21	25	27
Court of Appeal	209	98	601
High Court	4,704	3,839	4,951
Magistrates Court	94,173	59,485	136,634
Family Court	9,397	9,848	2,863
Small Claims Tribunal	8,822	8,662	1,303
Tax Court	20	40	21
Other Tribunals	13	23	4

The table shows that highest number of pending cases was for Magistrates Court (136,634) followed by High Court (4,951) and then Family Court (2,863).

Lack of proper scheduling of cases could have resulted in substantial number of outstanding cases.

⁴ Judicial Programme Statement

Recommendations

The Chief Registrar must ensure that:

- Cases are appropriately scheduled so that these are dealt with in a timely manner.
- An analysis of all the outstanding cases is carried out and strategies developed to clear the backlogs.
- All Courts should be well resourced to allow the cases to be heard on schedule.

Management Comment

No comment received from the Department.

10.9 Under-utilisation of Funds

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 wastage of funds, over-expenditures and corruption do not occur.⁵

The budget estimates and budget statements are to be prepared as far as practicable in accordance with internationally accepted standards.⁶

The Public Service carries out the Government's policies and programs effectively and efficiently and with due economy.⁷

An original budget of \$4.5 million VEP in 2013 and \$2 million VEP in 2012 were allocated to the Department for the extension of Lautoka High Court. However, funds were not utilised and were redeployed⁸ to Ministry of Provincial Development and Disaster Management at the end of the year. It was also noted that an original budget of \$350,000 VEP was allocated to the Department for the relocation of Ba Magistrate Court for the year 2013. However, only \$6,043 was utilised and sum of \$343,957 VEP was redeployed⁹ to Ministry of Provincial Development and Management at the end of the year.

There is urgency in the relocation of Ba Magistrate Court as the current location has been faced with flooding problems leading to damages to office furniture, equipment and documents.

Lack of proper planning and commitment by the Department is evident as funds allocated for capital works in the 2012 and 2013 budget were not utilised. The delay in the extension and relocation of office may lead to further damages to office and its resources should there be any natural disasters.

Recommendation

The Chief Registrar should ensure funds allocated in the budget are properly utilised for its purpose.

⁵ Judicial Finance Manual 2011 – Part 2 Introduction - Expenditure

⁶ Financial Management Act 2004 – Section 13 (3)

⁷ General Order 2011- Annexure II- Public Service Values- No.4

⁸ Cabinet Decision No.373 of 17/12/13.

⁹ Cabinet Decision No.373 of 17/12/13.

Management Comment

The funds requested were not unnecessary funds but it was requested for a purpose. It was rather unfortunate that it was not utilised for the purpose it was requested for. No department will waste time and energy requesting for funds as they know the government is very much committed. It is not easy to carry out a project even though funds are allocated. There are so many factors involved. As for relocation of Ba Court, we had to first secure a land which we did in year 2013.

This land was secured on 20/06/13 from the Divisional Surveyor Western and endorsed by the Commissioner Western and Provincial Administrator Ba. It is being envisaged that works may commence in 2014.

As for the extension of Lautoka High Court, the same is anticipated in 2014 as Tender works were being completed in 2013 which did not allow us ample time to commence with the project.

10.10 Fixed Asset Register not Updated

All assets acquired with a cost in excess of \$2,000, shall be recorded in the assets module of the Financial Management Information System (FMIS) or a fixed assets register for those without the FMIS.¹⁰

Each agency is required to maintain an asset register for assets valued at \$2,000 and above. Assets that are similar in nature may be grouped under a specific class of assets. The description in the asset register should include the total quantity of assets and where applicable, the individual and total cost.¹¹ The audit noted that capital items purchased totalling \$62,127 were not recorded in the fixed assets register. Refer to Table 10.8 below for details:

Table 10.8: Fixed Asset Purchased During the Year

Date	Vendor	Cheque No.	Item	Cost Price (\$)
20/02/13	Aldex Trading	72531	15 dark stained cabinets with glass for Magistrate Court and High Court	7,800.00
19/12/13	Sharma Music Centre	EFT 415	Purchase of Audio system for High Court # 2, Suva, High Court Lautoka and High Court # 5 & 8, Suva	37,850.00
20/12/13	Vinod Patel and Company Ltd	EFT 428	Purchase of new Office Equipment valued at \$6,454.80 however following fixed asset items were not recorded in: <ul style="list-style-type: none"> • 3 medium back chairs- • 5 steel racks with shelves • 1 Ivan bench chair • 1 Hunter blinds • 3 M/Pedestral 	1,050.00 1,650.00 299.00 328.80 199.00
17/12/13	Aldex Trading	78236	Purchase of 7x4 way workstations for Nasinu Court	12,950.00
TOTAL				62,126.80

The above indicates the lack of control and management over fixed asset and there is risk of theft and misappropriation of assets.

¹⁰ Finance Instruction 2010 – Section 46 (1)

¹¹ Judicial Finance Manual 2011 – Section 11, Subsection 11.5.17- Schedule 1

Recommendations

- **The Chief Administration Officer should ensure that fixed assets are recorded in the Fixed Assets Register.**
- **The Department should strictly comply with section 46 of Finance Instruction 2010.**

Department's Comments

The Fixed Assets Register will be updated as recommended. The Department will strictly comply with section 46 of Finance Instruction 2010.

10.11 Capital Construction Works

Government Tender Board (GTB) in its meeting No 23/2011 held on 13/09/11 awarded the tender for the Renovation of Courts & Facilities Phase 1 and 2 to Western Builders Ltd at the total cost of \$997,604.84 (VIP).

GTB in its meeting No. 2/2012 held on 09/02/12 granted a further approval for additional works required amounting to a total cost of \$34,298.37 (VIP) and on 23/02/12, the Minister of Finance granted a retrospective approval amounting to \$77,421.43.

GTB in its meeting No. 22/2012 held on 18/9/12 approved to extend the scope of work for phase 2 amounting to \$113,799.22. Thus the revised cost for the project was \$1,223,123.86 (VIP).

In 2013, as per Ministry of Finance Memorandum dated 25/04/2013, the Acting Prime Minister granted a retrospective approval amounting to \$602,149.64 for additional works for phase 2 of the project. Thus, the revised cost for the project was \$1,825,273.50 (VIP).

Furthermore, GTB in its meeting No. 08/2013 held on 16/4/13 approved to award the tender for the construction of the New Tribunal Court No.2 and Registry at the Government Buildings amounting to \$148,637.37 (VIP) to Western Builders Limited.

Hence, a total sum of \$1,973,910.87 for capital works was awarded to Western Builders.

10.11.1 New Contract

The Department was advised by the Ministry of Finance that:

- Retrospective approval has been granted to engage the contractor, Western Builders Ltd for additional works for Phase II of the project amounting to FJD\$602,149.64 (VIP) inclusive of the 10% contingency sum.
- Given the project valuation has increased dramatically (given various approvals) from FJD\$997,604.84 (VIP) to FJD\$1,825,273.50 (VIP); the Agency to formulate a new contract with revised performance bond in reflection to the revised contract sum.¹²

The audit noted that the Department did not formulate a new contract as advised by the Ministry of Finance.

The above indicates the lack of control in the management of the project. There is lack of accountability without a signed contract as the contractor is left to dictate the contract works at its

¹² Ministry of Finance Memorandum dated 25/04/2103, Retrospective Request for Additional Works to Government Building Phase II Renovation Works.

own will and time. This may greatly contribute to the considerable delay in the project completion and overpayment.

Recommendations

- **The Accounting Heads should ensure that a contract is formulated for all contract works.**
- **Disciplinary action should be taken against the project manager.**

Management Comment

All contracts are kept by Project Officers. Accounts Section is responsible for the payment and this is done upon the approval of the Government Tender Board. To our understanding everything is in order thus the approval granted. We always ensure that payments are made correctly, on time and within the approved amount. Nevertheless, this work was carried out under the DBGA's instructions which were issued on 21st November 2012 to Western Builders to carry out variation works under Phase II – Renovations to High Court and Facilities. This therefore did not require an additional contract.

10.12 Unofficial Use of Government Vehicle

As per Section 10 of the Agreement of Service between the Government and Mr. Anthony Gates, an annual taxable motor vehicle allowance of \$15,000 should be paid to him in fortnightly instalments.

Despite being paid fortnightly motor vehicle allowance, the Chief Justice uses the government vehicle, registration no GN 802 for his personal commitments. The vehicle was mostly used to pick and drop the Chief Justice for his morning walk, lunch and after work. Refer to Table 10.10 below for examples.

Table 10.10: Unofficial Use of Government Vehicle

Vehicle Registration No	Date	Time	Discrepancies
GN 802	14/01/2013	2.40pm	<ul style="list-style-type: none"> • Pick and drop body guard for Chief Justice
	04/03/2013	7.45am 1.05pm	<ul style="list-style-type: none"> • Pick up for Chief Justice • Pick Chief Justice from Government and drop at Domain for lunch, pick from Domain and drop at Government Buildings
	22/06/2013	4.25pm	<ul style="list-style-type: none"> • Drop off Chief Justice at Domain and Park Car at Government Buildings
	23/10/2013	7.20pm	<ul style="list-style-type: none"> • Pick Chief Justice from Government Buildings and drop off at Domain
	11/11/2013	7.45 am	<ul style="list-style-type: none"> • Pick up for Chief Justice.
LR 534	11/03/2013	7.20pm	<ul style="list-style-type: none"> • Dropping off of Chief Justice's bodyguard.
	12/03/2013	4am	<ul style="list-style-type: none"> • Pick up for Chief Justice's bodyguard for Chief Justice's morning walk, and changing of clothes and return.
GN 930	16/12/2013	7.45am	<ul style="list-style-type: none"> • Pick up Chief Justice from Domain, take Chief Justice for administration run to Market and back to Domain then to Government Buildings.
		1.25pm	<ul style="list-style-type: none"> • Drop off and pick up Chief Justice for lunch from Government Buildings to Domain
		2.45pm	<ul style="list-style-type: none"> • Drop off Chief Justice's laundry from Government Buildings to Domain.
	17/12/2013	4am	<ul style="list-style-type: none"> • Pick up for Chief Justice's bodyguard for Chief Justice's morning walk, change clothes and return to Government Buildings
		7.45am	<ul style="list-style-type: none"> • Pick up for Chief Justice from Domain
		1.25pm	<ul style="list-style-type: none"> • Drop off Chief Justice to Domain for lunch.
		2.05pm	<ul style="list-style-type: none"> • Pick up Chief Justice from Domain for Chief Justice's Bank run.
		8.10pm	<ul style="list-style-type: none"> • Drop off Chief Justice and bodyguard Domain and Laucala Beach respectively.

Vehicle Registration No	Date	Time	Discrepancies
	20/12/2013	4am 8.20am 1.40pm 4.55pm	<ul style="list-style-type: none"> • Pick up Chief Justice's bodyguard for Chief Justice's morning walk, change clothes and return to Government Buildings • Pick up for Chief Justice. • Drop off and pick up for Chief Justice's from Government Buildings to Domain back to Government Buildings for lunch. • Transporting Chief Justice from Government Buildings to Prouds and then to Domain for Chief Justice to change clothes.
	27/12/2013	1.40pm	<ul style="list-style-type: none"> • Drop off and pick up of Chief Justice for lunch

The issue was raised in previous audit and such practice continues to lead to extravagant and unnecessary expenditures incurred by the Department.

Recommendation

The Chief Registrar should advise Chief Justice that government vehicle are to be used for official purposes only as he has already being paid with motor vehicle allowance.

Management Comment

An official vehicle is assigned to Hon. CJ (GN 802) for his daily runs. The Hon. CJ had approval from the Office of the President, to be allocated with an official vehicle which is above 3 litres. The assigned bodyguard is picked up by Hon CJ's driver everyday to go for Hon. CJ's morning walk from Mon-Saturdays except on Sundays. Both the driver and the bodyguard are being paid meal claims and overtime for the past years.

Section 11 Legislature Department

Role and Responsibilities

The Legislature Department ensures provision of a well maintained, secured environment and facilities to be used as offices and venues for meetings, workshops and dialogues, etc, by ministries & departments and other government agencies as well as accommodating visits by students, public at large and visiting dignitaries from abroad.

It provides the secretariat which consists of administrative and support staff that service the daily meetings of the Public Accounts Committee.

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PART A: FINANCIAL STATEMENT

11.1 Audit Opinion

The audit of the 2013 accounts of the Legislature Department resulted in the issue of an unqualified audit report.

Management attention was however drawn to the accuracy of expenditure in the Statement of Receipts and Expenditure as the department did not reconcile the expenditure recorded in the FMIS general ledger as no expenditure ledger was maintained.

11.2 Statement of Receipts and Expenditure

The Legislature Department recorded revenue totalling \$2,984 and incurred expenditure totalling \$1,025,906 in 2013.

Table 11.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
State Revenue	152	136
Agency Revenue	2,832	167,874
TOTAL REVENUE	2,984	168,010
EXPENDITURE		
Operating Expenditure		
Established Staff	176,666	98,352
Government Wage Earners	214,300	175,722

Description	2013 (\$)	2012 (\$)
Travel & Communications	56,478	38,030
Maintenance & Operations	116,041	97,249
Purchase of Goods & Services	115,427	25,922
Special Expenditures	305,508	291,585
Total Operating Expenditure	984,420	726,860
Capital Expenditure		
Capital Construction	-	371,035
Total Capital Expenditure	-	371,035
Value Added Tax	41,486	97,710
TOTAL EXPENDITURE	1,025,906	1,195,605

Total expenditure decreased by \$169,699 or 14% in 2013 as the Department did not utilise funds allocated for capital expenditure during the year due to delay in the tender process.

11.3 Appropriation Statement

The Department incurred a total expenditure of \$1,025,906 in 2013 against the revised budget of \$1,879,549 resulting in a savings of \$853,643 or 45%. Details of expenditure against the budget estimate are provided in Table 11.2.

Table 11.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	175,712	-	175,712	176,666	(954)
2	Government Wage Earners	168,305	46,000	214,305	214,300	5
3	Travel & Communications	67,000	(9,000)	58,000	56,478	1,522
4	Maintenance & Operations	165,100	(45,000)	120,100	116,041	4,059
5	Purchase of Goods & Services	113,500	2,000	115,500	115,427	73
7	Special Expenditures	300,000	6,000	306,000	305,508	492
	Total Operating Expenditure	989,617	-	989,617	984,420	5,197
	Capital Expenditure					
8	Capital Construction	1,000,000	(310,320)	689,680	-	689,680
	Total Capital Expenditure	1,000,000	(310,320)	689,680	-	689,680
13	Value Added Tax	246,800	(46,548)	200,252	41,486	158,766
	TOTAL EXPENDITURE	2,236,417	(356,868)	1,879,549	1,025,906	853,643

In 2013, Cabinet approved the redeployment of \$356,868 from the Department's budget provision to Ministry of Rural and Maritime Development.

PART B: AUDIT FINDINGS

11.4 Expenditure Ledger Not Maintained

All payments, including VAT, must be immediately recorded in the Financial Management Information System (FMIS) and an Expenditure Ledger¹.

¹ Finance Instruction 2010 – Section 15
Legislature Department

A ledger shall be maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts, and expenditure and commitment accounts.² Any transaction raised affecting these accounts shall be entered in the appropriate ledger.³

The Department did not maintain an expenditure ledger in 2013. As a result, the Department could not reconcile its record with the expenditure in the general ledger system⁴ maintained by the Ministry of Finance. Audit was also not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

Recommendation

The Department should maintain an expenditure ledger and reconcile the amount in its ledger to the expenditure recorded in the FMIS general ledger on a monthly basis.

Department's Comments

The Accounts unit has not maintained the expenditure ledger since 2007. However, the Accounts Officer is maintaining a system generated Disbursement Report for all expenditure in 2014.

11.5 Overpayment of Sitting Allowance - Public Accounts Committee

The Public Accounts Committee for the year 2013 consists of 6 members including a Chairman, a Deputy Chairperson and 4 other members.

The function of the Committee is to examine Government accounts in respect of each financial year and any report of the Auditor-General on such accounts submitted to the Minister pursuant to section 167 (7) of the Constitution.⁵

The Committee must keep its own minutes and such minutes must be included in its reports under regulation 5.⁶

A member of the Committee is entitled to \$200 sitting allowances if the Committee sits for 6 hours or more in a day, and \$150 sitting allowance if the Committee sits from 4 to 6 hours in a day. No allowance shall be payable if the Committee sits for less than 4 hours in a day.⁷

Despite the above approved rate, the audit noted the following anomalies in the payment of sitting allowances to the Public Accounts Committee Members;

- Members of the committee were paid \$200 sittings for less than six (6) hours in a day. As a result, the sitting allowances for these members were overpaid. Refer Table 11.8 for details.

Table 11.8: Overpayment of Sitting Allowance

Date	Chq No.	Payee	Particulars	Hours Paid	Amount Paid (\$)	Actual Hours	To be Paid (\$)	Over-payment ⁽¹⁾ (\$)
25/10/13	22054	PAC Member	Arrive late on 22/10/13 at 9.05am	6	200	5 hrs.	150	50

² Legislature Department, Finance Manual, 2011 - Section 16.3.1

³ Legislature Department, Finance Manual, 2011 - Section 16.3.2

⁴ Financial Management Information System controlled by Ministry of Finance.

⁵ Audit (Public Accounts Committee) Regulations 2007 – Section 3

⁶ Audit (Public Accounts Committee) Regulations 2007 – Section 7 (6)

⁷ Audit (Public Accounts Committee) Regulations 2007 – Section 9

⁽¹⁾ Overpayment to Public Account Committee Members

Date	Chq No.	Payee	Particulars	Hours Paid	Amount Paid (\$)	Actual Hours	To be Paid (\$)	Over-payment ^[1] (\$)
		2	while meeting began at 8.30am to 2.30pm.			25 min		
08/11/13	22107	PAC Member 1	Arrive late on 06/11/13 at 8.39am while meeting began at 8.30am to 2.30pm.	6	200	5 hrs. 51min	150	50
08/11/13	22107	PAC Member 1	Arrive late on 07/11/13 at 8.39am while meeting began at 8.35am to 2.35pm.	6	200	5 hrs. 56 min	150	50
08/11/13	22107	PAC Member 2	Arrive late on 01/11/13 at 8.45am while meeting began at 8.30am to 2.30pm.	6	200	5 hrs. 45 min	150	50
08/11/13	22107	PAC Member 2	Arrive late on 05/11/13 at 8.40am while meeting began at 8.35am to 2.35pm.	6	200	5 hrs. 55 min	150	50
14/11/13	22133	Chairman	Left at 10.00am and returned at 12.00pm on 11/11/13 to attend ex-servicemen memorial parade while meeting began at 8.30am to 2.30pm.	6	200	4 hrs.	150	50
14/11/13	22133	PAC Member 1	Arrive late on 13/11/13 at 8.45am while meeting began at 8.35am to 2.35pm.	6	200	5 hrs. 50 min	150	50
14/11/13	22133	PAC Member 1	Arrive late on 14/11/13 at 10.00am while meeting began at 8.35am to 2.40pm.	6	200	4 hrs. 40min	150	50
14/11/13	22133	PAC Member 2	Arrive late on 11/11/13 at 8.40am while meeting began at 8.30am to 2.30pm.	6	200	5hrs. 50 min	150	50
14/11/13	22133	PAC Member 2	Arrive late on 14/11/13 at 8.55am while meeting began at 8.35am to 2.40pm.	6	200	5 hrs. 45 min	150	50
21/11/13	22148	PAC Member 1	Arrive late on 18/11/13 at 8.43am while meeting began at 8.30am to 2.30pm.	6	200	5 hrs. 47 min	150	50
21/11/13	22148	PAC Member 2	Arrive late on 18/11/13 at 9.12am while meeting began at 8.30am to 2.30pm.	6	200	5 hrs. 18 min	150	50
21/11/13	22148	PAC Member 1	Arrive late on 19/11/13 at 8.45am while meeting began at 8.30am to 2.30pm.	6	200	5hrs. 45 min	150	50
21/11/13	22148	PAC Member 2	Arrive late on 19/11/13 at 8.40am while meeting began at 8.30am to 2.30pm.	6	200	5 hrs. 50 min	150	50
29/11/13	22177	PAC Member 1	Arrive late on 25/11/13 at 8.40am while meeting began at 8.35am to 2.35pm.	6	200	5 hrs. 55 min	150	50
29/11/13	22177	PAC Member 1	Arrive late on 27/11/13 at 8.40am while meeting began at 8.35am to 2.35pm.	6	200	5 hrs. 55 min	150	50
29/11/13	22177	PAC Member 1	Arrive late on 28/11/13 at 8.43am while meeting began at 8.30am to 2.30pm.	6	200	5 hrs. 47 min	150	50
12/12/13	22217	PAC Member 1	Arrive late on 12/12/13 at 8.45am while meeting began at 8.35am to 2.35pm.	6	200	5 hrs. 50 min	150	50

Date	Chq No.	Payee	Particulars	Hours Paid	Amount Paid (\$)	Actual Hours	To be Paid (\$)	Over-payment ^[1] (\$)
12/12/13	22217	PAC Member 2	Arrive late on 10/12/13 at 8.47am while meeting began at 8.30am to 2.30pm.	6	200	5 hrs. 43 min	150	50
12/12/13	22217	PAC Member 2	Arrive late on 11/12/13 at 9.04am while meeting began at 8.45am to 2.45pm.	6	200	5 hrs. 41 min	150	50
12/12/13	22217	PAC Member 2	Arrive late on 12/12/13 at 9.00am while meeting began at 8.35am to 2.35pm.	6	200	5 hrs. 35 min	150	50
12/12/13	22217	PAC Member 4	Arrive late on 09/12/13 at 9.00am while meeting began at 8.45am to 2.45pm.	6	200	5 hrs. 45 min	150	50
Total				132	4,400		3,300	1,100

- Members of the committee were also paid \$200 and \$150 for sittings less than four (4) hours in a day. As a result these members were overpaid their allowances which have not been recovered. Refer Table 11.9 below for details.

Table 11.9: Overpayment of Sitting Allowance

Date	Chq No.	Payee	Particulars	Hours Paid	AMT Paid (\$)	Actual Hours	To be Paid (\$)	Over-payment ⁸ (\$)
29/11/13	22177	PAC Member 2	PAC Meeting on 26/11/13 began at 8.35am to 2.35pm but member left early at 10.30 am to attend a company board meeting.	6	200	1hr.55 mins	0	200
29/11/13	22177	PAC Member 1	PAC Meeting on 26/11/13 began at 8.35am to 2.35pm but member left early at 9.00 am to attend personal commitment at Holy Trinity Anglican School.	4	150	25 mins	0	150
21/11/13	22148	PAC Member 1	Arrive late on 21/11/13 at 8.43am and left early at 11.30am to attend parent's' interview for his daughter.	6	200	2hr.47 mins	0	200
Total					550		0	550

- The attendance sheets maintained for the committee did not have the provision for signing out when they complete a day's sessions or when a member leaves the meeting early.
- On certain instances, the audit noted that all members do not sign in their time of arrival in the attendance sheets.
- Moreover late arrivals were not taken into account when paying the sittings allowances for the daily six (6) hourly meetings thus there were instances of overpayments as a result.
- Some members also did not record their time of arrival on the days they arrived late for the meetings. Table 11.10 list such cases where the flat rate of \$200 per day allowance was paid despite no time was recorded for arrival and departure even though the meeting minutes

⁸ Overpayment to Public Account Committee Members

revealed that members arrived late. Given their late arrival and the meeting times in the minutes, the members would have been present for less than 6 hours.

Table 11.10: Allowances Paid for Late Arrival days as minuted

Date	Cheque No.	Payee	Particulars	Hours Paid	Allowance Paid (\$)
25/10/13	22057	PAC Member 1	Meeting on 21/10/13 from 8.30am to 2.30pm	6	200
31/10/13	22079	PAC Member 1	Meeting on 28/10/13 from 8.35am to 2.35pm	6	200
31/10/13	22079	PAC Member 1	Meeting on 29/10/13 from 10.00am to 4.00pm	6	200
08/11/13	22107	PAC Member 1	Meeting on 05/11/13 from 8.35am to 2.35pm	6	200
08/11/13	22107	PAC Member 2	Meeting on 06/11/13 from 8.30am to 2.30pm	6	200
14/11/13	22133	PAC Member 1	Meeting on 08/11/13 from 8.35am to 2.35pm	6	200
14/11/13	22133	PAC Member 1	Meeting on 11/11/13 from 8.35am to 2.35pm	6	200
14/11/13	22133	PAC Member 1	Meeting on 12/11/13 from 8.35am to 2.35pm	6	200
21/11/13	22148	PAC Member 1	Meeting on 15/11/13 from 8.40am to 2.40pm	6	200
29/11/13	22177	PAC Member 2	Meeting on 28/11/13 from 8.30am to 2.30pm	6	200
12/12/13	22217	PAC Member 1	Meeting on 06/12/13 from 8.40am to 2.35pm	6	200
12/12/13	22217	PAC Member 1	Meeting on 09/12/13 from 8.40am to 2.35pm	6	200
12/12/13	22217	PAC Member 1	Meeting on 10/12/13 from 8.30am to 2.30pm	6	200
12/12/13	22217	PAC Member 1	Meeting on 11/12/13 from 8.45am to 2.45pm	6	200
12/12/13	22217	PAC Member 2	Meeting on 09/12/13 from 8.45am to 2.45pm	6	200
Total					3,000

- In addition some payment vouchers were not certified by the Accounts Officer.
- The meeting times recorded in the attendance sheets that were used to calculate sitting allowances differs from those recorded in minutes of meeting. Refer Table 11.11 for details.

Table 11.11: Discrepancy in Time of Meeting

Date of Meeting	Attendance Sheet (Meeting Hours)	Minutes of Meeting (Meeting Hours)
28/10/13	8.35am – 2.35pm	8.30am – 2.30pm
05/11/13	8.30am – 2.30pm	8.35am – 2.35pm
08/11/13	8.35am – 2.35pm	8.30am – 2.35pm
11/11/13	8.45am – 2.45pm	8.30am – 2.30pm
12/11/13	8.40am – 2.40pm	8.30am – 2.30pm
14/11/13	8.30am – 2.30pm	8.35am – 2.40pm
22/11/13	8.30am – 2.30pm	8.40am – 2.40pm
06/12/13	8.30am – 2.30pm	8.40am – 2.35pm
09/12/13	8.40am – 2.40pm	8.45am – 2.45pm
10/12/13	8.45am – 2.45pm	8.30am – 2.30pm

- The audit further noted that all filed minutes of meeting were not signed by Public Account Committee Secretary and Chairman.

Unsigned official minutes reduce the credibility of the minutes of meetings and create opportunity for unauthorised amendments.

Failure to record member's time in attendance sheets increases the risk of inaccurate payment of sitting allowances resulting in overpayment of allowance.

The time recording system and processes for payments for sitting allowances lack proper controls which have resulted in the overpayments.

Recommendations

- **The Accounting Head should instigate recovery of overpayment made to recover overpayment of sitting allowances.**
- **The Accounting Head should ensure that Public Account Committee members are paid only for the hours they attend the meeting.**
- **The Principal Administrative Officer should ensure that attendance register have the provisions for recording times for signing in and out for all meetings.**
- **The Committee Secretariat should ensure that all members record their time of arrival and departure at each meeting.**
- **The Committee Secretariat should ensure that all minutes of meeting are signed by the secretary and chairman.**

Department's Comments

The Solicitor-General requested the Ministry of Finance Internal Audit Unit to conduct a special investigation into the PAC sitting allowance. The report has been submitted by the team and the SG was requested to pursue the matter with the Court on the recovery of overpayment.

Since February 2014, the payment of allowances was prepared by the PAC Secretary (Hansard Reporter) and certified by the Principal Administrative Officer before processing payments.

Section 12

Office of Accountability and Transparency

Role and Responsibilities

The Office of Accountability and Transparency is a multi-faceted Office that will deal with freedom of information, code of conduct issues for public officials and other areas of law concerned with accountability, transparency and responsibility for public officials and institutions.

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PART A: FINANCIAL STATEMENTS

12.1 Audit Opinion

The audit of the 2013 financial statement of the Office of Accountability and Transparency resulted in the issue of an unqualified audit report.

12.2 Statement of Receipts and Expenditure

The Office incurred a total expenditure of \$413,493 in 2013. Refer Table 12.1 for details.

Table 12.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
EXPENDITURE		
Operating Expenditure		
Established Staff	---	40,020
Government Wage Earners	---	---
Travel & Communication	---	2,050
Maintenance & Operations	64	4,504
Purchase of Goods & Services	801	(698)
Operating Grants & Transfers	412,500	465,309
Total Operating Expenditure	413,365	511,185
Value Added Tax	128	2,070
TOTAL EXPENDITURE	413,493	513,255

Total expenditure declined by \$99,762 or 19% in 2013 due to the reduction of grant paid to the Fiji Human Rights Commission and redeployment of all staff away from the office. The other recurrent expenditure incurred includes postal box rental and the telephone directory listing fees. The operations of the office are yet to commence awaiting the promulgation or enactment of its governing regulations.

The annual budget provisions mainly consist of the grant to Fiji Human Rights Commission administered by the Office of the Prime Minister.

12.3 Appropriation Statement

The Office incurred expenditures totalling \$413,493 against the revised budget of \$652,694 resulting in a saving of \$239,201 or 37%. Details of expenditures against the budget estimates are provided in Table 12.2.

Table 12.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	Operating Expenditure					
1	Established Staff	123,801	---	123,801	---	123,801
2	Government Wage Earners	---	---	---	---	---
3	Travel & Communication	21,800	---	21,800	---	21,800
4	Maintenance & Operations	44,600	---	44,600	64	44,536
5	Purchase of Goods & Services	34,793	---	34,793	801	33,992
6	Operating Grants & Transfers	550,000	(137,500)	412,500	412,500	---
7	Special Expenditure	---	---	---	---	---
	Total Operating Costs	774,994	(137,500)	637,494	413,365	224,129
13	Value Added Tax	15,200	---	15,200	128	15,072
	TOTAL EXPENDITURE	790,194	(137,500)	652,694	413,493	239,201

In 2013, Cabinet approved the re-deployment of \$137,500 from Office of Accountability and Transparency's Budget to other Ministries and Departments.

Section 13 Office of the Director of Public Prosecutions

Role and Responsibilities

The Office of the Director of Public Prosecutions is responsible for prosecuting appeals before the Fiji Court of Appeal and the Supreme Court. In addition, all High Court trials are prosecuted by State Counsels who also handle appeals to the High Courts at Suva, Lautoka and Labasa. Cases of special difficulty or of public interest in the Magistrates' Court are processed by the Director of Public Prosecutions Office. Other significant works of the department includes the determination of complaints against police and prison officers, the provision of written advice to the Commissioner of Police, to the Director Criminal Investigation Department and to other government departments and statutory organisations, the delivery of lectures at the Police Academy, etc., and handling of complaints from members of public operating their cases. The Director also considers written representations concerning criminal cases from aggrieved persons, defendants or from their counsels.

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PART A: FINANCIAL STATEMENT

13.1 Audit Opinion

The audit of the 2013 financial statements of the Office of the Director of Public Prosecutions (DPP) resulted in the issue of an unqualified audit report.

Management attention however was drawn to that there is an un-reconciled difference amounting to \$102,465 between the general ledger (FMIS) expenditure and expenditure as per the cash book. DPP did not reconcile the expenditure in general ledger (FMIS) to the cash book or any other separate record. As a result, our audit was not able to ascertain the accuracy of the amounts stated as expenditure in the accounts.

13.2 Statement of Receipts and Expenditure

The Office of the Director of Public Prosecutions collected revenue totalling \$7,481 and incurred a total expenditure of \$3,946,975 in 2013.

Table 13.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
Commission	7,481	18,630
TOTAL RECEIPTS	7,481	18,630
EXPENDITURE		
Operating		
Established Staff	1,999,673	1,765,931
Government Wage Earners	170,060	177,786
Travel & Communications	196,670	217,955
Maintenance & Operations	341,547	313,585
Purchase of Goods & Services	887,086	878,113
Special Expenditures	91,806	89,539
Total Operating Expenditure	3,686,842	3,442,909
Value Added Tax	260,133	205,154
TOTAL EXPENDITURE	3,946,975	3,648,063

Total expenditure increased by \$298,912 or 8% in 2013 compared to 2012. The increased expenditure was attributed to the increases in cost of established staff, repairs and maintenance costs of office equipment, vehicles and increase in VAT.

13.3 Appropriation Statement

The Office incurred expenditure totalling \$3,946,975 in 2013 against the budget of \$5,109,385 resulting in savings of \$1,162,410 or 23%. Details of expenditures against the budget estimates are provided in Table 13.2.

Table 13.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	2,658,954	(32,000)	2,626,954	1,999,673	627,281
2	Government Wage Earners	147,535	32,000	179,535	170,060	9,475
3	Travel & Communication	254,400	6,000	260,400	196,670	63,730
4	Maintenance & Operations	327,200	57,000	384,200	341,547	42,653
5	Purchase of Goods & Services	1,286,596	(63,000)	1,223,596	887,086	336,510
7	Special Expenditure	135,000	0	135,000	91,806	43,194
	Total Operating Expenditure	4,809,685	0	4,809,685	3,686,842	1,122,843
13	Value Added Tax	299,700	0	299,700	260,133	39,567
	TOTAL EXPENDITURE	5,109,385	0	5,109,385	3,946,975	1,162,410

13.4 Statement of Losses

The Office of the Director of Public Prosecutions did not report any loss of money or assets during the financial year ending 31/12/13.

13.5 Trust Fund Account Statement of Receipts and Payments

Description	2013 (\$)	2012 (\$)
RECEIPTS		
Forfeited Assets Fund	100,384	31,451
DPP Trust Account	80	11,532
Total Receipts	100,464	42,983
PAYMENTS		
Forfeited Assets Fund	89,038	44,821
DPP Trust Account	11,399	87
Total Payments	100,437	44,908
Net (Deficit)/Surplus	27	(1,925)
Opening Balance as at 1 January	177,858	179,783
Closing Balance as at 31 December	177,885	177,858

The Trust fund account consists of balances held for forfeited assets and Director of Public Prosecutions trust account.

PART B: AUDIT FINDINGS

13.6 Expenditure Ledger

All payments, including VAT, must be immediately recorded in the financial management information system and an expenditure ledger.¹ The Accounts Officer is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.²

The special purpose financial statements of the Office of the Director of Public Prosecutions for the year ended 31 December 2013 was prepared from the Financial Management Information System (FMIS) maintained by Ministry of Finance.

The Office maintains the cash book for all the payments done during the year as a ledger for expenditure. However, upon reconciliation of the cash book with the total expenditure as per FMIS, the audit noted a variance of \$102,465.38. We also noted that the Office does not reconcile the expenditure in the FMIS to the cash book or any other separate record.

As a result the audit was not able to ascertain the accuracy of the amounts stated as expenditure in the Statement of Receipts and Expenditure.

Recommendation

The Office should ensure that the expenditure ledger is reconciled to the expenditure as per the general ledger (FMIS) on a monthly basis.

Office Comments

The audit recommendation is noted. For year 2013, an expenditure ledger was not maintained. Audit was carried out using cash book. Employers FPNF, void cheques and IDC charges weren't taken into consideration thus leading to variance. The accounts section will be maintaining expenditure ledger for 2014 and will be reconciling it monthly with the general ledger (FMIS).

¹ Finance Instruction 2010, Section 15

² Finance Manual 2013 Office of the Director of Public Prosecutions, Part 16: Ledger Accounts – Introduction Paragraph

Section 14 Ministry of Justice and Anti - Corruption

Roles and Responsibilities

Department of Justice

The Department of Justice is responsible for the efficient and effective delivery of services relating to all the Registries. The Justice Department will be the point of contact for all requiring registrations of properties, stamp duty, birth, death, marriage and company.

Prisons and Corrections Department

The Fiji Corrections Service is responsible for the safe, secure and humane treatment of persons in custody by providing opportunities to correct offending behavior, develop work and life skills and perform community service. Under the framework of the Fiji Prisons Act and Public Service Administration Guidelines, the Fiji Corrections Service works enhancing the quality of custodial responsibilities, improve inmate rehabilitation programmes, developing human resources, effective use of resources and modernizing the service.

Department of Communication

Provides policy advice, implements initiatives and facilitates programs to improve the quality and delivery of cost-effective and competitive telecommunications and postal services throughout Fiji.

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DEPARTMENT OF JUSTICE

PART A: FINANCIAL STATEMENTS

14.1 Audit Opinion

The audit of the 2013 accounts for the Department of Justice resulted in the issue of an unqualified audit report. Management attention however was drawn to the following matters:

- The Statement of Losses could not be substantiated as the board of survey was not undertaken.
- An unreconciled difference of \$892,480 exists between the FMIS general ledger expenditure and expenditure as per cash book. The Department did not reconcile the expenditure in the FMIS general ledger to the cash book or any other separate record. As a result, the audit was not able to ascertain the accuracy of the amounts stated as expenditure in the Statement of Receipts and Expenditure.

14.2 Statement of Receipts and Expenditure

The department collected revenue totaling \$1,337,215 and incurred expenditure totaling \$3,303,487 in 2012. Refer Table 14.1 for details.

Table 14.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
Miscellaneous Fees	605,390	732,255
Registration Fees	718,369	529,512
Licenses Fees	52,892	41,801
Other State Revenue	74	4,086
Total State Revenue	1,376,725	1,307,654
Agency revenue		
Other Agency Revenue	490	226
TOTAL REVENUE	1,377,225	1,307,880
EXPENDITURE		
Operating		
Established Staff	1,650,009	1,132,968
Government Wage Earners	109,708	86,644

Description	2013 (\$)	2012 (\$)
Travel and Communications	110,834	75,611
Maintenance and Operations	396,601	443,511
Purchase of Goods and Services	103,340	57,156
Operating Grants and Transfers	11,500	11,500
Special Expenditure	80,680	68,718
Total Operating Expenditure	2,462,672	1,876,108
Capital Expenditure		
Construction	485,409	7,277
Purchase	167,783	127,471
Total Capital Expenditure	653,192	134,748
Value Added Tax	187,623	116,684
TOTAL EXPENDITURE	3,303,487	2,127,540

Total revenue increased by \$69,335 or 5.3% in 2013 due to increase in registration and licenses fees. Total expenditure increased by \$1,175,947 or 55% in 2013 compared to 2012 due to the upgrading of salaries of base grade officers and increases in staff establishment and capital expenditure.

14.3 Appropriation Statement

The department incurred expenditure totaling \$3,303,487 in 2013 against the revised budget of \$3,460,524 resulting in a savings of 157,037 or 4.5%. Details of expenditure against the budget estimate are provided in Table 14.2.

Table 14.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,841,972	(138,535)	1,703,437	1,650,009	53,428
2	Government Wage Earners	117,133	0	117,133	109,708	7,425
3	Travel & Communications	121,000	(10,000)	111,000	110,834	166
4	Maintenance & Operations	449,500	(48,953)	400,547	396,601	3,946
5	Purchase of Goods & Services	141,119	(30,000)	111,119	103,340	7,779
6	Operating Grants & Transfers	11,500	0	11,500	11,500	0
7	Special Expenditures	160,000	(69,416)	90,584	80,680	9,904
	Total Operating Expenditure	2,842,224	(296,904)	2,545,320	2,462,672	82,648
8	Construction	424,000	120,061	544,061	485,409	58,652
9	Purchase	0	176,843	176,843	167,783	9,060
	Total Capital Expenditure	424,000	296,904	720,904	653,192	67,712
13	Value Added Tax	194,300	0	194,300	187,623	6,677
	TOTAL EXPENDITURE	3,460,524	0	3,460,524	3,303,487	157,037

PART B: AUDIT FINDINGS

14.4 Board of Survey Report not prepared

Annual board of survey must be conducted by 3 officers who are independent of the officer responsible for the custody of the assets. A written record must be kept of each board of survey and must be signed and dated by the officers undertaking it.¹

¹ Finance Instruction 2010 – Section 49(2)

The audit noted that the Department conducted a board of survey in 2013 however, they failed to prepare a report about the survey.

In the absence of a board of survey report, the Statement of Losses (Other than money) could not be substantiated.

Recommendation

The Accounting Head should ensure that a board of survey report is prepared in accordance with Section 49 of the Finance Instruction.

Management Comment

The Board of Survey was carried out for 2013 but the report was not ready during the time of audit. The report is now been finalized.

14.5 Expenditure Ledger

All payments, including VAT, must be immediately recorded in the financial management information system and an expenditure ledger.² The Senior Accounts Officer is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.³

The special purpose financial statements of the Department of Justice for the year ended 31 December 2013 was prepared from the Financial Management Information System (FMIS) general ledger maintained by the Ministry of Finance. The Department also maintains a cash book for all the payments done during the year as a ledger for expenditure.

Our review of the two records revealed a variance of \$892,480. The audit also noted that the Department did not reconcile the expenditure in the FMIS general ledger to its records.

As a result the audit was not able to ascertain the accuracy of the amounts stated as expenditure in the Statement of Receipts and Expenditure.

Recommendation

The Senior Accounts Officer should ensure that the expenditure ledger is reconciled to the expenditure as per the general ledger (FMIS) on a monthly basis.

Management Comment

The Ministry maintains a cash book for recording cheques issued and not as expenditure ledger. Each month, the cash book is reconciled with Drawings Ledger Account generated by FMIS against the bank statement to identify cheques that are un-presented for the month and make a un-presented cheque listing.

The reconciliation of expenditure ledger produced by FMIS was done mostly on online rather than manual. This was done through panels available in the FMIS system. It was reconciled against the source documents and the cash book.

In addition, the drawings ledger account is the only ledger account produced by FMIS to be reconciled with cash book.

² Finance Instruction 2010, Section 15

³ Justice Finance Manual 2013, Part 15: Ledger Accounts – Introduction Paragraph

The departments and ministries were informed during the inception of the FMIS system in 2006 that it is to their discretion whether to maintain a manual expenditure ledger or fully rely on the FMIS expenditure ledger. The option of relying on on-line expenditure was the best as it lessens the workload and produced timely report. Therefore, the Ministry opted for computerized expenditure ledger.

The Ministry of Justice and the Department of Communication use the same cash book, same Drawings bank account and same Drawings Ledger Account but they have separate expenditure ledger account. There would be variance in between cash book and general ledger because the general ledger also shows non-cheque transactions such as journals vouchers.

The amount stated in the Statement of Receipt and Expenditure in the Agency Financial Statement is extracted from the FMIS final report on expenditure for 2013 and it should be accepted as proper and true.

14.6 Unreconciled Drawings Account

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

The audit noted a variance of \$41,978.88 between the FMIS general ledger and the Department's reconciliation relating to drawings account. Refer Table 14.3 for details.

Table 14.3: Variance in Drawings Account

Details	Amount (\$)
FMIS	(345,001.40)
Department's Reconciliation	(386,980.28)
Variance	41,978.88

Recommendation

The Accounting Head should undertake monthly reconciliation of its Drawings Account with the FMIS balances and any variances noted should be investigated and adjusted accordingly.

Management Comment

The reconciliation of the cash book, the drawings account ledger generated by FMIS and the bank statement was done for each month. However, the reconciliation was not done on time as the Accounts Unit encountered shortage of experience staff. The Principal Accountant and the Accountant were posted to Election Office for almost seven months to clear the abuse of funds that were highlighted in the Election Office internal audit report and to setup proper accounting system.

The Ministry highlighted the variance of \$ 41,978.88 in its reconciliation statement. The variance was the total outstanding items in the reconciliation statement. The outstanding items were not cleared during the closing of accounts due to an oversight on our part and some items needed to be cleared by BSP bank and Ministry of Finance which were beyond our control.

The Chief Accountant highlighted in an accounting heads meeting that adjustment of the 2013 financial books still could be done after the closing of accounts but through the auditors during the audit of the Agency Financial Statement. The issue was discussed with Audit in which they agreed but the adjustment journals to be submitted to them before 30/05/14. The adjustment journals were raised and submitted to Audit on 28/05/14. However, Audit informed us in June that they were not accepting the adjustment journals.

⁴ Finance Instruction 2010 – Section 32(6)

14.7 Anomalies noted in the Official Receivers Office

No proceeding in bankruptcy shall be invalidated by any formal defect or by any irregularity; unless the court before which an objection is made to the proceeding is of opinion that substantial injustice has been caused by the defect or irregularity, and that the injustice cannot be remedied by any order of the court.⁵

All notices and other documents for the service of which no special mode is directed may be sent by post to the last known address of the person to be served therewith.⁶

The creditor will pay \$150 for petition fees to the Revenue Collector at the Official Receiver's Office.⁷

Once the debtor has not made any payment for one month and if a debtor has default repayment continuously for the period of two months then the office will declare the debtor as default. The office will then adjudicate the debtor.⁸

The audit of the Official Receivers records noted the following anomalies:

- No database is maintained by the Office to keep track of pending cases and its current status. Hence, it would be a tedious task to look at individual files and determine their status, as there are thousands of files for bankruptcy and insolvency;
- No identification such as photos is maintained in the files. Most people have changed their address and employment which makes it difficult to track them or publish their identification in the newspaper. This issue was raised in previous audit reports; however corrective action is yet to be taken by the Department;
- There are no offsite backups and Disaster Recovery Plan maintained for all the Office documents. Thus, if the records are destroyed in a natural disaster or fire the Office would lose all the vital records;
- No monitoring tool is used by the office to trace the frequency of debtor payments and "red flags" to alert the office if a debtor has been defaulting in his payments; and
- Large costs are incurred during debt recovery by the office and the petition fee of \$150 is not sufficient to cover all the cost. A review of the fees structure was submitted in 2012; however, no formal response has been received by the office.

Since its inception, the Office is following the fees structure outlined in the Bankruptcy Act 1978. Apart from the VAT adjustment, the fees and charges has not been reviewed to reflect the current cost of providing the services.

Lack of resources and poor tracking system affects the service delivery of the Department. Poor debt recovery mechanism could result in substantial loss of government revenue.

Recommendations

- **The Official Receiver should consider strengthening the current facilities of the Office of Official Receiver by providing them adequate resources.**

⁵ Bankruptcy Act [Cap 48] – Section 128 (1)

⁶ Bankruptcy Act [Cap 48] – Section 127

⁷ The Office of the Official Receiver's Standard Office Procedure – Section 1(ii)

⁸ The Office of the Official Receiver Standard Office Procedure – Section 11

- **The Permanent Secretary should computerize their processes to enable the Office to easily track the cases referred to them.**
- **The Official Receiver Act (1978) should be revised to allow more powers to the Official Receiver to carry out his/her functions more effectively.**
- **Proper records of the individuals/directors should be maintained.**
- **The Official Receiver should consider publishing and reporting to the Data Bureau the names of defaulters who cannot be located and notifying the Immigration Department for inclusion in the watch list.**

Management Comment

No comment received from management.

PRISONS AND CORRECTIONS DEPARTMENT

PART A: FINANCIAL STATEMENTS

14.8 Audit Opinion

The audit of the 2013 accounts of the Prisons and Corrections Department resulted in the issue of a qualified audit report. The qualifications are as follows:

- Included in the Trading and Manufacturing Account are Appropriations from CFA & TMA Operations and TMA Accumulated Surplus of \$99,623 and \$173,547 respectively and a credit balance of Direct Costs of \$79,252 exists in the Consolidated Trade and Manufacturing Account. The audit was unable to verify the amounts and numerous other adjustments as the Department was not able to provide appropriate audit evidence to support the balances. Accordingly, audit was unable to ascertain the accuracy and completeness of the Trading and Manufacturing Account as at 31 December 2013.

Management attention was also drawn to the following matters:

- An un-reconciled difference amounting to \$21,443 exists between the FMIS general ledger and Fiji Corrections Service TMA sales balance. Accordingly, the audit was unable to ascertain the accuracy and completeness of the TMA Sales account balance as at 31 December 2013.
- Contrary to Note 2 (a) total expenditure includes a book entry for a budget carry-over of \$431,040 to be spent in 2014. Consequently the actual 2013 expenditure has been overstated by the same amount.
- An un-reconciled difference amounting to \$928,393 exists between the General Ledger (FMIS) expenditure and expenditure as per the cash book. Fiji Corrections Service did not reconcile the expenditure in general ledger (FMIS) to the cash book or any other separate record. As a result, the audit was not able to ascertain the accuracy of the amounts stated as expenditure in the Statement of Receipts and Expenditure.
- An un-reconciled difference amounting to \$63,394 exists between the General Ledger (FMIS) and Fiji Corrections Service TMA bank reconciliation. Accordingly, the audit was unable to ascertain the accuracy and completeness of the TMA Cash at Bank account balance as at 31 December 2013.

- An un-reconciled difference amounting to \$178,302 exists between the General Ledger (FMIS) and Fiji Corrections Service TMA expenditure account balance. Accordingly, the audit was unable to ascertain the accuracy and completeness of the TMA expenditure account balance as at 31 December 2013.

14.9 Statement of Receipts and Expenditure

The Department collected a total revenue of \$55,332 and incurred expenditure totaling \$20,132,934 in 2013. Refer to Table 14.4 for details.

Table 14.4: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
State Revenue	54,470	49,415
Agency Revenue	862	70,530
TOTAL REVENUE	55,332	119,945
EXPENDITURE		
Operating		
Established Staff	12,265,202	10,378,973
Unestablished Staff	34,139	18,448
Travel and Communication	419,803	348,415
Maintenance and Operations	1,570,242	1,239,614
Purchase of Goods and Services	3,113,836	2,236,914
Operating Grants and Transfers	13,300	12,380
Special Expenditure	399,516	361,171
Total Operating Expenditure	17,816,038	14,595,915
Capital Expenditure		
Construction	1,384,515	10,510,370
Purchases	0	0
Total Capital Expenditure	1,384,515	10,510,370
Value Added Tax	932,381	2,102,199
TOTAL EXPENDITURE	20,132,934	27,208,484

Total expenditure decline by \$7,075,550 or 26% in 2013 compared to 2012 due to the decrease in capital construction.

14.10 Appropriation Statement

The Department incurred a total expenditure of \$20,132,934 against the revised budget of \$21,186,118 resulting in a savings of \$1,053,184. Details of expenditure against the budget estimate are provided in Table 14.5.

Table 14.5: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Change (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry- Over (\$)	Lapsed Appropriation (\$)
1	Established Staff	13,197,546	(826,341)	12,371,205	12,265,202	0	106,003
2	Government Wage Earners	31,919	3,959	35,878	34,139	0	1,739
3	Travel & Communication	430,370	46,700	477,070	419,803	0	57,267
4	Maintenance & Operations	1,556,002	134,266	1,690,268	1,570,242	0	120,026
5	Purchase of Goods & Services	2,956,630	685,013	3,641,643	3,113,837	0	527,806
6	Operating Grants & Transfer	46,260	(30,567)	15,693	13,300	0	2,393

SEG	Item	Budget Estimate (\$)	Change (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry-Over (\$)	Lapsed Appropriation (\$)
7	Special Expenditure	400,000	90	400,090	399,516	0	574
	Total Operating Costs	18,618,727	13,120	18,631,847	17,816,038	0	815,808
8	Construction	1,535,591	(13,120)	1,522,471	1,384,515	374,817	137,956
9	Purchases	0	0	0	0	0	0
	Total Capital Expenditure	1,535,591	(13,120)	1,522,471	1,384,515	374,817	137,956
13	Value Added Tax	1,031,800	0	1,031,800	932,381	56,223	99,419
	TOTAL EXPENDITURE	21,186,118	0	21,186,118	20,132,934	431,040	1,053,184

14.11 Trust Account Statement of Receipts and Payments

Table 14.6: Trust Account Statement for 2013

Trust Fund Account	2013 (\$)	2012 (\$)
Receipts		
Prisoners Cash	126,205	70,063
Total Receipts	126,205	70,063
Payments		
Prisoners Cash	37,209	27,869
Total Payments	37,209	27,867
Balance as at 1 January 2010	117,207	75,013
CLOSING BALANCE	206,203	117,207

PART B: AUDIT FINDINGS

14.12 Overstatement of Expenditure

If an amount appropriated by an Annual Appropriation Act for a financial year has not been used in that financial year; or is unlikely to be used in that financial year, the Minister may authorize the carry-over to the following year of all or part of the unused appropriation that relates to known liabilities as at a particular date, and the amount authorised for carry-over may be used accordingly in that following year, subject to such conditions as the Minister specifies in the authorisation.⁹

The purpose of the carry-over policy is to ensure that funds requested for this initiative are reflected in the budget allocation of requesting Ministries and Departments for the respective year.¹⁰

The Ministry of Finance approved the carry-over of \$431,039.73 for completion of CCTV installation for the Fiji Corrections Service to be utilized in year 2014.

The audit noted that Ministry of Finance recorded the expenditure under the allocation of Fiji Corrections Service for \$431,039.73 in 2013 contrary to the carry-over policy. Refer Table 14.7 for details.

⁹ Financial Management Act 2004 – Section 19 (1)

¹⁰ Ministry of Finance – Carry-over Policy, January 2012

Table 14.7: Accounting Entry for Carry – Over of Funds

Description	Allocation	DR (\$)	CR (\$)
1-15201-71999-080453	Upgrading- Telecommunication& CCTV	374,817.16	
1-15201-71999-130101	Value Added Tax Input Tax	56,222.57	
1-15201-71999-840103	Standard Liability Group 84		431,039.73

The capital construction and Value Added Tax expenditure is overstated by \$431,039.73 in the Statement of Receipts and Expenditure.

Recommendation

The Senior Accounts Officer in consultation with the Ministry of Finance should ensure that carry-over expenditure is appropriated in the budget of the following year.

Management Comment

Security is paramount for Fiji Corrections Service and can be strengthened with the effective communication amongst FCS Institutions with Headquarter Operation Centre for adhoc advice and preventive measures. A well-defined and organized corrections security is essential for the safety of offenders and the protection of the public at large. The Security of corrections, institutions encompasses several relevant components including appropriately designed physical structure, modern technology and an efficient and effective manning.

*Based on the urgent need to enhance and strengthen security within Corrections Institutions Cabinet had allocated **\$835,591(VEP) – (1-15201-71999-080453)** for CCTV implementation within High Risk Prison Institutions and upgrade on Telecommunication Networks.*

A Total of Five (5) R.I.Es' were Approved in 2013 for disbursement of Funds for Security enhancement.

Details of CCTV and Telecommunication Upgrade status for 2013:

Table A :

Date	RIE #	Vendor	CTN #	Description	VEP(\$)	Completion Status
26.02.13	105/13	PEL	CTN 185/13 Phase 1	CCTV Implementation – Naboro (Max , Min & Medium Cc)	318,620.94	Project Fully Completed and Paid Accordingly in-line with Tender Specs in 2013
02.08.13	480/13	Pactok	Contract	Upgrading of Comms Network	38,252	Project Fully Completed and Paid Accordingly in-line with Contractual Agreement for 2013
20.08.13	532/13	PEL	-	Additional CCTV Camera's Naboro Cc	29,841	Project Fully Completed and Paid Accordingly in 2013
07.10.13	691/13	Pactok	-	Handheld Set – Commissioners Vehicle (GP274)	6,269.57	Full Installed and Paid in 2013
Sub – Total					\$392,983.51	

Table B: Final RIE Approval 2013

<i>Date</i>	<i>RIE #</i>	<i>Vendor</i>	<i>CTN #</i>	<i>Description</i>	<i>VEP(\$)</i>	<i>Completion Status</i>
29.11.13	797/13	PEL	CTN 93/2013 Phase 2	CCTV Implementation (Suva/Nasinu/Ltk & NHQ)	422,607	Project to be completed in May 2014 in-line with Contractual Obligation between FCS & PEL. Tender was advertised & Closed on 3 rd July 2013 but due to technical misunderstanding with FPO it was later referred to ITC steering Committee, which approved on 14.11.13. RIE submitted on 15.11.13 and further Approved on 29.11.13.
Total Fund Approved for 2013 (Table A & B)					\$835,591(VEP)	

Table C : Request for Rollover for CCTV Implementation for Suva / Nasinu / Lautoka & NHQ (RIE Approval Ref : 797/13)

<i>Sites</i>	<i>Cost (VIP)</i>	<i>Paid/ Retained</i>	<i>Balance</i>		
Suva Prisons	178,112	52,188.15	125,923.85	25 th Nov 2013 – 7 th February 2014. Work in Progress at Suva Prisons. *Delivery of Equipment's & Cabling Materials and 100% of Cabling work Completed for Suva Prisons as at 20.1.14.	*Cabling , Conduits & Fixtures and other Civil Work (Stage 1 & 2) *Installation of CCTV Mounting and Termination *Testing and Allowance for Adjustments *Training of FCS Staffs *Commissioning and Handover
Nasinu	163,346	0.00	163,346	27 th January 2014 -24 th March 2014	*Delivery of Equipment's and Materials *Cabling , Conduits & Fixtures and other

<i>Sites</i>	<i>Cost (VIP)</i>	<i>Paid/ Retained</i>	<i>Balance</i>		
					<i>Civil Work (Stage 1 & 2)</i> <i>*Installation of CCTV Mounting and Termination</i> <i>*Testing and Allowance for Adjustments</i> <i>*Training of FCS Staffs</i> <i>*Commissioning and Handover</i>
<i>Lautoka</i>	<i>167,348</i>	<i>0.00</i>	<i>167,348</i>	<i>10th March 2014 – 29th April 2014</i>	<i>*Delivery of Equipments and Materials</i> <i>*Cabling , Conduits & Fixtures and other Civil Work (Stage 1 & 2)</i> <i>*Installation of CCTV Mounting and Termination</i> <i>*Testing and Allowance for Adjustments</i> <i>*Training of FCS Staffs</i> <i>*Commissioning and Handover</i>
<i>NHQ(Suva)</i>	<i>57,908.25</i>	<i>0.00</i>	<i>57,908.25</i>	<i>05th May 2014 – 26th May 2014</i>	<i>*Delivery of Equipments and Materials</i> <i>*Cabling , Conduits & Fixtures and other Civil Work (Stage 1 & 2)</i> <i>*Installation of CCTV Mounting and Termination</i> <i>*Testing and Allowance for Adjustments</i> <i>*Training of FCS Staffs</i> <i>*Commissioning and Handover</i>
<i>Retention – 5% (WithHeld)</i>	<i>-</i>	<i>27,769.92</i>	<i>0.00</i>	<i>To be paid six Months after all sites are fully commissioned (May 2014). Payable in November 2014.</i>	<i>Payable in November 2014.</i>
<i>Total</i>	<i>\$566,714.25</i>	<i>\$79,958.07</i>	<i>\$486,756.18</i>		

Note:**Rollover Required for Completion of Phase 2 (May 2014)**

Total Cost :	\$566,714.25
<u>Less Payment/ Retention (2013) :</u>	<u>\$79,958.07</u>
Total Obligation Payment (2014)	\$486,756.18 (VIP)
Request for Rollover Savings (2013)	\$431,039.73 (VIP) * Rollover Request from 2013 Available Balance
Balance Cost	<u>\$55,716.45</u> * Balance to be facilitated from Funds Budgeted for Yr 2014.

Based on the above facts FCS had applied to Ministry of Finance for Rollover of Funds from Balance of 2013 CCTV Provisions and Part of its cost to be facilitated in 2014 out of its approved budget estimate of \$850K.

Thus request for Rollover was approved by Ministry of Finance Rollover (Carry-over) Committee on 28/01/2014 and was further referred to FMIS Unit on the carry – over arrangements.

Funds are being posted into Departments SLG 84 Allocations (Liability) considering Departments contractual arrangements and are considered Governments Liability.

Comments have been further obtained from FMIS – Unit upon receiving of 2013 DAM and the department was advised on the arrangement for rollover Funds as follows;

1. Government is practicing Hybrid Accounting, which is mixture of Cash and Accrual Accounting.
2. In accounting practice only the Balance Sheet items are carried over to the next Accounting Period so it is only prudent that we carry over the Funds, to an allocation where it will be debited and cash credited in the following year when it is spent. Therefore, amongst Asset, Liability & Equity, Liability would best accommodate the intention as something like Accrued Expenses as in most cases Government has made commitment in principle but has not yet paid.
3. From the Perspective of Hybrid Accounting, that is the only method of carry over the budgetary provision to the following year that can be accommodated in the FMIS and all of these information are to disclosed in the notes
4. In all cases, Government cannot change the Budgetary Appropriation because Budget for the following is announced in November of this year while the Carry over Committee sits in the next year and the Carry Over process is undertaken during the closing of accounts.

[Comments by Irimaia V K Rokosawa (PAO – FMIS)].

*Funds are prudently disbursed as stated in the Contractual Agreement Schedule C – Payments and Monthly reconciliations were submitted to Ministry of Finance (FMIS).

14.13 Variance between Sales General Ledger Balance and the Department Record

The Accounts Officer is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.¹¹

A variance of \$21,442.62 exists in the sales figure between the FMIS general ledger and the Department's records. Refer Table 14.8 for details.

¹¹ Finance Manual 2013 Fiji Corrections Service, Part 16: Ledger Accounts – Introduction Paragraph

Table 14.8: Variance in Sales Amount

Account ID	TMA	FMIS (\$)	Department (\$)	Variance (\$)
4-15251-91151-240199	Beef	270.00	-	270.00
4-15252-91151-240199	Bakery	407,691.74	385,087.88	22,603.86
4-15253-91151-240199	Crops	22,607.00	16,752.05	5,854.95
4-15255-91151-240199	Joinery	30,843.60	36,769.30	-5,925.70
4-15256-91151-240199	Piggery	212,715.20	206,244.39	6,470.81
4-15257-91151-240199	Poultry	373,210.00	414,482.24	-41,272.24
4-15258-91151-240199	Tailor	160,320.85	120,213.50	40,107.35
4-15259-91151-240199	Vegetables	50,686.14	57,082.55	-6,396.41
4-15254-91151-240199	Honey	0.00	270.00	-270.00
Total		1,258,344.53	1,236,901.91	21,442.62

This was due to the failure of the Department to properly reconcile the sales ledger to the actual receipts. As a result, the sales figure is misstated in the financial statements.

Recommendation

The TMA Clerk should ensure that the Department's records are reconciled to the FMIS records on a monthly basis and any variances noted are checked and adjusted accordingly.

Management Comment

For recording purposes in the FMIS we tally our bank statement with the Bank Lodgement form submitted by the different institutions. Due to the distance of different Institution from our Headquarters we face delays in the submission of Lodgements by this different Institution thus in our monthly report we only record the receipts that we actually received. However in the FMIS full loading of the sales lodgement for the particular month is done as per our JV which tallies with the FMIS system. For example in JV 02/01/2013 for our Bakery Unit our total Sales that was loaded was \$ 42,526.52 which is also reflected in the FMIS system as TMA is highly Cash Basis.

Also due to the changes in the TMA staffing we were not able to amend the records on time. In order to get to the right track we have moved from monthly posting to weekly posting and we have also conducted training to allow officers to have knowledge of the importance of record keeping and also have a clear view on the importance of sending the Lodgement details on time.

However, the findings by auditors are noted to ensure department timely updates its internal records as reflected into the FMIS System with a full time clerk to TMA with relevant accounting back ground to ensure record are adequately maintained. Thus figures in FMIS

To further ensure accuracy department has started to maintain ledger books from 2014, which is reconciled and verified by Accounts officer with responsible TMA Clerk on monthly basis.

14.14 Variance between TMA Cash Book and General Ledger Bank Balance

The Accounts Officer is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.¹²

A variance of \$63,394 exists in the bank balance between the Department records and the FMIS general ledger balance. Refer Table 14.9 for details.

¹² Finance Manual 2013 Fiji Corrections Service, Part 16: Ledger Accounts – Introduction Paragraph

Table 14.9: Variance in Bank Balance

Account ID	Description	FMIS (\$)	Department (\$)	Variance (\$)
4-15251-71999-540101	TMA Dominion Cash ANZ Suva	(7,533.77)	55,860.30	(63,394.07)

Recommendation

The TMA Clerk should ensure that the Department's records are reconciled to the FMIS records on a monthly basis and any variances noted are checked and adjusted accordingly.

Management Comment

We concur with audit findings that there was variance within TMA bank balance and Bank General Ledger, however this issue is not within the current year of audit as this was contributed through unbalanced reconciliations from 2010 when TMA was initially introduced with FMIS.

Consultations were made with AMU (FMIS) on equitable solution to the issue but due to records constraints efforts remain futile. However, the department had made various efforts to ensure that significant variance are reconciled with assistance of AMU but with lack of information's unjustified figures remains on the reconciliations and will continue unless seven years before it can be written off the books.

Request was made to MOF (AMU) upon discussions for posting of \$67,037.95 for 2011, but was not approved due to insufficient documentations.

Thus, difference within Bank Balance and GL Bank Balance remains unsolved from 2010 but the gap has been reduced with strengthening timely FMIS postings of revenues.

14.15 Carried forward Items in the monthly Bank Reconciliations

The Accounts Officer must verify balances in the bank reconciliation to the cash book, bank statements, unrepresented cheque list and the previous month's bank reconciliation before certifying it.¹³

The audit noted that the Trading and Manufacturing Account monthly bank reconciliations had items carried forward from 2010. Refer Table 14.10 for details.

Table 14.10: Carried forward items

Details	Amount (\$)
Lodgments not credited	219.50
Balance from Dec 2010 to post	16,181.71
Honey banking	250.00
Over banking	20.01
Over banking	10.10
Over banking	8.60
Misallocation	84.00
Double posting on GL	1,557.50

The Department had failed to verify these items and adjust them accordingly.

¹³ Finance Manual 2013 Fiji Corrections Service – Section 7.4.11

Recommendation

The TMA Clerk should ensure that these items are cleared accordingly from the monthly TMA bank reconciliations.

Management Comment

The Department could not verify the brought forward balances for 2010 due to the changes in the staff handling our TMA records. As discussed with our TMA officers at the AMU Unit we have explained that we have tried to look for any of these records but could not locate it. To get to the right track we have even move from monthly posting to weekly posting of Revenue to our FMIS.

But Our entire total sales receipts is matched and reconciled with our Bank Statement and Bank

Also at that particular point in time all TMA records was handled by Accounts Officers who also handles the Operating Accounts.

The Department has also written a letter to MOF with the requirements in regards to the brought forward balance.

14.16 Expenditure Ledger

All payments, including VAT, must be immediately recorded in the financial management information system and an expenditure ledger.¹⁴ The Accounts Officer is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.¹⁵

The special purpose financial statements of the Fiji Corrections Service for the year ended 31 December 2013 was prepared from the Financial Management Information System (FMIS) maintained by the Ministry of Finance.

The Department maintains a cash book for all payments done during the year as a ledger for expenditure. The reconciliation of the cash book with the total expenditure as per general ledger (FMIS) revealed a variance of \$928,392.50.

The audit noted that the Department did not reconcile the expenditure in the FMIS general ledger to the cash book or any other separate record.

As a result the accuracy of the amounts stated as expenditure in the Statement of Receipts and Expenditure could not be ascertained.

Recommendation

The Accounts Officer should ensure that the expenditure ledger is reconciled to the expenditure in the the FMIS general ledger on a monthly basis.

Management Comment

The department acknowledges the audit finding and also further advises that FCS maintained Expenditure ledger for 2013 and ensured timely reconciliations with General Ledger allocations. However, staff constraints have been a hindrance to this exercise but the department will ensure that audit recommendations are strongly adhered to.

¹⁴ Finance Instruction 2010, Section 15

¹⁵ Fiji Corrections Service Finance Manual 2013, Part 16: Ledger Accounts – Introduction Paragraph

The cashbook maintained records all cheques written for the day including those also written out of FCS Operating Trust Funds for Payroll deductions or FCS Fines allocation. Moreover, FCS has documented SOPs' for Cashier to ensure all payments (Cheque or EFT) are recorded prior to signatories endorsing the Payment Runs into Manual Cashbook and reconciled accordingly as per Expenditure ledger SOP's.

Thus, the department will ensure that processes are further strengthened to ensure accuracy within required process and procedures.

14.17 Unauthorized Absence from Work

An Officer shall be entitled to outpatient sick leave up to 21 days in any one leave year of service. Outpatient sick leave shall be supported by a medical certificate obtained from a registered Medical Practitioner. This requirement shall be waived for absences on grounds of illness of not more than one day at a time; such absence shall not exceed an aggregate period of six days in any one leave year of Service.¹⁶ The medical certificate will be handed to the patient who is responsible for dispatching it immediately to the relevant Head of the Section.¹⁷

An Officer, who is absent without leave, is liable for disciplinary action.¹⁸ An Officer who has been found by a Medical Board to be medically unfit for further service, may be called upon to retire.¹⁹

The Assistant Accounts Officer (EDP number 64927) exhausted her sick leave in the leave year 24/09/12 – 23/09/13 for which no deductions was made. The Officer had been absent from work from 29 October 2012 and resumed work from 08th August 2013.

In addition, it was noted that the Officer's absence from 15/7/13 to 07/8/13 was not supported with any medical certificate. Refer Table 14.11 for details.

Table 14.11: Details of Officer's Absence from Work

Dates	Number of working days	Remarks
01/05/13-10/05/13	8	All the sick leave entitlements (21 days) were taken by the officer by 30.4.13. 8 days sick leave recorded as without pay, however, the officer was fully paid.
13/5/13-07/06/13	20	Exhausted sick leaves with medical certificate provided.
10/6/13-12/7/13	25	Exhausted sick leaves. Medical Certificate was provided for 27 days and the officer was supposed to resume work from 13.7.13.
15/7/13-07/8/13	18	Exhausted sick leaves with no medical certificate provided.
August	1	The sick leave was taken after the resumption of duty on 08.08.13; however, the officer did not have any entitlements.
Total	72	Audit calculation of total exhausted sick leaves

The audit noted that the Officer's salary was not ceased at any time, even though she had exhausted her sick leave entitlement. At the date²⁰ of audit no recovery had been made. Refer Table 14.12 for the salary payment that was done to the officer during the exhaustion period.

¹⁶ General Order 2011- Section 710 (b)

¹⁷ General Order 2011 – Section 1002 (a)

¹⁸ General Order 2011 – Section 304 (a) (i)

¹⁹ General Order 2011 – Section 215 (d)

²⁰ As at the date of audit 15th November 2013

Table 14.12: Details of Monetary Value for Officer's Absence from Work

Pay #	Pay Period	Absent period	Annual Salary (\$)	Overpayment (\$)	Remarks
09/ 2013	24/04-06/05/13	01/05-06/05/13	18,218	280.28	4 working days absence
10/ 2013			18,218	----	No salary was paid
11/ 2013	21/05-03/06/13	21/05-03/06/13	18,218	1,701.64 ²¹	
12/ 2013	04/06- 17/06/13	04/06-17/06/13	18,218	700.69	
13/2013	18/06- 01/07/13	18/06-01/07/13	18,218	700.69	
14/2013	02/07- 15/07/13	02/07-15/07/13	18,218	700.69	
15/2013	16/07- 29/07/13	16/07-29/07/13	18,218	700.69	
16/2013	30/07- 12/08/13	30/7-07/08/13	18,218	490.49	7 working days absence
				70.07	One day sick leave taken after resumption of duty without any entitlements
18/ 2013	27/08- 09/09/13			397.13	Additional payment done in pay 18 without any valid explanation
Total Overpayment				5,742.37	

In addition, a sick sheet was issued to the officer on 05/07/13 by a doctor but pertaining to the period 10/06 – 12/07/13. Issuance of sick sheet after the lapse of 3 weeks is fraudulent and cases in other ministries has resulted with termination of employment and withdrawal of license to practice for the doctor concerned.

Despite the officer's unauthorised leaves, the Department has failed to rectify the absences in accordance with the General Order.

Recommendation

The Director Corporate Services should review the officers' absence and take appropriate action including salary deductions in accordance with the General Order.

Management Comment

General Order Para 710 (a), (b) and (c) allows an officer to be medically treated for 21 days as an outpatient and then 60 days as an Inpatient.

General Order Para 710 (a), (b) and (c) allows an officer to be medically treated for 21 days as an outpatient and then 60 days as an Inpatient.

Procedure to be followed is laid down in GO 1003 and officer is entitled to full salary if sick leave is not from officer's misconduct or negligent.

The officer had taken extra 10 days leave upon the approval by the Commissioner on the understanding that she had pending hours from overtime of closing of account of 2011 from November through to early March 2012.

The officer was never paid any overtime allowance due to her status of Acting Accounts Officer. Therefore she had pending off hours owed to her for the overtime hours of supervision of closing of accounts for 2011.

Despite the above we have recovered the excess sick leave of 71 days through salary recovery.

²¹ Unpaid salary in Pay 10 was paid together with Pay 11

14.18 Exhausted Inpatient Sick Leaves

An officer required to undergo treatment as an inpatient of a hospital or required by a registered Government Medical Practitioner to be confined to his home on grounds of illness shall, in addition to his outpatient sick leave, be entitled to a further period of up to 60 days sick leave on full salary in any one leave year of service.²²

Our review of the leave records of Daniel Lagataki (EDP number 70578) revealed that the officer exhausted his inpatient sick leaves in consecutive three leave years. However, no deduction was made for the exhausted sick leaves. Refer to Table 14.13 for details.

Table 14.13: Details Of Officer's Exhausted Inpatient Sick leave

Leave Year	Number of days	Annual Salary (\$)	Monetary Value (\$)
27/11/09-26/11/10	9	14,051	347.40
27/11/10- 26/11/11	93	14,051	3,589.80
27/11/11-26/11/12	345	14,473	13,717.20
Total			17,654.40

Also the review of minute regarding 'medical status for COB D Lagataki and COC T Vakacegu' revealed that Tautau Vakacegu (EDP number 71123) had exhausted his inpatient sick leaves totalling 204 days for the period 7 July 2011 to 16 January 2012 and 13 June 2012 to 23 June 2012. However no deduction was done for the exhausted sick leave. The officer's leave schedule was also not updated as such; no reconciliation could be done to determine whether the absence period stated in the minute is correct. Refer to Table 14.14 for details.

Table 14.14: Details of Tatau Vakacegu's Exhausted Inpatient Sick Leave

Excess Inpatient leave period	Excess consecutive days	Year Period since 3% increase w.e.f 01/01/12	Annual Salary (\$)	Salary per day	Monetary Value (\$)
07/07/11-15/01/12 (193 days)	178	07/7/11-31/12/11	11,321	31.10	5,536.09
	15	01/1/12-15/01/12	11,661	32.04	480.54
13/06/12-23/06/12	11		11,661	32.04	352.39
				TOTAL OVERPAID	6,369.02

The audit also noted that Tatau Vakacegu's contract was renewed without any allowances, however he was paid Extra Duty and Kerosene allowances contrary to the renewal terms and conditions. Refer Table 14.15 for details.

Table 14.15: Details of Allowances Paid

Period exempted from allowances	Extra Duty Allowance	Kerosene Allowance
07/08/11-31/12/11	567.31	98.03
01/01/12-31/12/12	1,457.50	244.40
01/01/13-31/12/13	1,457.50	244.40
Total Allowances Paid:	3,482.31	586.83

²² General Order 2011- Section 710 (c) (i)

Despite the officer taking the unentitled leave, the Department failed to rectify the absences in accordance with the General Order.

The above indicates poor communication and supervisory checks between the administration and the accounts section of the Department to ensure that salary payments are correct.

Non-timely action and non-supervision of salary paid contributes to wastage of taxpayer funds and may become irrecoverable.

Recommendation

The Director Corporate Services should review the officers' overpayments and take appropriate action in accordance with the General Order.

Management Comment

General Order para 710 (a), (b) and (c) allows an officer to be medically treated for 21 days as an outpatient and then 60 days as an Inpatient.

Procedure to be followed is laid down in GO 1003 and officer is entitled to full salary if sick leave is not from officer's misconduct or negligent.

Officer may be treated as an inpatient for up to 60 days in any one leave year on full salary.

On the recommendation of a medical board the in patient may be allowed a maximum of up to 180 days sick leave following which the payment of full salary shall be at the discretion of the Commissioner.

Please find table below for detail comments.

Officer	Excessive Sick Leave	Comments
Daniel Lagataki (EDP#70578)	3 leave years	The maximum of 180 days sick leave applies here for the officer as explained on the above paragraph. However the officer continued to work on intermittent basis, whenever his health conditions improve. A policy was just approved by the Commissioner which will streamline the current process of 60 and 180 days, medical board etc, with the intention of future cases. The officer is engaged as approved by the Commissioner until he retires which will October 2014.
Tatau Vakacegu (EDP# 71123)	204 days	The maximum of 180 days sick leave applies too for the officer. He has also continued to work on intermittent basis also whenever his health conditions improve. A policy was just approved by the Commissioner which will streamline the current process of 60 and 180 days, medical board etc, with the intention of future cases. However the excess of 24 days will be recovered from his annual leave entitlement.

14.19 Quarters Records

HQ FCS Admin to issue Tenancy Agreement paper on approval of occupancy. This is to be signed by the occupants before moving into the quarters. This has all the regulations governing the occupancy of quarters.²³

Every employer shall ensure the health and safety at work of all his or her workers.²⁴ As regards to any workplace under the employer's control:

- (i) to maintain it in a condition that is safe and without risks to health; or
- (ii) to provide and maintain means of access to and egress from it that are safe and without any such risks.²⁵

Our inspection of Korovou and Naboro quarters revealed the following discrepancies:

- The Quarter Master did not provide any Tenancy Agreement for the officers occupying the quarters.
- In addition, the following Occupational Health and Safety issues were noted for the Korovou quarters:
 - Holes in walls and ceilings in need of repair;
 - There are holes in walls and ceilings and are in need of repairs;
 - Windows cracked, windows nailed to shut thus no ventilation and window sashes need fixing;
 - Gutters need repairing and drainage insufficient;
 - Filthy smells coming from toilets;
 - Plenty cockroaches and spiders in the quarters;
 - Walk way paths unsafe; and
 - Toilets and bathrooms need maintenance.

The above indicates blatant disregard to the FCS Live in Policy and Health and Safety Act. This can create ambiguity of the landlords and tenants rights and obligations since individual contracts are not drawn up and endorsed by the officers occupying the quarters. This can further affect the strength of legal binding procedures in cases of disciplinary procedures.

Recommendation

The administration section should ensure that individual contracts are drawn for each individual quarter.

Management Comment

Quarters is the property of the FCS and not of the Public Service Commission whereby legal contract to be draw to state the term and conditions of tenancy. On the other hand, the FCS Live In Policy is silence on the tenancy agreement. However, the Live In Policy clear spell out that the Commissioner may at his discretion allocate quarters to other members of the FCS anytime he/she deem necessary. On that note, the Commissioner decision supersede any other legal binding on that regards and all quarters are under the Commissioner prerogative to allocate.

²³ FCS Live In Policy - Procedures

²⁴ Health and Safety at Work Act 1996 – Section 9 (1)

²⁵ Health and Safety at Work Act 1996 – Section 9 (2) (d)

On the issue of state of the Quarters, FCS through its Capital Project initiative have slowly upgrading and maintaining the quarters at various Correction Institution. In addition, the OHS Officer is also identifying the hazard component of the institutional quarters and reported to Commissioners attention. The improvement of the quarters and OHS Compliance is all incorporated in the maintenance scope of the quarters by our Engineering team. This includes prior, current and future improvement.

14.20 Anomalies in Motor Vehicles Record Keeping

Vehicle must only be used for official purposes unless approved in writing by the Commissioner of Corrections or Deputy Commissioner or permitted under an officer's term of employment.²⁶ It shall be the responsibility of the *Supervisor of Transport* to oversee all matters relating to vehicle usage.²⁷

All *drivers* must ensure that their running sheets are properly filled in before signing and submitting them to the *Supervisor of Transport* at the end of the day.²⁸ The *Supervisor of Transport* shall check the accuracy of all running sheets for the day and certify each sheet.²⁹

At the end of each month, the Supervisor of Transport shall check the driver's running sheets and reconcile it to the monthly mileage summary in the logbook, before signing the summary.

The audit noted that motor vehicle expenditure totaled \$443,773 during 2013 compared to \$357,789 in 2012, an increase by 24%. Refer to Table 14.16 for details of expenditure over the 5 year period.

Table 14.16: Motor Vehicle Expenditure for the Five Year Period³⁰

Year	Fuel & Oil (\$)	Repair & Maintenance (\$)	Total (\$)	Percent (%)
2009	145,730	113,980	259,711	25.74
2010	137,946	68,606	206,552	(20.47)
2011	249,833	131,820	381,653	84.77
2012	247,618	110,172	357,789	(6.25)
2013	291,116	152,657	443,773	24.03
Total	883,207	529,038	1,412,244	---
Average	176,641	105,808	282,449	---

The audit noted the following anomalies from the review of running sheets:

- Instances were noted where trip mileage were not filled;
- Instances were noted where departure and arrival time were not filled properly;
- There were instances where some days running sheets were missing;
- The mileage at the start of the day were not correctly brought forward;
- The drivers failed to sign the running sheets;
- Evidence through initials by the officer-in-charge for monitoring daily motor vehicle running sheets on a monthly basis was lacking; and
- The review of the running sheet for vehicle registration GM 865 noted unofficial use of vehicle, that is, transportation of officers wives for which the authorization was not provided.

In addition, audit noted the following anomalies from the review of log books:

²⁶ Department's Finance Manual 2011 – Section 12.3.1

²⁷ Department's Finance Manual 2011 – Section 12.1.1

²⁸ Department's Finance Manual 2011 – Section 12.3.9

²⁹ Department's Finance Manual 2011 – Section 12.3.10

³⁰ Financial Management Information System, General Ledger Allocation 1-15200-00000-040101 and 1-152000-00000-04361 and 1-152000-000000-04362, accessed on 17/01/14

- Instances were noted where log books for some months were not filled properly and for some months not filled at all;
- The mileage at the start of the day were not correctly brought forward;
- The closing mileage readings were incorrectly stated; and
- Evidence through initials by the officer-in-charge for monitoring motor vehicle log books on a monthly basis was lacking.

The above shows the laxity by the Supervisor of Transport to manage and monitor motor vehicles in accordance with the transport rules and regulations.

Non-monitoring of vehicle use is one of the compounding factors for increased motor vehicle costs susceptible to extravagant use of public funds.

Recommendation

The Supervisor of Transport should:

- **Scrutinize running sheets and ensure that running sheets and logbooks are updated on a timely basis for each vehicle.**
- **Ensure that drivers properly complete running sheets and ensure correct mileage is documented.**
- **Ensure that un-recorded description of motor vehicle mileage is reviewed and rectified.**
- **Institute Disciplinary actions on officers for unauthorised use of motor vehicles.**

Management Comment

The audit anomalies regarding the Transport Unit have been noted in that it will only help this unit develop and better monitor the FCS fleet according to transport and finance regulation. The unit was also able to rectify problems like the proper takeover and handover of vehicles when moved the Transport Pool to other districts. The unit has now an officer COB M. Bolatolu dedicated to the monitor and upkeep of the running sheets as approved by COMCOR. The addition of the two other staff (PCO Lolo and COC Lo Dre) to our unit has eased the work load faced by the other drivers that caused lot of error in the running sheets due to long hours of work.

14.21 Failure to Instigate Surcharge for Motor Vehicle Accidents

In the event of an accident involving a Government vehicle, the *driver* must immediately report the accident to Police and inform the *Supervisor - Headquarters* through the *Supervisor of Transport*.³¹ A driver involved in an accident may be surcharged if the surcharging authority believes the driver was at fault.³² The accident report, Police report, Solicitor General's advice and the Supervisor's recommendations will be taken into consideration by the surcharge authority before any surcharge is imposed.³³

An employee must use Government resources and assets in a proper way.³⁴

The audit noted that officers were not surcharged for motor vehicle accidents caused negligently as outlined below:

³¹ Fiji Corrections Service, Finance Manual 2011- Section 12.6.1

³² Fiji Corrections Service, Finance Manual 2011 - Section 12.6.7

³³ Fiji Corrections Service, Finance Manual 2011 - Section 12.6.8

³⁴ General Order 2011, Annexure II – Public Service Code of Conduct No. 8

- Driver fell asleep while driving;
- Driver failed to negotiate wet surface and hit a coconut tree;
- Parked vehicle was damaged by flood;
- Drivers driving at a high speed and colliding with other motor vehicles;
- Driver was driving at high speed, lost control and the vehicle flipped upside down;
- Driver hit the vehicle from the back as a result of driving too closely;
- Failure to use right-hand rule causing accident; and
- Driver was driving without a valid license resulting in loss of control of the vehicle. Refer *Appendix 14.1* for details.

In addition, it was noted that the transport section failed to properly maintain documents relating to the accidents, such as, motor vehicle accident reports, Police reports and records showing that surcharge has been imposed.

Additionally, instances were noted where officers have been surcharged one or two years back but no deduction has been initiated to date. It resulted in some officers leaving the service without any recovery of cost being done by the department as directed by the Ministry of Finance.

Improper and negligent use of resources has resulted in unnecessary use of public funds for repair and maintenance and if not reprimanded could be catalyst to future abuse and careless use of motor vehicles.

Recommendations

- **The Director Corporate Services should strengthen supervisory checks in accordance with section 12 – accident of motor vehicles of the Finance Manual 2011.**
- **Appropriate disciplinary actions should be taken against Officers found negligent during accidents whilst driving the official vehicles.**
- **For all accidents, the accident reports should be prepared and submitted to the Vehicle Control Unit at the Ministry of Finance to instigate recovery of damages.**
- **The Transport Officer should maintain all proper records including accident reports and surcharge actions.**
- **The Board of Inquiry should ensure that deductions commence as soon the officers are surcharged by the Ministry of Finance and Solicitor General's Office.**

Management Comment

Copy of the report is given to FCS Inspectorate General (IG) Units. The IG units will conduct their internal due process before any recovery will take place. The recovery will be effective after IG internal report is produced. IG is still reviewing the report to determine the standing of the surcharge and/or recovery.

DEPARTMENT OF COMMUNICATIONS

PART A: FINANCIAL STATEMENTS

14.22 Audit Opinion

The audit of the 2013 accounts of the Department of Communications resulted in the issue of a qualified audit report. The qualifications are as follows:

- The Department of Communication did not provide the following contrary to Finance Instructions 71(1):
 - a.) Statement of Losses; and
 - b.) Statement of Receipts and Payments for Telecommunication Development Trust Fund Account.
- Note 4 assert the cash at bank balance for the Telecommunication Development trust fund as \$2.897million. A variance of \$13.523million exists between the cash at bank account balance in the Financial Management Information System (FMIS) and the bank statement balance as 31 December 2013. Contrary to section 32(6) of Finance Instructions 2010 no reconciliation was provided for audit. As such, the audit was not able to ascertain the trust fund cash at bank account balance or whether all receipts and payments have been accurately accounted in the Main Trust Fund Account.

Management attention was also drawn to that the Department did not reconcile the expenditure in the FMIS general ledger as no expenditure ledger was maintained. The Department prepared its financial statements from the FMIS general ledger. As a result the audit was not able to ascertain the accuracy of the amounts stated in the statements of Receipts and Expenditure.

14.23 Statement of Receipts and Expenditure

The Department collected revenue totaling \$5,131,008 and incurred a total expenditure of \$1,278,899 in 2013. Refer Table 14.17 for details.

Table 14.17: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
Licence Fees – Telecom & Television	5,130,717	500,963
License Arms	100	---
Miscellaneous Fees	191	---
TOTAL REVENUE	5,131,008	500,963
EXPENDITURE		
Operating		
Established Staff	165,064	150,206
Unestablished Staff	14,049	12,095
Travel and Communication	50,196	17,959
Maintenance and Operations	45,942	32,251
Purchase of Goods and Services	43,386	4,570
Operating Grants and Transfers	679,731	917,366
Special Expenditures	190,390	111,256
Total Operating Expenditure	1,188,759	1,245,703
Capital Expenditure		
Construction	---	---
Purchases	40,909	---
Total Capital Expenditure	40,909	---
Value Added Tax	49,231	20,651
TOTAL EXPENDITURE	1,278,899	1,266,354

Total revenue increased by \$4,630,045 as result of increases in license fees for telecom and televisions. No significant increase was noted for the Department's expenditure.

14.24 Appropriation Statement

The Department incurred a total expenditure of \$1,296,896 against the revised budget of \$1,342,774 resulting in a savings of \$63,875.

Details of expenditure against the budget estimate are provided in Table 14.19

Table 14.18: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Change (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	183,238	-	183,238	165,064	18,174
2	Government Wage Earners	15,174	-	15,174	14,049	1,125
3	Travel & Communication	50,516	-	50,516	50,196	319
4	Maintenance & Operations	68,200	-	68,200	45,942	22,258
5	Purchase of Goods & Services	51,500	-	51,500	43,386	8,114
6	Operating Grants & Transfer	1,622,500	(937,159)	685,341	679,731	5,610
7	Special Expenditure	330,000	(139,105)	190,895	190,390	505
	Total Operating Costs	2,321,128	(1,076,264)	1,244,864	1,188,759	56,105
	Capital Expenditure					
9	Purchases	---	40,910	40,910	40,909	1
	Total Capital Expenditure	---	40,910	40,910	40,909	1
13	Value Added Tax	75,000	(18,000)	57,000	49,231	7,769
	TOTAL EXPENDITURE	2,396,128	(1,053,354)	1,342,774	1,278,899	63,875

In 2013, the Cabinet approved the redeployment of \$1,053,354 from Department of Communications to Fiji Military Forces.

PART B: AUDIT FINDINGS

14.25 Board of Survey Not Prepared

An annual board of survey must be conducted each year to verify the existence and condition of assets recorded on the asset register.³⁵ Each agency must include in its annual financial statements a statement of losses.³⁶

The audit noted that the board of survey report for the year 2013 was not prepared, resulting in the failure to disclose other losses in the Statement of Losses in the Agency Financial Statement.

Without a board of survey, the Statement of Losses (Other than money) could not be substantiated.

Recommendation

The Accounting Head must ensure that Section 49 and section 71 (f) of the Finance Instruction 2010 are strictly complied with.

³⁵ Finance Instructions 2010 – Section 49 (1)

³⁶ Finance Instructions 2010 – Section 71 (1) (f)

Management Comment

The board of survey was not carried out for 2013 because the Ministry of Public Enterprise failed to handover the inventory ledger despite numerous discussions and requests.

However, a physical check was carried out on expendable and non-expendable items and new inventory ledger was opened for each item (expandable & non-expendable).

Please note that the Department of Communication joined the Ministry in January 2013 from the Ministry of Public Enterprise.

Therefore, the board of survey will be effectively carried out for 2014.

14.26 Expenditure Ledger Not Maintained

All payments, including VAT, must be immediately recorded in the Financial Management Information System (FMIS) and an Expenditure Ledger³⁷.

A ledger shall be maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts, and expenditure and commitment accounts.³⁸ Any transaction raised affecting these accounts shall be entered in the appropriate ledger.³⁹

The audit noted that the Department did not maintain an expenditure ledger.

As a result, the Department could not reconcile its records with the expenditure in the general ledger system⁴⁰ maintained by the Ministry of Finance. The audit was also not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

Recommendation

The Department should maintain an expenditure ledger and use it to reconcile its expenditure to that recorded in the FMIS general ledger on a monthly basis.

Management Comment

When the FMIS system commenced in 2006, the Ministry of Finance advised Accounting Heads that it is to 'the discretion of the ministries/departments whether to maintain the manual expenditure ledger or fully rely on the computerized one'. The Department has chosen the computerized one as it is fast and accurate.

14.27 Non – Preparation of Main Trust Fund Account Statement

Ministries and Departments that operate Fund 9 Main trust accounts should reconcile these accounts and send the reconciliations together with a copy of the bank statement to FMIS by 8th February 2013.⁴¹

Within five days after the end of each month, the Assistant Accounts Officer shall prepare a trust reconciliation to reconcile trust account balances to the ledger total and the trust bank account.⁴² Details of balances must be attached to the reconciliation statement.⁴³

³⁷ Finance Instruction 2010 – Section 15

³⁸ Department of Justice Finance Manual 2013 - Section 15.3.1

³⁹ Department of Justice Finance Manual 2013 - Section 15.3.2

⁴⁰ Financial Management Information System controlled by Ministry of Finance.

⁴¹ Finance Circular No.13/2012 - Clause 14.4

⁴² Department of Justice Finance Manual 2013- Section 14.4.1

⁴³ Department of Justice Finance Manual 2013- Section 14.4.2

Each agency must include the trust account statement of receipts and payments in its annual financial statements.⁴⁴

The Telecommunication Development Trust Fund was established for levies charged to telecommunications providers⁴⁵ on “inbound international chargeable calls” under the Industry Reform objective to facilitate Government’s ICT Development programme. According to information obtained during the audit, the Trust Fund account has been in existence since 2010 and levies are directly deposited by telecommunications providers into specific bank account. The *Telecommunication Development Trust Fund* bank account is maintained with the Westpac Bank account (9803088989).

There were inadequate information provided for audit by the Ministry to determine the total levies that have been collected from telecommunication providers and how the funds have been utilised since the establishment of the Telecommunication Development Trust Fund in 2010.

Our review of available records pertaining to the trust fund revealed the the Department Main Trust Fund Account had a credit balance of \$2,896,519⁴⁶ as at 31/12/2013 for which the Department failed to prepare any reconciliation.

The above indicates weak monitoring of the department’s transactions and could result in undetected fraud and irregularities.

Recommendation

- **The Principal Accounts Officer should ensure that monthly reconciliations are performed for the main trust fund accounts and any variances noted are to be investigated and adjusted accordingly.**
- **A statement of receipts and payments for the trust fund should be included in the department’s agency financial statement.**

Management Comment

The monthly bank reconciliation was not done for 2013 as the Ministry of Public Enterprise failed to do the reconciliation from February 2011 (the month the account was established with Westpac) to December 2012. We informed FMIS about the outstanding reconciliations and they instructed us to wait for the completion of the reconciliations by the Ministry of Public Enterprise before proceeding with 2013 reconciliation as there are outstanding items (e.g. un-presented cheques, outstanding items etc.) that will be carried forward to January 2013 . Unfortunately, the reconciliations were not done.

As the accounting responsibilities of the Department of Communication lies with the Ministry of Justice Accounts Unit, we made several requests to the Ministry of Public Enterprises Accounts Unit to provide the relevant document copies (payment voucher, bank statement, deposit slip and receipt) to proceed with reconciliation from February 2011 till December 2012. We faced with resistance but finally we received them on the first week of September 2014.

We will proceed with the reconciliation on the first week of October 2014 and targeting to complete them at the end of November 2014.

The exclusion of the trust account statement of receipts and payments in the financial statements was due to an oversight. We will ensure that it is not repeated for 2014. Not all the information on the total levies that have been collected and the usage of funds since the existence of the Telecommunication Development Trust Fund were given to Audit during period of audit. The Ministry provided information for 2013 only since this is the year

⁴⁴ Finance Instruction 2010 –Section 71 (1) (g)

⁴⁵ Digicel (Fiji) Ltd, Fintel, Telecom (Fiji) Ltd, Vodafone (Fiji) Ltd etc.

⁴⁶ Financial Management Information System General Ledger Account Number 9-36000-00000-890000

the Ministry resume responsibility of the accounting work for the Department of Communication and from the establishment of the account in February 2011 to 2012; the Ministry of Public Enterprise is responsible to provide the necessary information.

14.28 Variance between Main Trust Cash Book and General Ledger Bank Balance

The Senior Accounts Officer is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.⁴⁷

All bank accounts must be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by responsible officer.⁴⁸

A variance of \$13,523,173 was noted between the Department's cash at bank balance and the cash balance reported in the FMIS general ledger as at 31 December 2013. Refer to Table 14.19 below for details.

Table 14.19: Variance in Bank Balance

Account ID	Description	FMIS (\$)	Bank Balance (\$)	Variance (\$)
9-36301-36001-520301	Communications	2,906,717	16,429,890	13,523,173

As a result, the audit was not able to substantiate the accuracy of cash at bank balance as at 31 December 2013 for the *Communication Development Trust Fund Account* in the general Ledger Account.

Failure to carry out proper bank reconciliation increases the risk of misappropriation and fraud not being detected.

Recommendation

The Principal Accounts Officer should ensure that the department's bank account is reconciled to the FMIS records on a monthly basis and any variance noted is checked and adjusted accordingly.

Management Comment

Refer to comments in 7.3.

In addition, we will be able to specifically identify the breakdown of the variance amount and take necessary actions for their clearance once the reconciliation is updated. We anticipate completing the updating of the reconciliation in October 2014.

⁴⁷ Department of Justice Finance Manual 2013, Part 15: Ledger Accounts – Introduction Paragraph

⁴⁸ Finance Instructions 2010, section 32 (6)

14.29 Tender Not Called and Absence of Contract Engagements for Services

A local purchase order shall be issued when procuring any goods, services or works from an organization within Fiji, unless a contract or agreement has been entered into.⁴⁹ The Principal Accounts Officer, Senior Accounts Officer, Accounts Officer and Assistant Accounts Officer must not certify a payment as correct unless they are satisfied that it is in accordance with an LPO, indent, contract, invoice or other authorization.⁵⁰

Public tenders must be called for any procurement of goods, services or works valued at \$50,000 or more, unless a Tender Board has approved an exemption in accordance with Procurement Regulation 30 (1).⁵¹

Competitive quotes, instead of public tenders, may be called for procurements below \$50,000 unless the PS has approved an exemption.⁵²

The following anomalies were noted for the payment of \$93,628 to City Security Services;

- The Department of Communication did not sign a contract agreement when engaging the above company;
- The Department did not tender the above services to the public before engaging the above company;
- Competitive quotations were not obtained ; and
- The Department did not seek any approval of exemption from the Permanent Secretary of Finance.

Refer Table 14.20 below for details.

Table 14.20: Payments Made To City Security Services without Tender and Contract Agreement

Date	Cheque No.	Payee	Details	Amount (\$)
10/01/13	0207	City Security Services (Fiji) Ltd.	Payment of security services for the various tele -centers in Fiji.	26,533.26
08/02/13	0220			22,782.42
10/04/13	0274			7,174.62
08/05/13	0299			6,756.44
04/10/13	0480			9,766.26
07/11/13	0510			10,453.50
04/12/13	0521			10,161.63
Total				93,628.13

While the need for services may have been necessary and urgent, it certainly does not require deviations from policies and guidelines governing the purchase of these good and services. Failure to do so could result in unauthorised procurement and over expenditure.

Recommendations

- **The Head of Department and the Accounting Head should comply with the procurement guidelines and procedures and must call for annual tender for the offer of security services.**

⁴⁹ Ministry of Justice Finance Manual 2013 – Section 2.5.1

⁵⁰ Ministry of Justice Finance Manual 2013 – Section 2.8.4 (i)

⁵¹ Ministry of Justice Finance Manual 2013 – Section 2.3.1

⁵² Ministry of Justice Finance Manual 2013 – Section 2.3.2

- **The Head of Department and the Accounting Head should ensure that a contract agreement is develop for the offer of security services and the Ministry of Finance approval to be obtained for any exemption.**
- **Disciplinary action should be taken against officers who continue to disregard regulations governing the procurement of goods and services.**

Management Comment

No comments received from the department.

APPENDICES**PRISONS AND CORRECTIONS DEPARTMENT****Appendix 14.1: Surcharge yet to be instigated for Motor Vehicle Accidents**

Date	Vehicle number	Place of accident	Driver/ rank no	Cause of Accident	Cost of Damage ⁵³ (\$)	Audit Remarks
04/05/09	GN 513	Wainigasau Bridge	TRO Poasa Nacevalia	Driver of the Corrections vehicle fell off to sleep while driving; vehicle veered off the road ramming onto the Wainigasau Bridge and tumbled into the creek.	54,000.00	The officer was surcharged by MOF on 27/09/11 and the concerned officer appealed on 21/05/12. No further records in the file.
Not Provided	GN751	Court House, Nausori	TR/PCO Lalakomacoi Manasa	Carelessness of the driver	12,000.00	No records pertaining to the surcharge could be sighted.
03/6/09	GN 743	Dog Unit Naboro	POC Martha Ranamu	Driver failed to negotiate wet surface and the face of the vehicle hit a coconut tree.	2,500.00	The sum of \$2,250 was not recovered as verified to the payroll and the office left service on 18/03/10.
17/9/09	GN645	Kennedy Avenue, Nadi	POC Esala Nadruku	Fault of the Driver as he was following too close to the car in front damaging the right face panel, lights.	2,623.00	The officer was surcharged by MOF on 31/12/09 and the concerned officer appealed on 18/02/13. No further records in the file.
16/7/10	GM 927	Naimataga Veisari, Lami	POC Mosese Bolatolu	Driver of the Corrections vehicle fell off to sleep; passenger pulled steering to avoid collusion, flipping vehicle to its side.	10,000.00	The driver was surcharged by MOF on 01/03/11 but no deduction initiated to date.
17/11/08	GN 513	Bus stop, Naboro	POC Filipe Tuilawalawa	The driver was at fault as it hit the bus from the rear	11,000.00	The officer was surcharged by MOF, however, no deductions were initiated and the officer left service on 29/01/13.
13/9/10	GN 751	James Madivan Junction, Labasa	POC Isoa Rawaico	Driver failed to use right hand rule resulting in accident; damages to right fender, bumper, and grill.	1,730	No records available in the file for audit verification.
29/9/10	FM 927	Tawayawa Ba	POC Lino Naicoi	The driver of Corrections vehicle was following too close, he was at fault for hitting the left side of rear of the private car. Damage to the right side of bumper of vehicle FM 927.	8,694.53	The officer was surcharged on 23/04/12 whereas the officer left service on 03/12/11. Thus, no recovery could be initiated.

⁵³ Critical Analysis of Fiji Corrections Service, Motor Vehicle Accident Report

Date	Vehicle number	Place of accident	Driver/ rank no	Cause of Accident	Cost of Damage ⁵³ (\$)	Audit Remarks
23/11/10	FM 927	Kings Road, Yaralevu, Ba	POC Lino Naicoi	Fault of the driver who was driving too fast and failed to stop resulting in colliding with a locomotive crossing the road.	47,109.03	The officer was surcharged on 23/09/11, however, no deductions were initiated and the officer left service on 03/12/11. Thus, no recovery could be initiated.
17/01/11	GN757	Marine Drive, Lami	POC Kitone Cavalevu	Driver was following too close to the vehicle in the front and collided causing 4 other vehicles in the front to bump into each other.	5,000.00	Finance date of submission to SG's office was 02/03/11. No further records in the file.
16/2/11	GN752	Farm Road at Field 25	POC Suliasi Suguloco	Driver had no driving licence and while driving up field 25, he lost control and the vehicle flipped to its side	15,918.93	The officer was surcharged on 22/05/12, however, no deductions initiated to date.
15/10/11	GN512	Urata Hill, Savusavu	COC Asif Mohammed	Driver was driving too fast and failed to negotiate the hill and lost control causing vehicle to flip upside down at the Urata Hill, Savusavu.	8,063.00	The officer was surcharged on 23/04/12, however, no deductions initiated to date.
30/01/12	GN748	Votua Road Ba	TRPOC Ramateni	Vehicle was damaged by recent flood where the driver had parked.	2,500.00	Appeal by the concerned officer on 13/03/13 to reduce the surcharge. No further records in the file.
05/10/12	GN748	Tau Village, Nadroga	COC Rusiate Semate	Vehicle flipped to its left side and sustained damages to passenger side, roof and windscreen.	29,765.22	No records in the file pertaining to the accident and surcharge action undertaken.
16/03/10	GN751 and FM938	Unknown	TRPOC Jone Ramateni and POB Vijay Nandan	Negligence on the driver of FM938	523.25	Vijay Nandan surcharged on 10/08/11, however, no deductions initiated to date.
2005	GM322	Newtown, Nasinu	COC Simone Tabua	Hit a dog and caused the damaged to the bumper	1,232.00	The officer was surcharged on 08/06/12, however, no deductions initiated to date.
14/04/07	GN490	Sigatoka Police Station	Ilisoni Waqanisoraki	Unknown	Unknown	Letter from MOF dated 20/01/13 sighted, requesting the department to provide the accident report. No other details pertaining to the accident in the file. The officer left service on 15/06/11.

Section 15 Ministry of Information

Programme Statement

The Ministry is Government's primary information agency providing the link between Government, the media and the public. The Ministry's role is to better inform the public about government's policies, programmes and plans. It also has the responsibility of improving knowledge generation and distribution through the archives and libraries.

To undertake these responsibilities, the Ministry provides administrative support and policy advice, as well as collates, generates and disseminates government information through its film and television services/production facilities, its news and publication facilities, its depository for public records and the network of library services that it manages.

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PART A: FINANCIAL STATEMENT

15.1 Audit Opinion

The audit of the 2013 accounts of the Ministry of Information has resulted in the issue of an unqualified audit report. Management attention however was drawn to that the Ministry did not reconcile the expenditure in the FMIS general ledger as no expenditure ledger was maintained. It prepared its financial statements from the FMIS general ledger. As a result, audit was not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

15.2 Statement of Receipts and Expenditure

The Ministry of Information collected total revenue of \$12,508 and incurred a total expenditure of \$5,264,345 in 2013.

Table 15.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
State Revenue		
Library Fines	2,122	3,219
Total State Revenue	2,122	3,219

Description	2013 (\$)	2012 (\$)
Agency Revenue		
Revenue from Sale of Production Film	2,017	4,822
Miscellaneous	8,369	20,768
Total Agency Revenue	10,386	25,590
TOTAL REVENUE	12,508	28,809
EXPENDITURE		
Operating Expenditure		
Established Staff	1,619,316	1,564,611
Unestablished Staff	235,178	255,413
Travel & Communication	221,800	169,589
Maintenance & Operations	277,392	269,704
Purchase of Goods & Services	1,182,018	983,334
Operating Grants & Transfers	14,432	15,798
Special Expenditure	45,176	59,951
Total Operating Expenditure	3,595,312	3,318,400
Capital Expenditure		
Capital Construction	198,771	0
Capital Purchase	1,050,142	281,334
Capital Grants and Transfers	0	0
Total Capital Expenditure	1,248,913	281,334
Value Added Tax	420,120	242,189
TOTAL EXPENDITURE	5,264,345	3,841,923

Total expenditure increased by \$1,422,422 or 37% in 2013 compared to 2012. This was mainly due to the increase in capital purchase by 273% for the restoration and digitization of Fiji's Audio Visual History and Film and Television Unit, capital construction by 100% for building maintenance and purchase of goods and services by 20%.

15.3 Appropriation Statement

The Department incurred a total expenditure of \$5,264,345 in 2013 against the budget of \$5,837,986 resulting in a surplus of \$573,641 or 9.8%. A detail of expenditure against the budget estimate is provided in Table 15.2.

Table 15.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	1,802,223	0	1,802,223	1,619,316	182,907
2	Government Wage Earners	271,987	(23,590)	248,397	235,178	13,219
3	Travel & Communication	228,392	26,786	255,178	221,800	33,378
4	Maintenance & Operations	294,593	35,214	329,807	277,392	52,415
5	Purchase of Goods & Services	1,330,496	(38,410)	1,292,086	1,182,018	110,068
6	Operating Grants & Transfers	18,695	0	18,695	14,432	4,263
7	Special Expenditure	64,676	0	64,676	45,176	19,500
	Total Operating Expenditure	4,011,062	0	4,011,062	3,595,312	415,750
	Capital Expenditure					
8	Capital Construction	550,000	(286,403)	263,597	198,771	64,826
9	Capital Purchase	1,893,044	(818,213)	1,074,831	1,050,142	24,689
10	Capital Grants & Transfers	0	0	0	0	0
	Total Capital Expenditure	2,443,044	(1,104,616)	1,338,428	1,248,913	89,515
13	Value Added Tax	654,188	(165,692)	488,496	420,120	68,376
	Total Expenditure	7,108,294	(1,270,308)	5,837,986	5,264,345	573,641

15.4 Statement of Losses

There was no significant loss noted for 2013.

PART B: AUDIT FINDINGS

15.5 Expenditure Ledger not maintained

The Clerical Officer Accounts shall enter details on payment vouchers in an Expenditure Ledger. All payments raised during the month must be totalled and the figure noted in the expenditure ledger. At the end of each month, the Accounts Officer shall prepare an expenditure and commitment statement. The statement shall be submitted to the Senior Accountant for inclusion into the monthly management report.¹

The audit noted that the Ministry does not maintain an expenditure ledger. As a result, the Ministry could not reconcile its expenditure with that in the FMIS general ledger maintained by the Ministry of Finance. The audit was also not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

Recommendations

The Accounting head should:

- **maintain an expenditure ledger; and**
- **reconcile its expenditure ledger with FMIS on a monthly basis.**

Management Comment

Management acknowledges the findings highlighted in the Audit report for 2013. Recommendations are also noted for improvement.

As required, reconciliations are carried out twice. When monthly Vat is reconciled and returns are prepared and secondly before Expenditure reports are prepared. FMIS GL reports are reconciled directly with payment vouchers in the absence of expenditure ledger. Any errors and mispostings are adjusted immediately through journal vouchers before closing of each month.

A scan copy of the Expenditure and Commitment report for October 2013 has also been enclosed, which is normally prepared and submitted monthly by the Senior Accounts Officer together with monthly management report. Other monthly reports are also available for audit verification if required.

Ministry in past has never maintained an expenditure ledger, based upon clarification from FMIS that reconciliation could be done online. However, as per audit recommendation, an expenditure ledger will be maintained and prudent measure will be taken to ensure that Ministry continues to comply with the regulations.

15.6 Anomalies for New Recruitment

Before either a letter of appointment or contract of appointment is issued a candidate selected must undergo a medical examination and be passed as being in all respects physically and mentally fit by an authorised officer.²

¹ Ministry of Information Finance Manual 2011- section 2.8.11 – 2.8.14

² General Orders 2011 – Section 203 (a)

The employee must have a satisfactory police record.³

The audit noted that the Ministry recruited three officers in 2013 without obtaining their police clearance or medical certificate. Refer to Table 15.3 below for examples.

Table 15.3: Officers without Police clearance or Medical certificate

EDP Numbers	Date of Appointment	Position	Remarks
93819	25/02/13	Senior Information Officer	No police clearance and medical certificate.
PF1638	09/09/13	Assistant Information Officer (Project)	No police clearance.
93712	02/09/13	Senior Information Assistant	No police clearance and medical certificate.

The recruitment procedures of obtaining police clearance and medical certificates were not observed thus there are risks that the best candidates may have not been recruited.

The new officers may pose security and information risks while their physical and medical competencies are also yet to be resolved.

Recommendation

The Ministry's staff board should ensure that medical and police reports are obtained for all the new appointments as per the General Order 203.

Management Comment

No comment received from the Ministry.

15.7 Lack of Supporting Documents for Taxi Payments

All staff shall ensure that the correct official forms are used in the following areas:

- i. Purchasing & Payments
- ii. Receipting & banking
- iii. Asset & liability recording
- iv. Stocktaking
- v. Vehicle usage⁴

Particulars on any required form must be fully completed and signed by the preparing officer and supervisor before it is authorised.⁵

The Senior Accountant is responsible for the safe keeping and proper maintenance of all accounting records or documents.⁶

The audit noted that taxi payments made by the Ministry during the year lacked adequate supporting documents. Refer to Table 15.4 below for detail.

³General Orders 2011 – Section 203 (b)

⁴Ministry of Information 2011 – Section 17.1.1

⁵Ministry of Information Finance Manual 2011 – Section 17.1.2

⁶Ministry of Information Finance Manual 2011 – Section 17.1.3

Table 15.4: Lack of supporting documents for taxi payments

Date	Cheque No.	Payee	Amount (\$)	Detail	Remarks
09/01/13	213088	Matua Taxis	1,843.00	Payment for hiring of taxi services for Media Monitor for the month of October 2012	Missing taxi voucher and no proper minute to the Permanent Secretary to approve payment
20/02/13	213172	Matua Taxis	4,270.60	Payment for providing transport to the Ministry for the month of December 2012 & January 2013	December taxi voucher missing. As per January taxi voucher attached, Audit calculated taxi costs of \$1,396.60 while Ministry paid \$2,667.70

The above indicate that payment vouchers were not properly verified by the accounting officers before they are approved for payments.

Recommendation

The Senior Accountant must ensure that all payments are verified with proper supporting documents before they are authorized.

Management Comment

No comment received from the Ministry.

15.8 Poor Maintenance of Motor Vehicle Records

When a driver's running sheet is handed to the Supervisor of Transport at the end of the day, the total mileage for the day will be recorded in the logbook.⁷

At the end of each month the Assistant Secretary shall check the driver's running sheets and reconcile it to the monthly mileage summary in the logbook, before signing the summary.⁸

The audit noted the following anomalies in the maintenance of the motor vehicle records:

- the month of June running sheets for vehicle GN 670 were not updated;
- incorrect calculation of mileage. Refer to Table 15.5 below for examples.

Table 15.5: Incorrect Mileage Record

Vehicle Registration No.	Month	Opening Mileage as per Logbook	Mileage for the Month	Closing Mileage as per Ministry's Calculation	Closing Mileage as per Audit Calculation	Variance
GN 670	January	133158	1877	135511	135035	476
	February	135511	1832	137533	137343	190
	March	137567	2736	139869	140303	434
	April	139869	3135	142912	143004	92

⁷Ministry of Information Finance Manual 2011 – Part 11.3.20

⁸Ministry of Information Finance Manual 2011 – Part 11.3.21

Vehicle Registration No.	Month	Opening Mileage as per Logbook	Mileage for the Month	Closing Mileage as per Ministry's Calculation	Closing Mileage as per Audit Calculation	Variance
	May	142912	2725	145741	145637	104
	October	153044	1356	156717	154400	2317
	November	156717	4972	161630	161689	59
	December	16630	3926	163891	20556	143335

- variances in mileage record between the running sheets and the logbooks. Refer to Table 15.6 below for detail.

Table 15.6: Variances in mileage between running sheets and logbook record

Vehicle Registration No.	Dates	Mileage as per Running Sheet Record	Mileage as per Logbook Record	Variance
GN 670	03/08/13	98	-	98
	04/08/13	46	-	46
	05/08/13	88	66	22
	29/08/13	72	131	59
	05/09/13	12	-	12
	29/10/13	76	29	47
	13/12/13	1731	-	1731
	15/12/13	1501	215	1286

- log books for vehicle GP 095 were not signed for the months of March, May, July, October, November and December.

The anomalies demonstrate the laxity of the transport officer and his/her supervisor in ensuring that motor vehicle records are properly maintained up to date. There is risk of misuse of motor vehicle when records are not properly updated.

Recommendations

The Transport Officer should:

- ensure that the motor vehicle records are accurately prepared and maintained according to the requirements of the transport rules and regulations.**
- check the transport records for accuracy and consistency before signing it.**

Ministry's Comments

No comment received from the Ministry.

Section 16

Ministry of Strategic Planning, National Development and Statistics

Programme Statement

The Ministry comprises of the Strategic Planning and National Development Office (SPND) and the Fiji Bureau of Statistics (FBOS). The Strategic Planning Office co-ordinates and monitors all development efforts and formulates and monitors the implementation of the National Development Plan and Strategies. It provides policy advice on Macroeconomic, Sectoral and Human Resources issues, undertakes economic aggregate forecasting, formulates the Public Sector Investment Programmes, coordinates Government's reform agenda through its Good Governance Unit, coordinates manpower planning particularly in the identification of priority areas, chairs and provides secretariat services to the many committees it represents and other Government committees.

The major roles of Fiji Bureau of Statistics [FBOS] are to collect, compile, abstract analyse and publish statistical information relating to the commercial, industrial, agricultural, social, economic and general activities and conditions of the people of Fiji in a timely and coherent manner. The Department organizes a coordinated scheme of social and economic statistics relating to Fiji and conducts a Census of the population of Fiji and Household Surveys as required. FBOS collaborates with Government Ministries/Departments and other agencies in the collection, abstraction, analysis, and publications of statistical records.

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PART A: FINANCIAL STATEMENTS

16.1 Audit Opinion

The audit of the 2013 accounts of the Ministry of Strategic Planning, National Development and Statistic resulted in the issue of a qualified audit report as the reconciliation statement for Drawings Accounts for Strategic Planning and National Development Office was not provided for audit and as such the expenditure amounts in the accounts could either be under or overstated.

The Ministry's attention was also drawn to the Integrated Human Resources Development Program (IHRDP) Trust Account which is understated by \$40,491 as a result of incorrect accounting of the community contributions received in 2012 that is still being reflected in the Consolidated Fund Account and is yet to be refunded into the IHRDP Trust account.

In addition, the Strategic Planning and National Development Office did not reconcile the expenditure recorded in the Financial Management System (FMIS) as no expenditure ledger was maintained. It prepared its financial statement from the FMIS general ledger records. As a result, the accuracy of expenditure totalling \$4,012,618 as part of the Ministry's total expenditure reflected in the Statement of Receipts and Expenditure could not be ascertained.

16.2 Statement of Receipts and Expenditure

The Ministry incurred a total expenditure of \$10,147,496 during 2013 compared to \$5,839,584 incurred in 2012.

Table 16.1: Statement of Receipts and Expenditure in 2013

Description	2013 (\$)	2012 (\$)
Receipts		
Board Member	---	25,020
Miscellaneous Revenue	12,182	67,819
Sales of Publications	1,718	2,995
Total Revenue	13,900	95,834
Expenditure		
Established staff	2,901,353	2,283,428
Government Wage Earners	117,837	104,105
Travel & communication	244,388	192,643
Maintenance & Operations	389,554	264,061
Purchase of goods & services	159,956	109,585
Operating grants & transfers	18,623	20,000
Special expenditures	4,655,018	1,562,215
Capital Purchase	---	34,103
Capital Grants & Transfers	1,000,000	1,000,000
Value Added Tax	660,767	269,444
Total Expenditure	10,147,496	5,839,584

Revenue declined by \$81,934 (85%) in 2013 compared to 2012 due to incorrect receipting of IHRDP community contributions into Consolidated Fund Account during 2012 which is yet to be rectified.

Total expenditure increased by \$4,307,912 (74%) in 2013. Special Expenditure increased by 198% as a result of Bureau of Statistics conducting the Household Income & Expenditure Survey (HIES) and the Household Listing Exercise (HLE). There were also increases in established staff expenditure (27%), government wage earners (13%), travel and communication expenditures (27%), purchase of goods, & services (46%), and maintenance and operations expenditures (48%).

16.3 Appropriation Statement

The Ministry incurred expenditure totalling \$10,147,496 during the year 2013 against the revised budget of \$11,452,456 resulting in a savings of \$1,304,960 or 11.4%. The details of expenditure against the budget estimates are provided in Table 16.2 below.

Table 16.2: Appropriation Statement for 2013 – Head 17

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established Staff	3,365,001	(318,358)	3,046,643	2,901,353	145,290
2	Unestablished Staff	115,785	20,275	136,060	117,837	18,223
3	Travel & Communication	260,300	51,500	311,800	244,388	67,412
4	Maintenance & Operations	336,400	98,072	434,472	389,554	44,918
5	Purchase of Goods & Services	133,781	38,511	172,292	159,956	12,336
6	Operating Grants & Transfers	20,000	---	20,000	18,623	1,377
7	Special Expenditure	5,325,489	---	5,325,489	4,655,018	670,471
	Total Operating Costs	9,556,756	(110,000)	9,446,756	8,486,729	960,027
	Capital Expenditure					
9	Capital Purchase	---	110,000	110,000	---	110,000
10	Capital Grants and Transfers	1,000,000	---	1,000,000	1,000,000	---
	Total Capital Expenditure	1,000,000	110,000	1,110,000	1,000,000	110,000
13	Value Added Tax	895,700	---	895,700	660,767	234,933
	TOTAL EXPENDITURE	11,452,456	---	11,452,456	10,147,496	1,304,960

PART B: AUDIT FINDINGS

STRATEGIC PLANNING AND NATIONAL DEVELOPMENT OFFICE (SPND)

16.4 Payroll Expenditure

16.4.1 Overpayment of Salaries

Upon completion of data entry into the Payroll System, the Ministry of Finance will print an edit report of the inputted data.¹ The *salaries officer* shall reconcile entries in the edit report to the original input forms. Any corrections shall be done by preparing new input forms.²

Where losses arise from overpayments to government officers, the *Accounting Head* shall, with the approval of the *Deputy PS* effect recovery through direct salary deduction. Officers must be informed of the overpayment and the rate of deduction from their salary before the deduction is carried out.³

The audit noted in 2013 that an Economic Planning officer (*EDP 91254*) who was on attachment with the Commissioner Northern Office was overpaid \$6,078 on the post of Acting Senior Economic Planning officer.

¹ 4.2.10 2013 Pro-forma Finance Manual

² 4.2.13 2013 Pro-forma Finance Manual

³ 14.2.5 2013 Pro-forma Finance Manual

The overpayment occurred from an input recorded in the *FS01* form sent to the Ministry of Finance for Pay 04/13. The form FS01 was checked by the former Accounts Officer and approved by Principal Administration Officer.

The salary overpayment was detected after the preparation of the salary reconciliation but the salary officer did not take immediate action to rectify the error. Refer to **Appendix 16.1** for details.

This issue is exacerbated by the delays in the preparation of payroll reconciliations on time which is required to be prepared and checked within one week from the pay date.

Recommendations:

- **The National Planning office should immediately recover the overpaid salary from the officer;**
- **Surcharge action to be taken against the responsible officers for taking a laxity approach in not checking the salary edit reports before it was submitted to Ministry of Finance; and**
- **The Ministry should ensure that salary reconciliations are undertaken within one week from the pay date.**

Management Comment

No comment from Ministry

16.5 Anomalies in Drawings Account

The accounts supervisor shall prepare bank reconciliation within 5 days of the end of the month.

Details of un-presented cheques and other reconciling items should be attached to the reconciliation statement. Once the bank reconciliation is prepared, it should be signed and dated by the accounts supervisor and submitted to the Accounting Head. The Accounting Head must verify balances in the bank reconciliation to the cashbook, bank statements, un-presented cheque list, and the previous month's bank reconciliation before certifying it.⁴

All payments, including VAT, must be immediately recorded in the financial management information system and an Expenditure Ledger.⁵

A ledger shall be maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts, and expenditure and commitment accounts. Any transaction raised affecting this accounts shall be entered in the appropriate ledger.⁶

The following anomalies were noted from the audit of the Drawings Account of the Strategic Planning and National Development Office:

- The bank reconciliation for the whole year nor a list of un-presented cheques as at 31/12/13 were provided during the audit;
- There was no expenditure ledger maintained for the year 2013 by the Strategic Planning and National Development Office (SPND). The SPND relied solely on the financial management information system to maintain payment details; and
- Board of survey on the drawings account as at 31/12/13 was not done.

⁴ Pro-forma Finance Manual 2013 – s7.4.8 to 7.4.11

⁵ 2010 Finance Instruction Division 3 Part 15

⁶ S16.3 – 2013 Pro-forma Finance Manual

The absence of proper records and reconciliations and using only FMIS records raises risks of misstatements of amounts in the agency financial statements.

Recommendations:

- **The Office should maintain an expenditure ledger and be reconciled monthly with FMIS records.**
- **Board of surveys of drawings account must be done annually as required by the Finance Instruction.**

Management Comment

No comment from Ministry

16.6 Anomalies in the maintenance of the IHRDP Trust account

The *trust officer* must submit the trust reconciliation to the *Accounting Head* within 10 days after the end of the month. The Trust reconciliation shall be in accordance with the format provided in Schedule 6. A duplicate must also be submitted to Ministry of Finance.⁷

All payments from the trust account shall be adequately supported and made only for the purpose of the trust.⁸

Each year the *trust officer* shall prepare an annual trust receipts & payments statement within two weeks of the end of the year.⁹

The Integrated Human Resource Development Program (IHRDP) Trust account was set up in June 2013 to hold 1/3 community contribution for the IHRDP projects. Once the 1/3 contribution has been provided by the recipient, Government then releases the remaining 2/3 along with the 1/3 contribution kept in Trust by National Planning Office.

The following anomalies were noted from the trust account:

- The Trust reconciliation was not maintained during the year until the time of audit during April 2014;
- There is a variance of \$4,590 between the Trust general ledger (GL) (9-17101-63999-895054) and the Trust Cash GL (9-17101-63999-520401);
- The 1/3 community contributions receipted in 2012 totaling \$40,491 which were deposited into Consolidated Fund Account have yet to be replenished to the IHRDP trust account; and
- There have been instances of utilizing the trust funds to pay wages and accountable advances which defeat the purpose of the trust.

These issues reflect on the lack of basic accounting and reconciliation knowledge of the officer handling the IHRDP funds. It is exacerbated by the absence of checks by the IHRDP Manager on the maintenance of the Trust records.

⁷ 15.4.4 – 2013 Pro-forma Finance Manual

⁸ 15.2.3 – 2013 Pro-forma Finance Manual

⁹ 15.4.5 – 2013 Pro-forma Finance Manual

Recommendations:

- The Ministry should replenish the 2012 receipts of 1/3 contribution from the Consolidated Fund Account into the IHRDP Trust account.
- Monthly Reconciliation should be prepared and checked to reconcile system (GL), cash book and bank records to ensure accuracy.
- The Ministry should consider up-skilling the Trust Officer on basic accounting knowledge;

Management Comment

No comments from Ministry.

16.7 Anomalies in Operating Trust Accounts (Recurring Issue)

Trust Fund Accounts comprise monies, which are not the property of the State and are not utilized for the purposes of government.¹⁰

The audit noted that the operating trust fund account for the Strategic Planning and National Development Office had a credit balance of \$78,148 as at 31/12/13. The trust fund account increased by \$13,023 or 20% compared to 2012.

Tabulated below is the trust fund account balances for the Office over the last four years.

Table 16.3: Operating Trust Fund Account Balance

Year	Balance (\$)
2010	39,701
2011	50,875
2012	65,125
2013	78,148

The majority of the trust fund account balance is made up of the outstanding FNPF deductions, PSC scholarship loan, and Service Worker Credit Union which have credit balances of \$31,792, \$17,417, and \$23,946 respectively.

The audit noted that monthly reconciliation of the operating trust fund accounts failed to identify the particulars of the outstanding balance.

The increase in the trust fund account balances indicates that the monies held as trust have accumulated in 2013 and are not being cleared to respective entities on time.

Failure to clear trust monies reflects very poorly on the Accounts Officer in ensuring that all the trust fund accounts balances are cleared on a monthly basis.

Recommendation

- The Office should ensure that the all the monies kept in the trust are cleared and paid to the respective payees accordingly on a timely basis during the monthly end; and

¹⁰ Finance Instructions 194

- **The trust accounts should reflect amounts which can be supported with relevant data which is true and fair with proper supervision control checks.**

Management Comment

No comment from Ministry.

FIJI BUREAU OF STATISTICS

16.8 Payroll Expenditure

16.8.1 Payment of Project Staff Wages and Allowances from the 2014 budgetary allocations

Under the terms and condition of employment for Government wage earners provides that wages and leave pay shall be paid on termination of employment or resignation provided appropriate notice has been given as soon as possible on the day following the date of termination.¹¹ Payment in respect of annual leave shall be made a week in advance.¹²

The Project Worker shall be paid all accrued benefits at the end of the appointment or contract prior to re-engagement.¹³

The appointment of the Project officers appointed from January to December 2013 was approved by the Permanent Secretary for Strategic Planning, National Development, and Statistics.¹⁴ However, the Bureau was temporarily employing these project officers whose contracts are renewed after a three months term.

The terms and conditions of services for these officers are governed by the provisions of the Joint Industrial Council (JIC) 2010. However audit noted that these officers have been continuously re-engaged for the last 3 to 4 years.

The audit noted that on January 2014, the Bureau paid out \$54,743¹⁵ being the wages and overtime pay owed to these project officers for 2013 from the 2014 budgetary allocation under SEG 7 – *Special Expenditure*.

The Bureau's application to for these outstanding overtime hours and wages paid from the 2013 budget allocation was rejected by the Ministry of Finance. This was due to the Bureau's inability to meet the deadline of 31/12/13 set by the Ministry of Finance for processing of all 2013 payments.

Details of the payments are tabulated below:

Table 16.4: Details of Payment made from 2014 Budget Allocation

Division	Overtime (\$)	4 Days' Pay (26/12 – 31/12) (\$)	Total (\$)
Household Income and Expenditure Survey (HIES)	14,513.21	15,233.45	29,746.66
Household Listing Exercise (HLE)	2,470.90	12,663.82	15,134.72
Economics Statistics Division	3,010.97	4,825.52	7,836.49

¹¹ Terms and Conditions of Employment for GWEs (JIC)2010 – s45(c)

¹² Terms and Conditions of Employment for GWEs (JIC) 2010 – s50(f)

¹³ Terms and Conditions of Employment for GWEs (JIC) 2010 – s5e

¹⁴ Memorandum: Approval for Project Positions dated 14/01/13

¹⁵ Cheque number 023261 dated 2/1/2014

Division	Overtime (\$)	4 Days' Pay (26/12 – 31/12) (\$)	Total (\$)
Social Statistics Division	1,303.26	722.05	2,025.31
TOTAL	21,298.34	33,444.84	54,743.18

In addition, annual leave accrued by these officers amounting to \$45,868 remained unpaid at the end of the appointment on 31/12/13 contradicting the terms and conditions of employment for Government Wage Earners 2010.

The utilisation of the 2014 budget to cater for outstanding 2013 payments does have financial implication on the Bureau's 2014 budgetary allocations and cash flows and impact the planned project activities earmarked for 2014.

Recommendations

The Bureau should:

- **Ensure that the Officer responsible for administering the leave is proactive and to ensure that the leave roster is drawn up by planning well the leave dates of officers and also to update them regularly. In addition, officers are informed of their leave dates to avoid accumulation of leave towards the end of the financial year;**
- **Ensure that all payment of wages related expenses incurred during the year are paid in the same year.**

Management Comment

The findings on the above are true and it highlighted a weakness in our processes that in this instance had impacted the financial provision of our project funds for 2014. The strengthening exercise by the Ministry of Finance in respect to its strict adherence to set timelines for the closure of accounts processes for 2013 really made its impact on the Bureau by shutting the window that over the years had allowed us the access to make last minute payment on closing day.

Whilst the Finance section did engage with all other divisions of the Bureau through visitation and advice to inform them on the position of the Ministry of Finance, this was not seriously considered. The lesson learnt here was wakeup call that has resulted in the positive engagement of the divisional heads and supervisors to the memorandum (attached) issued early this year directing responsible and proper leave management plans be undertaken and monitored from the supervisors level and upwards.

It is hoped that this will prevent what has been noted from happening again.

16.8.2 Delay in surcharge action

The Deputy Secretary of the Ministry of Finance has the authority to surcharge officers, other than the Permanent Secretary of an agency.¹⁶ For damage to or loss of government vehicles, 100% recovery of the full cost of repairs or replacement.¹⁷ The rate of recovery from the salary or wage of an officer or employee must not be less than 5% of their net salary or wage (that is, gross after tax) or \$100.00, whichever is the lower.¹⁸

¹⁶ Finance Instruction 2010 Part 11.62.1

¹⁷ Finance Instruction 2010 part 11.64

¹⁸ Finance Instruction 2010 Part 11.65.1

Any surcharge recovery must be made in full within five years from the date of the surcharge or for a longer period as approved by the Permanent Secretary for Finance.

The audit noted that the officer (EDP 90791) who was suspended from official duties without salary from 10/11/12 was reinstated with effect from 28/10/13.

Moreover, a surcharge was imposed on the Officer for the damage caused to the government vehicle amounting to \$5,629.25 after driving the vehicle without a valid driving license on 11/9/2012.

Despite clear instructions stipulated in Part 11 of the Finance Instructions of 2010, the Bureau is still awaiting an advice from the Surcharge Unit of the Ministry of Finance on the amount to be deducted from the officer's salary in a fortnight.

The Officer has only seven years of service left to reach the compulsory retirement age of 55.

Failure to activate surcharge action by complying with the Finance Instruction 2010 may result in non-recovery of the damages and is a substantial loss to Government.

Recommendation:

The Bureau should as soon as practical institute recovery action on the officer in accordance with Part 11 of the Finance Instruction 2010.

Management Comment

The comments highlighted are acknowledged and the recommendation is noted. We had written to Permanent Secretary Finance on 25th November 2013 regarding the surcharge for EDP 90791 in accordance with the decision of the Public Service Tribunal dated 28th October 2014. Until to date, after numerous phone call reminders, we have yet to receive a response from Finance. Follow up has been made again today [13/8/14] and hopefully we will receive a surcharge decision soon.

APPENDICES**Appendix 16.1: Overpayment of Salary – EDP 91254**

Pay No	Normal Gross	Acting Paid	Arrears	Total Arrears	Amount paid	Difference	FNPF (EMPLOYER)
2012 - 6	805.58	215.58	-				
7	805.58	215.58	-				
8	805.58	215.58	-				
9	805.58	215.58	-				
10	805.58	215.58	-				
11	805.58	215.58	-				
12	805.58	123.19	92.39				
13	805.58		215.58				
14	805.58		215.58				
15	805.58		215.58				
16	805.58		215.58	954.71	830.17		
17	805.58	215.58	-				
18	805.58	215.58	-				
19	805.58	46.00	169.58				
20	805.58		215.58				
21	805.58		215.58				
22	805.58		215.58				
23	805.58		215.58	1031.9			
24	805.58	215.58	-				
25	805.58	153.99	61.59				
26	805.58		215.58				
2013 - 1	805.58		215.58				
2	805.58		215.58				
3	805.58		215.58				
4	805.58	-	215.58	1139.49	3567.51	2,428.02	194.24
5	805.58	-	215.58				
6	805.58	-	215.58				
7	805.58	-	215.58				
8	805.58	-	215.58				
9	805.58	215.58	-	862.32	2,942.63	2,080.31	166.42
10	805.58	215.58	-				
11	805.58	215.58	-				
12	805.58	123.2	92.38				
13	805.58	-	215.58				
14	805.58	-	215.58				
15	805.58	-	215.58	739.12	1,858.54	1,119.42	89.55
16	805.58	-	215.58				
17	805.58	215.58		215.58	215.58	-	
18	805.58	215.58	-				
19	805.58	15.541	200.039				
20	805.58	215.58	-	200.039	184.78	(384.82)	
21	805.58	215.58	-				
22	805.58	215.58	-				
23	805.58	215.58	-				
24	805.58	215.58	-				
25	805.58	123.2	92.38				
26	805.58	-	215.58	307.96	307.97	0.01	
TOTALS						\$5,627.75	\$450.22
TOTAL TO BE RECOVERED FROM EDP 91254							\$6,077.97

Section 17 Ministry of Rural and Maritime Development and National Disaster Management

Role and Responsibilities

The Ministry of Rural and Maritime Development and National Disaster Management is mandated to coordinate and manage government's rural development programmes in support of Pillars 5 to 8 of the Peoples Charter for Change, Peace and Progress. These programmes are targeted at generating economic growth and improving the standards of living within rural communities and include Rural and Outer Islands Development Programme; Rural Housing Programme; Schools Building Grant; Self-Help Programme; Committee on the Better Utilization of Land (CBUL) and the Rural Roads Programme.

Additionally, the Ministry is responsible for Disaster Management and Risk Reduction as required under the National Disaster Management Act.

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PART A: FINANCIAL STATEMENTS

17.1 Audit Opinion

The audit of the 2013 accounts of the Ministry of Rural and Maritime Development and National Disaster Management resulted in the issue of a qualified audit report. The qualification issues are as follow:

- A variance of \$3.7 million exists between the trust fund cash at bank recorded in the Financial Management Information System (FMIS) general ledger (\$6.2 million) and the trust fund liability account balance (\$2.5 million) contrary to section 58 (3) of Finance Instructions 2010. Therefore, the *Trust Fund Account Statement of Receipts and Expenditures* cannot be ascertained to be fairly stated.
- A variance of \$3.1 million exists between the *Provincial Development* trust fund cash at bank recorded in the general ledger (\$5 million) and the *Provincial Development* bank statement balance (\$1.9 million) contrary to section 32(6) of Finance Instructions 2010. As such, the audit was not able to ascertain that all receipts and payments have been accurately accounted and disclosed in the Main Trust Fund Account.

Management attention was also drawn to the following matters:

- In accordance with the government cash basis of accounting, total expenditure includes a book entry for a budget carry-over of \$16,983,073 to be spent in 2014. Consequently the actual 2013 expenditure has been overstated by the same amount.
- The Ministry did not reconcile the expenditure in the Financial Management Information System (FMIS) general ledger as no expenditure ledger was maintained. The Ministry prepared its financial statements from the FMIS general ledger. As a result, the audit was not able to ascertain the accuracy of the amounts stated in the Statements of Receipts and Expenditure.
- The Ministry did not reconcile the *Prime Minister's National Disaster Relief and Rehabilitation (PMNDRR)* Trust Fund receipt and expenditure in the FMIS general ledger as no expenditure ledger was maintained. The Ministry prepared its Statements of Trust Fund Receipt and Expenditure from the FMIS general ledger. As a result the audit was not able to ascertain the accuracy of the amounts stated in the Statements of Trust Fund Receipt and Expenditure.

17.2 Statement of Receipts and Expenditure

The Ministry of Rural and Maritime Development and National Disaster Management collected revenue totalling \$1,528,241 and incurred a total expenditure of \$47,398,287 in 2013. Refer Table 17.1 for details.

Table 17.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
State Revenue		
License Arms	868	355
License Liquor	892,751	658,304
License Trading	329,875	292,131
Other State Revenue	261,487	(357,830)
Total State Revenue	1,484,981	592,960
Agency Revenue		
Miscellaneous	43,260	38,005
TOTAL REVENUE	1,528,241	630,965
EXPENDITURE		
Operating		
Established staff	4,461,592	3,960,233
Unestablished staff	1,341,489	977,053
Travel & communication	307,159	287,063
Maintenance & Operations	803,867	678,673
Purchase of goods & services	437,396	377,290
Operating grants & transfers	35,518	40,000
Special expenditures	1,060,204	663,650
Total Operating Expenditure	8,447,225	6,983,962
Capital Expenditure		
Capital Construction	1,403,609	4,102,159
Capital Purchases	729,352	199,382
Capital Grants & Transfers	36,235,194	18,531,121
Total Capital Expenditure	38,368,155	22,832,662
Value Added Tax	582,907	870,686
TOTAL EXPENDITURE	47,398,287	30,687,310

The significant increase in revenue by \$897,276 or 142% was mainly due to the increase in Liquor licenses and the debit adjustment recorded in Other State Revenue general ledger by the Ministry of Finance in 2012.

Total expenditure increased by \$16,710,977 or 54% in 2013 compared to 2012 as result of the redeployment of funds towards the Tropical Cyclone Evans Rehabilitation Program.

17.3 Appropriation Statement

The Ministry incurred expenditure totalling \$47,398,287 against the revised budget of \$48,171,290 resulting in a savings of \$773,003 or 2%. Details of expenditures against the budget estimates are provided in Table 17.2.

Table 17.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry Over (\$)	Lapsed Appropriation (\$)
1	Established Staff	4,267,190	194,475	4,461,665	4,461,592	0	73
2	Government Wage Earners	1,227,519	113,802	1,341,321	1,341,489	0	(168)
3	Travel & Communication	303,980	9,000	312,980	307,159	0	5,821
4	Maintenance & Operations	727,142	120,581	847,723	803,867	0	43,856
5	Purchase of Goods & Services	595,709	(122,581)	473,128	437,396	0	35,732
6	Operating Grants & Transfers	40,000	0	40,000	35,518	0	4,482
7	Special Expenditure	803,900	434,880	1,238,780	1,060,204	0	178,576
	Total Operating Costs	7,965,440	750,157	8,715,597	8,447,225	0	268,372
	Capital Expenditure						
8	Capital Construction	2,500,000	(1,071,320)	1,428,680	1,403,609	0	25,071
9	Capital Purchases	789,900	0	789,900	729,352	0	60,548
10	Capital Grants & Transfers	20,738,960	15,739,409	36,478,369	36,235,194	16,983,073	243,175
	Total Capital Expenditure	24,028,860	14,668,089	38,696,949	38,368,155	16,983,073	328,794
13	Value Added Tax	850,700	(91,956)	758,744	582,907	0	175,837
	TOTAL EXPENDITURE	32,845,000	15,326,290	48,171,290	47,398,287	16,983,073	773,003

A total of \$17,679,908 was redeployed by Cabinet from other ministries and departments to the budget of the Ministry of Rural and Maritime Development and National Disaster Management while a total of \$2,353,618 was redeployed from the budget of the Ministry of Rural and Maritime Development and National Disaster Management to other ministries and departments.

PART B: AUDIT FINDINGS

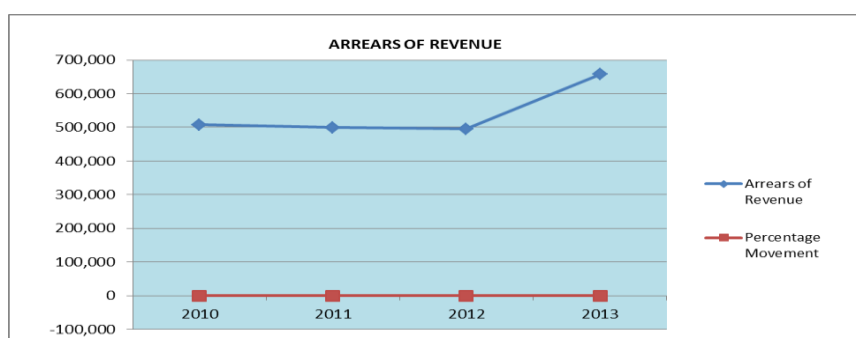
17.4 Arrears of Revenue

The quarterly arrears of revenue report must outline the amount outstanding but not yet due, the total for each overdue age category; name of each debtor within each age category and the recovery actions taken for each overdue debt.¹

As at 31/12/13, the Ministry's arrears of revenue amounted to \$656,688 compared to \$495,059 in 2012, an increase of \$161,629 or 33%. Refer Table 17.3 for details of arrears of revenue for the past four years.

Table 17.3: Arrears of Revenue over the Four Year Period

Year	Amount (\$)	Percentage Movement
2010	507,898	---
2011	499,358	(1.7)
2012	495,059	(0.9)
2013	656,688	33



¹ Proforma Finance Manual 2011 – s9.3.3

Arrears of revenue totalled to 43% of the revenue collected for the year. Table 17.4 outlines the ageing of arrears of revenue.

Table 17.4: Ageing Of Arrears of Revenue

Debt Category	Amount (\$)
Less than 1 Year	97,204
1 – 2 Years	169,806
2 – 5 Years	296,263
More than 5 Years	93,415
Total	656,688

The above shows weak measures undertaken to collect these revenue and may become irrecoverable if not collected on a timely basis.

Recommendation

The Manager Finance should ensure that revenue dues are collected on a timely basis to avoid further accumulation of arrears balance.

Management Comment

Recommendations are noted and every effort will be taken to ensure that accumulation of arrears does not recur. We are also working on determining that revenue that are irrecoverable and a request will be made to Cabinet for their write-off.

17.5 Expenditure Ledger Not Maintained

All payments, including Value Added Tax (VAT), must be immediately recorded in the Financial Management Information System (FMIS) and an Expenditure Ledger².

Audit noted that the Ministry does not maintain an expenditure ledger.

As a result, the Ministry could not reconcile the expenditure in the general ledger³ maintained by the Ministry of Finance. Audit was also not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

Recommendation

The Ministry should maintain an expenditure ledger and reconcile the amount to the expenditure recorded in the general ledger system on a monthly basis.

Management Comment

Recommendations are noted and all divisions including headquarters have been advised to maintain expenditure ledgers from 2014 and also to reconcile it with the general ledger system on a monthly basis.

² Finance Instruction 2010 – s15

³ Financial Management Information System controlled by Ministry of Finance.

17.6 Trust Fund Cash Account Balance Anomalies

The Ministry has two trust bank accounts, namely, the *Provincial Development* and the *Prime Minister National Disaster Relief and Rehabilitation (PMNDRR)* Trust Account.

The public donations receive for Disaster Relief operations are recorded in the *Prime Minister National Disaster Relief and Rehabilitation (PMNDRR)* and are banked at the Bank of the South Pacific whereas other trust money such as community's contribution and tender deposit received are recorded in the *Provincial Development* Trust Fund Account and are banked at Westpac Bank.

Our review of Trust Fund Account records revealed the following anomalies.

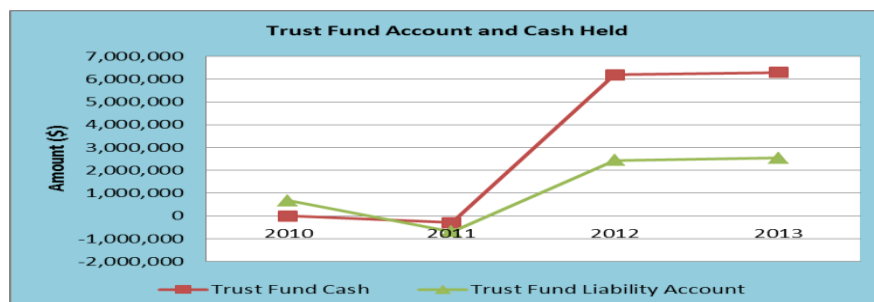
17.6.1 Significant Variance between Trust Fund Cash and Liability Account Balance

The receipt and payment of trust money must be recorded in a separate cashbook or set of ledger 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. Un-reconciled items must be investigated and resolved promptly.⁴

As at 31/12/13, the Ministry's trust fund account amounted to \$2,544,985 compared to \$2,435,050 in 2012, an increase of \$109,935 or 4%. Refer Table 17.5 for details of Trust Fund account for the past four years.

Table 17.5: Trust Fund Account Balance over the Four Year Period

Year	Trust Fund Cash (\$)	Trust Fund Liability Account (\$)
2010	1,948	666,638
2011	(287,153)	(692,218)
2012	6,198,769	2,435,050
2013	6,288,800	2,544,985



The audit noted a variance of \$3.7 million between the trust fund cash at bank recorded in general ledger (\$6.2 million) and the trust fund liability account balance (\$2.5 million). Refer Table 17.6 below for details.

Table 17.6: Details of Variance in Trust Fund Cash Account Balance

Account	Allocation	Amount (\$)
Domestic Bank Balance - Provincial Development	9-18101-68999-520301	6,288,800
Trust Fund Liability Account	9-18000-00000-890000	2,544,985
Variance		3,743,815

In the absence of reconciliations, non-maintenance of records and the variances noted, the cash at bank balance in the general ledger could not be substantiated. As such, the Trust Fund Statement of Receipts and Expenditure for the financial year cannot be relied upon.

⁴ Ministry of Finance Instructions 2010, s58 (1- 4)

Recommendation

The Manager Finance should ensure that proper monthly reconciliations between cash at bank general ledger balance and trust fund liability account are accurately carried out. Any variance noted should be investigated and adjusted accordingly.

Management Comment

Reconciliations are now being undertaken to ensure the anomalies are rectified and that general ledger (GL) balance and trust fund liability account are reconciled on a monthly basis.

17.6.2 Significant Variance for Provincial Development Trust Fund Cash Account

The standard format for preparing bank reconciliation is depicted in the Ministry of Rural and Maritime Development and National Disaster Management Finance Manual Schedule 2 of Part 6.⁵ Any errors or misallocations in the general ledger reconciliation must be immediately adjusted by way of journal vouchers.⁶ The Manager Finance shall ensure that any misallocation or outstanding balances from the previous month reconciliations have been dealt with.⁷

The Accounts Officer shall review the un-presented cheques list and determine whether a replacement cheque should be issued for cheques that are stale. If a replacement cheque is not required, the Accounts Officer shall clear the stale cheques to the *expenditure account* for current year and for previous year's stale cheques to be cleared to the *Revolving Fund Account (RFA) - Recoveries of Overpayment in Previous Years account*.⁸

The audit noted the following anomalies for the *Provincial Development Trust Fund Account* cash balance:

- Stale cheques amounting to \$55,506 were noted as per December Bank Reconciliations. The audit further noted that some of the cheques were not presented to the bank for more than 2 years. Refer Table 17.7 for details.

Table 17.7: Details of Stale Cheques

Date	Cheque Number	Amount (\$)	Length of time Not Presented
06/10/11	000531	375	Over 2 years
30/12/11	000574	4,000	Over 2 years
30/12/11	000576	4,000	Over 2 years
29/05/11	000601	107	Over 2 years
29/06/11	000604	1,000	Over 2 years
03/08/12	000622	18,164	Over 1 years
09/08/12	000623	7,835	Over 1 years
04/09/12	000626	663	Over 1 years
04/09/12	000635	828	Over 1 years
02/11/12	000651	1,043	Over 1 years
15/11/12	000652	524	Over 1 years
27/11/12	000654	6,300	Over 1 years
27/11/12	000659	6,667	Over 1 years

⁵ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011- Part 6, Schedule 2

⁶ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011 – s14.3.4

⁷ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011 – s14.3.6

⁸ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011 – s 6.5.2 & 6.5.3

Date	Cheque Number	Amount (\$)	Length of time Not Presented
28/11/12	000661	4,000	Over 1 years
Total		55,506	

- The Bank reconciliation prepared for the Trust Fund account was incorrect and was not able to reconcile the variance of \$3,111,662 which was noted between the Ministry's cash at bank balance and the cash balance reported in the FMIS general ledger as at 31 December 2013. Refer Table 17.8 below for details.

Table 17.8: Details of Variance in Trust Fund Cash Account Balance

Account	Allocation	Domestic Bank Balance (GL) (\$)	Bank Balance (\$)	Variance (\$)
Provincial Development	9-18101-68999-520301	5,072,760	1,961,098	3,111,662

Non reversal of stale cheques on a timely basis implies that the cash balance in the books is misstated.

As a result, audit was not able to substantiate the accuracy of cash at bank balance as at 31 December 2013 for the *Provincial Development Trust Fund Account* in the General Ledger Account.

Failures to carry out proper bank reconciliations increase the risk of misappropriations and fraud not being detected. There is also lack of independent checks by the Manager Finance to ensure the correctness of the reconciliation prior to certification.

Recommendations

- The Manager Finance should ensure total receipts and payments are obtained from the general ledger or cash book while preparing cash book reconciliation.
- The responsibility of carrying out bank reconciliations should be given to Accounts Officers with appropriate expertise.
- The list of un-presented cheques should be reviewed on a regular basis and cheques which have become stale should be reversed in a timely manner.
- The Manager Finance should provide appropriate training to Accounts Officers involved in carrying out reconciliations covering the areas of obtaining the correct data from the correct source, obtaining relevant reports and the purpose and nature of reconciliations.
- The Manager Finance and Permanent Secretary should comply with Finance Manual 14.3.4 and 14.3.6 before endorsing the reconciliation.
- The Manager Finance should ensure that stale cheques are cleared to expenditure account before the end of the financial year.
- Manager Finance should ensure that internal control procedures in the Accounts Section, specifically supervisory checks should be strengthened to avoid such anomaly.

Management Comment

- All stale cheques have been journalized back to the respective allocations;
- And the recommendations of the Auditor General are noted and we will endeavor to carry it out.

17.6.3 Non – Maintenance of Cash Book for PMNDRR9 Trust Fund Account

When trust money is received, the clerical officer (cashier) shall issue an official trust receipt to the payer. Details of receipts shall be entered into the trust cashbook.¹⁰ The clerical Officer [trust account] shall keep a trust ledger to record movement of trust money. The ledger shall record the name of trust account, date and amount of receipts and payee, date, amount paid and payer including reference number and balance to date.¹¹

The public donations receive for Disaster Relief operations are recorded in the *Prime Minister National Disaster Relief and Rehabilitation (PMNDRR)* Trust Fund Bank Account and are banked at the Bank of the South Pacific.

Some of the donations are received at the Prime Minister's Office and others are received by the Ministry of Provincial Development through the various Commissioners' office and at Headquarters. Majority of the donation received were directly deposited into the *Prime Minister National Disaster Relief and Rehabilitation (PMNDRR)* Trust Fund Bank Account at the Bank of the South Pacific. Payments are administered at Headquarters and are facilitated through the various Commissioners' Office.

The audit noted that the Headquarters does not maintain the payment cash book for the payment vouchers raised during the year and cash book for donations received during the year. The Ministry recorded trust income of \$2,077,502 and trust payment of \$2,000,000 as at 31 December 2013 in the general ledger account. Refer Table 17.9 below for details.

Table 17.9: Details of PMNDRR Trust Fund Account

Account	Allocation	Receipts (\$)	Payments (\$)
PMNDRR	9-18501-18001-520401	2,077,502	2,000,000

In the absence of the cashbook, actual payments made and donations received during the year could not be reconciled to the expenditure and donation recorded in the FMIS general ledger system and the bank record.

Recommendation

The Accounts Officer and the Manager Finance should ensure that cash book for payment and revenue is opened immediately and maintained at Headquarters. Upon receipt of the donations, the receipts number and amount should be entered in the revenue cash book and similarly for payments in which cheque number, amount and date to be entered in the payment cashbook.

Management Comment

A Cash book has now been opened for the PMNDRRF Trust Account as per the Auditor General's recommendations and Trust Fund Receipts have also been issued for the Donations that had been directly deposited to the Bank by donors from this year, 2014.

⁹ Prime Minister Natural Disaster Relief and Rehabilitation Trust Fund Account maintained at the Bank of the South Pacific.

¹⁰ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011 – s 13.2.1

¹¹ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011 – s 13.3.2

17.6.4 Anomalies in the PMNDRR¹² Trust Fund Cash Account Balance

The standard format for preparing bank reconciliation is depicted in the Ministry of Rural and Maritime Development and National Disaster Management Finance Manual Schedule 2 of Part 6.¹³

Where the gift is in the form of money, it shall be paid into the Consolidated Fund as revenue unless gift conditions specify that the money should be held in a trust account and used for a specific purpose.¹⁴

When trust money is received, the clerical officer (cashier) shall issue an official trust receipt to the payer. Details of receipts shall be entered into the trust cashbook.¹⁵ The clerical Officer [trust account] shall keep a trust ledger to record movement of trust money. The ledger shall record the name of trust account, date and amount of receipts and payee, date, amount paid and payer including reference number and balance to date.¹⁶

The clerical officer (data entry) must input data on a daily basis and ensure all transaction for the month are posted before the monthly cut-off date set by the Ministry of Finance.¹⁷

Within 5 days after the end of each month, the clerical officer (trust account) shall prepare a trust reconciliation to reconcile trust account balances to the ledger total and the trust bank account.¹⁸ The audit noted the following anomalies for the *Prime Minister National Disaster Relief and Rehabilitation (PMNDRR)* Account Balance;

- The Ministry failed to prepare bank reconciliation as per standard format reconciliation issued by Ministry of Finance¹⁹. The total receipts and payments were obtained from bank statement to perform bank reconciliation hence the un-deposit receipts and un-presented cheques were not accounted. The total payments were also obtained from the bank statement to perform cash book reconciliation whereas total revenue receipts and payment as per cash book were not accounted in the cash book reconciliation.
- All the monthly trust reconciliation from January to August 2013 were prepared in October 2013, hence the trust account balances were not reconcile to the ledger total and the trust bank account in a timely manner.
- The direct deposit for 2012 financial year amounting to \$274,955 were not receipted and updated in the general ledger account at the end of the financial year 31st December 2012. Audit further established that it was later updated on 02 October 2013 in the general ledger account. Refer Table 17.10 for details.

Table 17.10: Details of 2012 Un-receipted Trust Fund Revenue Posted in 2013

Month	Amount (\$)	Remarks
September	11,254	The amounts were journalised on 02/10/2013 in the general ledger system through JV 52/09/13.
October	100,045	
November	(1,983)	
December	165,639	
Total	274,955	

¹² Prime Minister Natural Disaster Relief and Rehabilitation Trust Fund Account maintained at the Bank of the South Pacific

¹³ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011- Part 6, Schedule 2

¹⁴ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011- s5.5.13 to 16

¹⁵ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011 – s13.2.1

¹⁶ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011 – s 13.3.2

¹⁷ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011 – s 14.2.4

¹⁸ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011 – s 13.4.1

¹⁹ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011 - Part 6, Schedule 2

- The audit further noted that the direct deposits for 2013 financial year amounting to \$790,153 were not receipted and timely updated in the general ledger account. Audit further established that it was later updated on 03 October 2013 in the general ledger account. Refer Table 17.11 below for details.

Table 17.11: Details of 2013 Un-receipted Trust Fund Revenue Posted in October 2013

Month	Amount (\$)	Remarks
January	353,530	The amounts were journalised on 03/10/2013 in the general ledger system through JV 56/09/13.
February	60,271	
March	180,773	
April	20,240	
May	120	
June	51,111	
July	123,888	
August	190	
September	30	
Total	790,153	

As a result, the audit was not able to substantiate the accuracy of cash at bank balance as at 31 December 2013 for the *Prime Minister National Disaster Relief and Rehabilitation (PMNDRR)* Trust Fund Account in the General Ledger Account.

The above reflects laxity by the Ministry in ensuring that trust money receive from the public are properly accounted for and are timely recorded in the general ledger account. Failure to receipt and record the trust money in a timely manner will result in the misstatement of the Ministry Financial Statement hence misstatement in the whole of government account financial statement.

Furthermore failures to receipt cash received and carry out proper bank reconciliation increase the risk of misappropriations of cash and fraud not being detected.

Recommendations

- The Manager Finance should ensure total receipts and payments are obtained from the general ledger or cash book while preparing cash book reconciliation.**
- The Manager Finance should ensure that proper reconciliations are carried out in a timely manner and any errors are investigated and resolved promptly to avoid significant variations in the bank account reconciliation.**
- Appropriate training to be conducted for Officers involved in carrying out reconciliations covering the areas of obtaining the correct data from the correct source, obtaining relevant reports and the purpose and nature of reconciliations.**
- The Manager Finance should ensure that trust money receive are receipted and recorded in the cash book and general ledger account within 5 days at the end of each month to avoid misstatement in the general ledger for the next accounting period.**
- The internal control procedures in the Accounts Section especially supervisory checks should be strengthened to avoid such anomaly.**

Management Comment

Recommendations have been noted and we are reconciling the account on a monthly basis now. We have also issued receipts for donations directly deposited to the bank.

17.6.5 *Pro-Long Unclaimed Wages Not Paid for Deceased Employee*

The Accounting Head has the overall responsibility for ensuring that the accounting related controls identified herein operate effectively across the Ministry. However, individual line managers and operational staff are accountable for the operation of the control within their own areas of responsibility.²⁰

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-expenditure and corruption do not occur.²¹

The Ministry also receives the last wage pay (unclaimed wages) for the deceased workers of organisations if the organisation cannot identify the legal beneficiary of the deceased workers. These unclaimed wages are then paid to the legal beneficiary through the District Officers once the Ministry identified the legal beneficiary.

The audit noted that there were unclaimed wages for deceased workers received from other organisation which have not been paid out to the beneficiary with some dated back to over a decade years ago. Refer Table 17.12 below for details.

Table 17.12: Details of Pro-Longed Unclaimed Wages for Deceased Employee Not Yet Paid

Date	Receipt No.	Details	Amount (\$)	Years Funds with the Ministry
11/07/2000	555672	FSC – Ram Naresh	156	13
17/09/2001	555684	FSC – Kelevi Daunawaqa	922	12
27/12/2001	586827	FSC – Various	277	12
27/12/2001	586830	FSC – Various	775	12
28/01/2002	586919	FSC - N Daunawaqa	221	11
06/02/2002	842189	Jamiran Bibi	115	11
20/11/2002	217807	FSC – Ram Jattan	493	11
18/12/2002	217877	FSC LTD	128	11
03/04/2003	281825	FSC LTD	349	10
18/02/2004	690150	EGM – Anil Kumar	265	9
26/07/2004	900520	EGM – Siria N Readdy	36	9
Total			3,737	

The above indicates laxity of the Ministry in ensuring the timely pay out of unclaimed wages to the legal beneficiary.

Failure to pay out unclaimed wages on time increases the risk of fraud and misuse of funds.

Recommendations

- **The Ministry must ensure that proactive measures are taken to find beneficiaries of unclaimed wages and payout the wages.**
- **The Corporate Services sections should consult the relevant stakeholders to identify the legal beneficiary so that payment can be made to avoid carry forward of the balance to the next accounting period.**

²⁰ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011– Part 1: s1.3

²¹ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011– Part 2

Management Comment

The Unclaimed wages are for the deceased employees of the various Companies in the Divisions e.g. Fiji Sugar Corporation, Emperor Gold Mine. We undertake to identify the next of kin and effect pay-outs immediately.

17.6.6 Trust Fund Expenses Paid From Operating Drawing Fund Account

Trust money is money that the Ministry is holding in trust (it does not include creditor payments such as salary deductions or money that is held in a separate ‘trust fund’ which is not a true trust). As stipulated in the Act and Finance Instructions, trust money is to be kept in a separate bank account and accounted for separately from “public money” and “other money”.²²

The audit noted that public money was used to finance the trust operation contrary to Part 13 of the Finance Manual 2011.

Refer Table 17.13 below for details of trust fund expenses paid from operating drawing fund account.

Table 17.13: Details of Trust Fund Expenses Paid From Operating Fund Account

Date	Voucher No.	Cheque No.	Details	Amount (\$)	Division
12/03/2012	37962	15381	No details found	566	Northern
12/03/2012	37963	15382	No details found	95	Northern
12/03/2012	37964	15385	No details found	100	Northern
12/06/2012	38146	15431	No details found	526	Northern
12/07/2012	38148	28856	Rehab Program in Ono i Lau(Paint)-PO99011-002271	42	
13/12/2012	38481	15502	No details found	13,338	Northern
21/12/2012	38890	15575	Wages for the 2 carpenters	1,000	Northern
25/02/2013	41349	15946	Premix 20ltrs to Cikobia	171	Northern
25/02/2013	41434	15945	Chainsaw File to Cikobia	60	Northern
30/09/2013	47766	15561	Constructing concrete seal with 2hp submersible pump	2,000	Northern
Total				17,898	

The above shows deliberate disregard of standing rules and regulation for the management of public funds. In addition the above also indicates poor financial management planning, control and monitoring by the heads of the Account Sections which has resulted in such unauthorised diversion of funds.

Recommendations

- **The Ministry must ensure that trust fund expenses are paid only from trust fund account and appropriate adjustment made to reimburse the cash to operating fund account.**
- **The Ministry should investigate the officers responsible for not adhering to the financial regulations and implement appropriate disciplinary actions if the responsible officers continue to breach financial regulations.**

Management Comment

- *Recommendations are noted and all Divisional Accountants have been advised that true trust payments will only be effected in Headquarters.*
- *The Divisions whilst processing purchases for Self-Help and Rural Housing Assistance Projects will have to issue 2 Purchase Orders (PO's). That is, one PO to be charged to the Operational Budget and the other to*

²² Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011 – Part 13

the Trust Fund Account for the communities/clients 1/3rd community contribution. Payment from the Operating Fund Account for Trust Fund expenses is a result of the oversight by the Accounts Sections.

17.7 Unspent Funds Held

If an amount appropriated by an Annual Appropriation Act for a financial year has not been used in that financial year; or is unlikely to be used in that financial year, the Minister of Finance may authorise the carry-over to the following year.²³

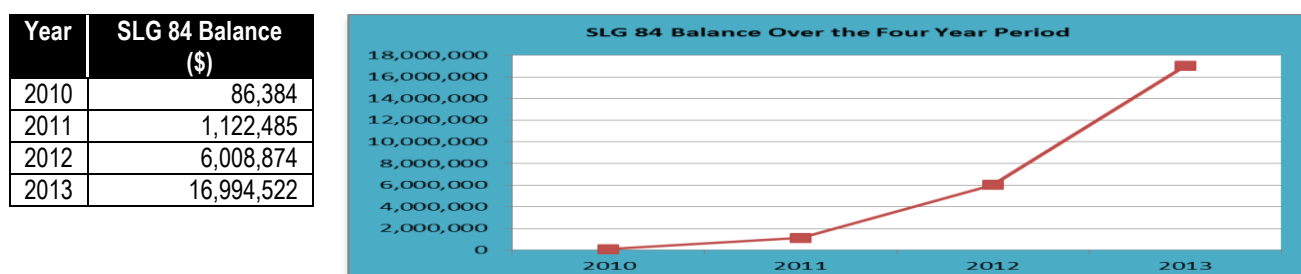
Within three days of receiving the monthly general ledger reports from the Ministry of Finance, the *Accountant* shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement.²⁴

Unspent balances in Standard Liability Group (SLG) 84 are to be returned to the originating Ministry / department.²⁵ Balances held in SLG 84 are funds received from the various Ministry/department for various projects.

As at 31/12/13, the Ministry's Standard Liability Group (SLG) 84 amounted to \$17 million compared to \$6 million in 2012, an increase of \$11million or 182%.

Refer Table 17.14 for details of account for the past four years.

Table 17.14: SLG 84 Balances Over the Four Year Period



The audit noted that the Ministry did not reconcile the \$17 million held in SLG 84²⁶ account in 2013. Refer to Table 17.15 for details of balance held.

Table 17.15: Standard Liability Group (SLG) 84 Compositions of Balances

Account Number	Account Description	2013 (\$)	2012 (\$)	Increase / (Decrease) (\$)
1-18201-68999-840101	State of Natural Disaster – 2012	0	141,094	(141,094)
1-18201-99011-840101	DISMAC Cyclone Evan – 2012	0	3,858,233	(3,858,233)
1-18201-99012-840101	TC Evan rehabilitation	0	1,000,000	(1,000,000)
1-18201-99013-840101	TC Evan ration	0	1,000,000	(1,000,000)
1-18201-68999-840103-001	Bau Island Seawall	561,706	0	561,706
1-18201-68999-840103-002	TC Evan Rehabilitation	16,345,273	0	16,345,273
1-18201-68999-840103-003	Lakeba Nursing Quarters	76,094	0	76,094
1-18000-00000-840602	Withholding Tax	11,449	9,547	1,902
Total		16,994,522	6,008,874	10,985,648

²³ Financial Management Act 2004 – s 19 (1)

²⁴ Ministry of Rural and Maritime Development and National Disaster Management Finance Manual 2011– s 14.3.3

²⁵ Finance Circular 13/2012, paragraph 3.2

²⁶ Financial Management Information System General Ledger Account Number 1-18000-00000-840000

Accumulated balances indicate lack of control and supervision to implement projects and have been held contrary to the Financial Management Act 2004 and Finance Circular 13/2012. Also, unspent funds indicate overstated expenditures recorded in the Ministry/Department general ledger that provided the funds.

Recommendations

- **The Manager Finance should ensure that the Revolving Fund Account is reconciled with FMIS records on a monthly basis and any variances noted are adjusted accordingly.**
- **The Manager Finance should ensure that funds received and the purposes for the funds are made available upon request.**
- **The Manager Finance should prepare a statement of acquittal of the funds utilized and seek approval of the Minister of Finance for the carry-over of funds.**
- **The internal control procedures in the Accounts Section, specifically supervisory checks should be strengthened to avoid such discrepancies.**

Management Comment

- *Government is practicing Hybrid Accounting, which is mixture of Cash and Accrual Accounting.*
- *In Accounting practice only the Balance Sheet items are carried over to the next Accounting Period so it is only Prudent that we carry over the Funds, to an allocation where it will be debited and Cash credited in the following year when it is spent. Therefore, amongst Asset, Liability & Equity, Liability would best accommodate the intention as something like Accrued Expenses as in most cases. Government has made commitment in principle but has not yet paid.*
- *From the Perspective of Hybrid Accounting, that is the only method of carry over the budgetary provision to the following year that can be accommodated in the Financial Management Information System (FMIS) and all of this information is to be disclosed in the notes.*
- *In all cases, Government cannot change the Budgetary Appropriation because Budget for the following is announced in November of this year while the Carry over Committee sits in the next year and the Carry Over process is undertaken during the closing of accounts.*

17.8 Underpayment of Value Added Tax (VAT) - Error in the Preparation of VAT Returns

Subject to the provision of the Vat Decree 1991, the tax shall be charged in accordance with the provisions of this Decree at the rate of fifteen percent on the supply (but not including an exempt supply) in Fiji of goods and services, by a registered person in the course or furtherance of a taxable activity carried on by that person, by reference to the value of that supply.²⁷

When receipting revenue, the VAT portion should be credited to the new liability account (863201) and the balance to the revenue code. At the end of the month, when making VAT return payments to Fiji Inland Revenue and Custom Authority (FIRCA), the VAT portion should be debited to the same liability account thus making it zero, whilst VAT on expenditure will continue to be met from agencies budgetary funds (SEG 13) as is the current practice.²⁸

Review of the VAT Returns and supporting documents revealed that an un-reconciled balance of \$37,074 was noted between the Vat payables as per VAT return calculated under FMIS data and the VAT Payable as per VAT Returns calculated by the Ministry.

²⁷ Value Added Tax Decree 1991 4th edition revised to 30/04/04 – s15 (1)

²⁸ Ministry of Finance Circular No: 10/2009 – s5.0

The audit noted the following errors in the VAT returns prepared by the Ministry which resulted in the variance:

- Revenue were not accounted in the computation of total vatable supplies;
- Incorrect total vatable revenue and total vatable expenditure figures used;
- Incorrect Vat Input (SEG 13) recorded; and
- Negative Revenue and Vat balance in FMIS at the end of the month.

This suggests that VAT payable to Inland Revenue is understated by \$37,074. Refer **Appendix 17.1** for details.

By not having proper reconciliation between the General Ledger and VAT returns, the Ministry is subject to the risk of under and over payment of VAT.

Recommendations

The Manager Finance should ensure that:

- **Monthly reconciliation between the VAT returns and the general ledger are reviewed for its correctness.**
- **Vatable revenue and vatable expenditure are correctly calculated every month.**
- **VAT reconciliation is prepared every month and VAT payment done after reconciliation.**

Management Comment

VAT payments are done on a monthly basis, however the recommendations for the correct calculations are noted and we will ensure correctness in payment of vatable revenue and vatable expenditure.

HEADQUARTER

17.9 Excessive Overtime for Government Wage Earners

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

Furthermore PSC circular 24/2007 of 06/08/07 must not be construed to be an avenue for payment of overtime for the work that ought to be conducted during the normal official hours.²⁹

The audit noted that some officers were substantively paid higher than their normal annual wages in 2013 financial year. Refer Table 17.16 below for details.

Table 17.16: Officers Receiving Higher than Their Normal Annual Pay for 2013

Department	EDP #	Annual Wages (\$)	Actual Wages (Paid) (\$)	Variance (\$)	% Increase / (Decrease)
HQ-GWE ³⁰	51957	9,953	25,368	15,415	155%
HQ-GWE	KG701	9,953	14,850	4,897	49%

²⁹ Public Service Commission Circular 13/2009 of 13/03/09

³⁰ Headquarter – Government Wage Earners

Department	EDP #	Annual Wages (\$)	Actual Wages (Paid) (\$)	Variance (\$)	% Increase / (Decrease)
HQ-GWE	LB579	10,365	12,866	2,502	24%
HQ-GWE	LN381	10,090	17,070	6,980	69%
HQ-GWE	LT198	9,564	13,684	4,120	43%
HQ-GWE	LT811	10,136	16,902	6,766	67%
HQ-GWE	NS214	10,044	14,788	4,743	47%
HQ-GWE	TL694	12,218	22,000	9,782	80%
CCD-GWE ³¹	61743	9,953	16,749	6,797	68%
CCD-GWE	NR847	9,976	19,185	9,209	92%
CND-GWE ³²	MD962	9,907	16,052	6,145	62%
CND-GWE	UV568	9,907	14,985	5,078	51%
CND-GWE	VP230	9,655	14,549	4,893	51%
CND-GWE	WU079	9,907	15,997	6,090	61%
CWD-GWE ³³	NM139	9,953	15,384	5,432	55%
CWD-GWE	OK822	9,701	13,782	4,081	42%
Established	92675	10,292	14,740	4,448	43%
Totals		171,574	278,951	107,378	62%

The audit noted that the work involved for overtime include staff on standby during the cyclone and field work in rural and maritime zones.

Excessive overtime hours worked indicate poor human resource management. The above indicates inadequate capacity of the Ministry in carrying out its operations with the current resources available.

It also indicates that Supervisors are not ensuring that work targets are met by individual officers in accordance with the Individual Work Plans, Business Plans and Ministry/Department's Corporate Plans in order to avoid or minimize overtime and associated expenditures.

Recommendations

- **The Permanent Secretary should ensure that work targets are met by individual officers within the required time to minimize overtime.**
- **The Director Corporate Services should ensure that staff capacity and capability is assessed to ensure effective and efficient delivery of operation with the current resource available.**
- **The operations plan needs to factor in capacity issues during natural disasters.**
- **The Ministry may consider utilising the Ministry of Labour's National Employment Centre (NEC) volunteers and temporary or casual appointments.**

Management Comment

No comment received from the Ministry.

17.10 Unauthorised Payment of Honorarium/ Overtime Allowance

The Public Service Commission (PSC) have advised Permanent Secretaries and Heads of Departments that officers claiming payments of honorarium and overtime allowances shall have their time and

³¹ Commissioner Central Division – Government Wage Earners

³² Commissioner Northern Division – Government Wage Earners

³³ Commissioner Western Division – Government Wage Earners

claims certified by the Permanent Secretary for Rural and Maritime Development and paid according to the Overtime Policy circulated under PSC 52/2011 of 26/09/2011 and PSC 16/2012 of 28/02/2012.³⁴

Overtime work shall be approved only on special circumstances and on the specific approval of the Permanent Secretary or Head of Department. An Officer who would be engaged in overtime shall be notified in advance.³⁵

The payment of Honorarium Allowances shall be in cases where services are genuinely and urgently needed. Ministries/Departments shall seek prior approval from the Permanent Secretary for the Public Service Commission for eligible civil servants.³⁶

The claims are to be calculated in the following manner:³⁷

Category	Salary Benchmark	Median Salary	Hourly Rate
Category A	\$19,523 – \$35,000	\$27,261	\$10
Category B	\$35,001 – \$55,000	\$45,000	\$15
Category C	\$55,001 – \$75,000	\$65,000	\$22

The audit noted the following overtime payment anomalies contrary to the PSC Circular Memo dated 29/01/2013 (Reference No. 29/632/03):

- There was no evidence of prior approval of the Permanent Secretary for the overtime;
- The audit could not scrutinise the payment records to substantiate the overtime payment despite several audit request to the payroll clerks;
- The audit also noted that approval documents for processing the various overtime payments such as inputs forms (FS 04) and other supporting documents to authenticate the hours paid could not be verified as these were missing upon scrutiny of the officer's salary files;
- The audit further noted that the Permanent Secretary approved the overtime payment however the approval failed to detail the officers to be paid;
- No approval was obtained from the Public Service Commission for overtime payment contrary to PSC circular 52/2011;
- The audit further noted that some of the input forms were not checked or authorized (endorsed/signed) by the Senior Accounts Officer;
- The audit further noted that the Permanent Secretary was also paid the overtime despite PSC circular 52/2011 which states that overtime allowance can only be paid to those officers earning below \$75,000 per annum, however the Permanent Secretary was paid at the rate of \$22/hour at a salary of \$75,849/annum; and
- The audit could not trace the payment of allowance from the Payroll Database to the FMIS general ledger system and to the payment voucher records.

Refer to **Appendix 17.2** and **Appendix 17.3** for details of the above anomaly.

As a result the audit could not substantiate the total overtime/honorarium allowance payments of \$143,451 made to the establish and government wage earners during the Tropical Cyclone Evan operation early in 2013 as payment records and other related supporting documents were missing.

³⁴ PSC Circular Memo dated 29/01/2013 (Reference No.29/632/03) – Payments of Honorarium & Overtime Allowance for TC Evans Disaster Operation.

³⁵ Public Service Commission Circular No. 52/2011 – s 6.1.1 & 6.2.1

³⁶ Public Service Commission Circular No. 52/2011 – s 6.7.1 & 6.7.3

³⁷ Public Service Commission Circular No. 52/2011 – s 6.7.4 (and PSC Circular No. 24/2007 – s 3.0)

Poor record keeping is evident which reflects the laxity of accounting officers responsible at the Ministry.

Recommendations

- The Senior Accounts Officer and the payroll clerk should ensure that vital accounting records such as payment vouchers and other related documents are properly maintained at all times. The filing system needs to be improved.
- The Senior Accounts Officer and the payroll clerk should make a concerted effort to locate the missing related payment records and explanation should be provided on the missing vouchers and other related records.
- The Director Corporate Services and the Senior Accounts Officer should ensure that prior approval are sought before commencing overtime and overtime payment are fully supported with appropriate documents and properly endorsed and sufficient authorisation and verification is completed before a payment is approved.
- The Ministry should comply with PSC Circular 52/2011 and 16/2012 for overtime operations and ensure that PSC approvals are sought before approving the overtime payment.
- The Senior Accounts Officer should recover the unauthorised payment made to the Permanent Secretary.
- The Director Corporate Services should ensure that the access to the Account Section should be restricted to unauthorised personnel or staffs from other sections. All customers/staffs should be served at the counter.

Management Comment

Retrospective Approval was obtained for the payment of the overtime worked during the Rehabilitation Exercise. However, the comments are noted and we will ensure to abide by the rules and regulations. The Permanent Secretary will be advised accordingly and recovery action will thence commence.

17.11 Unsubstantiated Established Payroll Expenditure

The need to improve record management in all agencies is vital for promoting Good Governance, Transparency and Accountability in the Public Sector. All accounting staffs are responsible for proper maintenance and safekeeping of accounting records and documents, giving the Accounting Head the responsibility in implementing a sound internal control system to oversee this matter.³⁸ The *Senior Accountant* is responsible for the safekeeping and proper maintenance of all accounting records or documents.³⁹

The Equal Employment Opportunity Policy is intended to provide all Public Service officers with a guide to fairness and equity in employment decisions in the areas of recruitment, promotion, transfer and training on the basis of merit.⁴⁰

The audit could not substantiate the various payroll expenditures below as payment records and other related source documents were missing. Refer below for details.

- The audit could not ascertain the accuracy of the acting allowance payment as acting appointment letter was missing in the salaries file upon audit inspections neither it was produce to audit despite several audit request and reminders. Refer Table 17.17 below for details.

³⁸ Ministry of Finance Instruction 2010 – s 59

³⁹ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – s 17.1.3

⁴⁰ Public Service Commission General Orders 2011 – 1224.B

Table 17.17: Details of Missing Appointments / Extension Letters

EDP #	Substantive Post	Salary (\$)	Total Allowance Paid (\$)	Extensions Missing With Effect From (WEF)
18545	Permanent Secretary	189,923	5,218	21/12/13 to 30/12/13
47366	Director – Corporate Services	56,419	292	04/12/13 to 30/12/13
53309	SAO-Provincial Admin (Cakaudrove)	26,845	1,769	22/10/13 to 30/12/13
59856	EO-Assistant District Officer (Cakaudrove)	16,160	874	22/10/13 to 30/12/13
90867	EO-Planning (East)	16,160	2,398	06/10/13 to 30/12/13
Total			10,551	

- The audit also could not ascertain the accuracy of the salary payment made to the officers below as appointment on promotion documents such as advertisement, interview records and basis of promotion were missing in the salaries file neither it was submitted to audit despite several audit request and reminders.

Refer Table 17.18 below for details.

Table 17.18: Details of Missing Appointment on Promotion Documents

EDP #	Post	Salary (\$)	Promotion Date
41449	SAO-Provincial Admin (Ra-West)	26,845	05/03/2013
63352	AO-District Officer (Macuata)	20,945	06/05/2013

- The late arrival return, absenteeism return and annual leave return as at 31st December 2013 were not submitted to audit despite several audit request and reminders hence audit cannot ascertain and determine whether any recovery was made from officers who were late or absent to work.
- The audit also could not ascertain and determine the following leave allowance and compensation payment as the accounts section could not provide any supporting documents to substantiate the payment of \$29,633 below. Refer Table 17.19 for details of the leave allowances and compensation payment for which no supporting document was provided to audit.

Table 17.19: Detail of Leave Allowances and Compensation Paid

Dept.	EDP#	Annual Salary (\$)	Leave Compensation (\$)	Payroll Database Code
HQ-GWE	JT754	11,953	7,471	901
HQ-GWE	NS214	10,044	454	901
HQ-GWE	TL694	12,218	330	901
CND-GWE	WU079	9,907	2,169	901
CWD-GWE	JY804	9,976	1,654	901
CWD-GWE	OK822	9,701	84	901
CWD-GWE	YY593	9,564	2,303	901
Established	19354	60,557	880	07
Established	47366	60,557	880	07
Established	90670	60,557	9,908	06
Established	18545	189,923	3,500	06
Total Leave			29,633	

Poor record keeping is again evident in the above anomaly which reflects the laxity of accounting officers responsible.

In the absence of the complete records it is difficult to authenticate the validity and the accuracy of the above payroll expenditure.

Recommendations

- The Ministry should ensure that vital accounting records such as acting appointment, appointment on promotion letter and leave allowance and compensation records are properly filed and maintained at all times to avoid double payments. The filing system needs to be improved.
- The Ministry should make a concerted effort to locate the missing records and explanation should be provided how and why the supporting payment records vouchers went missing.
- The Ministry should ensure that all records are readily made available for audit.
- The access to the Account Section should be restricted to unauthorised personnel or staffs from other sections. All customers/staffs should be served at the counter.

Management Comment

No comment was received from the Ministry.

17.12 Unsubstantiated Government Wage Earners (GWE) Payroll Expenditure

The need to improve record management in all agencies is vital for promoting Good Governance, Transparency and Accountability in the Public Sector. All accounting staffs are responsible for proper maintenance and safekeeping of accounting records and documents, giving the Accounting Head the responsibility in implementing a sound internal control system to oversee this matter.⁴¹ The Senior Accountant is responsible for the safekeeping and proper maintenance of all accounting records or documents.⁴²

The Equal Employment Opportunity Policy is intended to provide all Public Service officers with a guide to fairness and equity in employment decisions in the areas of recruitment, promotion, transfer and training on the basis of merit.⁴³

Meal claim must be assessed and approval should be given for staffs who have submitted the full details of meals and subsistence allowance claimed. The claims are to be provided on prescribed form which must be approved and certified by their Head of Sections.⁴⁴

Despite the above, the audit noted the following anomalies for payment of meal allowance;

- The audit could not ascertain and determine the accuracy and authority of the payment of meal allowance as the payment records and other related supporting documents were not provided to audit despite several audit request and reminders to the payroll clerk;
- The audit also noted that approval documents for processing the meal allowance payments such as inputs⁴⁵ and other supporting documents to authenticate the allowance paid could not be verified as these were missing upon scrutiny of the officer's salary files.

Refer Table 17.20 for details of unsubstantiated meal allowance.

⁴¹ Ministry of Finance Instruction 2010 – Section 59

⁴² Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – Section 17.1.3

⁴³ Public Service Commission General Orders 2011 – 1224.B

⁴⁴ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – Section 7.1.22

⁴⁵ FS04 form – Form sent to Ministry of Finance advising the change in pay of an officer

Table 17.20: Details of Unsubstantiated Meal Allowance

Department	EDP#	Pay #	Meal Claim (\$)	Meals Claimed (Dividable by \$9)
HQ-GWE ⁴⁶	51957	17/2013	63	7
	LB579	22/2013	27	3
	LN381	22/2013	54	6
		31/2013	471	52
	LT198	20/2013	81	9
		21/2013	81	9
	LT811	22/2013	81	9
		29/2013	72	8
	NS214	17/2013	54	6
		23/2013	63	7
26/2013		117	13	
Total Meal Paid to HQ-GWEs			1,164	129
CCD-GWE ⁴⁷	61743	10/2013	198	22
		16/2013	171	19
		18/2013	234	26
	JQ442	18/2013	207	23
	ML997	13/2013	54	6
		18/2013	90	10
	NR847	13/2013	108	12
		18/2013	117	13
		37/2013	405	45
	QU396	16/2013	63	7
Total Meal Paid to CCD-GWEs			1,647	183
CND-GWE ⁴⁸	MD962	14/2013	396	44
	TD190	09/2013	72	8
		40/2013	99	11
	UV568	38/2013	198	22
		40/2013	297	33
	VF823	30/2013	234	26
		40/2013	252	28
	VP230	40/2013	144	16
	WR625	40/2013	495	55
WU079	40/2013	360	40	
Total Meal Paid to CND-GWEs			2,547	283
CWD-GWE ⁴⁹	JY804	36/2013	126	14
	NM139	31/2013	117	13
		45/2013	234	26
	QG795	31/2013	45	5
		39/2013	18	2
	UU714	13/2013	432	48
		31/2013	45	5
Total Meal Paid to CWD-GWEs			1,017	113
Total Meal Paid to GWEs			6,375	708

Furthermore, the audit could not ascertain and determine the accuracy of the arrears of salary allowance and other allowance payment as payment records and other related source documents were not provided to audit. Refer Table 17.21 for details.

⁴⁶ Headquarter – Government Wage Earners

⁴⁷ Commissioner Central Division – Government Wage Earners

⁴⁸ Commissioner Northern Division – Government Wage Earners

⁴⁹ Commissioner Western Division – Government Wage Earners

Table 17.21: Details of Other Unsubstantiated GWE Allowances

Department	EDP#	Name	Pay #	Allowance Type	Allowances Paid (\$)
HQ-GWE	51957	Kitione Baleilodoni	23/2013	Non-Taxable Allowance	1,370
	LB579	Viliame Seseni	22/2013	Non-Taxable Allowance	237
	LN381	Kitione Save	22/2013	Non-Taxable Allowance	366
	LT811	Sefanaia Ratulele	22/2013	Non-Taxable Allowance	459
	TL694	Saiasi Sarau	09/2013	Country Allowance	108
			22/2013	Non-Taxable Allowance	224
			22/2013	Country Allowance	147
			46/2013	Country Allowance	504
Total Allowances Paid to HQ-GWEs					3,415
CND-GWE	VF823	Jo Naqicatabua	40/2013	Country Allowance	147
Total Allowances Paid to CND-GWEs					147
CWD-GWE	JY804	Keni Tuitoga	06/2013	Arrears of Salary	546
	NM139	Savenaca Racele	06/2013	Arrears of Salary	1,317
	QG795	Mere Aditawake	06/2013	Arrears of Salary	715
			31/2013	Country Allowance	21
			39/2013	Country Allowance	21
	UU714	Matereti Varea Waqa	06/2013	Arrears of Salary	1,107
			31/2013	Country Allowance	21
	YY593	Josefa Tuiqere	06/2013	Arrears of Salary	991
Total Allowances Paid to CWD-GWEs					4,739
Total Allowances Paid to GWEs					8,301

This finding indicates that officers in charge of payroll failed to discharge their duties as required under the regulations.

It is apparent that the payroll controls are weak exacerbated by the lack of proper and adequate filings system by the Ministry resulting in unverified payroll expenditures. Failure to tighten up on the payroll system controls could result in unauthorised payroll payment. This could be catalyst to abuse, misappropriation and fraud which could result in wastage of taxpayer's funds.

In the absence of the complete records it is difficult to authenticate the validity and the accuracy of the above payroll expenditure.

Recommendations

- The Ministry should ensure that payroll payment records such as meal and other allowance payment records are properly filed and maintained at all times to avoid double payments.
- The filing system needs to be improved.
- The Ministry should make a concerted effort to locate the missing records and explanation should be provided how and why the supporting payment records went missing.
- The Ministry should ensure that all records are readily made available for audit.
- The access to the Account Section should be restricted to authorised personnel only. All customers and other staffs should be served at the counter.

Management Comment

The comments are noted and filing system will be improved on as such. The timesheets on which the meal claims were submitted have been located and filed accordingly.

17.13 Motor Vehicle Repairs and Maintenance Anomalies

The maintenance and replacement of motor vehicle is a significant cost to Government. The behaviour of drivers, usage of vehicles for private purposes and lack of proper care all contributes to the cost of maintaining vehicles.⁵⁰ It shall be the responsibility of the Director Corporate Services to oversee all matters relating to vehicle usage.⁵¹

The Officer in Charge shall obtain at least three quotes for servicing or repair works. Once quotes have been obtained, the Officer in Charge shall submit a requisition to the Manager Finance/Accounts Officers for approval to meet servicing or repair costs.⁵²

One of the controls put in place under Advance Payment on Pro-forma Invoice is the need to ensure that payments are processed using invoices only and not through Pro-forma invoices or statements. However where invoices cannot be obtained, all requests for payments through Pro-forma invoice shall be referred to Ministry of Finance.⁵³ A 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.⁵⁴ Immediately after payment has been effected, the Accounts Officer must stamp “paid” on all vouchers and supporting documentation to avoid any double payments.⁵⁵

The audit noted the following anomalies for the motor vehicles repairs and maintenance expenditure.

Supporting documents such as competitive quotes, purchase orders and evidence of inspections after repair (inspection form) were not attached to the payment vouchers;

- Payments made on the strengths of the quotation in which Ministry of Finance approval was not sought; and
- The expenditure continues to increase substantially over the years.

Refer Tables 17.22 and 17.23 below for details and trends noted.

Table 17.22: Anomalies for Repairs and Maintenance of Motor Vehicle

Date	Cheque No.	Payee	Amount (\$)	Remarks
01/02/13	29257	Nivis Motors	4,885	Three Quotations not obtained
31/05/13	29973	Ledua Transport	1,478	Cheapest quotations not selected and wrong posting to fuel and oil allocation.
01/05/13	29774	Ledua Transport	5,913	No Purchase order for this payment and no evidence of inspection after vehicle repair.
11/09/13	30735	All Make Auto Spares	3,913	Expired quotation was used
21/03/13	29538	Automech	8,376	Only two quotes obtained with variation in quote details
12/03/13	29498	Automech	2,488	Only one quote obtained. Payment was made based on quotation. No Purchase Order, invoice and evidence of vehicle inspections after repair sighted.
31/10/13	EFT 102	Automech	17,968	No PAID Stamp on all documents and no evidence of inspection of vehicle after repair sighted.
22/05/13	29918	Automech	1,803	Cheapest quotation not selected and Automech quotation was used for the basis of obtaining the other two quotes from other two suppliers instead of internal inspection by the Traffic

⁵⁰ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 - Part 10

⁵¹ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 - s 10.1.1

⁵² Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – s 10.5.2

⁵³ Ministry of Finance Circular No: 15/10

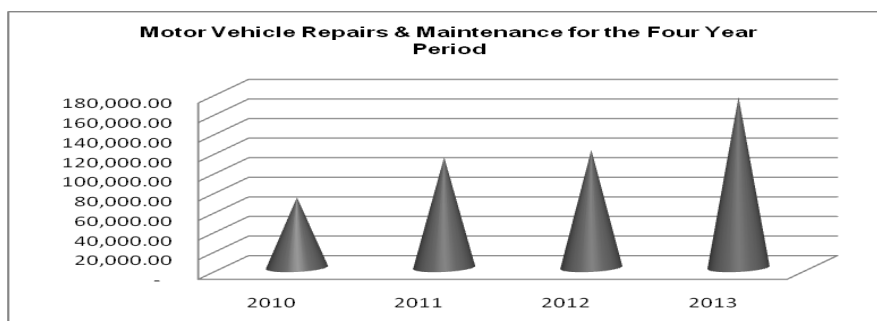
⁵⁴ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – s 2.5.1

⁵⁵ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – s 2.8.9

Date	Cheque No.	Payee	Amount (\$)	Remarks
				Officer.
Total			46,824	

Table 17.23: Increase in Motor Vehicle Repairs & Maintenance over the four Year Period

Year	Repairs & Maintenance (\$)
2010	71,669
2011	112,603
2012	120,163
2013	174,001



Processing payments on quotation and documents not stamp “PAID” increases the risk of double payments. In addition, the Ministry would not receive value for money based on fair competitions and ethical dealings if it continues not to obtain 3 quotes for all the procurements. The advance payments above also increases the risk of payments made without the services rendered.

It is apparent that the Ministry continues to ignore governing procedures and breach Finance Instructions and policies in place. The deliberate disregard of rules and regulations by public servant is a catalyst to abuse, misappropriation and could result in wastage of taxpayer’s funds and warrants disciplinary action.

Recommendations

- The Officer in Charge must ensure that vehicles recommended for repair must first be thoroughly checked by a qualified vehicle engineer (Transport Officer) detailing parts and repair needed. From the engineer recommendation list, three quotes must be obtained and a purchase order to be issued to the most efficient service provider after analyzing the three quotations.
- The Officer in Charge should ensure that a qualified engineer/Transport Officer inspects the vehicle after repairs and commence payment process when all repairs required are completed.
- The Account Section should ensure that payments are made upon receiving the invoice from the service provider and evidence of the inspections (reports) from the transport officer.
- The Account section should ensure that all vouchers paid are Stamp “PAID” to avoid double payments.
- The Administrative Section must ensure that vehicles incurring excessive and continuous repair cost and are found to be uneconomical to maintain are disposed of.
- The Ministry should investigate the officers responsible for not adhering to the financial regulations and implement appropriate disciplinary actions if the responsible officers continue to breach financial regulations.
- The Ministry should comply with financial instructions and regulations of Government.

Management Comment

No comment received from the Ministry.

17.14 Vehicle Quarterly Reports Not Provided

The maintenance and replacement of motor vehicle is a significant cost to Government. The behaviour of drivers, usage of vehicles for private purposes and lack of proper care all contributes to the cost of maintaining vehicles.⁵⁶ It shall be the responsibility of the Director Corporate Services to oversee all matters relating to vehicle usage.⁵⁷

The Officer in Charge shall prepare a quarterly vehicle report on all Rural and Maritime Development and National Disaster Management vehicles. The vehicle report must be prepared no later than one week after the end of the quarter.⁵⁸ The Officer in Charge must sign and date the vehicle report before forwarding to the Manager Finance for inclusion into the quarterly management report.⁵⁹ A copy of the report shall be forwarded to the Ministry of Finance no later than two weeks after the end of the quarter.⁶⁰

The Ministry did not provide and submit to audit a copy of the signed vehicle quarterly reports for the year 2013 despite numerous request and reminders. Audit could not determine if the Ministry have been preparing and submitting these reports to Ministry of Finance.

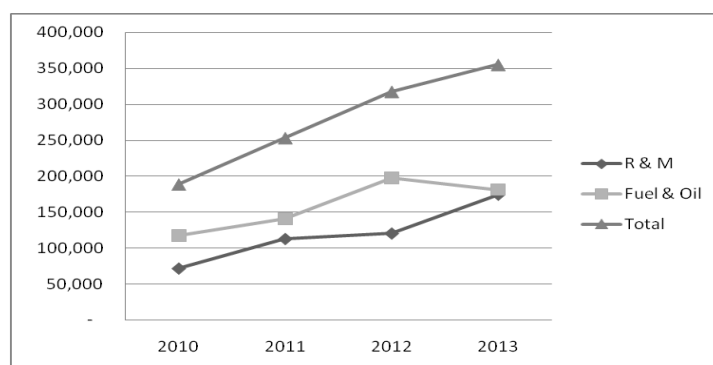
As such the following could not be accurately determined;

- Number of vehicles with the Ministry;
- The age of the vehicles;
- Mileage recorded as at 31/12/13;
- The number of boarded vehicles and their age; and
- Any major accidents and repairs and maintenance of vehicles.

Review of the motor vehicle related expenses reveal that the associated cost for motor vehicles continue to increase over the years. This is clearly shown in the rise of motor vehicle expenses over the 4 year period depicted in Table 17.24 below.

Table 17.24 Increase in Motor Vehicle Expenditure over the four year period

Year	Repairs & Maintenance (\$)	Fuel & Oil (\$)	Total (\$)
2013	174,001	181,052	355,053
2012	120,163	197,436	317,599
2011	112,603	140,725	253,328
2010	71,669	117,183	188,852



This finding indicates that officers in charge of preparing vehicle quarterly returns did not discharge their duties as required under the regulations. As a result, management did not effectively monitor the management of motor vehicles and its associated costs.

⁵⁶ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 - Part 10

⁵⁷ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 - s 10.1.1

⁵⁸ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 - s 10.7.1

⁵⁹ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 - s 10.7.3

⁶⁰ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 - s 10.7.4

It is apparent that the Ministry will continue to incur substantial increase in motor vehicle cost if they continue not to effectively monitor the management of motor vehicles and its associated cost.

Recommendations

- **The Corporate Services should comply with financial instructions and regulations of Government.**
- **The Corporate Services must ensure that vehicle quarterly reports are prepared on time for management review and submitted to Ministry of Finance.**
- **The Administration Section should ensure that signed copies are submitted for review.**
- **The Ministry should investigate the officers responsible for not adhering to the financial regulations and implement appropriate disciplinary actions.**

Management Comment

No comment received from the Ministry.

17.15 Individual and Community Project Fund Received but Project Not Initiated

The Ministry of Rural and Maritime Development and National Disaster Management is mandated to coordinate and manage government rural development programmes in support of Pillar five to eight of the Peoples Charter for Change, Peace and Progress. These programmes are targeted at generating economic growth and improving the standards of living within rural communities and include Rural and Outer Islands Development Programme; Rural Housing Programme; Self-Help Programme; and the Rural Roads Programmes.⁶¹

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-expenditure and corruption do not occur⁶²

The Accounting Head has the overall responsibility for ensuring that the accounting related controls identified herein operate effectively across the Ministry. However, individual line managers and operational staff are accountable for the operation of the control within their own areas of responsibility.⁶³

The other trust money such as community's contribution and tender deposit received are recorded in the *Provincial Development* Trust Fund Account and are banked at Westpac Bank.

The review of *Provincial Development* Trust Fund Account records reveal the following anomalies for projects funds received from communities and individual;

- Projects have yet to be initiated for those who have given their one third deposits for Self-Help Programme;
- The audit further noted that some contributions dated back to year 2009 hence a delay in project implementation of five years;
- Projects have yet to be initiated for communities that have given the full cost of project;

⁶¹ Ministry of Provincial Development & Disaster Management Roles & Responsibilities – Fiji Budget Estimates 2013, Page 103

⁶² Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – Part 2

⁶³ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – Part 1: Section 1.3

- The audit further noted that some contributions dated back to year 2003 hence a delay in project implementation of ten years. Refer Table 17.25 below for details.

Table 17.25: Details of Project Funds Received but Project not Initiated

Date	Receipt No.	Details	Amount (\$)	Division
Rural Housing Assistance Scheme II				
16/04/2012	645154	Uraia Naulumatua	1,735	Unknown
21/06/2012	654103	Semi Cakaunitavuki	4,000	
17/02/2012	670052	Temesi Tamanisau	4,000	
17/02/2012	670053	Taito Matasawalevu	4,000	
04/10/2012	654155	Robakeibau Nayacalevu	4,000	
27/12/2012	654054	Sevuloni Roko Tavani	4,000	
04/12/2012	654053	Waisea Bunawa	4,000	
04/10/2012	654155	Robakeibau Nayacalevu	4,000	
21/05/2012	654560	Lekima So – Lautoka	4,000	Western
08/06/2012	654561	Laisiasa Revaiwai – CWD	4,000	Western
13/06/2012	654562	Vetaia Qauqau – CWD	4,000	Western
08/06/2012	654563	Timoci Nacokula – CWD	4,000	Western
23/05/2012	654254	Sakenasa Sara – Nadroga	4,000	Western
25/05/2012	654524	Bale Moceiwai Naikaboa – Rakiraki	4,000	Western
19/06/2012	654526	Josua Naikatasavu – Rakiraki	4,000	Western
13/12/2012	670404	Lie Semantafa	4,000	Western
13/12/2012	670405	Lina Aisea	4,000	Western
24/12/2012	654526	Peni Duaniwai- Rakiraki	4,000	Western
12/02/2013	654567	Vinod Chand- CWD	2,000	Western
23/01/2013	654566	Joseva Tavutu- CWD	4,000	Western
25/01/2013	654603	Emosi Ratu-Lautoka	4,000	Western
13/02/2013	654604	Petero Semi- Lautoka	4,000	Western
30/05/2013	654531	Usaia Nataraku	4,000	Western
23/05/2013	654258	Marika Ratubuli	4,000	Western
01/08/2006	646072	Cikobia Tikina Marika Tukana	2,867	Northern
08/08/2006	646082	Cikobia Tikina Manasa Lesu	2,867	Northern
16/11/2012	654651	Josese Tokanaivalu	4,000	Northern
14/12/2012	654652	Parwanand	4,000	Northern
25/04/2012	655378	Josefa Diloi – Tubou	4,000	Eastern
22/08/2012	655382	Jese Kaveni	4,000	Eastern
20/08/2012	655382	Emitai Koto	4,000	Eastern
20/08/2012	655380	Vika Yalewanilau	4,000	Eastern
14/08/2012	655379	Jiosaia Fisioi	4,000	Eastern
30/08/2012	655383	Jitoko Sera	2,000	Eastern
31/08/2012	655384	Joji Maivi	2,000	Eastern
19/07/2012	670596	Eremasi Masivesi	5,000	Eastern
12/09/2012	655385	Maciu Yadraca	4,000	Eastern
14/09/2012	655386	Aloesi Kaleca	4,000	Eastern
17/09/2012	655387	Timoci Beitaki	2,000	Eastern
18/09/2012	655388	Joji Veilawa	2,460	Eastern
24/09/2012	655389	Jone Sokokivavalagi	4,000	Eastern
05/11/2012	655392	Taito Soko	4,000	Eastern
11/14/2012	655395	Alumeci Ratukele	2,000	Eastern
11/14/2012	655394	Joeli Kete	4,000	Eastern
11/12/2012	655393	Vanuaso Village Development	25,000	Eastern
10/24/2012	655390	Isireli Dugu	4,000	Eastern
10/24/2012	655391	No details found	4,000	Eastern
11/23/2012	655396	Suliasi Suka	4,000	Eastern

Date	Receipt No.	Details	Amount (\$)	Division
19/07/2012	670304	Lasarusu Ragasawalu	4,000	Eastern
09/01/2013	655398	Solomone Lewanavanua	4,000	Eastern
16/01/2013	655399	Filimoni Tikoibua	2,600	Eastern
05/02/2013	655400	Nemani Buliruarua	4,000	Eastern
22/02/2013	670502	Jone Manufau	4,000	Eastern
11/02/2013	670501	Koroi Vakanaivalu	4,000	Eastern
13/03/2013	670503	Neumi Waqa	4,000	Eastern
26/03/2013	670507	Tevita Saqaibobo	4,000	Eastern
05/06/2013	670519	Levuka I daku S/Transport	4,000	Eastern
06/06/2013	670520	Joeli Vakayatu	4,000	Eastern
10/06/2013	670522	Sepeti Qio	4,000	Eastern
10/06/2013	670523	Metuisela Waqabaca	300	Eastern
06/03/2013	670451	Antonio Tukuveli	4,000	Eastern
18/04/2013	670513	Iliese Vasukikadavu	4,000	Eastern
18/04/2013	670514	Sekonaia Qonu	4,000	Eastern
17/04/2013	670511	Apenisa Waqa	4,000	Eastern
17/04/2013	670512	Metuisela Motu	4,000	Eastern
23/04/2013	670452	Willam Whippy	4,000	Eastern
28/08/2013	670523	Maikeli Tabua	4,000	Eastern
24/09/2013	670524	Rt Jone Duikete	4,000	Eastern
19/06/2013	670308	Sailasa Leqeti	4,000	Eastern
05/02/2013	670306	Epeli Motini	3,400	Eastern
PM's Relief & Rehab Lau				
27/03/2007	729526	Daliconi Village comm	15,850	Eastern
08/09/2003	620581	Manuku Vill Sea Trsp	4,702	Eastern
28/07/2005	312178	Kabara Tikina	5,940	Eastern
18/08/2005	312182	Waciwaci Project	1,000	Eastern
15/09/2003	620806	FDFB Namuka-I-lau Co-op	12,000	Eastern
18/05/2005	312155	Tulaki Farm Mecahnisation Project	5,425	Eastern
16/01/2007	457994	Muaninuku Village Sea-Wall Project	5,500	Eastern
12/06/2007	729534	Navakaraunintu Village Comm	11,000	Eastern
02/05/2007	129830	Raviravi Village Committee, Matuku,	15,813	Eastern
Self-Help: 1/3 Contribution				
30/07/2009	654801	Emasi Raulo	600	Unknown
04/09/2009	654802	Nakawa Village Brush Cutter	600	
21/09/2009	654083	Matadrawe Settlement Chainsaw	180	
30/09/2009	654804	Matadrawe Settlement Chainsaw	100	
09/10/2009	654805	Delaivunilagi Farm Project Chainsaw	200	
Total			359,139	

Accumulated balances of projects funds with project not initiated indicate lack of control and poor administrations to implement projects in a timely manner which have been held contrary to the financial regulations. Also, pro-longed project funds held indicate inadequate capacity and capability of the divisions in implementing routine projects that have been with the division over the years. The findings indicate laxity of the divisional and provincial administrators for timely implementation and monitoring of community projects.

Failure to deliver projects on time deteriorates the trust of communities to partner with Government on such projects. Also, the risk of fraud and manipulation is high.

Non-implementation and monitoring of projects denies the infrastructure development for the community and the people for improved standard of living. Also, it can be deduced that the Ministry's operation are not efficiently and effectively conducted and delivered in a timely manner.

Recommendations

- **The Ministry must ensure that all the above pending projects are completed first before initiating new projects.**
- **The Divisions should ensure that projects are completed within the year or if later during the following year for all projects funds received from the individual and communities.**
- **The Divisions should ensure that proactive measures are taken in following up clients for the project initiation rather than request based for funds already received.**
- **The Development and Planning Section should monitor and ensure that projects are implemented in a timely manner to avoid additional cost (such as increase in prices of materials) required to complete the pending projects.**
- **The Director Corporate Services should ensure that staff capacity and capability is assessed to ensure effective and efficient management and timely implementation of projects.**
- **Disciplinary action should be instituted on officers for failing to justify the pro-longed delay in the completion of projects for which funds have been received.**

Management Comment

No comment received from the Ministry.

COMMISSIONER CENTRAL DIVISION**17.16 Inadequate Administration and Monitoring of Capital Projects**

The Ministry of Rural and Maritime Development and National Disaster Management is mandated to coordinate and manage government rural development programmes in support of Pillar five to eight of the Peoples Charter for Change, Peace and Progress. These programmes are targeted at generating economic growth and improving the standards of living within rural communities and include Rural and Outer Islands Development Programme; Rural Housing Programme; Self-Help Programme; and the Rural Roads Programmes.⁶⁴

A file should be opened upon receipt of the Application/Project Proposal, and the same file should be used when funding is approved.⁶⁵ Monitoring and Evaluation are to be conducted by respective project management teams at the following four levels: community; provincial and district level; divisional level (Planning and Coordination Cell); and HQ (Development Unit).⁶⁶

Upon completion of a project, Provincial Administrators and District Officers are to forward a physical acquittal report to the Divisional Commissioners in the form of Completion Certificate⁶⁷

The audit noted poor record keeping for the Division regarding Public Sector Investment Project (PSIP) and other capital project undertaken. As such the status of the project cannot be ascertained and the following could not be determined:

- Monthly project status and monitoring report;
- Responsible Officers for monitoring projects;
- Certification on quality of project constructed; and
- Legal vetting of the Memorandum of Understanding (MOU) by the Solicitor General office.

⁶⁴ Ministry of Rural and Maritime Development Roles & Responsibilities – Fiji Budget Estimates 2013, Page 103

⁶⁵ Ministry of Rural and Maritime Development Standard Operating Procedure – Part IV, s 4.3

⁶⁶ Ministry of Rural and Maritime Development Standard Operating Procedure – Part V, s 8.1

⁶⁷ Ministry of Rural and Maritime Development Standard Operating Procedure – Part V, s 7.5

Refer Table 17.26 for details of project reviewed.

Table 17.26: Details of Capital Projects with Inadequate Records and Documentation

Date	Program	Cheque No.	Payee	Name of Project	Project Cost (\$)	Remarks
30/06/13	Self-Help	13406	Roofing and Profiling	Sumesh Poultry Farming	3,464	<ul style="list-style-type: none"> Building materials estimation not done by qualified engineer; No Monthly Report as per MOU and Project File Not Updated.
25/07/13	Boarding Facility	13386		Renovation of Naivucini District School	7,622	<ul style="list-style-type: none"> No Monitoring Report and completion certificate and project file not updated; MOU does not have a binding responsibility of the School Management.
17/10/13	Boarding Facility	EFT 0041		Lomary Primary School Ablution Block	1,248	
08/04/13	Boarding Facility	12908	RFMF Engineer Regiment ⁶⁸	Ratu Ravuama Memorial School	31,559	<ul style="list-style-type: none"> No Monitoring Report; No Completion Certificate; Project File Not Updated.
18/04/13	PSIP	12957	PS Works	Raviravi Nursing Station	200,000	
03/05/13	PSIP	13065	RFMF Engineer	Naqelewai Nasoqo Access Road	250,000	
03/05/13	PSIP	13064	DECE ⁶⁹	Serua Seawall	200,000	
30/07/13	PSIP	13400	Fiji Electricity Authority	Mataisuva Eco Tourism Project	99,409	
08/10/13	PSIP	EFT 0029 (0002)	DECE	Dakuibeqa Seawall	15,000	
30/07/13	PSIP	13401	Water Authority of Fiji	Mataisuva Eco Tourism Project	99,233	<ul style="list-style-type: none"> MOU not vetted by Solicitor General as per Ministry of Finance request; No Monitoring Report and Completion Certificate and Project Files Not Updated.
2011	NCAR ⁷⁰		Public Works Department	Waisere Farm Road, Wasere, Naitasiri	20,000	Project paper was not produce to audit upon inquiry to investigate the complaint raise by the beneficiary of the project regarding the non- completion which has resulted in loss of government investment.
Total					927,535	

The above indicates laxity of the division in ensuring that projects are monitored and completed satisfactorily to the required standard.

Failure to monitor the progress of the projects may result in the delay in implementation and completion of the project in a timely manner. Furthermore, completed project without proper completion certificate indicates that construction works completed were not properly evaluated and

⁶⁸ Republic of Fiji Military Forces Engineer Regiment

⁶⁹ Divisional Engineer Central Eastern - Public Works Department

⁷⁰ Non-Cane Access Road

surveyed by the expert to ensure that it is completed satisfactorily to the required standard. Also, the risk of fraud and manipulation is high.

Recommendations

- The Divisional Officers, Provincial Administrator and Planning Officers should ensure that community projects are monitored on a monthly basis and reported to the Commissioner and the Permanent Secretary. The reports are to be filed in the project files for records and status follow up.
- The Commissioner Central Division and the Provincial Administrator should ensure that all constructions works and project completed are certified by the Public Works Department Engineer to ensure that works are completed to the required standard.
- Lessons learnt from community projects are to be documented for replication of similar projects in the future through benchmarking and sustained success of future projects.
- Disciplinary action should be instituted on officers for failing to monitor projects on a monthly basis and providing reports accordingly and likewise for those without completion certificate.
- The Division's planning section should ensure effective and efficient administrations and management of projects.

Management Comment

Cheque No.	Payee	Name of Project	Project Cost(\$)	Audit Remarks	Ministry's Remarks
13406	Roofing and Profiles	Sumesh Poultry Farming	3,464	<ul style="list-style-type: none"> • Building materials estimation not done by qualified engineer; • No Monthly Report as per MOU and Project File Not Updated. 	<ul style="list-style-type: none"> • DOK admit that it was overlooked • Project completed but no monthly report submitted.
13386		Renovation of Naivucini District School	7,622	<ul style="list-style-type: none"> • No Monitoring Report and completion certificate and project file not updated; • MOU does not have a binding responsibility of the School Management. 	<ul style="list-style-type: none"> • No comments given
EFT 0041		Lomary Primary School Ablution Block	1,248		
12908	RFMF Engineer Regiment	Ratu Ravuama Memorial School	31,559	<ul style="list-style-type: none"> • No Monitoring Report; • No Completion Certificate; • Project File Not Updated. 	<ul style="list-style-type: none"> • File is updated and original file with Accounts for all PSIPs
12957	PS Works	Raviravi Nursing Station	200,000		
13065	RFMF Engineer	Naqelewai Nasoqo Access Road	250,000		<ul style="list-style-type: none"> • Site inspection was done for all our PSIPs for two monthly basis

Cheque No.	Payee	Name of Project	Project Cost(\$)	Audit Remarks	Ministry's Remarks
13064	DECE ⁷¹	Serua Seawall	200,000		
13400	Fiji Electricity Authority	Mataisuva Eco Tourism Project	99,409		
EFT 0029 (0002)	DECE	Dakuibeqa Seawall	15,000	<ul style="list-style-type: none"> No Completion Certificate; Project Files Not Updated. 	<ul style="list-style-type: none"> File is updated and original file with Accounts for all PSIPs Site inspection was done for all PSIPs in two monthly basis
13401	Water Authority of Fiji	Mataisuva Eco Tourism Project	99,233	<ul style="list-style-type: none"> MOU not vetted by Solicitor General as per Ministry of Finance request; No Monitoring Report and Completion Certificate and Project Files Not Updated. 	<ul style="list-style-type: none"> MOU vetted by SGs Office Copy of completion with Accounts
	PWD	Waisere Farm Road, Wasere, Naitasiri	20,000	Project paper was not produce to audit upon inquiry to investigate the complaint raise by the beneficiary of the project regarding the non- completion which has resulted in loss of government investment.	Project completed
			927,535		

The Division would like to admit the findings from the report with the recommendations submitted after the exercise was undertaken as recorded above.

We agree with the report in the lack of monitoring on our PSIP but we have an understanding that all of our projects are carried out by PWD and RFMF which provides standards and satisfaction.

For our Emergency Water Supply, our practice last year is to supply without Purchase Orders (PO) and once water is delivered then we raise the PO. This was due to the nature of the requests where the Division is to provide the response during emergencies. This again requires an adjustment from our end.

Capital Projects like Self Help and Non Cane Access Road are monitored by Planning and Provincial Administrators but is not factored in the folders as recommended.

The system in place for your information is to update and present to Commissioner Central Division (CCD) every Monday morning our District Progress which this provides the monitoring which is required as stated. Presentation by each District is done and Planning and Accounts will take turn in questioning the slow progress or assist in advising way forward from issues identified.

Finally, one of the reasons for lack of monitoring was the lack of logistic support provided to both Planning and Development in order to carry out the regular check as and when required.

⁷¹ Divisional Engineer Central Eastern - Public Works Department

Further OAG Comments

The following documents were not produce to audit upon further audit enquiries and verification to the Commissioner Central office on 01/09/2014

- completion certificate mention in the Management comments were not produced for audit verification; and;
- Evidence of vetting by the Solicitor General on the Memorandum of Understanding was not produced for verification.

COMMISSIONER EASTERN DIVISION**17.17 Inadequate/Poor Planning and Low Implementation Rate of PSIP Projects**

The Ministry of Rural and Maritime Development and National Disaster Management is mandated to coordinate and manage government rural development programmes in support of Pillar five to eight of the Peoples Charter for Change, Peace and Progress. These programmes are targeted at generating economic growth and improving the standards of living within rural communities and include Rural and Outer Islands Development Programme; Rural Housing Programme; Self-Help Programme; and the Rural Roads Programmes.⁷²

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-expenditure and corruption do not occur.⁷³

The Accounting Head has the overall responsibility for ensuring that the accounting related controls identified herein operate effectively across the Ministry. However, individual line managers and operational staff are accountable for the operation of the control within their own areas of responsibility.⁷⁴

The Annual Procurement Plan for each year must be prepared by the *Permanent Secretary* of each Ministry or Department and submitted to the Fiji Procurement Office after the announcement of the Budget.⁷⁵ The Annual Procurement Plan of Ministry should identify all major projects, common items that can be contracted by Government based on the agencies needs and also the method of tender for all contract works.⁷⁶

The audit noted the following anomalies in the administrations and implementations of the various capital projects and constructions for the Eastern Division;

- The Division was able to facilitate only thirty percent (30%) payment from the two million allocated to it to facilitate the implementation of the various project appropriated under the Public Sector Investment Program (PSIP) in the 2013 budget. Refer Table 17.36 for details;
- The audit further noted that some of the project funds were redeployed and project implementations were carried forward to 2014 as a result of non-implementation of projects at year end due to pending project planning documentation from the Republic of Fiji Military

⁷²Ministry of Rural and Development & National Disaster Management 's Roles & Responsibilities – Fiji Budget Estimates 2013

⁷³ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – Part 2

⁷⁴ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – Part 1: s 1.3

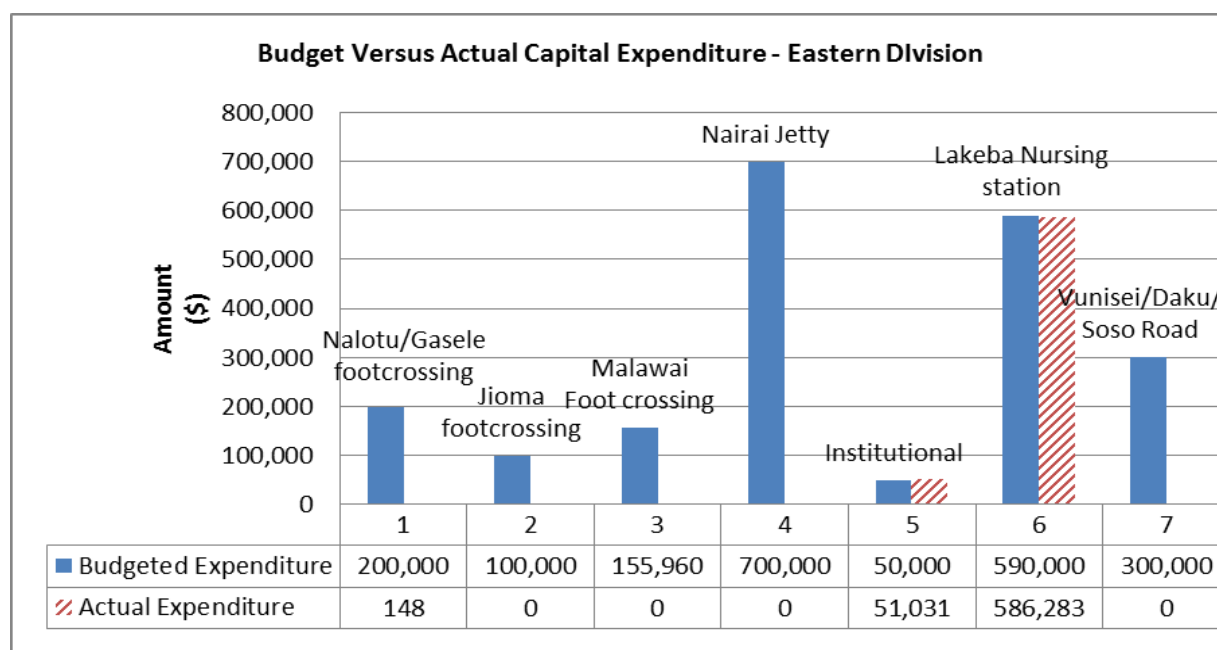
⁷⁵ Fiji Procurement Regulations 2010 – s 26 (1)

⁷⁶ Ministry of Finance Memorandum to all Ministries regarding Annual Procurement Plan, dated 14/09/2011 & Guides to APP

Forces Engineer. The evidence to show the efforts to implement the projects for the year was lacking. Refer Table 17.27 for projects reviewed.

Table 17.27: Capital Projects Fails to Meet Plan Schedule

Eastern Division Projects	Budget (\$)	Actual (\$)	Plan Schedule	Status Report
Nalotu, Gasele & Nauciwai Village Foot Crossing	200,000	148	4 th Quarter	RFMF Engineers are still finalising drawings and project costs. This has been carried forward to 2014.
Jioma Foot Crossing	100,000	0	4 th Quarter	The Division are still waiting for RFMF Engineers work-plan and signing of Memorandum Of Understanding (MOU). The Project has been carried forward to 2014.
Malawai Foot Crossing	155,960	0	4 th Quarter	No physical progresses since RFMF Engineers are engaged in undertaking other projects. Also there is Unavailability of project materials with suppliers and unavailability of vessel to deliver materials on time.
Nairai Jetty	700,000	0		Funds redeployed because Fiji Roads Authority estimates of the total project cost amounted to \$2 to \$3 million
Institutional Strengthening	50,000	51,031	3 rd Quarter	Ablution block for PA Lomaiviti Office will commence in 2014. However, purchase of a boat engine of \$22,095 and \$12,000 for office equipment was done in the current year.
Lakeba Nursing Quarters	590,000	586,283	2 nd Quarter to 3 rd Quarter	Project fund was redeployed from 2012. An amount of \$227,103 has been used at the end of the second quarter of 2013. However, due to transportation problem work has been delayed to 2014.
Vunisei/Daku/Soso/Dravuwalu Road	300,000	0	4 th Quarter	The release of funds was delayed from Ministry of Finance hence the project has been carried forward to 2014.
Total	2,095,960	637,462		



- The audit further noted poor record keeping for the Division regarding PSIP and other capital project undertaken. Project files were not maintained for PSIP and other capital projects. As such the status of the project cannot be ascertained and the following could not be determined:

- Expected project profiling and costing by the contractor;
- Scope of work to be done;
- Modifications made to the projects from the initial design;
- Memorandum of Understanding between the Ministry and other Government Department performing works such as the Fiji Military Forces or the Fiji Road Authority;
- Monthly project status and monitoring report;
- Responsible Officers for monitoring projects;
- Defect period;
- Certification on quality of project constructed; and
- Divisional Commissioner's report on the successful deliverable of projects.

Refer Table 17.28 below for projects reviewed:

Table 17.28: Capital Projects without Proper Project Files

Date	Cheque No.	Payee	Details	Amount (\$)	Remarks
28/08/13	010121	Vinod Patel & Co. Ltd	Payment for building materials for Namalata Central Teachers Quarters	25,344	<ul style="list-style-type: none"> • No Project File; • No Status Report; • No Monitoring Unit Report; • Initial project cost does not fully cover total actual cost incurred.
28/08/13	010127	Vinod Patel & Co. Ltd	Payment for building materials for 24x16 house for Litiana Leba	9,220	
09/09/13	010165	Vinod Patel & Co. Ltd	Payment for building materials for Ratu Finau Secondary School, Lau.	40,878	<ul style="list-style-type: none"> • No Project File; • No Status Report; • No Monitoring Unit Report; • MOU not signed by CED; • Initial project cost does not fully cover total actual cost incurred.
01/05/13	009669	Water Authority of Fiji	Payment of building materials for Nabukelevuira Concrete Water Tank	7,280	<ul style="list-style-type: none"> • No Project File; • No Status Report; • No Monitoring Unit Report; • MOU not signed by CED; • Delay in deliverance of services – 2010 PM's visit.
04/09/13	010147	Kasabias	Payment for building materials for Tavuki Women's Resource Center, Kadavu.	9,407	<ul style="list-style-type: none"> • No Project File; • No Status Report; • No Monitoring Unit Report; • Initial project cost does not fully cover total actual cost incurred; • No investigation in project shortfalls.
Total				92,129	

- Further review of the other capital projects reveal that community requested that their Self-Help 1/3 contribution to be refunded back as a result of delay in implementations. Refer 17.29 below for details.

Table 17.29: Refund of Self-Help 1/3 Contribution

Date	Cheque No.	Payee	Details	Amount (\$)	Remarks
12/04/13	00689	Kadavu Provincial Council	Payment for refund for 1/3 self-help contribution – 30 HP Outboard Engine.	22,000	Contribution received since 2006 but due to non-implementation of project the Turaga ni Koro of the concerned villages have requested for refund.
Total				22,000	

- Audit further established that the above anomaly was further exacerbated by non-preparation of the 2013 Annual Procurement Plan before the commencement of the 2013 financial year.

Failure to prepare the Annual Procurement Plan for the Division results in the pro-longed delay and carried forward of PSIP and other capital projects to the next financial year thus affecting the new-year's annual work program. This anomaly was first highlighted in the 2012 Draft Audit Memorandum which was issued to the Ministry on 10/05/2013 however the Division failed to take immediate action.

Failure to deliver projects on time: deteriorates the trust of communities to partner with Government on projects; increases the risk of fraud, misappropriation and manipulation; denies infrastructure development and results in public funds not being utilized efficiently, effectively and with economy.

Recommendations

- The Development and Planning Section should ensure that all the pending projects are completed first before initiating new projects.
- The Division's Planning Section should ensure that one year duration projects are completed within the year or if later during the following year for all projects funds received from the individual and communities.
- The Manager Finance in consultation with the Commissioner Eastern Division should ensure that the Divisional Planning Section open and maintains projects files so that project documents are filed accordingly including all payment, planning, monitoring and other records pertaining to the project. Project files may be transferred and stored at the storeroom or archive room after the completion and audit of the project.
- The Development and Planning Section should monitor and ensure that projects are implemented in a timely manner to avoid additional cost (such as increase in prices of materials) required to complete the pending projects. Evaluation reports are to be prepared by the Provincial Administrators and the District Officers and filed in the project files for records and status follow up.
- Disciplinary action should be instituted on officers for failing to justify the pro-longed delay in the completion of projects for which funds have already been received.
- The Commissioner should ensure that meetings are held with the Fiji Roads Authority and the Fiji Military Forces for concerted efforts to implement projects or otherwise tender projects.
- The Division's Planning Section and Director Corporate Services should ensure that staff capacity and capability is assessed to ensure effective and efficient management and implementation of projects.

Management Comment

- (1) *There is no development unit within the division, however each Provincial Administrator do take ownership of implementation of rural projects, hence forth completing of projects will be determined by the purpose of*

the overall project (outcome assessment). Our programs are based different sectors (agriculture, tourism, fishing sector) in which the different sectors have different variant in projects and for some sectors project will need to be carried to the following year based on the magnitude and the time frame that will depend on the weather and the isolation due to constrains in transportation availability.

This is projects for road excavation and maintenance, building infrastructure such as bridges and foot crossing. Most of these projects are actually core function of different agencies (ministries) and subsequently the environment in the rural ascertains that these projects will need to be coordinated by the Commissioners. This was further reinforced by the cabinet decision August 2009 with the understanding that implementation will remain with the lead agencies and that monitoring and evaluation will need to be taken over by the Commissioner's Office.

- (2) *As for the rollover of funding as indicated, this is primarily for the projects that has line agencies (with core function) to build such a structure do need to take on board the projects that has been identified by the division. At times the principal line agencies that needs to implement the projects, often tries to deliver their own project from time to time in order to ensure that their projects within the Annual Corporate Plan is completed first before they are able to manage other divisions project.*

The divisions planning unit does not directly involved with the projects implementation phase and the district elements (Provincial Administrator and District Officer) are the leading elements in ensuring that projects are well underway, progressive reports are maintained and standard according to the specifications of the projects are met. The planning unit are specifically based on the identification and selection of the capital projects that need to be planned for the future.

- (3) *The projects files were later identified to be one of the shortfalls in the year 2013 and basically the projects files were needed to be stored and recorded at district level. It is the district level elements that will need to record progress and monitor projects that are specifically carried out in their areas of responsibility. Communication has been beefed-up last year to cater for the transmission of paper work to the divisional Headquarter and such that the district levels have been affected by movement of personnel and the misplacement of project papers. No handover procedure has been put in place to be able to ensure that proper documentation has been kept.*
- (4) *In the Eastern the geographical location of the projects sites on the islands has been dilemma and such that limited transportation is a constraints in movement. Timings for project completion has been delayed also due to change in weather conditions, extreme poor weather (2013 disasters) and such project timelines are not usually met. Sincerely these are conditions that the maritime island projects will need to consider as a major risk factor in project completions.*
- (5) *The prolonged projects and the inconsistency of project timelines are reasoned on the comments above, and in principal projects in the maritime islands based on transportation availability, difficult to accesses, unpredictable weather patterns and inconsistency of system of storage and supply chain, it is always expected that projects in the maritime islands will be difficult to implement in a timely fashion.*
- (6) *The audit comment is noted. We have carried out consultations with relevant stakeholders this year; tender with expression of interest was advertised for some major capital works.*
- (7) *This is staffs that are related to project movement and monitoring. The clerical officers will need to be re-assigned to other units while technical officers will need to be increased within the division. The division has made an earlier submission in regards to the need to increase the number of technical staff in the division for proper monitoring and delivery of projects. Another proposal will be submitted this year for the technical staff increase and the need to improve on project management.*

17.18 Breach of Public Service Commission Regulation - Double Payment of Allowance

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-expenditure and corruption do not occur⁷⁷.

No Officer, who is absent from his headquarters for a period of more than three months (90 consecutive days), may draw subsistence allowance in respect of the excess period unless prior approval has been obtained from the Permanent Secretary for the Public Service.⁷⁸

A serviceperson is not entitled to remote location allowance while the member is entitled to seagoing allowance; field allowance; subsistence allowance; or travelling allowance.⁷⁹

Despite the above, the audit noted that subsistence allowance and remote allowance were paid to Republic of Fiji Military Forces (RFMF) Engineer Mr. Tevita Poese to cater for his accommodation in Kadavu for the completions of the Tavuki Woman Resource Center. Refer Table 17.30 below for details.

Table 17.30: Double Payment of Subsistence Allowance

Date	Ref.	EDP No.	Payee	Payer	No. Of Days Claim	Period Covered	Details	Amount (\$)
16/12/13	Voucher No. 51676	27076	Tevita Poese	Ministry of Rural and Maritime Development	93 days and 3 meals	19/08/13 to 20/11/13	Payment of subsistence allowance for the construction of Tavuki Women Resource Center in Kadavu.	2,817
07/10/13	Pay 20	27076	Tevita Poese	RFMF	14 days	24/09/13 to 07/10/13	Payment of remote location allowance.	280
Total								3,097

The audit further noted the following anomalies in the payment of subsistence and remote allowance:

- Public Service Commission approval were not obtained for payment of subsistence allowance claim of more than 90 consecutive days contrary to Public Service Regulations General Order 502;
- The subsistence allowance was directly deposit to RFMF Engineer, Mr. Tevita Poese personal bank account rather than the RFMF Engineer Bank Account;
- The RFMF Engineer personnel were also paid remote allowance on the same period (24/09/13 to 07/10/13) of the subsistence claim.

The above practices indicate ignorance of governing procedures and breach of finance instructions and policies. This could be catalyst to abuse, misappropriation and fraud which could result in wastage of taxpayer's funds.

⁷⁷ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – Part 2

⁷⁸ Public Service General Order 502

⁷⁹ RFMF Correspondence J81/2/1 List B – s 39

Recommendations

- **The Division Accounts Officer and the Senior Account Officer of the Ministry should take necessary action to recover money from the RFMF Engineer personnel and pay it to the RFMF Engineer sections.**
- **The Divisional Accounts Officer should ensure that PSC approval are sought prior to payment and that subsistence allowance is paid to the RFMF Engineer sections for future engagement of RFMF Engineer personnel.**
- **The Division and the Ministry should investigate the officers responsible for not adhering to the financial regulations and implement appropriate disciplinary actions.**

Management Comment

The oversight of the accounts section has been noted for laxity in the part of payment for over 90 days on subsistence and claims. This has been taken into serious consideration and those responsible has notified for with a stand warning. The RFMF will be notified in writing and the officer will be subjected for recovery of the double payment on allowances.

The Division accounts have been forewarned not to exceed payment for more than 90 days and the Division will ensure that all payments to RFMF personnel will be directed to RFMF accounts section, which in turn will compensate the individual.

17.19 Un-Reconciled Variance between Project's Acquittal Statement and General Ledger

Upon completion of the project, the grant must be properly acquitted.⁸⁰ The *Accounts Officer* is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial information and the timeliness of management reports.⁸¹

The audit noted that the statement of acquittals prepared by the divisions for the various projects did not reconcile with the FMIS general ledger. Refer Table 17.31 below for details of variances noted between the two records:

Table 17.31: Detail of Variance – Review of Projects from Eastern Division Statement of Acquittals and the General Ledger

Program Name	Allocations	Total Expenditure as per General Ledger (FMIS) (\$)	Total Expenditure as per Statement of Acquittal (\$)	Variance (\$)
Self – Help	1-18301-94991-100110	80,353	293,508	(213,155)
Rural Housing & Poverty Alleviation Program	1-18401-94991-100111	67,964	187,567	(119,603)
Building Grant	1-18301-94991-100143	7,922	273,673	(265,751)
Boarding Facilities	1-18301-94991-080428	0	135,106	(135,106)
Total		156,239	889,854	(733,615)

The above anomaly was further exacerbated by poor record keeping by the Divisional Planning Section which includes preparation of the projects acquittals.

⁸⁰ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – Standard Operating Procedures – s3.5

⁸¹ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – Part 14 – Ledger Accounts
Ministry of Rural and Maritime Development and National Disaster Management

The Division failed to reconcile and rectify the variances between the two records. In the absence of reconciled records, projects undertaken by the Division are not properly accounted.

Recommendations

- **The Divisional Planning Section should maintain proper payment records of all projects and ensure that the statement of acquittals prepared are accurate and reflect all the cost associated with the projects.**
- **The Divisional Planning and Accounts Section should investigate and rectify the variances noted between the statement of acquittals and the FMIS general ledger balance.**
- **The Planning section should ensure that the monthly reconciliations are carried out properly and accurately, checked by the Accounts Officer and verified by the Divisional Planning Officer and Divisional Commissioner.**

Management Comment

The audit comment is noted. We will improve on our internal process where acquittals need to be verified from the Accounts Section before it's submitted to Ministry of Finance. The Finance and the Planning Cell will strengthen on its verification and reconciliation process for all projects to ensure quality acquittal report is formulated for submission.

17.20 Inadequate Management of Project Materials / Items at Top-Yard Store

Inventory purchasing, storage and recording should be efficiently managed to ensure that there is a sufficient level of inventories when needed, while minimising the cost of holding inventory and the risk of stock becoming obsolete or damaged. These responsibilities are assigned to the Permanent Secretary, Director Corporate Services, Manager Rural Housing, Top Yard Supervisor, Officer in Charge (PA/DO/ADO/AO), Storeman, Clerical Officer and Stocktake Officers.⁸²

The audit noted the following anomalies in the management of inventory.

17.20.1 Damage and Obsolete Materials

Storage of Inventories shall be the responsibility of the store man. The Store man must ensure that adequate storage space is available for incoming stock as and when required, stocks are handled with care and well stored so as to reduce the risk of damage and quantity of stock is closely monitored to avoid excess holdings or shortages.⁸³

The audit inspection of the store house at Top Yard Store, Walu Bay noted the following anomalies:

- The store house does not have adequate space for the incoming project building materials and other items;
- Project building materials and other project items are stacked outside the store house;
- Unaccounted project building materials and other items were also noted to be stacked idly outside the yard which have been there for some years;
- Unaccounted materials stacked idly outside the yard are deteriorating due to wear and tear. Refer Figure 17.2 of **Appendix 17.4**
- Damaged and obsolete items were not cleared away which were occupying most of the space within the yard. Refer Figure 17.1 of **Appendix 17.4**

⁸²Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – Part 7 – Inventory Management

⁸³ Ministry of Rural and Maritime Development and National Disaster Management, Finance Manual 2011 – s7.2.1

- Items and materials that were declared unserviceable were stacked inside the store room occupying good storage space for storing the building materials lying outside the yard. The audit further established that some items and materials declared unserviceable were still good and useable condition. Refer Figure 17.3 of *Appendix 17.4*

Recommendations

- The Commissioner Eastern Division, Director Corporate Services, Director Development and Planning in consultation with the Permanent Secretary should immediately instigate a stock take of items at Top Yard Store.
- The Officer in Charge of the Top Yard Store should properly place items received in the shed or in a proper storage facility to avoid damages and deterioration.
- The Officer in Charge should ensure that unserviceable items, damaged and obsolete stock are removed from the yard to allow proper storage space for the new project building materials and other items.
- The Commissioner Eastern Division should make use of those unserviceable items (which are noted to be in good conditions and other unaccounted project building materials) for new projects which are yet to be initiated, hence reducing the project cost for the government and savings some of the taxpayers funds which could be used for other priority project.
- The Commissioner Eastern Division, Eastern Division Principal Planning officer and Director Corporate Services should strengthen supervisory checks in the management of stores at Top Yard Store.

Management Comment

The Eastern Division items that have been identified at TOP YARD are projects that have been ceased due to changes in government policies for community hall and religious organization. Currently there have been special teams from within the Eastern Division that are organizing the return of these materials and ensuring that they are properly accounted for, before it is delivered to those that are responsible. The exercise will continue until the close of this month and that before the beginning of November 2014, the Eastern Division items are expected to be completely delivered from the TOP YARD storage centre.

17.20.2 Non- Distribution of the Tropical Cyclone Tomas Rehabilitation Materials

The Officer in Charge shall maintain the inventory register to record incoming and outgoing inventories. The inventory register shall provide the following information: date of acquisition and order number reference; number of items received and cost price; supplier details; date of issue of inventory and nature of issue; issue reference, quantity issued. The Officer in Charge shall ensure that the register is kept up to date at all times.⁸⁴

The Director Corporate Services shall appoint two stocktake officers, one of whom is independent of the inventory function, to undertake a stocktake of all inventories at least once a year. The stock take Officers shall prepare their stock take report noting any surplus, damage, obsolete or unaccounted stock and their recommendations. The stocktake report shall be signed by the Stocktake Officers and submitted to the Director Corporate Services together with the stocktake sheets. The inventory register shall be adjusted only after the Director Corporate Services has endorsed the recommendations and approval has been given for any write-offs or write-ons.⁸⁵

⁸⁴ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – s7.1.3

⁸⁵ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – s7.3.1 to 7.3.5

Access to the inventory stores shall be limited to the Storeman. All other officers shall be restricted from entering storage facilities unless approval is granted by the Storeman.⁸⁶

Inventory purchasing, storage and recording should be efficiently managed to ensure that there is a sufficient level of inventories when needed, while minimising the cost of holding inventory and the risk of stock becoming obsolete or damaged.⁸⁷ Storage of Inventories shall be the responsibility of the store man. The Store man must ensure that adequate storage space is available for incoming stock as and when required, stocks are handled with care and well stored so as to reduce the risk of damage and quantity of stock is closely monitored to avoid excess holdings or shortages.⁸⁸

The audit noted that Tropical Cyclone Tomas Rehabilitation materials that were received in 2011 were still stacked and stored at the Top Yard Store and were not delivered to those affected by the cyclone. Refer Figure 17.4 and 17.5 of *Appendix 17.4*.

In addition, the audit further noted the following anomalies in the documentation of materials stored at the Top Yard Store:

- There was no proper Inventory Register;
- Copies of supplier's invoice detailing all materials supplied to the store were not kept by the store officer;
- There was no proper delivery documents kept for dispatching materials to the rural areas;
- There was no security stamp of receiving and despatching; and
- There was no stocktake for the store.

The above anomaly was first highlighted in the 2012 Draft Audit Memorandum which was issued to the Ministry on 10/05/2013 however the Division failed to take immediate action.

Holding of Tropical Cyclone Rehabilitations materials at the trop yard store without being distributed in a timely manner denies the timely government assistance to the communities and individuals affected by the tropical cyclone.

Recommendations

- **The Commissioner Eastern Division, Director Corporate Services, Director Development and Planning in consultation with the Permanent Secretary should immediately instigate a stock take of Tropical Cyclone Tomas Rehabilitation materials at the Top Yard Store.**
- **The Commissioner Eastern Division, Director Corporate Services, Director Development and Planning in consultation with the Permanent Secretary should make it a first-hand priority to deliver all Tropical Cyclone Tomas rehabilitation materials at Top Yard Store to its respective recipients.**
- **The Officer in Charge of the Top Yard Store should maintain a proper inventory register and ensure that the register are kept up to date at all times as per Finance Manual 7.1.3.**
- **The Officer in Charge of the Top Yard Store should ensure that all items received and dispatched at the yard are properly authorised.**
- **The Commissioner Eastern Division, Eastern Division Principal Planning Officer and Director Corporate Services should strengthen supervisory checks in the management of inventory at the Top Yard Store.**

⁸⁶ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – s7.2.2

⁸⁷ Ministry of Rural and Maritime Development and National Disaster Management, Finance Manual 2011 – Part 7 – Inventory Management

⁸⁸ Ministry of Rural and Maritime Development and National Disaster Management, Finance Manual 2011 – s7.2.1

Management Comment

No comment received from the Ministry

17.20.3 Pro-Long Delay of Delivery of the “Vakatawa” Housing Project

The Ministry of Rural and Maritime Development and National Disaster Management is mandated to coordinate and manage government rural development programmes in support of Pillar five to eight of the Peoples Charter for Change, Peace and Progress. These programmes are targeted at generating economic growth and improving the standards of living within rural communities and include Rural and Outer Islands Development Programme; Rural Housing Programme; Self-Help Programme; and the Rural Roads Programmes.⁸⁹

The Accounting Head has the overall responsibility for ensuring that the accounting related controls identified herein operate effectively across the Ministry. However, individual line managers and operational staff are accountable for the operation of the control within their own areas of responsibility.⁹⁰

The audit noted that building materials for the “Vakatawa” Residential Project⁹¹ which were approved and assisted in 2009 were still stacked inside the store room and outside the yard. Refer Figure 17.6 of **Appendix 17.4** for details.

The above anomaly was first highlighted in the 2012 Draft Audit Memorandum which was issued to the Ministry on 10/05/2013 however the Division failed to take any action.

Holding of project’s building materials at the Trop Yard Store without being distributed in a timely manner indicate poor administrations and inadequate capacity and capability of the divisions in implementing routine projects that have been with the division over the years. Failure to deliver projects on time deteriorates the trust of communities to partner with Government on projects. Also, the risk of fraud, misappropriation and manipulation is high.

Recommendations

- **The Commissioner Eastern Division, Director Corporate Services, Director Development and Planning in consultation with the Permanent Secretary should immediately instigate a stock take of Vakatawa Residential materials at Top Yard Store.**
- **The Commissioner Eastern Division, Director Corporate Services, Director Development and Planning in consultation with the Permanent Secretary should make it a first-hand priority to complete the project or refund the community 1/3 contributions.**

Ministry’s Comments

No comment received from the Ministry.

⁸⁹ Ministry of Rural and Maritime Development and Disaster Management, Roles & Responsibilities – Fiji Budget Estimates 2013, Page 103

⁹⁰ Ministry of Rural and Maritime Development and Disaster Management, Finance Manual 2011 – Part 1: s1.3

⁹¹ A self-help project which were approved in 2009 and financial assistance and implementation commence in 2009.

COMMISSIONER WESTERN DIVISION

17.21 Discrepancies for Reported Project Status versus Physical Project Visit

The preparation of management reports allows senior management to analyse the standing of the Ministry for a particular period and assist in meeting the management responsibilities imposed by the Act. Timely and accurate management are necessary for effective management decisions. As well, annual reports and financial statements act as an accountability tool for external stakeholders to assess the operations and performance of the Ministry.

The audit noted that the following Public Sector Investment Project (PSIP) were recorded one hundreds per cent (100%) complete as at 31st December 2013 however audit site visit verification revealed that construction works were in progress, incomplete while defects were noted for those completed projects. Refer Table 17.32 below for details.

Table 17.32: Discrepancy of Project Information Reported

Date	Chq No.	Payee	Name of Project	Project Cost (\$)	Project Status on Paper on 31/12/13		Audit Site Visit ⁹²
					Financial	Physical	
19/04/13 & 06/08/13	14518 & 15188	Divisional Engineer Works	Cuvu Health Centre	700,000	100%	100%	Health Centre was still incomplete with plumbing work left. Refer Figure 17.7 of Appendix 17.5 for pictorial view.
04/09/13	15441	Divisional Engineer Works	ADO Korolevu Station	300,000	100%	100%	Work was still in progress with the grade IV quarters and road work still incomplete. Refer Figure 17.8 of Appendix 17.5 for pictorial view.
30/01/13 17/09/13	14589 15467	Divisional Engineer Works	Keiyasi Health Centre	400,000	99%	100%	Health Centre was completed with 2 major defects: 1. Wards without electricity power points; 2. Septic tank socket tip not complete causing spilt. Refer Figure 17.9 of Appendix 17.5 for pictorial view.
04/04/13	14427	RFMF Engineers Regiment	Mare Access Road	100,000	100%	100%	RFMF outsourced the work to Nands Civil Contracting Limited due to tight work schedule. As a result the road was not properly done due to limited allocated funds. Defects sited includes: 1. No gravel only soap stones; 2. Poor drainage system; 3. Damaged Iris crossing not repaired. Refer Figure 17.10 of Appendix 17.5 for pictorial view.
Total				1,500,000			

⁹² The audit site visit verification was done on 30/01/14 to 01/02/14.

The above indicates laxities of the Divisional and Provincial Administrators in reporting inaccurate information to the management and stakeholders. It is apparent that capital projects were not progressively monitored to ensure the proper completion of the project to the required standard.

Reporting of inaccurate information misleads management and other stakeholders which may results in improper, ineffective and inefficient decisions making. Poor Implementation of projects results in wastage of taxpayer's fund which denies proper infrastructure development for the community and the people. Hence it cannot be deduced that public funds have been utilized efficiently, effectively and with economy. Also the risk of abuse, fraud and misappropriation is high.

Recommendations

- **The Senior Economic Planning Officer (SEPO) should ensure that correct and accurate information are reported for all the projects.**
- **The Divisional Planning Officer (DPO) should strengthen supervisory checks on projects report to ensure that accurate and reliable information are reported.**
- **Disciplinary action should be instituted if the responsible officer continues to provide false and misleading information to management and stakeholders.**

Management Comment

- (1) Cuvu Health Centre: Ministry of Works confirms that the plumbing works have been completed but the slop hopper was yet to be fitted as it was burned in their transit store. They have installed another one.

The handover Certificate for Cuvu Health Centre Phase 1 was issued on 23/12/13. It was confirmed the completion of the project in accordance with standard Department of Works construction plans and specifications. It was understood that pending minor finishing works (if any) will be completed upon the commencement of Phase 2 and Final Phase in 2014.

- (2) ADO Korolevu Station: Ministry of Works have also completed. However, most of the gravel was washed away during the heavy rain.

The Handover certificate was signed on 23/12/13. It confirmed the completion of the project in accordance with the standard of Department of Works construction plans and specifications. The funding was inadequate to complete a quarters and an administrative office. As such, the funds were used to construct a Grade VI Quarters (timber), as well as roads for a new unsealed road.

- (3) Keiyasi Health Centre: Ministry of Works have installed all power points and power was supplied to the Health Centre. Septic tank has been repaired and completed.

The Handover certificate was signed on 23/12/13. It confirmed the completion of the project in accordance with standard of Department of Works construction plans and specifications. Funds have been allocated this year to Ministry of Health to upgrade the Health centre.

- (4) Mare Access Road: Ministry of Works confirmed that Mare Access Road was 4.3km. The scope of work for Mare Access Road was in accordance with the allocation (\$100,000.00) Due to the limitation of fund allocated towards an enormous task, there was not enough allocation to use so we resorted to soapstone. Proper drainage was constructed on both sides however due to lack of maintenance and adverse weather, the condition of the drainage had deteriorated. Allocation of \$100,000.00 is not sufficient to upgrade a 4.3km road and repair the damaged Irish Crossing. The actual cost to upgrade 1km road is \$1,000,000.00.

The Divisional Commissioner Western and the team Leader Western, RFMFE Regiment had inspected the road and were both satisfied with the work done by NCCL.

17.21 Irregularities in Tropical Cyclone (TC) Evans Housing Rehabilitation

The Ministry was allocated an amount of \$17,679,908 later in December 2013 in which funds were transferred from Ministry of Finance to cater for the Tropical Cyclone Evans Rehabilitation. The Tropical Cyclone Evans Housing Rehabilitation operation commences later in December 2013 which will continue in 2014 due to the massive number of house partly and completely damaged.

The audit noted the following irregularities in the operation of Tropical Cyclone Evans Housing Rehabilitation.

17.21.1 Vetting and Assessment Anomalies (Identification of Damaged Household)

Once application is received from the applicants, an assessment team is sent to assess and verify the damaged. This assessment team will then estimate the required materials needed for the partly damaged house and those that need a complete new home. After assessment, a project profile is created for those approve applicants. The recipient project profile is then forwarded to Provincial Administrator or District Officer for recommendation for funding and then to Commissioner Western Division for endorsement.

The project profile includes the residential dwelling damage assessment form, verification report and issuance voucher which documents the description of materials to be issue, value of assistance to be provided to the applicant, and the respective payee. Issue voucher are then endorsed and authorised for issue by the respective officer in charge for the verifications and assessments.

The audit noted the following anomalies in the vetting and assessment process:

- Residential dwelling damage assessment form was not signed by witness;
- Issuance Voucher (IV) under verification report was not signed by the officer preparing the IV nor the officer authorizing the issue;
- Verification Team Leader did not signed the verification report;
- Changes to the material quantity in materials listing were not initialled;
- Incorrect assessment done by RFMF⁹³ Engineer resulting in a second assessment by Rural Housing Unit;
- Recipients Project Profiles were not endorsed by Commissioner Western Division.

Unsigned official documents portrays carelessness, ignorance, unskilled and unprofessional conducts which increases the risk of fraudulent activities in the vetting and assessment process. It is apparent that proper assessments were not properly done which have resulted in the second assessment by the Ministry. Hence it cannot be deduced that vetting and assessment process of the rehabilitation works were conducted efficiently.

Recommendations

- **The Commissioner Western Division, Provincial Administrators and District Officers should ensure that all assessment forms and verification reports are properly signed and endorsed by authorized officers.**
- **The Commissioner Western Division, Provincial Administrators and District Officers should strengthen supervisory checks in the vetting and assessment of damaged households.**
- **The Commissioner Western Division should ensure that proper assessments are done by the experts to avoid re-assessment and its cost.**

⁹³ The Royal Fiji Military Force was engaged in the TC Evans Rehabilitation works.

- **Changes to any approved material listing should be properly authorised and documented for third party justifications.**

Management Comment

All recommendation submitted by the audit are noted.

All assessment forms, verification reports and issuance voucher not signed and endorsed by authorized officers was due negligence and comments by audit is noted. Supervisory checks in the vetting and assessment were not done on this rehab exercise due to transportation problems, shortage of resources and also confirmation was done by the RFMF team. Recommendation by audit for assessment to be done by experts is also noted.

17.21.2 Non-Issuance of Purchase Order for Tropical Cyclone Evans Rehabilitation Building Materials

A Purchase Order (PO) shall be issued when procuring any goods, services or works from an organization within Fiji, unless a contract or agreement has been entered into.⁹⁴ The Accounts Officers must initial any alteration to a payment voucher⁹⁵

Within 30 days after a state of natural disaster has been declared, the Permanent Secretaries of Ministries given special responsibilities under the Disaster Management Control Act can procure goods, services or works for immediate relief assistance such as food items and access to clean and safe water, medical supplies, temporary shelter materials and seeds for subsistence purposes, provided that the procurement has been endorsed by the National Disaster Management Controller. The National Disaster Management Controller is the Permanent Secretary of National Disaster.

When procuring these goods, services or civil works, relevant agencies must first utilize existing standing offer contracts before procuring goods, services or civil works from other suppliers. At the end of the immediate relief period, these Ministries must submit a report to the Minister of Finance stating the amounts of funds that have been used on the immediate relief assistance.⁹⁶

Procuring Ministries or Departments must comply with competitive procurement procedures when procuring goods, services or civil works for ongoing relief assistance and rehabilitation purposes.⁹⁷ 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.⁹⁸ This includes the contract for supply of roofing products from Roofing and Profile Ltd (CTN 147/12), contract for the supply of pine post from Green Gold Post & Pole Ltd (CTN244/2012), and contract for the supply of plywood from Carpenters Hardware (CTN119/2013). Written confirmation must be obtained from the primary supplier of inability to supply before procurement can be sourced from the secondary supplier.⁹⁹

The audit noted the following anomalies in the procurement of materials for TC Evans Rehabilitation;

- Purchase Order (PO) was not issued however blanket approval was issued to the suppliers to deliver materials;
- The Ministry reveal that blanket approvals were issued on the strengths of powers given to the Ministry which is within the 30 days after the declaration of the state of the natural disaster in

⁹⁴ Ministry of Rural and Maritime Development and National Disaster Management, Finance Manual 2011 – Part 2.5.1

⁹⁵ Ministry of Rural and Maritime Development and National Disaster Management, Finance Manual 2011 – Part 2.8.5

⁹⁶ Ministry of Finance Procurement Regulation 2010 – s33(1) to s33 (3) – Immediate Relief Assistance

⁹⁷ Ministry of Finance Procurement Regulation 2010 – s34 (1) – Ongoing Relief Assistance and Rehabilitation

⁹⁸ Ministry of Finance Procurement Regulations 2010, s35 (2)

⁹⁹ Ministry of Finance Procurement Office Standing Offer Contracts as at 20/03/2014

Fiji on December 2012.¹⁰⁰ However audit established that the 30 days expires on February 2013 and the procurements were made in December 2013 which is 334 days after the expiry of the 30 days;

- The blanket approval issued to the supplier did not contain any ceiling amount for the cost of building materials to be supplied;
- Existing standing offer contract were not utilise by the Western Division office before procuring the building materials from the various suppliers. Refer Table 17.33 below for payment details made to respective suppliers to deliver materials to the respective Districts in the various Provinces of the Western Division.

Table 17.33: Details of Payments Made To Suppliers Base on Blanket Approval Issued

Date	Supplier	No. of Applicants	Amount (\$)	Remarks
30/12/13	Kasabias Ltd	31	227,028	Being payment for the supply of building materials for TC Evans Rehabilitation.
24/12/13	RC Manubhai	44	543,251	
18/12/13	Vinod Patel	11	46,272	
Total		128	816,551	

The above practice indicates ignorance of government procedures and breach of procurement regulation.

Non-purchases from contracted suppliers negate economy and purposes of agreement. Also, this could results in unnecessary lawsuits for Government for failing to adhere to contractual obligations.

The risk of mismanagement, theft and fraudulent activity is also high.

Recommendations

- The Permanent Secretary should ensure that procurements procedures for immediate assistance articulated in the procurement regulation are properly adhered to.
- The Permanent Secretary should ensure that procurements of goods, services or works for immediate relief assistance such as temporary shelter materials are made within the 30 days after the declaration of the state of the natural disaster as per 2010 Procurement Regulation 33(1) to 33(3). The Ministry to obtain Ministry of Finance approval after 30 days.
- The Commissioner should ensure that local purchase orders are issued when procuring goods and services.
- Existing contracts for whole of government are to be utilise by the Division before procuring from other supplier. The Ministry should ensure that written confirmation to be obtained from the primary supplier of inability to supply before procurement can be sourced from the secondary supplier for procurements of building materials.

Management Comment

The purchase order was not issued when procuring goods and services on this rehabilitation exercise due to the Directive from Headquarters on AG's authority. Waiver of tender approval was given by Permanent Secretary Finance to procure materials from the four hardware companies and payment of invoices to be submitted to Ministry of Finance for approval of payments. Recommendation by audit has been noted in this case for future references.

¹⁰⁰ Ministry of Finance Procurement Regulation 2010 – s33(1) to s33 (3) – Immediate Relief Assistance

Further OAG Comments

The Ministry of Rural and Maritime Development and Disaster Management did not produce to audit the formal directive from AG and waiver of tender approval upon further audit inquiries and verification to the Ministry' Headquarters on 01/09/2014. The Ministry was referring to the Ministry of Finance approval of excess for payment above \$50,000 per day which was produce to audit upon further audit inquiries and verification to the Ministry' Headquarters on 01/09/2014.

The Ministry of Rural and Maritime Development and Disaster Management did make the procurements on the strengths of the powers given to the Ministry which is within the 30 days after the declaration of the state of the natural disaster in Fiji on December 2012.¹⁰¹ However audit established that the 30 days expires on February 2013 and the procurements were made in December 2013 which is 334 days after the expiry of the 30 days.

17.21.3 Short Supply of Materials Delivered to Recipients

Upon receipt of the goods, services or works, the receiving officer shall verify that their receipt in good order and that the invoice is in accordance with the Purchase Order (PO). The receiving officer must be an officer other than the officer authorizing the PO. 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 Officer in Charge who shall arrange a claim against the supplier or carrier.¹⁰²

The audit noted the following anomalies in the administration and implementation of the TC Evans Rehabilitation Program;

- The materials purchased as recorded in the supplier's invoice were not fully delivered to recipients by the Division. Refer Table 17.34 below for details.

Table 17.34: Short Supply of Materials to Recipients

Date	Invoice No.	Supplier	Recipient Name	Address	Material Received (\$)	Material Not Received (\$)
06/12/13	11PW/130149-1	Kasabias Ltd	Apisalome Talei	70 Sandalwood Street, Drasa Vitogo, Lautoka	1,271	3,061
05/12/13	11PW/130112-1		Arun Reddy	15 Pompey Place Field 40, Lautoka	4,431	1,876
05/12/13	11PW/130115-1		Kamal Krishna Gounder	Velovelo Temple Road, Natabua, Lautoka	1,097	1,558
11/12/13	11PW/130340-1		Laisenia Rasaga Tora	Viseisei Village, Lautoka	837	2,186
18/12/13	11PW/130663-1		Mere Mara	21 Kara Punja Road, Waiyavi, Lautoka.	521	6,598
Total					8,157	15,279

(Refer to Appendix 17.6 for details of delivered and undelivered materials to the recipients)

- The standard housing materials requires that zincalume roofing iron are to be purchased which is cheap as compared to colorbond roofing iron, however audit noted that the Division paid for colorbond roofing iron;
- The audit further established that colorbond roofing iron was not delivered as per site visit verification. Refer Table 17.35 for details;

¹⁰¹ Ministry of Finance Procurement Regulation 2010 – s33(1) to s33 (3) – Immediate Relief Assistance

¹⁰² Ministry of Rural and Maritime Development and National Disaster Management, Finance Manual 2011 – Part 2.5.21 to 2.5.23

Table 17.35: Unsanctioned Materials Purchased Not Delivered

Date	Invoice No.	Supplier	Unsanctioned Material	Project Recipient	Amount (\$)
06/12/13	11PW/130149-1	Kasabias Ltd	106.75mtr Trimdek Colorbond Roofing Iron 26g per meter	Apisalome Talei	1,704
05/12/13	11PW/130112-1			Arun Reddy	1,704
18/12/13	11PW/130663-1		319.00mtr Trimdek Colorbond Roofing Iron 26g per meter	Mere Mara	5,423
Total					8,831

- The audit further noted that recipients of the assistance could not commence with the rehabilitation works due to part supply of materials from the supplier.

Non delivery of other building materials denies the timely government assistance to the communities and individuals affected by the tropical cyclone.

Recommendations

- **The Commissioner Western Division, Director Corporate Services, Director Development and Planning in consultation with the Permanent Secretary should immediately instigate an internal investigation on the undelivered materials.**
- **The Permanent Secretary should investigate the officers responsible and implement appropriate disciplinary actions for denying timely implementation of government assistance.**

Management Comment

According to our Logistic Officer at our government yard section, all these rehab recipient clients are supplied with the balance of their materials early this year 2014. Recommendation by audit has been noted.

Further OAG Comments

The Ministry of Rural and Maritime Development and Disaster Management did not produce to audit the delivery documents to justify the comments by the Ministry upon further audit inquiries to the Ministry' Headquarters and to the Commissioner Western Division on 28/08/2014.

All the recipients of the assistance confirm to audit on 28/08/2014 that they have not received any other material as at to date¹⁰³ upon further verbal telephone audit confirmation on 28/08/2014 to each of the recipient.

¹⁰³ The confirmation was made on 28/08/2014.

APPENDICES

Appendix 17.1: Details of Error in Preparation of VAT Returns

Month	Revenue as per General Ledger system (FMIS) (\$)	Revenue as per Ministry VAT Return (\$)	Revenue Difference (\$)	Expenditure as per General Ledger system (FMIS) (\$)	Expenditure as per Ministry VAT Return (\$)	Expenditure Difference (\$)	VAT Output on Difference (\$)	FMIS VAT Input (SEG 13) (\$)	PDNDMO Vat Input (SEG 13) (\$)	Vat Input Difference (\$)	Vat Payable / (Refund) on Difference (\$)
January	15,723	16,423	(699)	61,504	61,504	0	(91)	7,177	7,177	0	(91)
February	101,410	110,617	(9,207)	231,329	270,374	(39,045)	(6,291)	32,834	32,834	0	(6,291)
March	299,774	271,770	28,004	212,821	505,656	(292,835)	(34,528)	53,591	93,602	(40,011)	5,482
April	(18,854)	18,856	(37,710)	132,856	130,752	2,105	(4,642)	(12,930)	(15,035)	2,105	(6,747)
May	(15,860)	1,502	(17,363)	437,537	378,601	58,936	5,420	57,936	0	57,936	(52,515)
June	51,909	77,137	(25,228)	308,190	308,190	0	(3,289)	58,664	58,664	0	(3,289)
July	(7,269)	0	(7,269)	351,341	479,422	(128,082)	(17,647)	75,182	75,182	0	(17,647)
August	319,196	46,375	272,821	339,303	339,333	(30)	35,566	21,153	21,153	0	35,566
September	129,432	0	129,432	381,136	421,705	(40,569)	11,586	(40,569)	0	(40,569)	52,155
October	53,887	6,987	46,900	545,601	308,190	237,411	37,068	103,414	58,664	44,751	(7,683)
November	162,251	0	162,251	521,111	521,111	0	21,154	(18,742)	(18,742)	0	21,154
December	223,905	301,947	(78,042)	1,801,765	1,593,485	208,280	16,980	245,199	245,199	0	16,980
Total	1,315,504	851,614	463,890	5,324,494	5,318,323	6,171	61,286	582,909	558,698	24,212	30,074

Appendix 17.2: Honorarium Claims made during TC Evans – Established Officers

EDP#	Name	Annual Salary	Honorarium	Pay #	Hours Claimed (A)	Converted to Days – Estimated (A/7.5)	Non-Taxable Allowance Actually Paid	Audit Calculation	Variance Overpayment	Supporting Documents Sighted In Salaries File							Audit Trail to PV
										Memo to PS for Initial overtime approval	Copies from Attendance Register attached & Verified	Overtime Hours Summary Done	Memo to PS Recommending Payment	Memo to PSC or MOF Payment Approval	Overtime Entry Form Filled by Salaries Clerk-Input Form (Form FS04)	Form Verified & Authorized by SAO	
17428	Ratumaitavui P.	60,557	22.00	04/13	207	28	4,543	4,543	-	No	No	No	Yes	No	Yes	Yes	No
18545	Alifereti P P	75,849	-	04/13	219	29	4,818	-	4,818	No	No	No	Yes	No	Yes	Yes	No
19354	Bolalevu A	36,530	15.00	10/13	207	28	3,112	3,112	-	No	No	No	Yes	No	Yes	Yes	No
41449	Tavaga Sitiveni	20,945	10.00	04/13	183	24	1,830	1,830	-	No	No	Yes	Yes	No	Yes	Yes	No
47366	Tale Setareki	56,419	22.00	04/13	207	28	4,554	4,554	-	No	No	Yes	Yes	No	Yes	Yes	No
49736	Moroivalu L	36,530	15.00	04/13	315	42	4,718	4,718	-	No	No	Yes	Yes	No	Yes	Yes	No
53309	Uraia M.	26,845	10.00	10/13	194	26	1,943	1,943	-	No	No	No	Yes	No	Yes	Yes	No
53345	Vodo Joseva	26,845	10.00	10/13	168	22	1,684	1,684	-	No	No	No	Yes	No	Yes	Yes	No
53361	Abenisiga Alivereti	11,990	9.35	04/13	225	30	2,104	2,104	-	N/A	No	Yes	Yes	N/A	Yes	Yes	No
				14/13	26	3	245	245	-	N/A	No	No	Yes	N/A	No	No	No
53460	Cabenaui Cilia	18,218	14.20	04/13	124	17	1,766	1,766	-	N/A	No	Yes	Yes	N/A	Yes	Yes	No
				14/13	23	3	321	321	-	N/A	No	No	Yes	N/A	No	No	No
53489	Viema V Bainikoro	16,160	12.60	04/13	235	31	2,955	2,955	-	N/A	Yes	Yes	Yes	N/A	Yes	Yes	No
				14/13	35	5	436	436	-	N/A	No	No	Yes	N/A	No	No	No
53509	Peni Koro	20,945	10.00	04/13	202	27	2,023	2,023	-	No	No	Yes	Yes	No	Yes	Yes	No
53683	Nacanieli L.	26,845	10.00	04/13	248	33	2,475	2,475	-	No	No	Yes	Yes	No	Yes	Yes	No
53992	Ruth Estella	20,945	10.00	04/13	187	25	1,865	1,865	-	No	Yes	Yes	Yes	No	Yes	Yes	No
57250	Suka Josefata	26,845	10.00	04/13	211	28	2,113	2,113	-	No	No	Yes	Yes	No	Yes	Yes	No
58039	Laisenia Natila	16,160	12.60	04/13	168	22	2,117	2,117	-	N/A	Yes	Yes	Yes	N/A	Yes	Yes	No
59856	Inoke Roko	16,160	12.60	10/13	171	23	2,155	2,155	-	N/A	No	No	Yes	N/A	Yes	Yes	No
62674	Alumita Odro	10,292	8.02	10/13	232	31	1,865	1,865	-	N/A	No	No	Yes	N/A	Yes	Yes	No
63198	Akeneta C.	16,160	12.60	10/13	181	24	2,281	2,281	-	N/A	No	No	Yes	N/A	Yes	Yes	No
63351	Kalivati Rabuka	16,160	12.60	10/13	118	16	1,487	1,487	-	N/A	No	No	Yes	N/A	Yes	Yes	No
63352	George O.	16,160	12.60	10/13	159	21	2,007	2,007	-	N/A	No	No	Yes	N/A	Yes	Yes	No

EDP#	Name	Annual Salary	Honorary	Pay #	Hours Claimed (A)	Converted to Days – Estimated (A/7.5)	Non-Taxable Allowance Actually Paid	Audit Calculation	Variance Overpayment	Supporting Documents Sighted In Salaries File							Audit Trail to PV
										Memo to PS for Initial overtime approval	Copies from Attendance Register attached & Verified	Overtime Hours Summary Done	Memo to PS Recommending Payment	Memo to PSC or MOF Payment Approval	Overtime Entry Form Filled by Salaries Clerk-Input Form (Form FS04)	Form Verified & Authorized by SAO	
63634	Penijamini Ruru	16,160	12.60	04/13	185	25	2,328	2,328	-	N/A	Yes	Yes	Yes	N/A	Yes	Yes	No
90255	Mesake Seru	10,292	8.02	07/13	173	23	1,387	1,387	-	N/A	Yes	Yes	Yes	N/A	Yes	Yes	No
90670	Joeli Cawaki	60,557	22.00	04/13	347	46	7,623	7,623	-	No	No	Yes	Yes	No	Yes	Yes	No
90862	Asesela Biutivi	16,160	12.60	10/13	153	20	1,930	1,930	-	N/A	No	No	Yes	N/A	Yes	Yes	No
90867	Niumaia Masere	16,160	12.60	04/13	229	31	2,885	2,885	-	N/A	Yes	Yes	Yes	N/A	Yes	Yes	No
				07/13	22	3	277	277	-	N/A	Yes	Yes	Yes	N/A	Yes	Yes	No
				12/13	40	5	506	506	-	N/A	Yes	Yes	Yes	N/A	Yes	Yes	No
91364	Apisai Vularika	16,160	12.60	04/13	244	33	3,074	3,074	-	N/A	No	Yes	Yes	N/A	Yes	Yes	No
				14/13	26	3	326	326	-	N/A	No	No	Yes	N/A	No	No	No
92072	Ilai Moceica	60,557	22.00	10/13	196	26	4,312	4,312	-	No	No	No	Yes	No	Yes	Yes	No
92074	Aliki Tuimakutu	10,724	8.36	10/13	311	41	2,599	2,599	-	N/A	No	No	Yes	N/A	Yes	Yes	No
92511	Jiuta Waqavonovono	16,160	12.60	04/13	233	31	2,936	2,936	-	N/A	No	Yes	Yes	N/A	Yes	Yes	No
				14/13	30	4	378	378	-	N/A	No	No	Yes	N/A	No	No	No
92675	Samuela Kanainaliwa	10,292	8.02	04/13	422	56	3,384	3,384	-	N/A	No	Yes	Yes	N/A	Yes	Yes	No
				12/13	64	9	512	512	-	N/A	No	Yes	Yes	N/A	Yes	Yes	No
92677	Mereoni Sariki	10,292	8.02	04/13	401	53	3,216	3,216	-	N/A	No	Yes	Yes	N/A	Yes	Yes	No
				12/13	63	8	507	507	-	N/A	No	Yes	Yes	N/A	Yes	Yes	No
93062	Irami Lewaravu	16,160	12.60	04/13	228	30	2,867	2,867	-	N/A	No	Yes	Yes	N/A	Yes	Yes	No
				14/13	252	34	3,177	3,177	-	N/A	No	No	Yes	N/A	No	No	No
48251	Mele Lacarua	30,833	10.00	04/13	37	5	365	365	-	No	No	Yes	Yes	No	Yes	Yes	No
92658	Ulamila Bau	10,724	8.36	04/13	112	15	941	941	-	N/A	Yes	Yes	Yes	No	Yes	Yes	No
91200	Filipe Sama	10,292	8.02	04/13	160	21	1,287	1,287	-	N/A	Yes	Yes	Yes	N/A	Yes	Yes	No
62306	Lanieta Sanavitilevu	10,292	8.02	04/13	25	3	203	203	-	N/A	Yes	Yes	Yes	N/A	Yes	Yes	No
Total Overtime Paid to Established Staffs							102,437	97,619	4,818								

Appendix 17.3: Overtime & Meal Claims – Government Wage Earners

Department	EDP#	Name	Pay #	Rate	Normal Time	Excess Normal Time	Time & Half	Double Time	Overtime Paid	Total Hours Claimed for Overtime (A)	Converted to Days - Estimated (A/7.5)	Supporting Documents Sighted							Audit Trail to PV
												Memo for Overtime Approval	Copies from Attendance Register attached & Verified	Overtime Hours Summary Done	Memo to PS for Payment Approval	Memo to PSC MOF for Payment Approval	Overtime Entry Form Filled by Salaries Clerk	Form Authorized by SAO	
HQ-GWE	51957	Kitione Baleilodoni	06/13	4.35	44	-	271	-	1,768	271	36	No	No	No	No	No	No	No	No
			07/13	4.35	44	-	48	50	748	98	13	No	No	No	No	No	No	No	No
			17/13	4.35	44	-	59	20	556	79	10	No	No	No	No	No	No	No	No
	JT754	Filive T.	30/13	5.22	88	44	-	-	230	44	6	No	No	No	No	No	No	No	No
	KG701	Samuela Lacanivalu	06/13	4.35	58	14	73	-	535	87	12	No	No	No	No	No	No	No	No
			07/13	4.35	62	18	17	-	189	35	5	No	No	No	No	No	No	No	No
			09/13	4.35	62	18	-	-	78	18	2	No	No	No	No	No	No	No	No
			14/13	4.35	54	10	-	20	218	30	4	No	No	No	No	No	No	No	No
			46/13	4.35	58	14	-	14	181	28	4	No	No	No	No	No	No	No	No
	LB579	Viliame Seseni	06/13	4.53	44	-	213	-	1,444	213	28	No	No	No	No	No	No	No	No
			07/13	4.53	44	-	31	26	446	57	8	No	No	No	No	No	No	No	No
	LN381	Kitione Save	06/13	4.41	44	-	271	-	1,793	271	36	No	No	No	No	No	No	No	No
			07/13	4.41	44	-	34	26	454	60	8	No	No	No	No	No	No	No	No
	LT198	Iona Walisoliso	06/13	4.18	44	-	239	-	1,500	239	32	No	No	No	No	No	No	No	No
			07/13	4.18	44	-	32	23.75	399	55.75	7.43	No	No	No	No	No	No	No	No
			20/13	4.18	44	-	14	7	147	21	3	No	No	No	No	No	No	No	No
			21/13	4.18	44	-	18	3	141	21	3	No	No	No	No	No	No	No	No
	LT811	Sefanaia Ratulele	06/13	4.43	44	-	294	-	1,954	294	39	No	No	No	No	No	No	No	No
			07/13	4.43	44	-	31	26	436	57	8	No	No	No	No	No	No	No	No
			29/13	4.43	44	-	-	28	248	28	4	No	No	No	No	No	No	No	No
	NS214	Veremo Levani	06/13	4.39	44	-	210	-	1,383	210	28	No	No	No	No	No	No	No	No
			17/13	4.39	44	-	6	25	259	31	4	No	No	No	No	No	No	No	No
			23/13	4.39	44	-	21	16	281	37	5	No	No	No	No	No	No	No	No
			26/13	4.39	44	-	24	12	263	36	5	No	No	No	No	No	No	No	No
	TL694	Saiasi Sarau	06/13	5.34	44	-	258	-	2,067	258	34	No	No	No	No	No	No	No	No
Total Overtime Paid to HQ-GWEs									17,718										

REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF FIJI – SEPTEMBER 2014 _____

Department	EDP#	Name	Pay #	Rate	Normal Time	Excess Normal Time	Time & Half	Double Time	Overtime Paid	Total Hours Claimed for Overtime (A)	Converted to Days - Estimated (A/7.5)	Supporting Documents Sighted							Audit Trail to PV
												Memo for Overtime Approval	Copies from Attendance Register attached & Verified	Overtime Hours Summary Done	Memo to PS for Payment Approval	Memo to MOF for Payment Approval	Overtime Entry Form Filled by Salaries Clerk	Form Authorized by SAO	
CCD-GWE	61743	Joseva Ligadua Matakai	01/13	4.35	44	-	65	82	1,137	147	20	No	No	No	No	No	No	No	No
			10/13	4.35	44	-	85	29	802	113	15	No	No	No	No	No	No	No	No
			16/13	4.35	44	-	73	7	533	79	11	No	No	No	No	No	No	No	No
			18/13	4.35	44	-	88	27	808	115	15	No	No	No	No	No	No	No	No
	HN688	Sefanaia S.	02/13	4.36	44	-	167	-	1,092	167	22	No	No	No	No	No	No	No	No
	JQ442	Ilaitia Tunavava	01/13	4.36	44	-	21	7	200	28	4	No	No	No	No	No	No	No	No
			18/13	4.36	44	-	76	15	632	91	12	No	No	No	No	No	No	No	No
	ML997	Nemani Tuitaunovo	13/13	4.33	44	-	28	8	254	36	5	No	No	No	No	No	No	No	No
			18/13	4.33	44	-	29	14	314	44	6	No	No	No	No	No	No	No	No
			29/13	4.33	44	-	-	-	572	132	18	No	No	No	No	No	No	No	No
	NR847	Misiwaini Ravuca	13/13	4.36	44	-	38	16	388	54	7	No	No	No	No	No	No	No	No
			18/13	4.36	44	-	44	14	406	58	8	No	No	No	No	No	No	No	No
	QU396	Peni H.	16/13	4.35	176	132	19	13	234	31	4	No	No	No	No	No	No	No	No
Total Overtime Paid to CCD-GWEs									7,372										
CND-GWE	21188	Uraia L.	16/13	4.18	44	-	91	-	571	91	12	No	No	No	No	No	No	No	No
	GW607	Timoci Laladidi	16/13	4.33	44	-	48	-	309	48	6	No	No	No	No	No	No	No	No
			43/13	4.33	79	35	-	-	152	35	5	No	No	No	No	No	No	No	No
	LV578	Qionibaravi Ravunidakai	16/13	4.33	44	-	152	-	987	152	20	No	No	No	No	No	No	No	No
			33/13	4.33	299	255	-	-	1,104	255	34	No	No	No	No	No	No	No	No
	MD962	Iliesa M.	16/13	4.33	44	-	111	-	721	111	15	No	No	No	No	No	No	No	No
	QA408	Iowane R.	16/13	4.18	44	-	154	-	966	154	21	No	No	No	No	No	No	No	No
			16/13	4.33	44	-	224	-	1,455	224	30	No	No	No	No	No	No	No	No
	TD190	Lorima Vueta	40/13	4.33	44	-	44	15	416	59	8	No	No	No	No	No	No	No	No
			16/13	4.33	44	-	161	-	1,042	161	21	No	No	No	No	No	No	No	No
	UV568	Deo Dutt	40/13	4.33	44	-	101	11	751	112	15	No	No	No	No	No	No	No	No
			16/13	4.53	44	-	113	-	764	113	15	No	No	No	No	No	No	No	No
	VF823	Jo N.	16/13	4.22	44	-	103	-	652	103	14	No	No	No	No	No	No	No	No
			40/13	4.22	44	-	74	-	471	74	10	No	No	No	No	No	No	No	No
VP230	Birendra Prasad		16/13	4.22	44	-	103	-	652	103	14	No	No	No	No	No	No	No	No
			40/13	4.22	44	-	74	-	471	74	10	No	No	No	No	No	No	No	No

REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF FIJI – SEPTEMBER 2014 _____

Department	EDP#	Name	Pay #	Rate	Normal Time	Excess Normal Time	Time & Half	Double Time	Overtime Paid	Total Hours Claimed for Overtime (A)	Converted to Days - Estimated (A/7.5)	Supporting Documents Sighted							Audit Trail to PV
												Memo for Overtime Approval	Copies from Attendance Register attached & Verified	Overtime Hours Summary Done	Memo to PS for Payment Approval	Memo to MOF for Payment Approval	Overtime Entry Form Filled by Salaries Clerk	Form Authorized by SAO	
	WR625	Rohit Ritesh Kumar	16/13	4.22	44	-	55	-	345	55	7	No	No	No	No	No	No	No	No
			40/13	4.22	44	-	27	4	207	31	4	No	No	No	No	No	No	No	No
	WU079	Tula Raj Naidu	16/13	4.33	44	-	174	-	1,130	174	23	No	No	No	No	No	No	No	No
			40/13	4.33	44	-	108	62	1,234	170	23	No	No	No	No	No	No	No	No
	YH134	Unisi Telei	16/13	4.22	44	-	89	-	563	89	12	No	No	No	No	No	No	No	No
	YQ543	Nemani Qoli	16/13	4.22	44	-	162	-	1,025	162	22	No	No	No	No	No	No	No	No
Total Overtime Paid to CND-GWEs									14,865										
CWD - GWE	HS408	Savenaca Ratubuli	07/13	4.24	62	18	-	-	76	18	2	No	No	No	No	No	No	No	No
			30/13	4.24	176	132	-	-	560	132	18	No	No	No	No	No	No	No	No
			31/13	4.24	62	18	-	-	76	18	2	No	No	No	No	No	No	No	No
	OK822	Kirisitiana Sucuduadua	07/13	4.24	62	18	-	-	76	18	2	No	No	No	No	No	No	No	No
			31/13	4.24	62	18	-	-	76	18	2	No	No	No	No	No	No	No	No
			49/13	4.24	118	74	-	-	314	74	10	No	No	No	No	No	No	No	No
Total Overtime Paid to CWD-GWEs									1,178										
Total Overtime Paid to GWEs									41,133										

Appendix 17.4: Topyard Store at Walubay

Figure 17.1: Damaged and Obsolete Materials on the Yard



Broken Block Pieces



Torn 10,000 Litres Water



Worn out sacks for sands and gravels



Broken Block Pieces



Torn 10,000 Litres Water



Unaccounted sands and gravel slowly depleted during



Figure 17.2: Unaccounted Materials on the Yard



Aluminium Fence



Iron Rods



Concrete Sinks



Concrete Blocks



Sand and Gravels



PVC Pipes

Figure 17.3: Materials Declared Unserviceable in the Storehouse



Hardened Cement



Hardened Cement Powder



Wheel Barrows



Tiles



Sink Basin & Toilet



Screws, Nuts and Bolts



Ready Made Glass Windows & Others



Sink and Ready Made Glass Doors

Figure 17.4: 2011 TC Tomas Rehabilitation Materials



Steel Rods



Aluminium Window Frames



Louver Blades



Pink Primer Paints



Galvanized Nails



Strapping



PVC Joints



Water Tanks

Figure 17.5: 2011 TC Tomas Rehabilitation Materials Worn Out Due to Improper Storage Facility

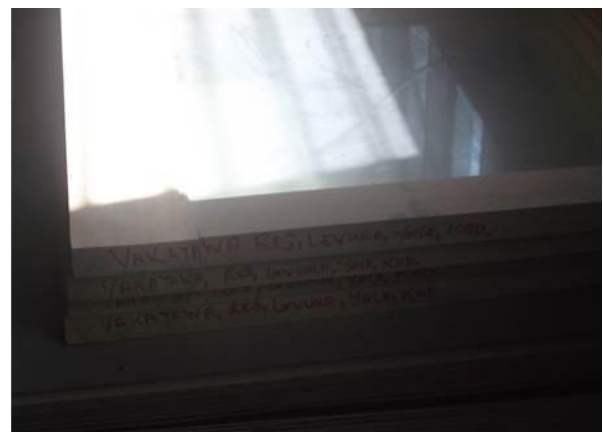


Torn Water Tanks

Figure 17.6: 2009 “Vakatawa” Residence Materials



Ply Boards



Ready Made Doors



Nails



Concrete Blocks

Appendix 17.5: Project Physical Status Upon Site Visit

Figure 17.7: Cuvu Health Centre



Cuvu Health Centre plumbing work not completed as at site visit 30/01/14 though it was recorded 100% physical complete on 31/12/13.

Figure 17.8: Assistant District Officer (ADO) - Korolevu Government Station



ADO Korolevu Government Station Grade IV Quarter's work was still in progress as at site visit 30/01/14 and also road work was still incomplete. This was contrary to the recorded physical status of 100% completion as at 31/12/13.

Figure 17.9: Keiyasi Health Centre



Keiyasi Health Centre was completed as at site visit 07/02/14 but with 2 major defects as shown in the above pictures;

1. The 2 wards have no electricity power points. This is an essential device to supply electricity to run the machines but unfortunately it was not included in the building plan.
2. The septic tank socket was not complete resulting in waste spilt as evidence in the above pictures.

Figure 17.10: Mare Access Road



Mare Access Road is about 7km in length and was allocated \$100,000 for its upgrading. Upon site visit on 01/02/14, the audit noted that work was unsatisfactory due to limited fund as advised by the District Officer Nadarivatu. Several defects were noted as evidenced in the above pictures as per observation noted below:

1. There was no gravel as only soap stone were used to cover the newly constructed road;
2. Poor drainage system;
3. Damaged Iris Crossing not repaired as vehicles tend to cross the river.

Appendix 17.6: TC Evans Housing Rehabilitation Materials Not Received**Table 17.46: Materials Received and Not Received by Apisalome Talei**

Materials	Amount (\$)	Received
1. 3 Tr Pine Post 3.0x100 H4	107.82	√
2. 20mtr NZ Radiata Pine Tr Framing RS H3 CCA TW 100x50	110.00	√
3. 5.10 mtr Tr Pine 150x50	40.39	√
4. 14mtr Tr Pine 250x25	99.82	√
5. 6 sheets 14'Zincalume Corr R/Iron 0.42mm BMT	277.20	√
6. 106.75 mtr Trimdek Colorbond Roofing Iron 26g-mtr	1,704.00	X
7. 1 kg Galv Clout Nails (1 ½ inchx3.15mmx1kg)	7.09	X
8. 705 Roofing Screw Type 17 (14x65) complete	387.75	√
9. 1 Coil Builders Strapping (25mmx27mtrs)	22.80	√
10. 2 Marley Right Hand Stop End MS4	2.20	X
11. 2 Marley Left Hand Stop End MS3	2.20	X
12. 1 Gallon 4litre No Frill Enamel Pink Primer	29.00	√
13. 1 Gallon 4litre No Frill Enamel Under Coat	29.00	√
14. 1 Gallon 4litre No Frill High Gloss White	33.71	√
15. 97 Pryda Knuckle Nail plate 76mm x 127mm MP4R10	242.50	X
16. 49 Pryda Knuckle Nail plate 76mm x 190mm MP6R10	131.81	X
17. 12 length Marley Storm Cloud Guttering (2.9mtrs) MS1.2.9.E	284.40	X
18. 2 length Down Pipe (80mmx5.6mtrs)	40.78	X
19. 30 mtrs NZ Radiata Pine Tr Framing RS H3 CCA TW 75X50	130.50	√
20. 5.10 mtr Tr Pine 250x25	36.36	X
21. 1 Galaxy Crown Paint Brush 628 (4 inch) 11-18	3.50	√
22. 30 Marley Gutter Brackets MS2	30.00	X
23. 156 mtr Tr Pine 100x25	475.80	X
24. 36mtr Flooring Pine 100x25 Tr H3 KD	103.68	X
TOTAL	4,332.31	

√ ⇒ Total Material Value Received: \$1,271

X ⇒ Total Material Value Not Received: \$3,061

Table 17.47: Materials Received and Not Received by Arun Reddy

Materials	Amount (\$)	Received
25. 4 Fiji Pine Post (2.4x125)	143.76	√
26. 119 mtrs NZ Radiata Pine Tr Framing RS H3 CCA 100x50 (4x2)	632.74	√
27. 45 mtr Tr Pine 100x25	137.25	√
28. 25 mtr Tr Pine 250x25	178.25	√
29. Utility Pine Weatherboard (150x25)	1,281.58	√
30. 5 Sheet Zinc Corr Roofing Iron (29'x26g)	507.50	√
31. 106.75 mtr Colorbond Trimdek Roofing Iron 26g	1,704.00	X
32. 2 kg Jolt Head Galv Nails (6 inchx5.60mmx1kg)	10.78	√
33. 4 kg Jolt Head Galv Nails (4 inchx4.50mmx1kg)	17.52	√
34. 3 kg Jolt Head Galv Nails (3 inchx3.75mmx1kg)	13.14	√
35. 4 kg Jolt Head Galv Nails (2 inchx2.80mmx1kg)	17.52	√
36. 2 kg Galv Clout Nails (1 ½ inchx3.15mmx1kg)	14.18	√
37. 500 Roofing Screw Type 17 (14x65) Complete	250.00	√
38. 2 Coil Builders Strapping (25mmx27mtrs)	45.60	√
39. Clear Louvre Glass (24 inch x 6 inch x 5mm)	123.00	√
40. Interior Ply Board (2100x900x35mm)	137.20	X

Materials	Amount (\$)	Received
41. 3 Gallon No Frill Enamel Pink Primer (4ltrs)	88.50	√ - 2 received
42. 3 Gallon No Frill Enamel Under Coat (4ltrs)	88.50	√
43. 3 Gallon Ezi Cover H/gloss B/base (4ltrs)	198.00	√
44. 4 Sheet 9' Zinalume Corr R/Iron 0.42mm BMT	108.00	√
45. 53 mtr NZ Radiata Pine Tr Framing RS H3 CCA TW 100x50	291.50	√
46. 14 Pair Winlok Double Alum L/Frame (8 Blades)	268.10	√
47. 2 Galaxy Crown Paint Brush 628 (4 inch) 11-18	7.00	√ - 1 received
48. 2 Galaxy Crown Paint Brush 628 (2 inch) 11-15	3.00	√ - 1 received
49. 1 Set Galaxy Roller Tray Kit Set (9 Inch) 11-25	8.50	√
50. 2 Can Metal Antirust Primer Red (1ltr)	31.80	√
TOTAL	6,306.92	

√ ⇒ Total Material Value Received: \$4,466

X ⇒ Total Material Value Not Received: \$1,841

Table 17.48: Materials Received and Not Received by Kamal Krishna Goundar

Materials	Amount (\$)	Received
51. 45 mtr Tr Pine 50mmx50mm	118.35	√
52. 9 Sheet Interior Ply Board (2440x1220x4.5mm) Okume	216.90	X
53. 5 Sheet 10' Zinalume Corr R/Iron 0.42mm BMT	150.00	√
54. 5 Sheet 12' Zinalume Corr R/Iron 0.42mm BMT	180.00	√
55. 11 Sheet 16' Zinalume Corr R/Iron 0.42mm BMT	580.80	X
56. 18 Sheet 12' Zinalume Corr R/Iron 0.42mm BMT	712.80	X
57. 4 kg Jolt Head Galv Nails (4 inch x 4.50mm x 1kg)	18.36	√
58. 3 kg Jolt Head Galv Nails (3 inch x 3.75mm x 1kg)	13.77	√
59. 1 kg Jolt Head Galv Nails (2 inch x 2.80mm x 1kg)	4.59	√
60. 2 kg Jolt Head Galv Nails (1 ½ inch x 2.00mm x 1kg)	12.70	√
61. 705 Roofing Screw Type 17 (14x65) Complete	387.75	√
62. 1 Coil Builders Strapping (25mmx27mtrs)	22.80	√
63. 3 Can Metalprep Antirust Primer Red (1ltr)	47.70	X
64. 40 mtrs NZ Radiata Pine Tr Framing RS H3 CCA TW 75x50	174.00	√
65. 1 kg Flat Head Zinc Panel Pins (1inchx1.6mmx1kg)	7.21	√
66. 1 kg Flat Head Zinc Panel Pins (1inchx1.6mmx1kg)	7.21	√
TOTAL	2,654.94	

√ ⇒ Total Material Value Received: \$1,097

X ⇒ Total Material Value Not Received: \$1,558

Table 17.49: Materials Received and Not Received by Laisenia Rasaga Tora

Materials	Amount (\$)	Received
67. 40.20 mtrs NZ Radiata Pine Tr Framing RS H3 CCA TW 100x50	221.10	X
68. 24 mtr Tr Pine 250x25	171.12	X
69. 72 mtr Tr Pine 50mmx50mm	189.36	X
70. 6 Sheet Interior Ply Board (2440x1220x4.5mm) Okume	144.60	X
71. 6 Sheet 13' Zinalume Corr R/Iron 0.42mm BMT	249.60	X
72. 10 Sheet Zinalume Corr Roofing Iron (26gx21') 0.42mm BMT	672.00	X
73. 10 Sheet 12' Zinalume Corr R/Iron 0.42mm BMT	384.00	√
74. 14 Lth Zinalume Standard Flashing Corr 6 Ft 0.50mm (1.8mtr)	81.62	X
75. 1 kg Jolt Head Galv Nails (6inchx5.60mmx1kg)	5.90	X
76. 1 kg Jolt Head Galv Nails (4inchx4.50mmx1kg)	4.59	X

Materials	Amount (\$)	Received
77. 550 Roofing Screw Type 17 (14x65) Complete	302.50	√
78. 1 Coil Builders Strapping (25mmx27mtrs)	22.80	X
79. 30 Clear Louvre Glass (24inchx6inchx5mm)	36.90	X
80. 1 Gallon No Frill Enamel Mission Brown (4ltrs)	35.42	√
81. 6 Lth Marley Storm Cloud Guttering (2.9mtrs) MS1.2.9.E	142.20	X
82. 32 mtr NZ Radiata Pine Tr Framing RS H3 CCA TW 75x50	139.20	X
83. 36 Marley Gutter Brackets MS2	36.00	X
84. 5 Marley Plain Joiners MS5	7.20	X
85. 2 Marley Right Hand Stop End MS4	2.20	X
86. 2 Marley Left Hand Stop End MS3	2.20	X
87. 20 mtr Tr Pine 200x25	115.00	√
88. 3 Pair Winlok Double Alum L/Frame (8 Blades)	57.45	X
TOTAL	3,022.96	

√ ⇒ Total Material Value Received: \$837

X ⇒ Total Material Value Not Received: \$2,186

Table 17.50: Materials Received and Not Received by Mere Mara

Materials	Amount (\$)	Received
89. 9 mtr Tr Pine 200x25	51.75	√
90. 319 mtr Trimdek Colorbond Roofing Iron 26g-mtr	5,423.00	X
91. 20 sheet 11' Zinalume Corr R/Iron 0.42mm BMT @ 35.20	704.00	√ -only 3 received
92. 2 sheet 17' Zinalume Corr R/Iron 0.42mm BMT @ 54.40	108.80	√
93. 1 Zinalume Ridge Cap Plain 6 ft 0.50mm (1.8mtr)	11.04	√
94. 3 Zinalume Standard Flashing Corr 6 Ft 0.50mm (1.8mtr)	17.49	√
95. 2 kg Jolt Head Galv Nails (4 inchx4.50mmx1kg)	9.00	√
96. 2 kg Jolt Head Galv Nails (3 inchx3.75mmx1kg)	9.00	√
97. 1 kg Galv Clout Nails (1 ½ inchx3.15mmx1kg)	6.50	√
98. 500 Roofing Screw Type 17 (14x65) Complete @ 0.60 - (Estimated receive 70)	300.00	√
99. 1 coil builders strapping (25mmx27mtrs)	22.80	√
100. 1 gallon No Frill Enamel Pink Primer (4ltrs)	29.55	√
101. 1 gallon No Frill Enamel Under Coat (4ltrs)	29.55	√
102. 9 gallon No Frill Enamel Mission Brown (4ltrs)	318.78	X
103. 18mtrs NZ Radiata Pine Tr Framing RS H3 CCA TW 75x50	78.30	√
TOTAL	7,119.56	

√ ⇒ Total Material Value Received: \$521

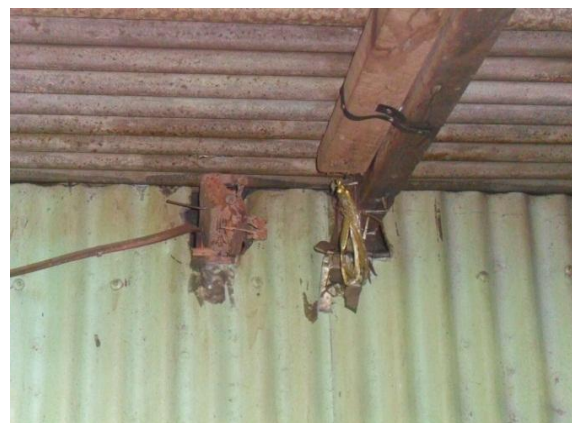
X ⇒ Total Material Value Not Received: \$6,598

Appendix 17.7: Tropical Cyclone (TC) Evans Victim Not Assisted

Figure 17.11: TC Evans Victims Not Assisted – Jardishwar Prasad



Sabra Bi – Jadishwar Prasad's Wife



Upon site visit on 31/01/14, the audit noted that Jardishwar Prasad's house was leaking all over the place. This had resulted from the damaged roof caused by Cyclone Evans. For temporary measure they have placed the damaged roof back by tying it with ropes. This however is not secured and the damaged roofs continue to leak in rainy days. Mr. Prasad went and seek assistance from Commissioner Western Division but no help has been given till to date.

Section 18 **Fiji Military Forces**

Role and Responsibilities

The Fiji Military Forces is charged with, and responsible for, the defense and state security of Fiji in the maintenance of law and order in land and sea and maritime surveillance of Fiji's maritime zone. It also provides forces to international peacekeeping operations in line with Government foreign policy on world peace, improves the living standards of rural community through infrastructure development and youth training of life skills provided by the Engineering Corp. It also provides coast radio station to all vessels within Fiji waters – as required under the International law of sea and provides shipping services to maritime zone and survey and charting of Fiji waters.

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PART A: FINANCIAL STATEMENTS

18.1 Audit Opinion

The audit of the 2013 accounts of the Fiji Military Forces resulted in the issue of a qualified audit report. The issues qualified are as follows:

- The Force did not include the RFMF Engineers Project Fund Account in its Agency Financial Statements for the year ended 31 December 2013. This account is also not recorded in the general ledger. In addition, the Force did not prepare bank reconciliations for the account with a cash at bank balance of \$2.6 million as at 31 December 2013 contrary to section 32 (6) of the Finance Instructions 2010.

- The Force did not prepare bank reconciliations for the Hydrographic Unit Trade and Manufacturing Account bank with a total balance of \$114,873 contrary to section 32 (6) of the Finance Instructions 2010.

Management attention was also drawn to the following matters:

- The Force did not reconcile the expenditure in the Financial Management Information System (FMIS) general ledger as no expenditure ledger was maintained. The Force prepared its financial statements from the FMIS general ledger.
- In accordance with Note 2(a) on basis of accounting, total expenditure included a book entry for a budget carry-over of \$3.9 million to be spent in 2014. Consequently, total expenditure for the year ended 31 December 2013 has been overstated by the same amount.

18.2 Statement of Receipts and Expenditure

The Force collected revenue totaling \$0.3 million and incurred expenditure totaling \$126.8 million in 2013. Refer Table 18.1 below for details.

Table 18.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
State Revenue	97,768	84,924
Agency Revenue	208,646	526,834
TOTAL REVENUE	306,414	611,758
EXPENDITURE		
Operating		
Established Staff	96,844,041	86,486,170
Government Wage Earners	334,139	1,981,985
Travel and Communications	1,305,826	1,182,266
Maintenance and Operations	3,597,332	6,622,065
Purchase of Goods and Services	5,167,163	4,214,796
Operating Grants and Transfers	0	736,400
Special Expenditures	13,389,831	770,668
Total Operating Expenditure	120,638,332	101,994,350
Capital Expenditure		
Construction	2,847,440	1,447,433
Purchases	674,107	240,725
Total Capital Expenditure	3,521,547	1,688,158
Value Added Tax	2,687,153	2,364,117
TOTAL EXPENDITURE	126,847,032	106,046,625

The decrease in total revenue by 50% compared to 2012 resulted mainly from the decrease in revenue from freight and carriage due to the transfer of the Government Shipping Services to the Ministry of Works, Transport and Public Utilities in 2013.

Total expenditure increased by \$20.8 million or 20% in 2013 compared to 2012. Changes in expenditure for 2013 include the following:

- The Established Staff costs increased by \$10.4 million or 12% in 2013 mainly due to the payment of location allowance, service allowance and lodging allowance for troops deployed to Golan Heights.

- The Government Wage Earners costs decreased by \$1.6 million or 83% in 2013 due to the transfer of Government Shipping Services to the Ministry of Works, Transport and Public Utilities.
- The Travel and Communication costs increased by \$0.12 or 10% in 2013 due to the increase in payment of subsistence allowance, travel charges and payment of daily allowance to officers undertaking overseas training.
- The Maintenance and Operation costs decreased by \$3 million or 46% in 2013 due to expenses associated with ship maintenance removed on the transfer of Government Shipping Services to the Ministry of Works, Transport and Public Utilities.
- The Purchase of Goods and Services costs increased by \$0.95 million or 23% in 2013 due to expenses associated with preparing troops deployed to Golan Heights.
- The Operating Grants and Transfers costs decreased by \$0.74 million or 100% in 2013 due to the transfer of the shipping franchise grant to the Ministry of Works, Transport and Public Utilities.
- Special expenditure increased by \$12.6 million due to the inclusion of budget allocated for the deployment of troops to the Golan Heights. The amount included a budget carry-over of \$2 million for the peacekeeping mission in 2014.
- Capital construction increased by \$1.4 million or 97% compared to 2013 due to the inclusion of new capital projects undertaken in 2013, which included the upgrading of the Sukanaivalu Barracks, Logistics Support Unit and other infrastructure and amenities. The expenditure also included a budget carry-over of \$1 million for the Kula Petrol Boat Life Extension Programme.
- Capital purchases increased by \$0.4 million or 180% compared to 2012 due to procurement of new hydrographic equipment, kitchen equipment and computers. The expenditure also included a budget carry-over of \$0.2 million for purchases of additional hydrographic equipment in 2014.
- VAT expenditure included a book entry for a budget carry-over of \$0.51 million to be spent in 2014.

18.3 Appropriation Statement

The Force incurred expenditure totaling \$126.8 million against the budget of \$133.1 million resulting in savings of \$6.3 million. Details of expenditure against the budget estimates are provided in Table 18.2.

Table 18.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	Operating Expenditure					
1	Established Staff	87,549,505	9,726,703	97,276,208	96,844,041	432,167
2	Government Wage Earners	228,970	101,382	330,352	334,139	(3,787)
3	Travel & Communications	1,129,255	204,690	1,333,945	1,305,826	28,119
4	Maintenance & Operations	3,781,208	239,918	4,021,126	3,597,332	423,794
5	Purchase of Goods & Services	5,711,634	(59,108)	5,652,526	5,167,163	485,363
6	Operating Grants & Transfers	0	0	0	0	0
7	Special Expenditures	1,209,500	13,229,591	14,439,091	13,389,831	1,049,260
	Total Operating Expenditure	99,610,072	23,443,176	123,053,248	120,638,332	2,414,916
	Capital Expenditure					
8	Construction	3,550,000	(312,861)	3,237,139	2,847,440	389,699
9	Purchases	1,190,000	(509,817)	680,183	674,107	6,076
	Total Capital Expenditure	4,740,000	(822,678)	3,917,322	3,521,547	395,775
13	Value Added Tax	2,485,800	3,651,824	6,137,624	2,687,153	3,450,471

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	TOTAL EXPENDITURE	106,835,872	26,272,322	133,108,194	126,847,032	6,261,162

In 2013, Cabinet approved the redeployment of \$0.9 million from the Force's budget and \$27.2 million from the budget of other Ministries and Departments to the Force.

18.4 Consolidated Trading and Manufacturing Account

Table 18.3: Manufacturing Account

Manufacturing Account	2013 (\$)	2012 (\$)
Opening Raw Material	5,950	5,950
Add: Purchases	0	0
Less: Closing Raw Materials	5,387	5,950
Raw Material Used	563	0
Add: Direct Labour	42,488	16,137
Cost of Goods Manufactured transferred to Trading Account	43,051	16,137

Table 18.4: Trading Account

Trading Account	2013 (\$)	2012 (\$)
Sales	1,663,809	1,729,863
Opening Finished Goods	12,322	9,552
Add: Cost of Manufactured Goods	43,051	16,137
Less: Closing Finished Goods	8,062	12,322
Cost of Goods Sold	47,311	13,367
Gross Profit/(Loss) transferred to Profit & Loss Statement	1,616,498	1,716,496

Table 18.5: Profit & Loss Statement

Profit and Loss Statement	2013 (\$)	2012 (\$)
Income		
Gross Profit transferred from Trading A/C	1,616,498	1,716,495
Other Income	0	3,940
Total Income	1,616,498	1,720,435
Expenses		
Travel & Communication	0	89,039
Maintenance & Operation	882,431	803,013
Other Expenses	638,854	384,180
Special Expenses	135	3,140
VAT	0	0
Total Expense	1,521,420	1,279,372
Net Profit/(Loss)	95,078	441,063

Table 18.6: Balance Sheet

Balance Sheet	2013 (\$)	2012 (\$)
Assets		
Cash at Bank	531,745	1,169,500
Accounts Receivable	289	289
Inventory	13,449	18,272
Total Assets	545,483	1,188,061
Liability		
VAT on Revenue	(78,299)	63,376
Accrued Expenses	100,000	546,126
Total Liability	21,701	609,502
Equity		
TMA Accumulated Surplus	745,631	650,553
TMA Surplus	(221,849)	(71,994)
Total Equity	523,782	578,559
Total Equity and Liability	545,483	1,188,061

PART B: AUDIT FINDINGS

18.5 Expenditure Ledger Not Maintained

All payments, including VAT, must be immediately recorded in the Financial Management Information System (FMIS) and an Expenditure Ledger.¹

A ledger shall be maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts, and expenditure and commitment accounts.² Any transaction raised affecting these accounts shall be entered in the appropriate ledger.³

The audit noted that the Force did not maintain an expenditure ledger for 2013. As a result, the Force could not reconcile the expenditure in the FMIS general ledger maintained by the Ministry of Finance.

The audit was not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

Recommendation

The Force should maintain an expenditure ledger and reconcile it with the FMIS general ledger on a monthly basis.

Management Comment

OAG findings and recommendations are acknowledged. The Commitment and Expenditure Ledgers are kept by the RFMF Cost Centres and are maintained by the unit's purchasing serving personal. They are responsible for the updating and reconciling with FMIS on monthly basis and the regular clearance of liabilities.

¹ Finance Instructions 2010 - Section 15

² RFMF Finance Manual 2011 –Section 6.3.1

³ RFMF Finance Manual 2011 – Section 16.3.2

18.6 Carried–Over Funds

If an amount appropriated by an Annual Appropriation Act for a financial year has not been used in that financial year; or is unlikely to be used in that financial year, the Minister may authorise the carry-over to the following year of all or part of the unused appropriation that relates to known liabilities as at a particular date, and the amount authorised for carry-over may be used accordingly in that following year, subject to such conditions as the Minister specifies in the authorisation.⁴

The amount authorised for carry-over under subsection (1), reduced if and as required under subsection (2), is appropriated for the year in which it is used, without further appropriation than this Act.⁵

A sum of \$3,900,342 was approved by the Ministry of Finance as carry-over funds to be utilized in 2014 for the purpose shown in Table 18.7 below.

Table 18.7: Carried – Over Funds

Allocation	Description	Amount (\$)
1-19101-19999-079938	Golan Heights	2,067,615.00
1-19105-19999-080132	Kula Patrol Boat Life Extension Programme	1,058,894.63
1-19101-19999-090133	Procurement of Hydrographic Equipment	265,091.51
1-19105-19999-130101	Value Added Tax	198,599.09
1-19101-19999-130101	Value Added Tax	310,142.25
Total		3,900,342.48

The audit noted that the amount was disclosed in the general ledger (FMIS) and the Agency Financial Statement as actual expenditure incurred for the year ended 31 December 2013.

As a consequence, the total expenditure for the Force was overstated by \$3,900,342.

Recommendation

The FMF should ensure that it complies with the Financial Management Act and the Carry over Policy with regards to carry over funds.

Management Comment

Comments are noted. Application for carry-over of funds was approved by the Ministry of Finance.

18.7 RFMF Engineers Project Fund Account

A bank account for public money, other money or trust money must only be established with the approval of the Chief Accountant, who must inform the bank of the agency officers authorised to

⁴ Financial Management Act 2004 – Section 19(1)

⁵ Financial Management Act 2004 – Section 19(3)

operate on it.⁶ All bank accounts must be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by the responsible officer.⁷

A sum of \$2.6 million is held in a bank account with the Bank of South Pacific (BSP) under the *RFMF Engineers Project Fund Account*⁸ as at 31 December 2013. These are funds received from Ministries/Departments for capital works to be undertaken by the RFMF engineers. Refer Table 18.8 for details of balance held over the four year period:

Table 18.8: Cash at Bank Balances – RFMF Engineers Project Fund Account

Year Ended	Amount (\$)
2013	2,586,603
2012	3,605,420
2011	1,922,049
2010	No bank statement
2009	44,045

The audit noted the following anomalies:

- There was no evidence provided during the audit to indicate that approval was sought from the Ministry of Finance for the operation of the account;
- The bank 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 fund to record its revenues, expenditures, assets and liabilities;
- Annual Agency Financial Statement submitted for audit did not include the receipts and payments for the RFMF Engineers Project Fund.

Proper records were not maintained for the funds as the fund was administered and maintained separately by the engineers (army personnel) who lack accounting knowledge and practices.

Recommendations

- **The Principal Account Officer should access and maintain the records of the RFMF Engineers Project Fund to ensure proper documentation, reporting and accountability.**
- **The Principal Accounts Officer should provide the authority for the operation of the bank account and liaise with the Ministry of Finance to establish a general ledger account in the FMIS.**
- **The Principal Accounts Officer should ensure that monthly bank reconciliations are carried out.**

Management Comment

OAG findings and recommendations are noted. The Force is in the process of formalising the operation of this private bank account with the Ministry of Finance and the Officers concerned have been advised accordingly to prepare monthly bank reconciliation and submitted to PAO for verifications and monitoring of funds (Annexure 2).

⁶ Finance Instruction 2010 – Section 32 (1)

⁷ Finance Instruction 2010 – Section 32 (6)

⁸ BSP Bank Account Number 6652519

18.8 Drawings Account

The *Manager Finance* is responsible for the safekeeping and proper maintenance of all accounting records or documents.⁹ Agencies are required to prepare monthly reconciliations to address the differences between the department records and the government ledger.¹⁰

The audit noted the following anomalies in the drawings account reconciliation:

- An un-reconciled variance of \$31,557 was noted between the December reconciliation statement prepared by the Force (\$2,139,824.87) and the general ledger balance (\$2,171,381.79).
- Reconciliation was not carried out on a monthly basis. Instead, a three months reconciliation was prepared for the months of February, March and April and 2 months reconciliation were prepared for September to October and another for the months of November to December.
- Stale cheques totalled \$5,134 as at 31 December 2013.

In spite of the anomalies, the drawings account reconciliations have been certified by the Principal Accounts Officer and Chief of Staff.

The above indicate lack of care and due diligence exercised to reconcile account balances for the year. Monthly reconciliations are important to identify errors early for immediate actions and a form of monitoring

Recommendation

The Principal Accounts and Chief of Staff should ensure that all account reconciliations are checked thoroughly and variances noted are rectified accordingly.

Management Comment

The Force acknowledges the findings and recommendation. In December 2013 the Ministry of Finance introduced a new format for the Drawings Reconciliation statement thus the Force was required to redo the reconciliations from January 2013. Due to the short period with which to comply with the timelines given by the MOF for the closure of 2013 accounts, the Force had to consolidate its monthly reconciliation statement. Reconciliations and clearance of stale cheques will be conducted on monthly basis in 2014.

All care and diligence was taken by RFMF management when certifying the drawings account reconciliation as the amount \$2,139,824.87 reflects the UP listing which is reconciled against SI Report dated 19 March 2014. The variance reported above is due to audit adjustments made after closing of accounts. RFMF will submit an updated reconciliation.

18.9 Revolving Fund Account

The Accounting Head is responsible for the safekeeping and proper maintenance of all accounting records or documents.¹¹ Within 3 days of receiving the monthly general ledgers reports from the Ministry of Finance, the *Accounts Officer* shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement.¹² Travel advances must be recouped within 7 days of the completion of travel by submission of a voucher with documents to support the claim.¹³

⁹ Force Finance Manual 2011 – Section 18.1.3

¹⁰ Finance Circular 20/2007

¹¹ Finance Manual – Part 18: Miscellaneous – Section 18.1.3

¹² Finance Manual 2011 –Section 16.3.3

¹³ Finance Instructions 2010 – Section 44, subsection 3.

The audit noted the advance account had a credit balance of \$403,951 which had been carried forward from previous years. No action had been done by the accounting officers to clear this credit balance. The non-clearance of balances from RFA account overstates the account balance of the Ministry.

Recommendation

The Accounting Head should ensure that credit balance is adjusted in consultation with Ministry of Finance.

Management Comment

OAG findings and recommendations are acknowledged. The Force in consultation with MOF will reconcile and make adjustments of the credit balance of \$403,951 as recommended.

18.10 Overdrawn Trust Fund Accounts

Trust Fund Accounts compromise monies, which are not the property of the state and not utilized for the purpose of government. In addition, Trust money is to be accounted for separately from public money and other money,¹⁴ and by convention should always have credit balances. Thus, the trust fund accounts should not at any time be overdrawn.¹⁵

The Force Operating Trust Fund Accounts had overdrawn balances totaling \$6,004,162 as at 31 December 2013 compared to \$5,784,111 in 2012. Refer to Table 18.9 below for details.

Table 18.9: Overdrawn Operating Trust Fund Accounts

Account	Description	2013 (\$)	2012 (\$)
1-19101-19999-861104	208 PD RENT H/A UNEST	0	2,260.49
1-19101-19999-861105	267 PD RENT PUBLIC RENTAL BRD	0	1,554.35
1-19101-19999-861106	390 PD GOV WATER RATES CHRGS	0	11,158.81
1-19101-19999-861202	241 PD CMLA	67,118.67	66,815.62
1-19101-19999-861204	244 PD-LICI	99,109.15	101,346.99
1-19101-19999-861207	247 PD BLUE SHIELD	0	183.42
1-19101-19999-861299	XXX PD OTHERS	365,748.08	365,461.01
1-19101-19999-861306	263 PD HOUSING AUTHORITY	12,887.08	12,902.08
1-19101-19999-861308	266 PD FDB HOUSING	0	23,985.10
1-19101-19999-861401	068/211 PD RENT REFUND	0	78,819.02
1-19101-19999-861402	203PD RENT ARREARS	10.91	0
1-19101-19999-861511	301 PD FPS CREDIT UNION	0	12,978.37
1-19101-19999-861514	304 PD FIJI NURSING & ASS. CU	0	1,295.00
1-19101-19999-861520	311 PD SAVUSAVU CREDIT UNION	0	439.20
1-19101-19999-861525	316 PD SERVICE WORKER CU	0	62.95
1-19101-19999-861532	YYY PD PUBLIC EMPLOYEE UNION	226.20	211.20
1-19101-19999-861534	254 PD UNITY INSURANCE- FTU	0	15.00
1-19101-19999-861535	DOMINION FINANCE LIMITED	0	2,215.75
1-19101-19999-861599	XXX PD OTHERS0	1,003,271.40	1,004,006.40
1-19101-19999-861601	341 PD MAINT-SUVA	14,427.94	14,473.44
1-19101-19999-861602	342 PD MAINT-NAUSORI	0	302.30

¹⁴ Financial Management Act 2004 – Section 25 (1)

¹⁵ Finance Circular No. 4/98 of 30/03/98

Account	Description	2013 (\$)	2012 (\$)
1-19101-19999-861605	345 PD MAINT-BA	424.00	324.00
1-19101-19999-861606	346 PD MAINT-LAUTOKA	0	1,474.00
1-19101-19999-861607	347 PD MAINT-NADI	0	400.00
1-19101-19999-861608	348 PD MAINT-SIGATOKA	0	325.00
1-19101-19999-861609	349 PD MAINT-LABASA	0	693.00
1-19101-19999-861610	350 PD MAINT-LEVUKA	0	60.00
1-19101-19999-861614	355 PD MAINT-SUVA DOMESTIC	0	60.00
1-19101-19999-861701	357 PD RATES-SUVA	4,892.46	6,554.96
1-19101-19999-861702	364 PD RATES-NAUSORI	0	808.31
1-19101-19999-861706	361 PD RATES-LAUTOKA	0	24.99
1-19101-19999-861707	360 PD RATES-NADI	0	38.00
1-19101-19999-861716	XXX PD RATES-NASINU	2,659.38	35,049.38
1-19101-19999-861799	XXX PD RATES-OTHER	0	1,194.88
1-19101-19999-861801	410 PD RENT SPECIAL GRADE	0	2,387.78
1-19101-19999-861901	201 PD TAX ARREARS / PAYE	371,565.83	360,086.14
1-19101-19999-861902	204 PD DEPST A/C RECOVERABLE	10,063.00	2,338.00
1-19101-19999-861906	335 PC CAMV	3.13	0
1-19101-19999-861911	385 PD SPORTS & SOCIAL	0	5,832.85
1-19101-19999-861913	387 PD RFA IDC SALARIES	0	62,473.63
1-19101-19999-861915	400 PD FINES & TREASURY	18.78	0
1-19101-19999-861920	501 P D EMPLOYEES FNPF	3,866,658.08	3,451,005.64
1-19101-19999-861924	MPAISA	314.74	0
1-19101-19999-861999	YYY PAYROLL DEDUCTION MISCEL	171,989.88	150,563.51
1-19101-19999-863201	VAT ON REVENUE	12,773.49	1,930.02
Total		6,004,162.2	5,784,110.59

Most of the overdrawn balances were brought forward from previous years and could be due to mis-postings made to the account.

Recommendations

- **The Accounting Head should ensure that the Trust Funds are not overdrawn at any time.**
- **The Accounting Head should investigate these overdrawn (debit) Trust Funds and take appropriate action.**
- **Internal Control procedures such as supervisory checks in the Accounts Section should be strengthened to avoid such anomaly.**

Management Comment

OAG comments and recommendations are noted. Overdrawn Trust Fund Accounts were carried forward from previous years but with the supervision of the PAO, the Force will streamline and continue to reconcile accounts and make necessary adjustments accordingly.

18.11 Delays in Lodgement of Revenue to the Bank

The *Cashier* shall bank money received on a daily basis at least.¹⁶ If it is not practical to bank money daily i.e. if banking facilities are not accessible or money received is less than \$50, money may be kept overnight, but it must be kept under lock and key in a safe or strong box.¹⁷

The following anomalies were noted:

- Considerable delays in the lodgement of revenue collected at the hydrographic unit. Refer to the Table 18.10 for details.

Table 18.10: Delays in Lodgement

Revenue Receipt No.	Date	Amount (\$)	Date Deposited
848551 – 848566	09/01/13 – 30/01/13	1,392.00	06/02/13
848567 – 848571	18/02/13 – 19/03/13	282.00	26/03/13
848577 – 848582	29/05/13 – 21/06/13	11,858.65	07/03/12
848588, 848592	22/09/13, 13/11/13	2,754.00	14/11/13
848593	29/11/13	920.00	Not yet deposited as at 09/01/2014

- The following receipts were deposited in the consolidated fund account instead of the TMA bank account.

Table 18.11: Receipts Deposited in Consolidated Fund Account

Date	Revenue Receipt Number	Amount (\$)
06/08/13	848587	108.00
03/10/13	848589	34.00
21/10/13	848590	12.00
30/10/13	848591	1,956.00

- The following receipts were not lodged in either the consolidated fund or the TMA bank account.

Table 18.12: Receipts not Lodged

Date	Revenue Receipt Number	Amount (\$)
26/03/13	848572	920.00
26/03/13	848573	54.00
10/04/13	848574	132.00
30/04/13	848575	108.00
16/05/13	848576	17.00
Total		1231.00

Explanation revealed that the receipts were mistakenly deposited into the Navy Sports Fund. However, the amount is yet to be reimbursed to the TMA bank account. The bank reconciliation for the TMA account was also not prepared.

¹⁶ RFMF Finance Manual – Section 4.4.1

¹⁷ RFMF Finance Manual – Section 4.4.6

Government regulations relating to cash received and deposit to the bank were not followed which increases the risk of misappropriation of public funds.

Recommendations

- **The Director Finance should ensure that all moneys received are banked daily.**
- **The officer in-charge of the Navy Sports Fund and the negligent revenue collector at the Naval Base should be surcharged for the \$1,231 yet to be reimbursed from the Navy Sports Fund account.**

Management Comment

OAG findings and recommendations are noted.

The Force had completed its Board of Inquiry (BOI) to determine the facts of this case and \$1,231 was lodged on the 28 February 2014. Personnel implicated will be charged under the Military Court Procedures furthermore the Loss Report had been submitted to the MOF on 9th May 2014 (Annexure 3).

In addition the authority to collect government revenues by the Fiji Navy is withdrawn and all revenues are now receipted at the Accounts Section at the Headquarter.

18.12 TMA Plant Pool

Each agency operating a trading and manufacturing activity must prepare:¹⁸

- (a) quarterly profit and loss statement;
- (b) a balance sheet on an annual basis.

The profit and loss statement and the balance sheet must be prepared on an accrual accounting basis. The profit and loss statement must include all expenses that relate to the activity, and where necessary, include estimates of:¹⁹

- (a) overheads met by the department;
- (b) depreciation of assets;
- (c) services provided below costs by other agencies;
- (d) provision for doubtful debts; and
- (e) provision for inventory to be written off.

The audit noted that the Force did not include the labour cost and the cost of its plant and vehicles in its Trade and Manufacturing Account (TMA) for the year ended 31 December 2013.

A sum of \$42,488 was disclosed as Direct Labour in the TMA for Plant Pool. However, this does not relate to Labour but includes expenditure such as freight cartage for Plants to outer islands, passage for machine operators, accommodation, meals and fuel cost.

The TMA Plant Pool does not provide a true financial position with the exclusion of the cost of plant and vehicles and labour cost from its balance sheet and profit and loss statement.

Recommendation

The Force should include all the required financial information in its TMA in order to provide a true position of its financial performance and position of its operation.

¹⁸ Finance Instructions 2010 - Section 30 (1)

¹⁹ Finance Instructions 2010 – Section 30 (2)

Management Comments

OAG findings and recommendation is noted. The Force will liaise with MOF TMA team and FMIS to advise on a new natural account to cater for the administration cost expenses. The allocation 260201 was actually provided by the MOF because the chart of accounts does not have account description for Administration Cost.

18.13 Anomalies in Capital Projects

Permanent Secretaries shall –

- a. Be responsible for preparing the Ministry's or Department's Annual Procurement Plan outlining the requirements of the agency in terms of the procurement of goods, services and works that must be undertaken in a budget period;
- b. Ensure that all procurements in their Ministry or Departments are made with due regard to the guiding principles of procurement outlined in regulation 3;
- c. Execute and manage all procurement contracts signed on behalf of their Ministry or Department;
- d. Provide these records on request for the Auditor General for audit purposes or by the Director Fiji Procurement Office for compliance checks.²⁰

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.²¹

Scrutiny of the projects undertaken by the RFMF Engineers section revealed the following anomalies:

- The absence of a Memorandum of Understanding between the RMF Engineers unit and the Prime Minister's Office regarding the Capital projects that was undertaken.
- Considerable delays between the time funds were received to when the project commences.
- Delay in the project completion.

The RFMF undertook various projects for the Prime Minister's Office in 2013. A detailed analysis of the anomalies for these capital projects is summarized in Table 18.13 below.

Table 18.13: Anomalies noted for Projects Undertaken by RFMF Engineers Unit

Project Name	Anomalies
Vatukaloko Primary School	<ul style="list-style-type: none"> • There was no Memorandum of Understanding (MOU) signed between the Republic of Fiji Military Forces (RFMF) and the Office of the Prime Minister (PMO) regarding the project. • Funds for the project were received by the RFMF from PMO via receipt number 59 dated 15/12/11 for \$27,690.91. Only \$9,734.26 or 35% of the funds have been utilised. • Physical progress of works done on the ground was only 12% after 1 year from when the funds were received.

²⁰ Procurement Regulations 2010, Part 2(7)

²¹ Procurement Regulations 2010, Part 1(3)

Project Name	Anomalies
Malawai Footcrossing	<ul style="list-style-type: none"> A MOU was signed between RFMF and PMO on 15/03/13. A sum of \$155,960 was given from the Office of the Prime Minister on 10/04/13 for the project. The MOU states that the works will be undertaken during the 160 days from when the receipt of funding including the procurement process. Furthermore, the works program under Appendix B of the MOU outlined that the work was to commence from 27/05/13 and finish on 25/12/13. As at the date of audit no work has commenced on the project as confirmed by Captain Vulawalu in contradiction to what is stated in the MOU.
Vunidawa Sanatan Primary School	<ul style="list-style-type: none"> There was no MOU signed between the PMO and RFMF for the project. Purchase Order No. PO02999-005135 of \$32,027.66 was issued by PMs Office on 23/04/13 to Topline Timber Supplies for the supply of building materials to be used in the renovation works. Purchase Order No. PO02999-005136 of \$31,654.83 was issued by PMs Office on 23/04/13 to RC Manubhai & Company for the supply of building materials for the construction of teacher's quarters. A total sum of \$28,396.48 was received on 29/04/13 by RFMF from PMs Office through cheque numbers 67885 and 67886 to cater for administration, ration and contingency costs of the project. Eight months has lapsed from when the funds were received and Purchase Order issued for the project but no work has commenced on the project. A sum of \$ 2,367.92 has already been spent on administration and rations.
Nabitu Primary School	<ul style="list-style-type: none"> A sum of \$23,350.48 was received from PM's Office on 23/04/13 as administration costs for the upgrading works. Purchase order of \$78,952.44 was issued on 22/04/13 from the PMs Office to RC Manubhai for supply of the building materials. There was no MOU signed between the PMO and the RFMF for the project.
Bemana Catholic Primary School	<ul style="list-style-type: none"> A sum of \$23,600.23 was received from the PMs Office via cheque number 419 on 27/08/13 as administration costs for the construction of the new wooden dormitory. Purchase Order No. PO02999-005382 of \$46,961.97 was issued by PMs Office on 27/08/13. There was no MOU signed between the RFMF and the PMs Office. There is no clear agreed timeline and total cost to be incurred for the project with the absence of a MOU. As at 30/11/13, no work has commenced and no funds utilised for the project.
Veisaru Sanatan Primary School	<ul style="list-style-type: none"> A sum of \$40,547 was received from PMs Office on 12/08/13 as administration costs for the renovation works. The following purchase order was issued by PMs Office on 12/08/13 for the supply of building materials. <ul style="list-style-type: none"> PO 02999-005356 of \$85,330.68 issued to R C Manubhai PO 02999-005357 of \$4,597 issued to Carpenters Hardware PO 02999-005358 of \$10,580 issued to Frincos Hire PO 02999-005359 of \$787.57 issued to Arun's Furniture & General Hardware There was no MOU signed between the RFMF and the PMs Office for the above project. The absence of a MOU means there is no agreed timeline and total cost of the project by both the parties.
Beqa/Yanuca Secondary School	<ul style="list-style-type: none"> A sum of \$238,625.23 was received from the PMs Office for the construction of Beqa/Yanuca secondary school and teacher's quarters. There were no completion certificates available for the project even though the project was verbally confirmed as completed by the Officer in charge.
Ratu Emeri Primary School	<ul style="list-style-type: none"> A sum of \$6,656.54 was received from the PMs Office on 28/11/12 as administration costs for the construction of footbridge.

Project Name	Anomalies
	<ul style="list-style-type: none"> • Purchase Order No. 02999-004897 for \$12,588 was issued to R C Manubhai for the supply of building materials. • There was no MOU signed between the RFMF and the PMs Office for the project. • The Officer in charge stated that the work has been completed but there was no completion certificate.
Tabiang Primary School	<ul style="list-style-type: none"> • The project includes the construction of an Ablution block together with a 1 x 2 classroom. • The cost of Ablution block and the classroom was \$34,775.22 and \$65,366.04 respectively. • There was no MOU signed for the construction of the 1 x 2 classroom. • There were no completion certificates available for the project even though they were confirmed to be complete by the officer in charge.
Rewa District School	<ul style="list-style-type: none"> • A sum of \$162,069 was provided from the PM's Office for the upgrading of school facilities. There was no MOU and no completion certificate for the project.

The absence of MOU and completion certificates indicate the lack of management over projects which may lead to cost overrun and work completed without the planned specifications.

Furthermore, delays in the undertaking of works by the Force indicate the lack of monitoring by management and may also indicate that the Force lacked the manpower to complete the project works within the agreed timeline.

Recommendations

- **The Force should ensure that a MOU is signed for all projects it carried out.**
- **The Force should ensure that Completion Certificates are maintained for their records as evidence of the work completed.**
- **The Force should ensure that works undertaken are done on a timely basis according to the work program and the timeline stated in the Memorandum of Understanding.**
- **The Force should ensure that it has the necessary manpower to carry out a project prior to accepting it from the PM's Office.**

Management Comment

OAG findings and recommendations are acknowledged.

- *Memorandum of Understanding (MOU) for PM's Projects is the responsibility of the PM's Office and not the Force as reported. All of PM's projects undertaken by the RFMF Engineers do not have an MOU because of the understanding from the PM's office that RFMF Engineers is also a government agency;*
- *The Force have opened a completion report file to keep records of all completed projects however at the completion of every project a completion report and a handover certificate is forwarded to the PM's office who then schedule an official opening of the completed project;*
- *The RFMF Engineers can only cater for 16 rural projects at any one time therefore pending projects will have to wait the completion of ongoing projects before it can begin the new set of projects. Works program is normally affected by adverse/bad weather condition which in most cases delays the completion of projects;*
- *The RFMF Engineers prior to accepting any projects advises the clients that we can only commence with the project when we have the manpower to do so and this is normally accepted by the client (PM's Office).*

18.14 Upgrading of Sukanaivalu Barracks

According to the Public Sector Investment Programme 2013, the following capital projects were supposed to be carried out in 2013 with funds allocated in the budget.

Table 18.14: Capital Projects Earmarked for 2013

Project	Original Budget (\$)	Revised Budget (\$)	Actual (\$)	Expected Completion Timeline	Status as at 31/12/13
Upgrading of Sukanaivalu Barracks	300,000	193,632	178,730	December 2013	No work had been carried out as 31/12 /13.
Relocation of Nadi 4FIR	500,000	500,000	448,842	December 2013	Work in progress
Building Materials for upgrading of Band room	90,000	73,488	48,419	December 2013	Work in progress
Building Materials for burnt Officer's married quarters	200,000	150,911	107,752	December 2013	No work had been carried out
Renovation of Commander RFMF/ Land Force Commander's office				December 2013	Work in progress
Renovation Operation Conference room				December 2013	Work in progress

The audit noted that the following payments totaling \$369,422.14 being made from the budget allocation for the upgrading of Sukanaivalu Barracks Mess Hall.

Table 18.15: Payments from Upgrading of Sukanaivalu Barracks Budget Allocation

Date	Cheque Number	Particulars	Amount (\$)
27/12/13	1499	Payment to Frincos Hire Ltd for the hire of temporary scaffoldings for renovation of married quarters at Queen Elizabeth Barracks. Married quarters 26 – \$11,822 Married quarters 54 – \$12,282	24,104.00
23/12/13	1498	Payment to Custombilt Sheetmetal Ltd for the Kitchen accessories for the Sukanaivalu Barracks Mess Hall	41,034.00
23/12/13	1462	Payment to Carpenters Hardware for the purchase of building materials for the following: - Operation conference room – \$34,291.23 - Married quarters 26 Engineers – \$9,213.69 - Sukanaivalu Barracks Mess Hall – \$43,566.20 - Married quarters 54 Engineers – \$28,474.27	115,545.39
23/12/13	1467	Payment to Kasabia Ltd for the purchase of building materials for the following: - Married quarters 26 Engineers – \$2,380.97 - Sukanaivalu Barracks Mess Hall – \$44,546.18	46,927.15
23/12/13	1469	Payment to Pacific Coatings Ltd for the purchase of roofing paints for the following: - Sukanaivalu Barracks Mess Hall – \$8,685.49 - Married quarters 54 Engineers – \$4,150.44 - Married quarters 26 Engineers – \$1,574.83	14,410.76
23/12/13	1471	Payment to RC Manubhai for the purchase of building materials for the following: - Sukanaivalu Barracks Mess Hall – \$17,117.10 - Married quarters 54 Engineers – \$12,381.36 - Engineers Standby Stores – \$2,616.26 - RFMF Band room – \$9,768.46 - Outstanding payment – \$2,475.20	44,358.38

Date	Cheque Number	Particulars	Amount (\$)
23/12/13	1474	Payment to Vinod Patel for the purchase of building materials for the following: - Sukanaivalu Barracks Mess Hall – \$50,590.75 - Married quarters 54 Engineers – \$16,921.70 - Married quarters 26 Engineers – \$15,530.01	83,042.46
Total			369,422.14

The following anomalies were noted:

- Materials purchased were diverted to works other than the upgrading of Sukanaivalu Barracks Mess Hall
- Despite the above purchases, no work had been carried out for the projects:
 - Upgrading of Sukanaivalu Barracks Mess Hall
 - Upgrading of Married quarters 54 Engineers
 - Upgrading of Married quarters 26 Engineers
- Payments were made prior to the supplying of building materials.
- According to the Public Sector Investment Programme 2013, the construction works for the Sukanaivalu Barracks Mess Hall is to be tendered to private contractors and construction works to be carried out from July to December 2013 and supervised by RFMF Engineers. However, this was not carried out and the construction work is yet to commence.
- There was lack of manpower to carry out the capital projects earmarked for 2013 as the RFMF Engineer prioritised the projects that was funded by the Office of the Prime Minister.
- No status report was submitted to audit despite request which may indicate that capital projects were not closely monitored by the Force.
- Payments were obviously made to utilise funds before year end without any commitment to carry out the capital works.

Lack of proper planning, control and consultation is evident in the management of the upgrading of Sukanaivalu Barracks Mess Hall as the construction works are still yet to be carried out despite the purchasing of building materials. There is a risk that materials may be short-supplied or not supplied at all.

Recommendations

- **The Force should ensure that proper planning and consultation are carried out for projects under the Public Sector Investment Programme to ensure that they are completed within the projected time.**
- **Payments for purchase of building materials should be made once confirmation that all materials have been received.**
- **The Force should ensure that it has the required resources and expertise prior to accepting projects from external parties and engaging of private contractors should be considered.**

Management Comment

The Force acknowledges the findings and recommendations of the OAG.

- *The RFMF Engineers has put measures in place to ensure that proper planning and coordination is done prior to undertaking any Public Sector Investment Programme. These projects are ongoing and are scheduled to be completed by December 2014;*
- *All the building materials paid for has been delivered and measures have been put in place to ensure the safekeeping of the building materials delivered; and*
- *The Force now has approved panel of private contractors in ensuring that it has the required resources and expertise when accepting projects from external parties.*

18.15 Life Expectancy Programme

A sum of \$2million was allocated in the 2013 budget for the Life Expectancy Programme for the maintenance and upgrading of the naval ship Kikau.

The audit noted that \$1,841,165.81 was charged for the above programme in 2013, out of which \$1,058,894.63 was rolled over to be utilised in 2014.

The following payments were made in 2013 from the Life Expectancy Programme budget allocation.

Table 18.16: Payments from Life Expectancy Programme Budget Allocation

Date	Cheque Number	Contractor	Particulars	Amount (\$)
26/11/13	1163	Fiji Ships and Heavy Industries Limited	50% payment on deposit on commencement of work and signing of contract for Kikau Patrol Boat repair works	274,573.05
26/11/13	1172	TECAIR & Co. PTY Ltd.	40% contract payment on repair works on Kikau Patrol Boat	267,756.34
03/12/13	Indent 10/2013	Taliscar Trading NZ	Purchase of Spare Parts for Kikau Patrol Boat	229,905.57
26/11/13	1174	Whales Electrical Services	75% contract payment for works carried out on Kikau Patrol Boat	44,643.00
27/11/13	1185	Taubmans Paints	50% contract payment for supply of paint for Kikau Patrol Boat	42,960.47
				859,838.43

As at 30/06/14, only \$212,255.68 has been utilised from the rolled over sum of \$1,058,894.63 leaving a balance of \$846,638.95.

The following contracts were entered into for the upgrading of Kikau patrol boat in 2013.

Table 18.17: Contracts for Upgrading of Kikau Patrol Boat

Contractor	Contract Works	Terms of Contract	Amount (\$)
Fiji Ships and Heavy Industries Limited	Paintings, removal and installation of engines and equipment.	1 st November 2013 to 31 st January 2014	549,146.11
TECAIR & Co. PTY Ltd.	Communication and Navigation equipment replacement	1 st November 2013 to 28 th February 2014	669,390.85
Taliscar Trading NZ	Supply of caterpillar spare parts, Thordon bearings and Naiad inflatable boats	As and when ordered	\$NZ65,850.00 \$NZ18,212.28 \$NZ55,058.00

Contractor	Contract Works	Terms of Contract	Amount (\$)
Whales Electrical Services	Electrical Works	1 st November 2013 to 31 st January 2014	59,524.00
Taubmans Paints	Supply of Paints		85,920.94

The audit noted that the contract works for the upgrading of the patrol boat were yet to be completed.

There is a lack of proper planning and monitoring for the upgrading of the patrol boat which has led to the considerable delay in the upgrading works.

Recommendations

- **The Force should ensure that proper planning is carried out for renovation works under the Life Expectancy Programme so that funds are utilized within the budgeted period.**
- **Proper monitoring should be carried out on the contract works to ensure that they are completed within the contract terms and conditions and actions should be taken if should there be delays.**

Management Comment

OAG findings and recommendations are acknowledged.

Navy has been conducting this programme beginning in 2012 for the three (3) vessels RFNS Kula, RFNS Kikau and RFNS Kiro. As per MOU the major work should have been carried out in Australia thus suspension imposed by government, gave no other options. The Navy had made a submission in 2011 for the first vessels RFNS Kula with an estimated cost of \$4M, this have to be an ongoing programme of works for three (3) year for the three (3) vessels.

In 2012 funding was provided for RFNS Kula with funding of \$2M given to complete this project. The project was supervised by a consultant from Australia who was an expert in conducting these projects.

As materials and consultancy was provided and supplied from Australia and New Zealand and this have consumed times in obtaining this service therefore LEP Programme was delayed. Supervision was the responsibility of our consultant and in most cases works have to be redone to meet the required standard as local expertise takes time to meet the required standard.

Bad weather conditions also delayed the work programme.

18.16 LPOs Raised after Invoice was Received

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

- It is in accordance with a purchase order, indent, contract, invoice or other authorisation;
- There is documentation that the goods, services or 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 and;
- The expenditure account it is charged to be correct.²²

Upon receipt of the goods, services or works, the Quarter Master [QM] or OIC shall verify the receipt in good order and that the invoice is in accordance with the PO.²³

²² Fiji Military Forces Finance Manual 2011 – Section 2.8.4

Our audit of payment records noted that the Force issued Local Purchase Orders (LPO's) after invoices have been received from the suppliers. Refer Table 18.18 below for examples.

Table 18.18: LPO's Raised after Invoice Were Received

Date	Cheque No.	Payee	Particulars	Invoice Date	LPO Date	Amount (\$)
28/11/13	2122	Freshet International Limited	Payment for the supply of food ration for the workmen	26/10/13	20/10/13	1,519.30
03/07/13	1865	Fricos Hire Fiji Limited	Payment for hire of scaffolding at Rewa District School for 10 weeks and 8 props for 5 weeks	01/07/13	02/07/13	6,479.00
20/06/13	1853	Jitendra Kumar	Payment for career desilting project progress claim # 5	22/05/13	03/06/13	17,250.00
03/07/13	1860	Jitendra Kumar	Payment for career desilting project progress claim # 7	20/06/13	24/05/13	11,500.00
12/07/13	1885	Jitendra Kumar	Payment for career desilting project progress claim # 8	02/07/13	08/07/13	16,100.00
12/06/13	1884	Freshet International Limited	Payment of food rations for Beqa/Yanuca Secondary School	07/06/13	13/06/13	1,934.25
19/02/13	61653	Singh's Shopping	Payment of goods (cassava, chili, rourou, coconut/cabbage & lemon.	08/11/12	28/12/12	3,261.50
20/02/13	61693	Joes Farm	Payment of various types of goods	02/10/12	03/10/12	2,679.09
20/02/13	61695	National Produce	Payment of various goods for Sukuna bowl game	06/12/12	21/12/12	2,428.00
08/03/13	62026	Blue Gas Ltd	Payment of refill of 8 50kg gas cylinders	22/01/13	31/01/13	1,578.44

Proper procurement procedures were not followed and there is a risk that the Force may be overcharged by suppliers. There is also a possibility that goods may be oversupplied.

Such practices increase the risk of abuse and misappropriation of funds.

Recommendation

The Force should ensure that all procurement procedures stated in its Finance Manual and Finance Instructions are complied with at all times.

Management Comment

OAG findings and recommendation is noted.

There are number of factors which contributed to the above findings as follows:-

- I. FMIS down during the processing of PO;*
- II. Purchase Order generated and approved but printed at a later date wherein the printed date will appear on the PO and not the date of approval; and*
- III. Goods and services were urgently required during emergency deployment of troops/navy vessels for search and rescue operations.*

In addition the Force will ensure that OAG recommendation will be followed.

18.17 Overpayment of Capital Works

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.²⁴

The audit noted that two capital projects carried out by the RFMF Engineers which were funded by the Office of the Prime Minister had exceeded their cost allocation. Refer Table 18.19 below for details.

Table 18.19: Overpayment of Capital Works

TAI DISTRICT SCHOOL					
Date	Receipt Number	Amount (\$)	Particulars	Amount (\$)	Surplus/ (Deficit)
03/08/12	96	37,701.24	Administration Costs	10,686.92	
08/01/13	24491	776.77	Ration Costs	24,967.16	
08/01/13	24490	2,700.00	Contingency Costs	10,203.14	
Total Funds		41,178.01	Total Costs	45,857.22	(4,678.32)
REWA DISTRICT SCHOOL					
Date	Cheque Number	Amount (\$)	Particulars	Amount (\$)	Surplus/ (Deficit)
28/11/12	27	8,895.38	Administration Costs	8,809.00	
28/11/12	30	13,343.06	Ration Costs	19,746.97	
28/11/12	28	16,200.00	Contingency Costs	14,011.44	
28/11/12	31	250.73	BOC Gas Costs	315.43	
28/11/12	32	7,000.00	Hire of scaffolding	7,027.40	
Total Funds		45,689.17	Total Costs	49,910.24	(4,221.07)

The above anomalies show lack of internal control in the monitoring and usage of funds given by Ministries and Departments for Capital works.

Recommendations

The Force should ensure that all projects are properly monitored to avoid any cost overrun.

Management Comment

The OAG findings and recommendation is noted.

It is to be noted that the total cost given in the first place is only an estimate figures and total cost could be varied when projects are completed. This is due to an increase on the cost of some materials due to wear and tear and other unforeseen circumstances. When there is savings, total funds are returned to PM's office with acquittals.

For the queries above, the overspent figure of \$4,678.32 for Tai District School was paid from the savings of contingency costs of \$7,551.20 from the Lawaki District School Project.

The overspent figure of \$4,221.07 for Rewa District School was paid from the savings of contingency costs of \$4,505.00 from the Naqali Primary School Project. All these projects were funded by PM's Office.

²⁴ Fiji Military Forces Finance Manual 2011 – Part: 2 – Expenditure – Introductory Paragraph
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However, the Force has also put in place some strict internal control to ensure that all projects are properly monitored without overspending its estimates.

18.18 Excessive Annual Leave

Annual Leave shall normally be taken when due. The Permanent Secretary or Head of Department shall ensure scheduling of leave to avoid bulging of annual leave entitlements at any time of the year.²⁵ Officers may be allowed to carry over a maximum of 10 working days from one leave year to the next.²⁶

The audit sample checked noted instances where officers had more than 10 working days of annual leave carried forward to the next leave year while one officer exceeded his leave entitlement. Details the sample checked are shown in Table 18.21 below.

Table 18.21: Excessive Annual Leave Carried Forward

Regimental No.	Rank	Leave Balance (Days)	Leave Liability (\$)
30868	LT	58	4,951.79
23455	WO1	31	2,198.43
25729	SSGT	52	2,915.12
31207	MAJ	80	6,164.91
27156	CPL	61	2,599.21
28875	MAJ	94	11,151.69
23903	SGT	71	3,477.37
23634	WO1	69	2,956.51
27372	SGT	-5	
Total Leave Liability			36,415.03

The above shows poor staff leaves administration which could result in government having to pay more in terms of leave liability if the staffs are discharged.

Leave liabilities for excessive annual leave generally increase over time as salary rates increase, which may impact the budgetary provisions of the military when officers are compensated on their outstanding annual leave upon discharged from the Force.

Health and welfare of officers can also be adversely affected if they do not take sufficient leave.

Recommendations

- **The Force should ensure that officers are encouraged to take leave when due so as to avoid accumulation of leave.**
- **The Force should ensure that leave files and records are updated accordingly and that the personal files and unit files are updated concurrently whenever leaves are taken to allow for consistency.**

Management Comment

No comment received from management,

OAG findings and recommendations are acknowledged.

²⁵ General Orders 2010 – Section 705 (d), pp. 41

²⁶ General Orders 2010 – Section 705 (c), pp. 41

The leave balances shown in the report is not for Annual Leave alone but it have been merged with the balance of Long Service Leave not been taken in the past years thus causing the bulging of Annual Leave balances.

- *The non-utilization of Annual Leave was merely due to the nature of work the soldiers are engaged with whereby many a times has to be rescheduling to later date for operational reasons and due to the exigencies of the service. This is seen as appropriate to meet operational demand;*
- *Members of the RFMF are deployed for peacekeeping duties on a 12 months basis on four fronts whereby quick turnover of personnel cannot be avoided with some have to spend less than six (6) months at home before being drafted for another overseas tour of duty. For this reason they cannot proceed on annual leave on due date thus creating bulging of Annual Leave entitlements; and*
- *The excessive leave highlighted will be recovered from future leave entitlements.*

The cause of action that has been taken by the Force is:

- *Effective monitoring of leave on unit level;*
- *Immediate implementation of Leave Planner for all Units; and*
- *All Service Personnel who have accumulated significant amount of leave balances are to proceed on leave.*

18.19 Anomalies in Payment of Lodging and Location Allowances

Lodging allowance will not be paid to those soldiers who live out on their own request unless approval has been given by the Commander to receive lodging allowance and also from the date an army quarter is allocated unless the Commander directs a soldier to live out for special reasons. The Commander may grant to married soldiers, up to and including Warrant Officers, a lodging allowance to help pay cost of rent, water, and lighting charges, incurred while they are not in occupation of an official quarter.

Location allowance is payable from and including the day of arrival up to and including the day of departure from the overseas country.

The following anomalies were noted during audit:

- Officers continued to be paid location allowance after returning from peacekeeping duties while some were overpaid location allowance while still serving on peacekeeping duties. Total overpayment noted is \$35,450. (Refer to **Appendix 18.1** for details)
- Lodging allowance continued to be paid to soldiers despite occupying single and married quarters. Refer to Table 18.22 below for examples:

Table 18.22: Payment of Lodging Allowance for Officers Occupying Quarters

Regiment Number	Date of Occupation	Amount (\$)
30992	10/04/13	92.80
30186	03/01/10	835.70
22039	30/10/10	16,108.42
30698	01/05/10	525.40
28302	08/04/13	89.89
30456	22/08/13	886.22
31193	12/06/13	39.73
28983	29/07/13	121.47
27264	24/04/13	238.78

Regiment Number	Date of Occupation	Amount (\$)
29819	09/04/13	92.80
29580	02/07/13	262.70
28022	29/09/11	3799.10
30875	24/02/11	105.00
31989	11/10/12	868.74
31072	10/10/12	565.00
31163	01/07/13	805.50
30891	01/07/13	805.50
30830	28/04/04 – 16/12/12	322.00
		26,564.75

The above shows complacency on the part of the Force as the lodging allowances are not being properly monitored.

Recommendations

- The Force should ensure that lodging allowances paid erroneously are substantiated and recovered.
- The Force should ensure that supervisory checks for Human Resource Management and the Finance division are strengthened.

Management Comment

OAG findings and recommendations are acknowledged..

Reconciliations of Lodging and Location Allowances are as follows:-

Regiment Number	Date of Occupation	Amount (\$)	Force Comments.
30992	10/04/13	92.80	Entitle for Lodging Allowance
30186	03/01/10	835.70	Fully recovered from pay 03/14 – pay 13/14 (Annexure 2)
22039	30/10/10	16,108.42	Entitle to Lodging Allowance but renting AFL Housing.
30698	01/05/10	525.40	Fully recovered wef pay 14/10.
28302	08/04/13	89.89	Fully recovered wef pay 10/13
30456	22/08/13	886.22	Fully recovered wef pay 03/14
31193	12/06/13	39.73	To be recovered on pay 20/13
28983	29/07/13	121.47	To be recovered on pay 20/13
27264	24/04/13	238.78	Fully recovered wef pay 16/13
29819	09/04/13	92.80	Fully recovered wef pay 05/13
29580	02/07/13	262.70	Fully recovered wef pay 15/13
28022	29/09/11	3799.10	To be recovered on pay 20/13
30875	24/02/11	105.00	Fully recovered wef pay 08/13
31989	11/10/12	868.74	Fully recovered wef pay 03/14
31072	10/10/12	565.00	Partly recovered \$170.00 wef pay 09/13. \$395.00 to be recovered.
31163	01/07/13	805.50	To be recovered on pay 20/13
30891	01/07/13	805.50	Entitle for Lodging Allowance
30830	28/04/04 – 16/12/12	322.00	To be recovered on pay 20/13.
		26,564.75	

As for the Location Allowance, soldiers on Tour of Duty (TOD) are entitled for 1 day as travelling day to and from the TOD location.

APPENDICES**Appendix 18.1: Overpaid Location Allowance**

Reg #	Group	Departure Date	Arrival Date	Overpaid (\$)	Force Comments
23825	„	22/05/13	24/05/13	30.00	Entitle to 1 day Location Allowance of \$70.00.
28728	„	22/05/13	24/05/13	30.00	✓
28112	„	22/05/13	24/05/13	30.00	✓
29683	„	22/05/13	24/05/13	30.00	✓
29767	„	22/05/13	24/05/13	30.00	✓
29771	„	22/05/13	24/05/13	30.00	✓
30264	„	22/05/13	24/05/13	30.00	✓
29686	„	22/05/13	24/05/13	30.00	✓
29768	„	22/05/13	24/05/13	30.00	✓
30945	„	22/05/13	24/05/13	30.00	✓
30953	„	22/05/13	24/05/13	30.00	✓
31549	„	22/05/13	24/05/13	30.00	✓
31553	„	22/05/13	24/05/13	30.00	✓
31568	„	22/05/13	24/05/13	30.00	✓
29670	„	22/05/13	24/05/13	30.00	✓
30951	„	22/05/13	24/05/13	30.00	✓
31560	„	22/05/13	24/05/13	30.00	✓
30660	„	22/05/13	24/05/13	30.00	✓
31770	„	22/05/13	24/05/13	30.00	✓
30578	„	22/05/13	24/05/13	30.00	✓
30639	„	22/05/13	24/05/13	30.00	✓
25409	„	22/05/13	24/05/13	30.00	✓
30851	„	22/05/13	24/05/13	30.00	✓
25740	„	22/05/13	24/05/13	30.00	✓
25019	„	22/05/13	24/05/13	30.00	✓

Reg #	Group	Departure Date	Arrival Date	Overpaid (\$)	Force Comments
23597	„	22/05/13	24/05/13	30.00	✓
28815	„	22/05/13	24/05/13	30.00	✓
22672	„	22/05/13	24/05/13	30.00	✓
22605	„	22/05/13	24/05/13	30.00	✓
31520	„	22/05/13	24/05/13	30.00	✓
30419	„	22/05/13	24/05/13	30.00	✓
23407	„	22/05/13	24/05/13	30.00	✓
23111	„	22/05/13	24/05/13	30.00	✓
30664	„	22/05/13	24/05/13	30.00	✓
31021	„	22/05/13	24/05/13	30.00	✓
30999	„	22/05/13	24/05/13	30.00	✓
30514	„	22/05/13	24/05/13	30.00	✓
29612	„	13/03/13	15/03/13	30.00	✓
29629	„	13/03/13	15/03/13	30.00	✓
29616	„	13/03/13	15/03/13	30.00	✓
23289	„	13/03/13	15/03/13	30.00	✓
24311	„	13/03/13	15/03/13	30.00	✓
24225	„	13/03/13	15/03/13	30.00	✓
30513	„	13/03/13	15/03/13	30.00	✓
31232	„	13/03/13	15/03/13	30.00	✓
28405	„	13/03/13	15/03/13	30.00	✓
31596	„	13/03/13	15/03/13	30.00	✓
24201	„	13/03/13	15/03/13	30.00	✓
27372	„	13/03/13	15/03/13	30.00	✓
31889	„	13/03/13	15/03/13	30.00	✓
26908	„	13/03/13	15/03/13	30.00	✓
30907	„	13/03/13	15/03/13	30.00	✓

Reg #	Group	Departure Date	Arrival Date	Overpaid (\$)	Force Comments
26363	„	13/03/13	15/03/13	30.00	✓
30921	„	13/03/13	15/03/13	30.00	✓
22582	„	13/03/13	15/03/13	30.00	✓
27205	„	13/03/13	15/03/13	30.00	✓
25665	„	13/03/13	15/03/13	30.00	✓
30657	„	13/03/13	15/03/13	30.00	✓
30737	„	13/03/13	15/03/13	30.00	✓
28816	„	13/03/13	15/03/13	30.00	✓
24968	„	13/03/13	15/03/13	30.00	✓
30939	„	13/03/13	15/03/13	30.00	✓
31695	„	13/03/13	15/03/13	30.00	✓
29474	„	13/03/13	15/03/13	30.00	✓
27160	„	13/03/13	15/03/13	30.00	✓
31442	„	13/03/13	15/03/13	30.00	✓
27068	„	13/03/13	15/03/13	30.00	✓
30239	„	13/03/13	15/03/13	30.00	✓
23470	„	13/03/13	15/03/13	30.00	✓
25881	„	13/03/13	15/03/13	30.00	✓
24872	„	13/03/13	15/03/13	30.00	✓
31513	„	13/03/13	15/03/13	30.00	✓
26374	„	13/03/13	15/03/13	30.00	✓
31450	„	13/03/13	15/03/13	30.00	✓
31311	„	13/03/13	15/03/13	30.00	✓
31844	„	13/03/13	15/03/13	30.00	✓
31845	„	13/03/13	15/03/13	30.00	✓
31665	„	13/03/13	15/03/13	30.00	✓
31798	„	13/03/13	15/03/13	30.00	✓

Reg #	Group	Departure Date	Arrival Date	Overpaid (\$)	Force Comments
30377	„	13/03/13	15/03/13	30.00	✓
28467	„	13/03/13	15/03/13	30.00	✓
2687	„	13/03/13	15/03/13	30.00	✓
2243	„	13/03/13	15/03/13	30.00	✓
				2,490.00	

Overpaid Location Allowance Allowances

Reg #	Group	Departure Date	Arrival Date	Overpaid (\$)	Force Comments
29871	2FIR Chalk 2 Personnel	19/03/13	22/03/13	100.00	✓
31407	„	19/03/13	22/03/13	100.00	Entitle for Location Allowance
31519	„	19/03/13	22/03/13	100.00	✓
25377	„	19/03/13	22/03/13	100.00	✓
24664	„	19/03/13	22/03/13	100.00	✓
26998	„	19/03/13	22/03/13	100.00	✓
28374	„	19/03/13	22/03/13	100.00	✓
24726	„	19/03/13	22/03/13	100.00	✓
29090	„	19/03/13	22/03/13	100.00	✓
28167	„	19/03/13	22/03/13	100.00	✓
26544	„	19/03/13	22/03/13	100.00	✓
28104	1FIR [UNAMI] Chalk 2 Personnel	08/04/13	10/04/13	220.00	✓
26659	„	08/04/13	10/04/13	220.00	✓
26240	„	08/04/13	10/04/13	220.00	✓
26160	„	08/04/13	10/04/13	220.00	✓
22100	„	08/04/13	10/04/13	220.00	✓
24028	„	08/04/13	10/04/13	220.00	✓
26002	„	08/04/13	10/04/13	220.00	✓
28008	„	08/04/13	10/04/13	220.00	✓
27063	„	08/04/13	10/04/13	220.00	✓

Reg #	Group	Departure Date	Arrival Date	Overpaid (\$)	Force Comments
30496	„	08/04/13	10/04/13	220.00	✓
31664	„	08/04/13	10/04/13	220.00	✓
31385	„	08/04/13	10/04/13	220.00	✓
31692	„	08/04/13	10/04/13	220.00	✓
30593	„	08/04/13	10/04/13	220.00	✓
30383	„	08/04/13	10/04/13	220.00	✓
31818	„	08/04/13	10/04/13	220.00	✓
31796	„	08/04/13	10/04/13	220.00	✓
24576	„	08/04/13	10/04/13	220.00	✓
31146	„	08/04/13	10/04/13	220.00	✓
30814	„	08/04/13	10/04/13	220.00	✓
30845	„	08/04/13	10/04/13	220.00	✓
31632	„	08/04/13	10/04/13	220.00	✓
23456	1FIR Chalk 3 Personnel	15/04/13	17/04/13	1,130.00	✓
26128	„	15/04/13	17/04/13	220.00	✓
31815	„	15/04/13	17/04/13	220.00	✓
24146	„	15/04/13	17/04/13	220.00	✓
22326	„	15/04/13	17/04/13	1,630.00	✓
31965	„	15/04/13	17/04/13	220.00	✓
26111	„	15/04/13	17/04/13	220.00	✓
27477	„	15/04/13	17/04/13	420.00	✓
26026	„	15/04/13	17/04/13	1,030.00	✓
25708	„	15/04/13	17/04/13	220.00	✓
30843	„	15/04/13	17/04/13	220.00	✓
31302	„	15/04/13	17/04/13	1,130.00	✓
31300	„	15/04/13	17/04/13	220.00	✓
30793	„	15/04/13	17/04/13	220.00	✓

Reg #	Group	Departure Date	Arrival Date	Overpaid (\$)	Force Comments
30787	„	15/04/13	17/04/13	1,130.00	✓
22083	„	15/04/13	17/04/13	1,130.00	✓
28796	„	15/04/13	17/04/13	1,130.00	✓
30089	„	15/04/13	17/04/13	1,130.00	✓
22592	„	15/04/13	17/04/13	220.00	✓
27330	„	15/04/13	17/04/13	220.00	✓
31095	„	15/04/13	17/04/13	220.00	✓
30727	„	15/04/13	17/04/13	1,130.00	✓
31028	„	15/04/13	17/04/13	330.00	✓
25991	1FIR [UNAMI] chalk 3 Personnel	14/10/13	16/10/13	1,130.00	✓
30395	„	14/10/13	16/10/13	1,130.00	✓
29941	„	14/10/13	16/10/13	1,130.00	✓
31117	„	14/10/13	16/10/13	1,130.00	✓
31128	„	14/10/13	16/10/13	2,890.00	✓
31305	„	14/10/13	16/10/13	1,130.00	✓
23446	„	14/10/13	16/10/13	1,130.00	✓
29633	„	14/10/13	16/10/13	1,130.00	✓
28706	„	14/10/13	16/10/13	1,130.00	✓
27874	„	14/10/13	16/10/13	1,130.00	✓
Total				32,960	

Appendix 18.2: Overpaid Location Allowance

Reg #	Group	Departure Date	Arrival Date	Overpaid (\$)
23825	..	22/05/13	24/05/13	30.00
28728	..	22/05/13	24/05/13	30.00
28112	..	22/05/13	24/05/13	30.00
29683	..	22/05/13	24/05/13	30.00
29767	..	22/05/13	24/05/13	30.00
29771	..	22/05/13	24/05/13	30.00
30264	..	22/05/13	24/05/13	30.00
29686	..	22/05/13	24/05/13	30.00
29768	..	22/05/13	24/05/13	30.00
30945	..	22/05/13	24/05/13	30.00
30953	..	22/05/13	24/05/13	30.00
31549	..	22/05/13	24/05/13	30.00
31553	..	22/05/13	24/05/13	30.00
31568	..	22/05/13	24/05/13	30.00
29670	..	22/05/13	24/05/13	30.00
30951	..	22/05/13	24/05/13	30.00
31560	..	22/05/13	24/05/13	30.00
30660	..	22/05/13	24/05/13	30.00
31770	..	22/05/13	24/05/13	30.00
30578	..	22/05/13	24/05/13	30.00
30639	..	22/05/13	24/05/13	30.00
25409	..	22/05/13	24/05/13	30.00
30851	..	22/05/13	24/05/13	30.00
25740	..	22/05/13	24/05/13	30.00
25019	..	22/05/13	24/05/13	30.00
23597	..	22/05/13	24/05/13	30.00
28815	..	22/05/13	24/05/13	30.00
22672	..	22/05/13	24/05/13	30.00
22605	..	22/05/13	24/05/13	30.00
31520	..	22/05/13	24/05/13	30.00
30419	..	22/05/13	24/05/13	30.00
23407	..	22/05/13	24/05/13	30.00
23111	..	22/05/13	24/05/13	30.00
30664	..	22/05/13	24/05/13	30.00
31021	..	22/05/13	24/05/13	30.00
30999	..	22/05/13	24/05/13	30.00
30514	..	22/05/13	24/05/13	30.00
29612	..	13/03/13	15/03/13	30.00
29629	..	13/03/13	15/03/13	30.00
29616	..	13/03/13	15/03/13	30.00
23289	..	13/03/13	15/03/13	30.00
24311	..	13/03/13	15/03/13	30.00
24225	..	13/03/13	15/03/13	30.00
30513	..	13/03/13	15/03/13	30.00
31232	..	13/03/13	15/03/13	30.00
28405	..	13/03/13	15/03/13	30.00
31596	..	13/03/13	15/03/13	30.00
24201	..	13/03/13	15/03/13	30.00
27372	..	13/03/13	15/03/13	30.00
31889	..	13/03/13	15/03/13	30.00
26908	..	13/03/13	15/03/13	30.00
30907	..	13/03/13	15/03/13	30.00

Reg #	Group	Departure Date	Arrival Date	Overpaid (\$)
26363	..	13/03/13	15/03/13	30.00
30921	..	13/03/13	15/03/13	30.00
22582	..	13/03/13	15/03/13	30.00
27205	..	13/03/13	15/03/13	30.00
25665	..	13/03/13	15/03/13	30.00
30657	..	13/03/13	15/03/13	30.00
30737	..	13/03/13	15/03/13	30.00
28816	..	13/03/13	15/03/13	30.00
24968	..	13/03/13	15/03/13	30.00
30939	..	13/03/13	15/03/13	30.00
31695	..	13/03/13	15/03/13	30.00
29474	..	13/03/13	15/03/13	30.00
27160	..	13/03/13	15/03/13	30.00
31442	..	13/03/13	15/03/13	30.00
27068	..	13/03/13	15/03/13	30.00
30239	..	13/03/13	15/03/13	30.00
23470	..	13/03/13	15/03/13	30.00
25881	..	13/03/13	15/03/13	30.00
24872	..	13/03/13	15/03/13	30.00
31513	..	13/03/13	15/03/13	30.00
26374	..	13/03/13	15/03/13	30.00
31450	..	13/03/13	15/03/13	30.00
31311	..	13/03/13	15/03/13	30.00
31844	..	13/03/13	15/03/13	30.00
31845	..	13/03/13	15/03/13	30.00
31665	..	13/03/13	15/03/13	30.00
31798	..	13/03/13	15/03/13	30.00
30377	..	13/03/13	15/03/13	30.00
28467	..	13/03/13	15/03/13	30.00
2687	..	13/03/13	15/03/13	30.00
2243	..	13/03/13	15/03/13	30.00
				2,490.00

Appendix 18.3: Overpaid Location Allowances

Reg #	Group	Departure	Arrival	Overpaid (\$)
29871	2FIR Chalk 2 Personnel	19/03/13	22/03/13	100.00
31407	"	19/03/13	22/03/13	100.00
31519	"	19/03/13	22/03/13	100.00
25377	"	19/03/13	22/03/13	100.00
24664	"	19/03/13	22/03/13	100.00
26998	"	19/03/13	22/03/13	100.00
28374	"	19/03/13	22/03/13	100.00
24726	"	19/03/13	22/03/13	100.00
29090	"	19/03/13	22/03/13	100.00
28167	"	19/03/13	22/03/13	100.00
26544	"	19/03/13	22/03/13	100.00
28104	1FIR [UNAMI] Chalk 2 Personnel	08/04/13	10/04/13	220.00
26659	"	08/04/13	10/04/13	220.00
26240	"	08/04/13	10/04/13	220.00
26160	"	08/04/13	10/04/13	220.00
22100	"	08/04/13	10/04/13	220.00
24028	"	08/04/13	10/04/13	220.00
26002	"	08/04/13	10/04/13	220.00
28008	"	08/04/13	10/04/13	220.00
27063	"	08/04/13	10/04/13	220.00
30496	"	08/04/13	10/04/13	220.00
31664	"	08/04/13	10/04/13	220.00
31385	"	08/04/13	10/04/13	220.00
31692	"	08/04/13	10/04/13	220.00
30593	"	08/04/13	10/04/13	220.00
30383	"	08/04/13	10/04/13	220.00
31818	"	08/04/13	10/04/13	220.00
31796	"	08/04/13	10/04/13	220.00
24576	"	08/04/13	10/04/13	220.00
31146	"	08/04/13	10/04/13	220.00
30814	"	08/04/13	10/04/13	220.00
30845	"	08/04/13	10/04/13	220.00
31632	"	08/04/13	10/04/13	220.00
23456	1FIR Chalk 3 Personnel	15/04/13	17/04/13	1,130.00
26128	"	15/04/13	17/04/13	220.00
31815	"	15/04/13	17/04/13	220.00
24146	"	15/04/13	17/04/13	220.00
22326	"	15/04/13	17/04/13	1,630.00
31965	"	15/04/13	17/04/13	220.00
26111	"	15/04/13	17/04/13	220.00
27477	"	15/04/13	17/04/13	420.00
26026	"	15/04/13	17/04/13	1,030.00
25708	"	15/04/13	17/04/13	220.00
30843	"	15/04/13	17/04/13	220.00
31302	"	15/04/13	17/04/13	1,130.00
31300	"	15/04/13	17/04/13	220.00
30793	"	15/04/13	17/04/13	220.00
30787	"	15/04/13	17/04/13	1,130.00
22083	"	15/04/13	17/04/13	1,130.00
28796	"	15/04/13	17/04/13	1,130.00
30089	"	15/04/13	17/04/13	1,130.00
22592	"	15/04/13	17/04/13	220.00

Reg #	Group	Departure	Arrival	Overpaid (\$)
27330	„	15/04/13	17/04/13	220.00
31095	„	15/04/13	17/04/13	220.00
30727	„	15/04/13	17/04/13	1,130.00
31028	„	15/04/13	17/04/13	330.00
25991	1FIR [UNAMI] chalk 3 Personnel	14/10/13	16/10/13	1,130.00
30395	„	14/10/13	16/10/13	1,130.00
29941	„	14/10/13	16/10/13	1,130.00
31117	„	14/10/13	16/10/13	1,130.00
31128	„	14/10/13	16/10/13	2,890.00
31305	„	14/10/13	16/10/13	1,130.00
23446	„	14/10/13	16/10/13	1,130.00
29633	„	14/10/13	16/10/13	1,130.00
28706	„	14/10/13	16/10/13	1,130.00
27874	„	14/10/13	16/10/13	1,130.00
Total				32,960

Section 19 **Fiji Police Force**

Role and Responsibilities

The Fiji Police Force is responsible for the formulation and implementation of policies related to national defence, domestic security, public order, citizenship, maritime surveillance, passports, residency, national day celebrations and responding to natural disasters. The targeted outcome(s) and output(s) in relation to the above responsibilities are achieved by maintaining law and order and upholding the rule of law effectively and efficiently, redressing the law and order situation, enhancing the operation of the courts and improving access to justice to strengthen and uphold the rule of law and ensuring peace and prosperity.

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PART A: FINANCIAL STATEMENTS

19.1 Audit Opinion

The audit of the 2013 accounts of the Fiji Police Force resulted in the issue of a qualified audit report. The issue qualified is as follow:

- A variance of \$872,812 exists between the Force's Drawings bank account reconciliation and the Financial Management Information System (FMIS) general ledger balance. The Drawings bank account reconciliation was not performed properly to account for the cheques issued, cheques presented and the unpresented cheques as at 31/12/13. As such the completeness and accuracy of payments made and recorded in the Statement of Receipts and Expenditure could not be determined.

Management attention was also drawn to the following matters:

- A Board of Survey was not carried out contrary to section 49 (1) and (2) of the Finance Instructions 2010. As such the completeness and accuracy of the Statement of Losses could not be ascertained.
- The Ministry did not reconcile the expenditure in the FMIS general ledger as no expenditure ledger was maintained. The Ministry prepared its financial statements from the FMIS general ledger. As a result the audit was not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

19.2 Statement of Receipts and Expenditure

The Force collected revenue totalling \$2,176,828 and incurred expenditure totalling \$87,806,106 in 2013.

Table 19.1: Statement of Receipts and Expenditure for 2013

Description	2013 (\$)	2012 (\$)
RECEIPTS		
Police Clearance Fees	1,935,620	1,597,049
Licenses Fees	141,405	156,589
Other Agency Revenue	99,803	90,338
TOTAL REVENUE	2,176,828	1,843,976
EXPENDITURE		
Operating Expenditure		
Established Staff	69,091,943	68,902,927
Government Wage Earners	495,958	591,575
Travel & Communications	3,978,133	3,249,311
Maintenance & Operations	6,424,025	5,623,676
Purchase of Goods & Services	2,996,227	2,357,360
Operating Grants & Transfers	64,632	79,992
Special Expenditures	725,602	502,234
Total Operating Expenditure	83,776,520	81,307,075
Capital Expenditure		
Construction	562,938	253,816
Purchases	1,165,912	1,008,741
Total Capital Expenditure	1,728,850	1,262,557
Value Added Tax	2,300,736	1,824,790

Description	2013 (\$)	2012 (\$)
TOTAL EXPENDITURE	87,806,106	84,394,422

Total revenue increased by \$332,852 (18%) due to increase in Police Clearance Fees. Total expenditure increased by \$3,411,684 or 4% in 2013 compared to 2012. This was mainly due increases in operational costs relating to travelling, subsistence, communication, office stationeries, printing, repair and maintenance, minor improvements, electricity, court witnesses fees, litigation fees and clothing and stores expenditures.

In addition capital purchases were also made for the automated finger print system, drug analysis machine, pathologist and standard equipment's and the purchase of forensic science equipment's.

19.3 Appropriation Statement

The Force incurred expenditure totalling \$87,806,106 against the revised budget of \$89,676,921 resulting in a savings of \$1,870,815 or 2%. Details of expenditure against the budget estimate are provided in Table 19.2.

Table 19.2: Appropriation Statement for 2013

SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
	Operating Expenditure					
1	Established Staff	72,507,017	(2,156,636)	70,350,381	69,091,943	1,258,438
2	Government Wage Earners	667,393	-	667,393	495,957	171,436
3	Travel & Communications	3,468,000	530,000	3,998,000	3,978,133	19,867
4	Maintenance & Operations	5,221,600	1,300,566	6,522,166	6,424,025	98,141
5	Purchase of Goods & Services	2,943,000	110,070	3,053,070	2,996,227	56,843
6	Operating Grants & Transfers	90,000	(25,000)	65,000	64,632	368
7	Special Expenditures	1,508,000	(602,771)	905,229	725,602	179,627
	Total Operating Expenditure	86,405,010	(843,771)	85,561,239	83,776,520	1,784,719
	Capital Expenditure					
8	Construction	800,000	(235,164)	564,836	562,938	1,898
9	Purchases	2,510,000	(1,094,794)	1,415,206	1,165,912	249,294
	Total Capital Expenditure	3,310,000	(1,329,958)	1,980,042	1,728,850	251,192
13	Value Added Tax	2,461,700	(326,060)	2,135,640	2,300,736	(165,096)
	TOTAL EXPENDITURE	92,176,710	(2,499,789)	89,676,921	87,806,106	1,870,815

In 2013, Cabinet approved the redeployment of \$2,499,789 from the Force's budget to other Ministries and Departments.

PART B: AUDIT FINDINGS

19.4 Expenditure Ledger Not Maintained

A ledger shall be maintained for advances, petty cash, accounts payable, revolving fund accounts, inter-departmental clearance accounts, and expenditure and commitment accounts.¹

Any transaction raised affecting these accounts shall be entered in the appropriate ledger.²

The audit noted that the Force did not maintain an expenditure ledger.

As a result it could not reconcile the expenditure in the FMIS general ledger³ maintained by the Ministry of Finance. The audit was also not able to ascertain the accuracy of the amounts stated in the Statement of Receipts and Expenditure.

Recommendation

The Force should maintain an expenditure ledger and reconcile its expenditure ledger with the FMIS records on a monthly basis.

Force's Comments

The Force is maintaining an automated Commitment and Expenditure Ledger into an Excel spread sheet. Reconciliations are carried out using this spread sheet information against the FMIS. There was no intention of noncompliance of Finance Manual instead to use of technology to enhance reporting system. Excel spread sheet information is useful in graphic illustrations.

The Force will ensure to maintain a manual Commitment and Expenditure ledger, including at all Division Police Commanders Office.

The Force will also ensure that proper supervision is on reconciliation on its expenditure ledgers with FMIS on a monthly basis.

19.5 Board of Survey Not Carried Out

An annual board of survey must be conducted each year to verify the existence and condition of assets recorded on the asset register.⁴ Within one week of the end of each month, the Assistant Commissioner of Police, Administration and Finance shall submit to the Deputy Commissioner of Police the internal control report.⁵

A Board of Survey Report for 2013 was not produce during the audit. Hence audit could not establish if a board of survey was carried out. Refer Table 19.3 for assets, inventory and expandable items purchased over the 6 year period.

¹ Fiji Police Force Finance Manual 2011 – Section 15.3.1

² Fiji Police Force Finance Manual 2011 – Section 15.3.2

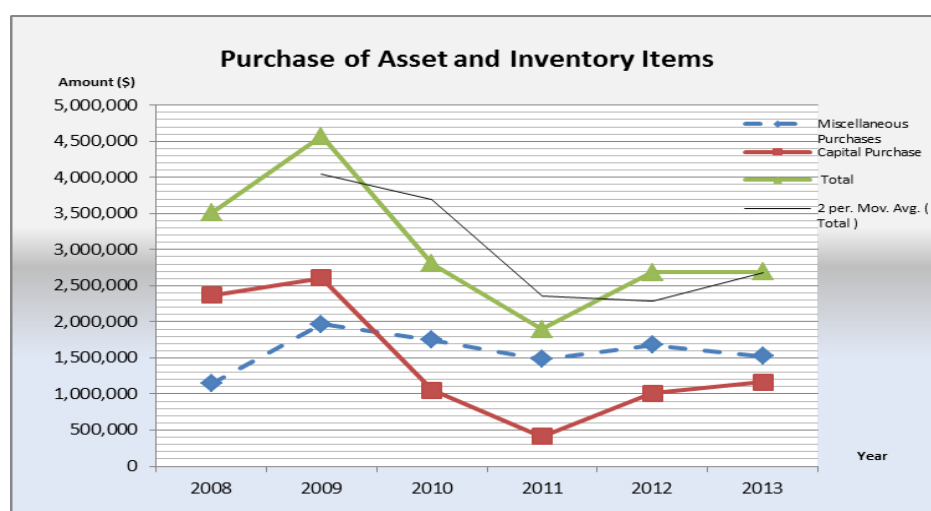
³ Financial Management Information System – FMIS (general ledger system)

⁴ Finance Instructions 2010 – Section 49 (1)

⁵ Fiji Police Force Finance Manual 2011 - Section 16.1.10

Table 19.3 and Figure 19.1: Purchase of Stores and Other Asset Items over the Six Year Period

Year	Miscellaneous Purchases (\$)	Capital Purchase (\$)	Total (\$)
2008	1,142,114	2,368,636	3,510,750
2009	1,965,390	2,606,902	4,572,292
2010	1,748,685	1,054,525	2,803,210
2011	1,483,986	414,824	1,898,810
2012	1,678,049	1,008,741	2,686,790
2013	1,523,269	1,165,912	2,689,182
Total	9,541,493	8,619,540	18,161,034



In spite of substantial expenditure and investment in assets, the Force failed to carry out regular annual survey of its fixed assets. Without a survey, the Statement of Losses (other than money) could not be fully substantiated.

Recommendation

The Assistant Commissioner of Police, Finance and Administration should ensure that a Board of Survey is carried out annually in accordance with Section 49 of the Finance Instructions 2010.

Force's Comments

The Force focused Surveys on the Vehicles, Police Uniforms and accessories with available Human Resources. We had managed to convene Board of Survey in 2013 for the following; - Valelevu Scene of Crime, Nausori, DPC-E -Stores, Camp Commandant, Forensics, etc. Records are available for your verifications.

Further, the Ministry of Finance with cost sharing had conducted 100 % asset verification and the Force was relying on their report for Board of Survey. However, the report has not been received to -date.

For your information, the Force has strengthened the BOS Unit and had accordingly directed all Divisional Police Commanders that to convene annual board of surveys and submit the report to Director Corporate Services. The Force has conducted Board of Surveys in 2014 and some reports are complete and some are in the process of completion.

The above reports are kept with the officer-in Charge, Stores at Nasese Police Supplies and Stores Unit. However, these reports have been brought in and kept at the office of the Force Accountant and are available for your audit verifications.

Further OAG Comments

The evidence of the Board of Survey in Valelevu Scene of Crime, Nausori, DPC-E -Stores, Camp Commandant, Forensics was not produce to audit upon further audit inquiries on 29/09/2014. Hence, the audit could not ascertain the completeness and accuracy of the Statement of Losses as the Full Board of Survey for the Fiji Police Force was not submitted to audit.

19.6 Un-reconciled and Unverifiable Entries in Unpresented Cheques Account

All bank accounts must be reconciled monthly. The bank reconciliation shall list the outstanding cheques and other reconciling items and be signed and dated by the responsible officer.⁶ The Administrative Staff and clerical officers shall enter details of all cheques drawn into a payment cashbook before they are issued. The Payment cashbook shall contain details of the payee, payment date, ledger account, cheque details and the amount paid.⁷

The Commissioner of Police must appoint a Board of Survey to conduct a physical stock take of all cash on hand and other stocks held in safes at least once a year.⁸ Permanent Secretaries/Heads of Departments and Ministries are to ensure that the Annual Board of Survey on Drawings Account cheques are completed and report are to be submitted to Ministry of Finance and Auditor General's office by 07/02/2014.⁹

Ministries/Departments are required to plan their expenditure well in order to avoid the accumulation of unpresented cheques at year end.¹⁰

The Assistant Commissioner of Police, Administration and Finance shall appoint two compliance officers (Principal Auditor and Senior Examiner of Accounts) to conduct monthly reviews of the existing internal controls associated with accounting functions within the agency.¹¹

The Force's unpresented cheques totalled \$4,671,603 as at 31/12/13 compared to \$2,887,150 in 2012, an increase of 38.2% or \$1,784,453. A consistent but steady increase has been noted since 2011. Refer Table 19.4 and Figure 19.2 for details of balances over the 6 year period:

⁶ Finance Instructions 2010 - Section 32(6)

⁷ Fiji Police Force Finance Manual 2011 - Section 2.8.10

⁸ Finance Instructions 2010 - Section 31(5)

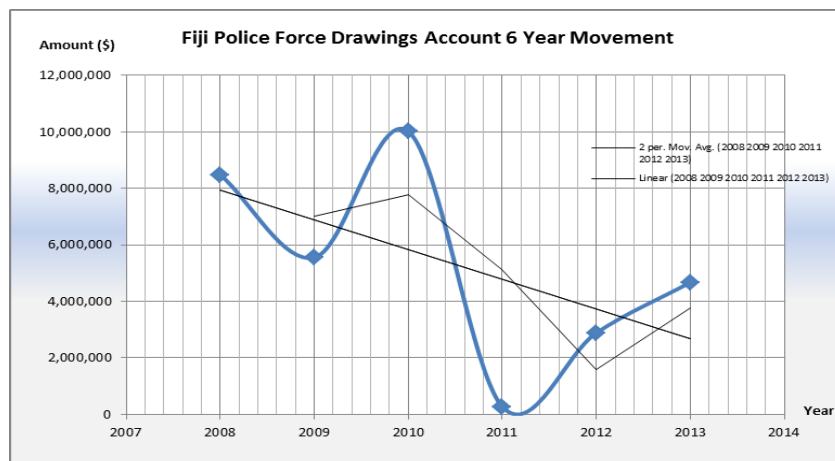
⁹ Ministry of Finance Circular No. 20/2013 dated 18/10/2013 on 2013 Closing of Accounts Procedures – Section 5.3.1

¹⁰ Ministry of Finance Circular No. 13/2012 dated 19/10/12, paragraph 5.1.3

¹¹ Fiji Police Force Finance Manual 2011 - Section 16.1.8

Table 19.4 and Figure 19.2: Unpresented Cheques over the 6 Year Period

Year	Amount (\$)	Increase / (Decrease) (\$)
2008	8,477,570	3,713,415
2009	5,554,381	(2,923,188)
2010	10,014,288	4,459,907
2011	271,267	(9,743,021)
2012	2,887,150	2,615,883
2013	4,671,603	1,784,453



The audit noted the following anomalies:

- The annual board of survey for the drawings account for 2013 was not conducted on the due date, 7th February 2014 as stipulated in the Ministry of Finance Circular 20/2013. As a result the audit could not ascertain the completeness and accuracy of the expenditure recorded by the Force for the financial year ending 31/12/13. The audit established that a Board of Survey was later conducted on 29/05/2014 despite the closing of accounts in February 2014.
- An unsubstantiated figure of \$402,256 being un-presented cheques was noted. There was no supporting document provided to audit for verification. A reconciliation exercise conducted by the Force concluded that the net off figure could not be ascertained and forwarded to Ministry of Finance for write off.
- An unexplained variance of \$872,812 was also noted between the bank reconciliation performed by the Force and the general ledger record. Refer Table 19.5 below for details.

Table 19.5: Variance between the Reconciliation and the General Ledger

Particulars	Force Reconciliation (\$)	General Ledger Balance (\$)	Variance (\$)
Opening Balance	3,289,268	2,887,012	402,256
Add Credit (Cheques Issued)	47,296,029	54,027,791	(6,731,762)
Less Debit (Cheques Presented)	45,041,020	52,243,338	(7,202,318)
Closing Balance	5,544,277	4,671,465	872,812

- In spite of such variances, the drawings reconciliations were certified as correct by the Senior Accountant and the Force Accountant.
- The audit noted that there was a delay in the preparation of the drawings account reconciliations and instances were noted where some were prepared after one year.
- In addition the audit noted a variance of \$22,128 between the un-presented cheques as at 31/12/2012 and 01/01/2013. Refer Table 19.6 below for details.

Table 19.6: Variance between Balances

Force Reconciliation Amount - 31/12/12 (\$)	Force Reconciliation Amount - 01/01/13 (\$)	Variance Amount (\$)
3,068,140	3,289,268	221,128

- The audit also noted that the Force does not record payments into the cash book but rather print the payment from the FMIS general ledger system and paste onto the cashbook. As such, the independent check for the cheques issued to that recorded in system could not be done and thus, the unreconciled un-presented cheques.
- Thus significant amount of voided cheques were noted. Refer to *Appendix 19.1* for details.
- The completeness of the following records could not be ascertained fully by audit.

Table 19.7: Unascertained Voided Cheques

Date	Cheque No.	Amount (\$)	Date	Cheque No.	Amount (\$)
4/25/2012	683229	50	11/26/2012	689090	50
4/25/2012	683232	35	11/26/2012	689091	20
6/29/2012	685072	180	11/26/2012	689092	30
6/29/2012	685073	140	11/26/2012	689093	1,512
7/11/2012	685353	72	11/26/2012	689094	1,884
7/11/2012	685354	54	11/26/2012	689096	259
7/11/2012	685355	144	11/26/2012	689097	15,762
8/08/2012	686013	180	11/27/2012	689140	1,122
8/10/2012	686117	1,080	11/27/2012	689142	1,117
8/14/2012	686193	320	11/27/2012	689149	414
9/03/2012	686736	80	11/28/2012	689167	573
9/03/2012	686744	180	11/29/2012	689243	413
9/04/2012	686792	794	11/29/2012	689265	25,291
9/18/2012	687142	746	12/06/2012	689535	474
9/19/2012	687192	390	12/06/2012	689536	442
9/19/2012	687196	45	12/06/2012	689537	240
9/20/2012	687235	341	12/11/2012	689659	1,466
9/20/2012	687257	25,755	12/12/2012	689718	680
9/24/2012	687345	827	12/13/2012	689758	795
10/22/2012	687601	5,423	12/15/2012	689903	206,374
10/16/2012	687883	802	12/17/2012	689930	1,468
10/18/2012	687946	608	12/20/2012	690073	288
10/18/2012	687968	26,109	12/21/2012	690107	2,007
10/22/2012	688000	566	12/22/2012	690240	756
11/01/2012	688350	947	12/27/2012	690360	369
11/05/2012	688430	61	12/27/2012	690361	1,400
11/06/2012	688474	1,435	12/27/2012	690362	330
11/06/2012	688532	50	12/27/2012	690363	570
11/08/2012	688631	610	12/27/2012	690364	500
11/14/2012	688740	345	12/27/2012	690366	521
11/15/2012	688771	618	12/27/2012	690367	427
11/15/2012	688793	25,858	12/27/2012	690368	751
11/16/2012	688857	3,468	12/27/2012	690369	1,053
11/20/2012	688915	1,518	12/27/2012	690370	1,155

Date	Cheque No.	Amount (\$)
11/20/2012	688934	4,424
11/22/2012	689002	1,064
11/22/2012	689003	1,064
11/22/2012	689009	500
11/22/2012	689014	300
11/23/2012	689051	1,365
11/23/2012	689064	1,240
11/26/2012	689084	105
11/26/2012	689085	261
11/26/2012	689086	201
11/26/2012	689087	215
11/26/2012	689088	48
11/26/2012	689089	394
Total:		111,012

Date	Cheque No.	Amount (\$)
12/27/2012	690371	270
12/27/2012	690372	1,300
12/27/2012	690373	204
12/27/2012	690374	75
12/27/2012	690375	565
12/27/2012	690396	1,286
12/27/2012	690399	20
12/27/2012	690409	60
12/27/2012	690419	26,438
12/30/2012	690633	2
12/31/2012	690662	499
12/31/2012	690665	1,382
12/31/2012	690673	499
12/31/2012	690835	2,138
12/31/2012	690838	829
Total:		306,080

The above anomalies indicate the poor administration of recording and reconciling of cheques raised.

There is also a possibility of cheques being raised fraudulently overstating expenditure recorded in the Statement of Receipts and Expenditure.

Recommendations

- The Force Accountant and the Senior Accountant should supervise drawings reconciliations to ensure that balances are reconciled to the general ledger.
- The Force Accountant and the Senior Accountant should properly check reconciliations performed before certifying these records as correct.
- The Administrative and Clerical Officers should ensure that a payment cash book is maintained for recording of all payments/cheques issued.
- The Commissioner of Police should ensure that annual board of surveys are certified and regularly conducted.
- The Assistant Commissioner of Police, Administration and Finance should instigate an investigation immediately for the anomalies noted.

Force's Comments

The Drawings account reconciliation error was inherited by the Force for many years back. The Force jointly with FMIS Unit of Ministry of Finance and with assistance of the Bank had conducted reconciliations for the whole of last year. The introduction of new bank reconciliation format had corrected a lot of errors and up to March 2014 bank reconciliation is available for your verification.

The supporting documents for the adjustments of the account were verified by finance and then necessary account was corrected. Further, the Board of Survey (BOS) on Drawing account (D/A) was not prepared because the Ministry of Finance was still reconciling the account to make necessary adjustments to correct the account. As a result un-presented cheque list was not available.

Further OAG Comments

The annual board of survey for the drawings account for the year 2013 was not conducted on the due date, 7th February 2014 as stipulated in the Ministry of Finance Circular No. 20/2013. As a result the audit could not ascertain the completeness and accuracy of the expenditure recorded by Force for the financial

year ending 31/12/2013. The audit established that the Board of Survey were later conducted on 29/05/2014 despite the closing of accounts in February 2014. The Board of Survey were then submitted to audit and Ministry of Finance on 02/06/2014.

The Fiji Police Force did not produce the relevant supporting documents to ascertain how the above anomalies were rectified in the 2014 reconciliation upon further audit inquiries on 29/09/2014.

19.7 Stale Cheques

If cheques remain in the unpresented cheque list for more than three months, the Force Accountant must attempt to locate the payees and have their cheques presented before they come stale.¹²

Stale cheques (those which are at least 6 months old) must be reviewed each month to determine the need for a replacement cheque. Where a replacement cheque is not required, action should be taken to clear it.¹³

The audit noted a total of \$2,720,509 in un-presented cheques that were over six month old and have become stale. A detailed list of these stale cheques is shown in *Appendix 19.2*.

The above indicates that stale cheques were not regularly reviewed to determine whether adjustments or a replacement cheque is required. Also, stale cheques misstate expenditure recorded in the Statement of Receipts and Expenditure in the agency financial statement.

Recommendation

The Force Accountant should ensure that cheques are cleared as soon as practical within 6 months. If the payee is identified, a replacement cheque should be written, otherwise appropriate adjustments should be made in the accounts to clear the stale cheques.

Force's Comments

The stale cheques were not written off due to the process as explained above in 7.4. The Ministry of Finance has advised us that they will only write off the stale cheques after completion of reconciliation. Further, once a confirmation is provided after the adjustments then Force will take corrective measures for the cheques to be either replaced, voided, etc.

19.8 Irregularities in Operating Trust Fund Accounts

Where charges are for payments to organizations through salary deductions, the relevant creditor account shall be credited. When actual payment is made to the organization, the creditor account shall be debited.¹⁴

Within five days after the end of each month, the Assistant Accounts Officer Ledgers shall prepare a trust reconciliation to reconcile trust account balances to the ledger total. Details of balances must be attached to the reconciliation statement. The Deputy Force Accountant shall certify and date the reconciliation statement after ensuring that all balances in the statement are verified to supporting documents. The Force Accountant must submit the trust reconciliation to the Deputy Commissioner of Police within 10 days of the end of the month.¹⁵

¹² Fiji Police Force Finance Manual 2011 - Section 6.5.1

¹³ Finance Instruction 2010 – Section 33(3)

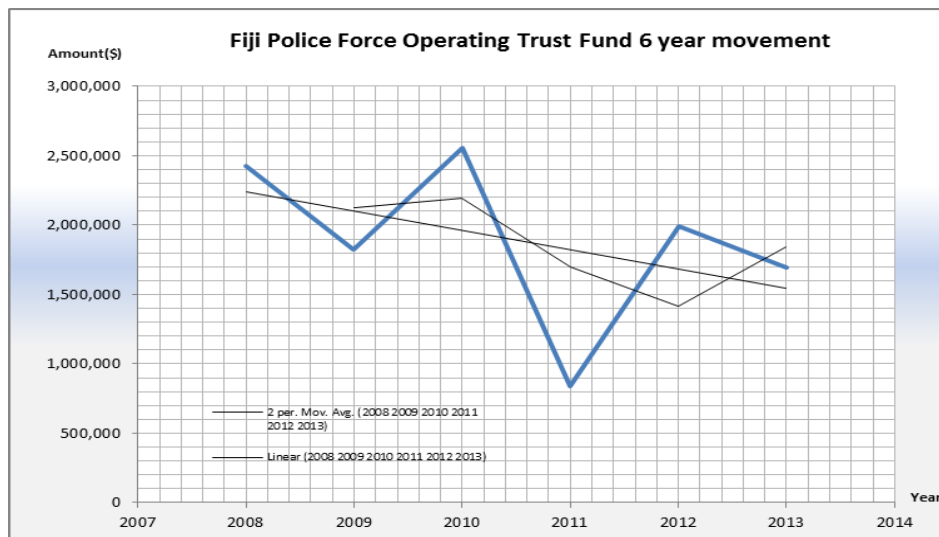
¹⁴ Fiji Police Force Finance Manual 2011 - Section 4.7.3

¹⁵ Fiji Police Force Finance Manual 2011 - Section 14.4.1 – 14.4.4

The Trust Fund Account had a balance of \$1,697,296 in 2013 compared to a balance of \$1,993,421 in 2012, a decrease of \$296,125. These comprise of direct payroll deductions for Police Welfare Scheme, Police Service Credit Union, deductions for Wesram Finance, Fiji National Provident Fund contributions and VAT collected in trust to be remitted to FRCA. Refer Table 19.8 below and Figure 19.3 for details of balances over the 6 year period.

Table 19.8 and Figure 19.3: Trust Fund Account over 6 Year Period

Year	Amount (\$)
2008	2,427,491
2009	1,823,512
2010	2,560,483
2011	835,535
2012	1,993,421
2013	1,697,296



The audit noted the following anomalies in the operating trust fund account:

- Of the 60 trust fund accounts, 11 accounts were dormant of which 7 have been written off without proper supporting documents provided to audit for verifications. Refer Table 19.9 for details

Table 19.9: Dormant Trust Fund Accounts

Account Number	Description	Dormant From	Amount (\$)	Audit Remarks
1-20101-20101-861310	396 PD FAB LOAN RECEIVABLE	2008	1,284	Account written off without supporting documents provided to audit
1-20101-20101-861524	315 PD CENTRAL CREDIT UNION	2008	115	Account written off without supporting documents provided to audit
1-20101-20101-861814	419 PD RENT GRADE IV	2008	48	
1-20101-20101-861609	349 PD MAINT-LABASA	2009	310	Account written off without supporting documents provided to audit
1-20101-20101-861307	264 PD HOME FINANCE CO	2010	1,566	
1-20101-20101-861521	312 PD SACRED HEART CU	2010	2,414	Account written off without supporting documents provided to audit
1-20101-20101-861532	YYY PD PUBLIC EMPLOYEE UNION	2010	410	
1-20101-20101-861603	343 PD MAINT-RAKIRAKI	2010	140	
1-20101-20101-861611	351 PD MAINT-SAVUSAVU	2010	80	Account written off without supporting documents provided to audit

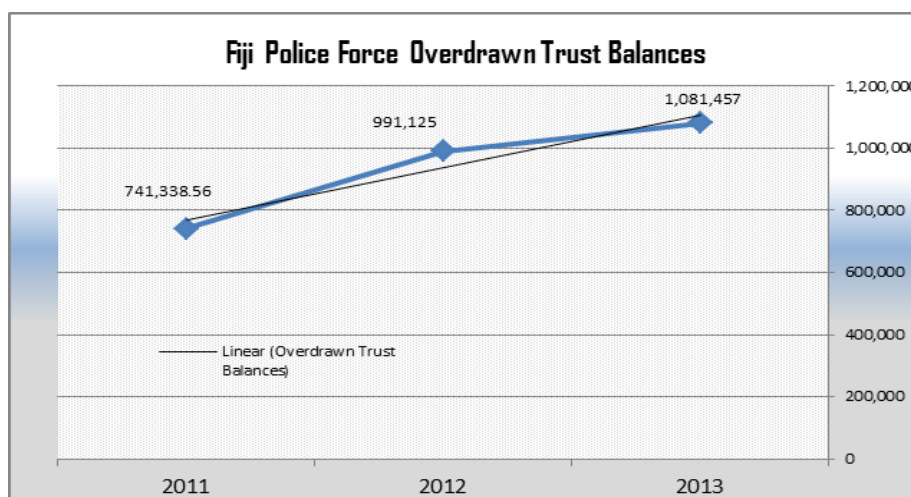
Account Number	Description	Dormant From	Amount (\$)	Audit Remarks
1-20101-20101-861207	247 BSP HEALTH CARE	2011	596	Account written off without supporting documents provided to audit
1-20101-20101-861913	387 PD RFA IDC SALARIES	2011	33,599	Account written off without supporting documents provided to audit
Total			40,562	

- Reconciliations were not consistently checked during the year thus an un-reconciled variance of \$1,151 was noted between the FMIS general ledger and the Force's records. Refer Table 19.10 for details.

Table 19.10: Variance between Balances

Force Reconciliation Amount - 31/12/13 (\$)	General Ledger Amount - 31/12/13 (\$)	Variance Amount (\$)
1,698,447	1,697,296	1,151

- Thirty – eight (38) accounts were overdrawn during the year;
- Overdrawn balance has increased in 2013 by \$90,332 or 9% compared to that of 2012. Refer to Figure 19.4 and Table 19.11 below for the schedule of overdrawn trust fund accounts:

Figure 19.4: Overdrawn Trust Fund Accounts**Table 19.11: Overdrawn Trust Fund Accounts**

Account Number	Description	2013 (\$)	2012 (\$)
1-20101-20101-861104	208 PD RENT H/A UNEST	19,736	19,761
1-20101-20101-861105	267 PD RENT PUBLIC RENTAL BRD	8,511	8,402
1-20101-20101-861106	390 PD GOV WATER RATES CHRGS	198	81
1-20101-20101-861202	241 PD CMLA	92,452	84,530
1-20101-20101-861204	244 PD-LICI	159,082	143,759
1-20101-20101-861206	246 PD MARSH & MCLENNAN	47,224	47,189
1-20101-20101-861210	250 PD POLICE WELFARE SCHEME	306,457	280,097
1-20101-20101-861306	263 PD HOUSING AUTHORITY	4,450	4,435

Account Number	Description	2013 (\$)	2012 (\$)
1-20101-20101-861307	264 PD HOME FINANCE CO	1,924	1,561
1-20101-20101-861308	266 PD FDB HOUSING	4,098	4,110
1-20101-20101-861511	301 PD FPS CREDIT UNION	11,608	11,828
1-20101-20101-861511	305 PD GSMA CREDIT UNION	---	360
1-20101-20101-861515	305 PD GSMA CREDIT UNION	415	---
1-20101-20101-861521	312 PD SACRED HEART CU	---	2,414
1-20101-20101-861524	315 PD CENTRAL CREDIT UNION	---	115
1-20101-20101-861532	YYY PD PUBLIC EMPLOYEE UNION	430	410
1-20101-20101-861533	WESRAM FINANCE	97,639	96,672
1-20101-20101-861536	HANDY FINANCE LIMITED	2,892	---
1-20101-20101-861601	341 PD MAINT-SUVA	4,679	3,775
1-20101-20101-861602	342 PD MAINT-NAUSORI	5,919	5,604
1-20101-20101-861603	343 PD MAINT-RAKIRAKI	140	140
1-20101-20101-861604	344 PD MAINT-TAVUA	720	880
1-20106-20101-861604	344 PD MAINT-TAVUA	80	---
1-20101-20101-861605	345 PD MAINT-BA	820	633
1-20101-20101-861606	346 PD MAINT-LAUTOKA	4,090	4,060
1-20101-20101-861607	347 PD MAINT-NADI	1,000	880
1-20101-20101-861608	348 PD MAINT-SIGATOKA	960	840
1-20101-20101-861609	349 PD MAINT-LABASA	---	310
1-20101-20101-861611	351 PD MAINT-SAVUSAVU	---	80
1-20101-20101-861616	PD MAINT-NASINU	1,090	1,130
1-20101-20101-861701	357 PD RATES-SUVA	909	866
1-20101-20101-861706	361 PD RATES-LAUTOKA	412	218
1-20101-20101-861716	XXX PD RATES-NASINU	445	325
1-20101-20101-861901	201 PD TAX ARREARS / PAYE	179,895	157,569
1-20101-20101-861911	385 D SPORTS & SOCIAL	46,789	11,188
1-20101-20101-861912	386 PD UNIQUE (DISP SERV)	76,393	96,903
1-20101-20101-861922	PAYROLL DED - DOBU FINANCE	114	---
1-20101-20101-861924	MPAISA	110	---
Total		1,081,681	991,125

- The audit noted significant credited trust account balances. Refer Table 19.12 for details.

Table 19.12: Significant Trust Fund Accounts

Allocation	Particulars	Amount (\$)
1-20101-20101-861517	307 PD POLICE SERVICE CU	732,266
1-20101-20101-861599	319 NUPW CREDIT UNION	24,928
1-20101-20101-861902	204 PD DEPST A/C RECOVERABLE	30,660
1-20101-20101-861917	437 PD IMPROVED FORESTRY	10,432
1-20101-20101-861920	501 P D EMPLOYEES FNPF	1,050,556
1-20101-20101-863201	VAT FROM PROVSN OF GDS & SERV	918,227
Total:		2,767,069

- A total of \$2 million is held as statutory payment yet to be paid. Refer Table 19.13 for details.

Table 19.13: Statutory Trust Fund Accounts

Account Number	Description	2013 (\$)	2012 (\$)
1-20101-20101-861309	388 PD PSC SCHOLARSHIP LOAN	1,698	1,698
1-20101-20101-861310	396 PD FAB LOAN RECEIVABLE	---	1,284
1-20101-20101-861902	204 PD DEPST A/C RECOVERABLE	30,660	56,829
1-20101-20101-861914	389 PD-COURT BANKRUPTCY ORD	2,692	2,692
1-20101-20101-861915	400 PD FINES & TREASURY	1,330	1,280
1-20101-20101-861920	501 P D EMPLOYEES FNPF	1,050,556	1,292,343
1-20101-20101-861920	501 P D EMPLOYEES FNPF	228.48	---
1-20101-20101-861917	437 PD IMPROVED FORESTRY	10,432	---
1-20101-20101-863201	VAT FROM PROVSN OF GDS & SERV	918,227	---
Total:		2,015,823	1,356,126

- In addition, the reconciliations prepared failed to address accumulated balances in FNPF and VAT trust fund accounts of \$1,050,784 and \$918,227 respectively. Refer Table 19.14 for details.

Table 19.14: Accumulated FNPF & VAT Trust Fund Accounts

Allocation	Particulars	Amount (\$)
1-20101-20101-861920	501 P D EMPLOYEES FNPF	(1,050,556)
1-20102-20101-861920	501 PD EMPLOYEES FNPF	(228)
Total		(1,050,784)
1-20101-20101-863201	VAT FROM PROVSN OF GDS & SERV	(918,227)

The above shows the laxity in ensuring timely payment of balances held in trust. Also, there is a possibility that statutory payment have been made from the operating fund account instead of the trust fund account, overstating expenditure recorded in the Statement of Receipts and Expenditure in the Force Agency Financial Statement.

As such, large balances remained outstanding in the operating trust fund account.

Recommendations

- **The Deputy Force Accountant should review trust fund account balances every month and explain the reason for the accumulating balances.**
- **The Force Accountant should ensure that proper controls are put in place for the management of trust fund account operation.**
- **The Deputy Commissioner of Police should ensure that monthly reconciliations are reviewed for large outstanding balances.**

Force's Comments

The Force will ensure that the Deputy Force Accountant will scrutiny trust fund account balances every month and explain the reasons for the accumulating balances.

The auditors had highlighted previous year's balance, which did not capture the true expenditure incurred by the various operating trust allocations.

The Force Accountant will also ensure that monthly reconciliations are done and submitted on time and also ensure that large outstanding balances of previous years are determined to be paid or written-off if no proper documentations.

The Force Accountant will ensure that there will be measures and supervisory controls for the clearance of these balances.

19.9 Outstanding and Anomalies in Advances Issued

The Force Accountant is responsible for the safekeeping and proper maintenance of all accounting records or documents.¹⁶ The need to improve record management in all agencies is vital for promoting Good Governance, Transparency and Accountability in the public sector.¹⁷

A travelling officer shall recoup the travel advance within seven days of completing travel by submission of an acquittal report with supporting documents. If an advance has not been fully expended, the travelling officer must repay the balance within seven days of completing travel.¹⁸

Where an advance has not been acquitted within seven days of travel, the Force Accountant shall effect recovery through a salary deduction from the concerned officers salary within six fortnights.¹⁹ Upon clearance of the advance, the Force Accountant shall update the advance register, offset the advance account and debit the appropriate expenditure account.²⁰

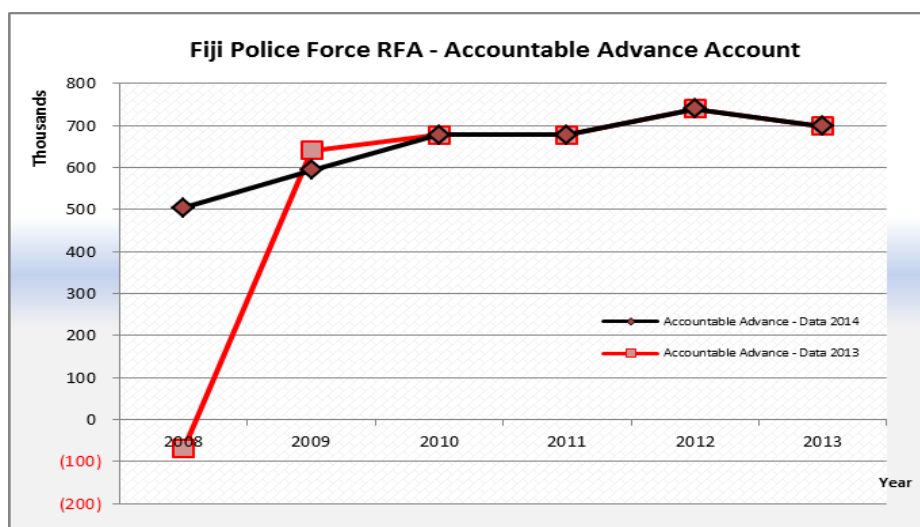
The revolving fund advance account totalled to \$697,909 in 2013 compared to \$739,708 in 2012, a decrease in unretired advances by \$41,799 or 6%.

During the year, a total of \$1,065,300 and \$1,107,099 was issued and retired as payments and receipts to the advance account.

Refer Table 19.15 for balances in the advance account over the 6 year period.

Table 19.15 and Figure 19.5: RFA – Advance Account over the 6 Year Period

Year	Amount (\$)
2008	504,707
2009	593,824
2010	678,213
2011	677,619
2012	739,708
2013	697,909



¹⁶ Fiji Police Force Finance Manual 2011 - Section 17.1.3

¹⁷ Public Service Commission Circular No. 10/2011

¹⁸ Fiji Police Force Finance Manual 2011 – Section 9.1.11 and 9.1.12

¹⁹ Fiji Police Force Finance Manual 2011 - Section 9.1.14

²⁰ Fiji Police Force Finance Manual 2011 – Section 9.1.15

The audit noted the following anomalies:

- The outstanding advances have been recurring from previous years without much effort to reconcile the balance;
- A review of advances issued during the year noted a total of \$40,452 outstanding in advances as outlined in **Appendix 19.3**. This was an increase of 258% or \$29,140 from \$11,312 in 2012.
- The audit noted that cancelled advances totalling \$28,164 was recorded in the debtors register. Refer Table 19.16 for details.

Table 19.16: Cancelled Cheques Recorded as Issued Advances

Chq No./ Date	Amount (\$)	Particulars
900000618433 - 03/01/13	3,782	Payment of Advance
690984 - 05/01/13	108	Advance to cater meals for 2 officers to investigate on alleged forgery and money laundering case in WD wef 08-09/01/13
691632 - 01/02/13	100	Advance to cater lunch during 4th quarter verification with SFCCO
691767 - 06/02/13	108	ADV_08-09/01/13
692958 - 13/03/13	405	ACC ADV_14/3-18/3/13
695626-10/06/13	11,718	Advance to cater for the opening of Northern carnival wef 15/06/13-22/06/13
	180	Advance to cater 6 nights while attending court in Lautoka wef 12/08/13-16/08/13
698438-28/08/13	482	Advance to cater meals and fuel whilst conducting investigation in ND
698440-28/08/13	311	Advance to cater for the 2nd RFL in ED
698085-20/08/13	500	Advance to cater for the Police Wives National Sports Tournament and craft Fair wef 30/08/13-01/09/13
698086-20/08/13	500	Advance to cater for the Police Wives National Sports Tournament and craft Fair wef 30/08/13-01/09/13
699243-19/09/13	1,200	Remembrance Day Advance
699274-20/09/13	198	Advance for Northern Division Tour
699276-20/09/13	108	Advance for Levuka Tour
699420-25/09/13	1,690	Advance to cater for meals and nights while deployment for 30 days in Lakeba wef F 25/09/13
697801-12/08/13	972	Advance to cater for meals for 4 officers while on Docket Inspection Tour at the ND wef 13/08/13-21/08/13
900000699574-30/09/13	3,402	Payment of Advance
900000699575-30/09/13	1,458	Payment of Advance
700617-30/10/13	78	Advance for Northern Division Tour
701570-27/11/13	864	Advance to cater for the ND Economic Crime Tour
Total	28,164	

- Furthermore, the Advance Account reconciliations were not certified as correct by the Senior Accountant and the Force Accountant for the second half of the year July – December.

Non-timely clearance of advances is a contributing factor of large un-reconciled balances in the advance account over the years and may become irrecoverable.

The above shows lack of care in issuing, recording and maintaining records relating to advances and are compounding factors to the large balances in advance accounts.

Recommendations

- **The Force should ensure that recovery actions are instigated on officers who failed to retire advances within seven days upon return from duty.**
- **The Force should thoroughly review reconciliations performed for the timely clearance of retirement of advances.**
- **The Force should investigate reconciliations of prior periods to update the general ledger and instigate recovery actions against officers who have not cleared the advances.**
- **The Deputy Commissioner of Police, Finance and Administration should institute disciplinary action on officers who failed to reconcile and follow-up on the advances that have become irrecoverable.**
- **The Force Accountant should ensure that proper care is maintained for accounting records.**

Force's Comments

The Force will ensure to instigate recovery actions for officers who failed to retire their advances within seven days upon return.

The Force will ensure that AAO/L to thoroughly see that timely reconciliations and clearance of advances are done on time.

The Force will also ensure to recover outstanding advances from prior periods and instigate a 12% interest as per the 1994 Finance Circular.

The Force will publish the name of those officers who has outstanding advances in the Force Routine Order (FRO) so that disciplinary action can be taken against them.

The Force Accountant and all the supervisors will now make sure that proper care is maintained for accounting records.

The Force has ensured that any un-utilized cheques will be voided in the system to show a corresponding entry to off-set the amount issued.

19.10 Non-Performance of FNPf Reconciliation

Every employer shall pay to the Fund in respect of each of his employees, in every month during which such employee is employed by him and in the month following the termination of such employment, a contribution calculated upon the amount of wages payable to such employee by such employer for the preceding month at the appropriate rates.²¹

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

Within three days of receiving the monthly general ledger reports from the Ministry of Finance, the Assistant Accounts Officer, Ledgers shall reconcile the ledger balances to the general ledger reports and prepare a ledger reconciliation statement.²² Any errors or misallocations must be immediately adjusted by way of journal vouchers.²³ The Force Accountant shall certify and date the reconciliation.²⁴

²¹ Chapter 219 – Fiji National Provident Fund – Section 13 (1)

²² Fiji Police Force Finance Manual 2011 - Section 15.3.3

²³ Fiji Police Force Finance Manual 2011 - Section 15.3.4

²⁴ Fiji Police Force Finance Manual 2011 - Section 15.3.7

The audit noted a variance of \$1.17 million between the FNPF recorded in the general ledger and the reasonableness tests performed by audit. Refer Table 19.17 for details of the variance.

Table 19.17: Unexplained Variance In The Payment Of FNPF

Description	Amount (\$)
FNPF deducted in Pay 1/2013	
Established Staff [\$155,151.52 * 26]	4,033,940
Special Constables [\$24,791.68 * 26]	644,584
Total Expected FNPF Expenditure	4,678,524
FNPF Recorded in the General Ledger [010200]	3,506,283
Variance	1,172,241

The above shows the laxity in ensuring that supervisory checks are carried out for the payments made.

Audit further noted an un-reconciled difference of \$255,101 between the FNPF December contributions and the FNPF recorded in the FNPF Trust fund account general ledger. Refer Table 19.18 for details of the variance.

Table 19.18: Unexplained Variance in the FNPF Trust fund

Description	Amount (\$)
FNPF Trust Fund Account (OTF)	1,050,784
FNPF December Provisions	795,683
Variance:	255,101

This indicates that the Force failed to make proper provisions in the clearing of FNPF under allocations 1-20101-20101-861920 and 1-20102-20101-861920.

Recommendations

The Force Accountant should ensure that FNPF deductions from employees are correctly remitted to FNPF and regular reconciliations are undertaken.

Force's Comments

The Force has ensured that all recent years FNPF contributions are paid out as per reports which are printed from Ministry of Finance, including manual payments.

The Force has also carried out monthly reconciliations to ensure contributions payable or receivable by the Force is properly remitted to FNPF Board.

The OAG should also take into considerations of a few factors that could have caused the variances:

- *The number of officers that retire/resign and or deceased during 2013.*
- *The number of officers who were interdicted on half salary, cessation of allowances and the 108 Officer's that passed out last year.*
- *The findings also did not take into considerations the manual payments done in December, 2013 amounting to \$20,372.*

19.11 Salary and Wages Reconciliation Not Prepared

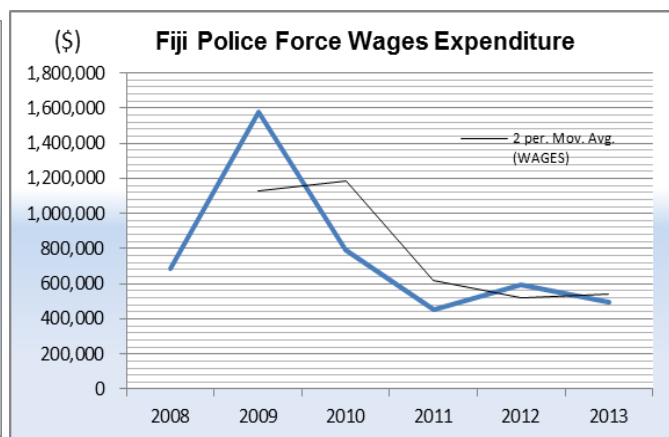
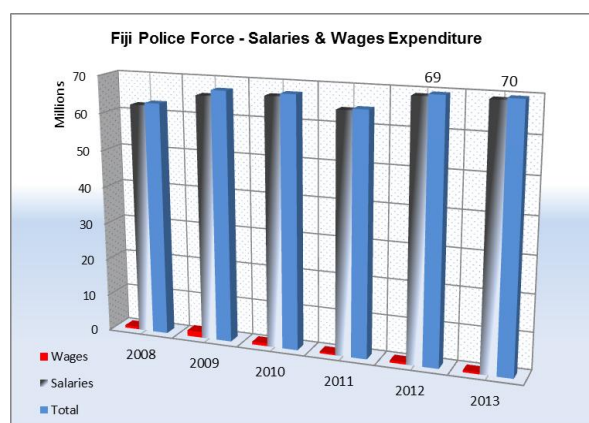
The Force Accountant is responsible for the safekeeping and proper maintenance of all accounting records or documents.²⁵ The payroll report shall be handed to the Assistant Accounts Officer Ledgers or Clerical Officer who is responsible for preparing the salary reconciliation (this officer must not be involved in the payment process or the preparation of input forms).²⁶

The salary reconciliation must reconcile the difference between the previous fortnight payroll report and the current report, and must be prepared prior to each pay date. The salary reconciliation shall be signed by the Deputy Force Accountant to the Ministry of Finance, within one week from the pay date.²⁷

The Force salaries and wages expenditure totalled \$69.6 million in 2013 compared to \$69.5 million in 2012, an increase by 1%. Refer Table 19.19 below for details:

Table 19.19 and Figure 19.6 (a) & (b): Salaries & Wages over the 5 Year Period

Year	Salaries (\$)	Wages (\$)	Total (\$)	Percent Change
2008	62,367,530	683,447	63,050,977	0
2009	65,857,555	1,578,012	67,435,567	7.0
2010	66,787,063	791,351	67,578,414	0.2
2011	64,391,677	451,962	64,843,639	(4.0)
2012	68,902,927	591,575	69,494,502	7.2
2013	69,091,943	495,957	69,587,901	0.1



The following irregularities were noted in the payment of wages and salaries:

- A saving of more than \$1.2 million was noted for standard expenditure group - established staff as outlined in Table 19.20:

Table 19.20: Significant Saving in SEG 1

Description	Amount (\$)
Revised Budget	70,350,381
Actual Expenditure	69,091,943
Variance	1,258,438

²⁵ Fiji Police Force Finance Manual 2011 - Section 17.1.3

²⁶ Fiji Police Force Finance Manual 2011 – Section 4.6.3

²⁷ Fiji Police Force Finance Manual 2011 – Section 4.6.4 – 4.6.5

- The audit could not ascertain salaries and wages totaling \$3.45 million for Special Constables (SC) as certified salary and wages reconciliations were not maintained and provided for audit verification upon audit request. Refer Table 19.21 for details.

Table 19.21: Details of Unsubstantiated Special Constables Reconciliations

Pay No.	Total Officers Paid	Amount Paid (\$)	Pay Date	Reconciliation Date
1	1093	311,960	11/01/13	Not Provided for audit verifications
2	1090	312,362	25/01/13	Not Provided for audit verifications
3	1081	316,494	08/02/13	Not Provided for audit verifications
4	1082	320,929	22/02/13	Not Provided for audit verifications
5	1082	333,429	08/03/13	Not Provided for audit verifications
6	1083	328,216	22/03/13	Not Provided for audit verifications
7	1097	309,930	05/04/13	Not Provided for audit verifications
8	1094	506,877	19/04/13	Not Provided for audit verifications
9	1094	358,573	03/05/13	Not Provided for audit verifications
10	1093	354,542	17/05/13	Not Provided for audit verifications
Total		3,453,312		

- In addition, the audit noted that salaries totaling \$10.1 million for established staff, \$1.4 million for special constables and \$266,525 wages were not reconciled on time. The audit established that some salaries and wages were reconciled after one year. Refer Table 19.22 to 19.24 for details.

Table 19.22: Late Preparation of Reconciliations – Established Staff

Pay No.	Total Officers Paid	Amount Paid (\$)	Pay Date	Reconciliation Date	Audit Remarks
<i>Established Staff</i>					
4	2715	2,064,065	21/02/13	24/09/13	Pay was reconciled after 7 months
5	2685	2,046,526	07/03/13	24/09/13	Pay was reconciled after 6 months
6	2633	2,001,892	21/03/13	24/09/13	Pay was reconciled after 6 months
14	2697	2,022,626	22/08/13	17/10/13	Pay was reconciled after 2 months
26	2642	2,036,488	19/12/13	14/01/14	Pay was reconciled in 2014
Total		10,171,597			

Table 19.23: Late Preparation of Reconciliations – Government Wage Earners

Pay No.	Total Officers Paid	Amount Paid (\$)	Pay Date	Reconciliation Date	Audit Remarks
<i>Government Wage Earner (GWE)</i>					
1	114	10,213	02/01/13	12/03/14	Pay was reconciled after more than 1 year
2	114	9,340	09/01/13	12/03/14	Pay was reconciled after more than 1 year
3	113	11,306	16/01/13	12/03/14	Pay was reconciled after more than 1 year
4	62	10,834	23/01/13	12/03/14	Pay was reconciled after more than 1 year
5	61	10,958	30/01/13	12/03/14	Pay was reconciled after more than 1 year
6	59	11,111	06/02/13	12/03/14	Pay was reconciled after more than 1 year
7	91	16,528	13/02/13	12/03/14	Pay was reconciled after more than 1 year
8	92	16,846	20/02/13	12/03/14	Pay was reconciled after more than 1 year
9	91	18,235	27/02/13	12/03/14	Pay was reconciled after more than 1 year
10	91	15,750	06/03/13	12/03/14	Pay was reconciled after more than 10 months
11	93	16,825	13/03/13	12/03/14	Pay was reconciled after more than 10 months
12	93	17,647	20/03/13	12/03/14	Pay was reconciled after more than 10 months

Pay No.	Total Officers Paid	Amount Paid (\$)	Pay Date	Reconciliation Date	Audit Remarks
13	93	16,965	27/03/13	12/03/14	Pay was reconciled after more than 10 months
14	93	17,168	03/04/13	12/03/14	Pay was reconciled after more than 10 months
15	93	16,993	10/04/13	12/03/14	Pay was reconciled after more than 10 months
16	93	16,972	17/04/13	12/03/14	Pay was reconciled after more than 10 months
17	91	16,182	24/04/13	12/03/14	Pay was reconciled after more than 10 months
24	92	16,653	19/06/13	18/11/13	Pay was reconciled after 4 months
Total		266,526			

Table 19.24: Late Preparation of Reconciliations – Special Constables

Pay No.	Total Officers Paid	Amount Paid (\$)	Pay Date	Reconciliation Date	Audit Remarks
<i>Special Constables (SC)</i>					
15	1090	361,719	09/08/13	06/01/14	Pay was reconciled after more than 4 months
17	1081	361,253	23/08/13	06/01/14	Pay was reconciled after more than 4 months
23	1080	350,670	15/11/13	24/01/14	Pay was reconciled in 2014
26	1082	358,242	24/12/13	24/01/14	Pay was reconciled in 2014
Total		1,431,884			

In the absence of regular and timely reconciliations, the Force will not be able to detect possible irregularities in the payment of salaries and wages.

The above indicates the laxity of the supervising officer in ensuring that adequate supervisory checks on payroll are made.

The above anomaly was first highlighted in the 2012 Draft Audit Memorandum which was issued to the Force on 28/08/13 however the Force failed to take any corrective action.

Recommendations

- The Force Accountant should ensure that timely salary and wages reconciliation are performed and filed accordingly.
- The Force Accountant should ensure strict compliance to payroll guidelines and instruction stipulated in the Finance Manual.
- The internal control procedures in the Accounts Section, specifically supervisory checks should be strengthened to avoid such discrepancies.

Force's Comments

The salary and wages reconciliations have been carried out and where necessary appropriate adjustments have been made. The file is available for your scrutiny.

The Salary reconciliation officer and the supervisor have been informed on the importance on timely reconciliations.

Further OAG Comments

The reconciliations were not prepared on time which has resulted in some of the irregularities noted in the payroll below.

19.12 Staff Establishment Contrary to the Authorised Establishment

Salaries and wages constitute a major portion of the agency's budget. Proper controls over engaging new employees, salary payments and resignations reduce the risk of fraudulent or unauthorised payments, inaccurate payroll reports and invalid pay rates.²⁸

The number of persons to be recruited as Subordinate Officers and the frequency of recruitment will be directed by the Commissioner of Police. The Commandant Fiji Police Academy will be responsible for arranging recruiting tours, the selection of recruits, the processing of recruits and advertisement of recruiting tours.²⁹

The audit noted the following anomalies for staff establishments of the Force:

- The Force engaged excess PL08³⁰ man power contrary to the Public Service Commission (PSC) approved staff establishment. The audit could not ascertain the authority for the excess engagement as there was no Public Service Commission approval. Refer Table 19.24 for details.
- In addition the audit further noted that twenty nine (29) contract workers were engaged contrary to the Public Service Commission (PSC) approved staff establishment. The audit could not ascertain the authority for the excess engagement as Public Service Commission approval was not obtained. Refer Table 19.25 for details.

Table 19.25: Details of Staff Establishment

Grade	PSC Approved Establishment	Actual Establishment	Excess Establishment
PL08	450	551	101
Contracted Workers	---	29	29

(Source: Police Manpower Status Report – Human Resource Management as at 31/12/13)

- Despite having excess PL08 man power the audit noted that the force continued to recruit police officers ranking PL 08 for the past three years. An escalating trend has been observed for the past 3 years relative to the fixed approved establishment provided by Public Service Commission. This constitutes a total of \$5,639,485 accounted expenditure or 12% of the entire payroll manpower of the Force. Refer Table 19.26 below for particulars.

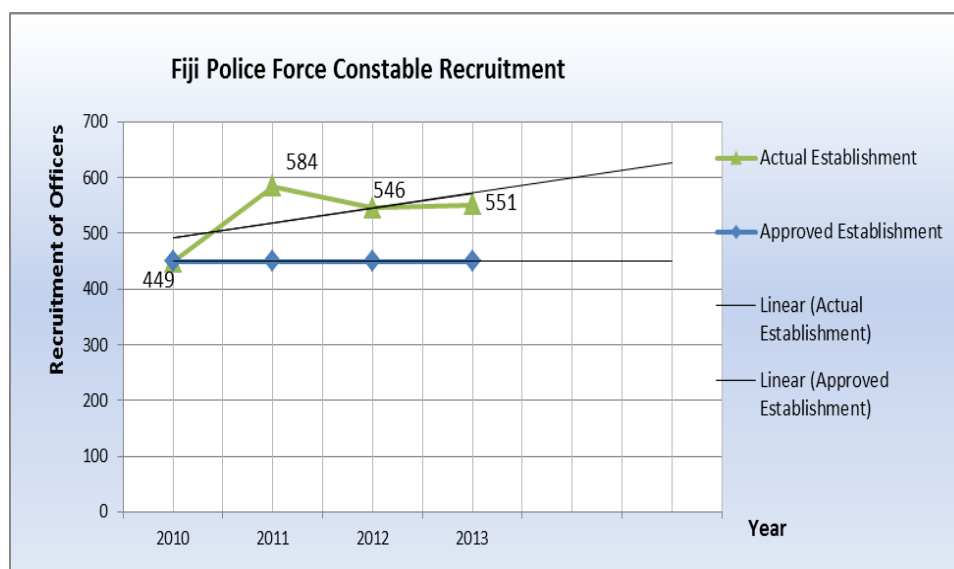
Table 19.26 and Figure 19.7: Recruitments for the four (4) year Period

Year	Establishment		
	Actual	Approve	Excess
2010	449	450	1
2011	584	450	(134)
2012	546	450	(96)
2013	551	450	(101)

²⁸ Fiji Police Force Finance Manual 2011 – Part 4 Payroll

²⁹ Fiji Police Force Standing Order – No. 228: Recruits

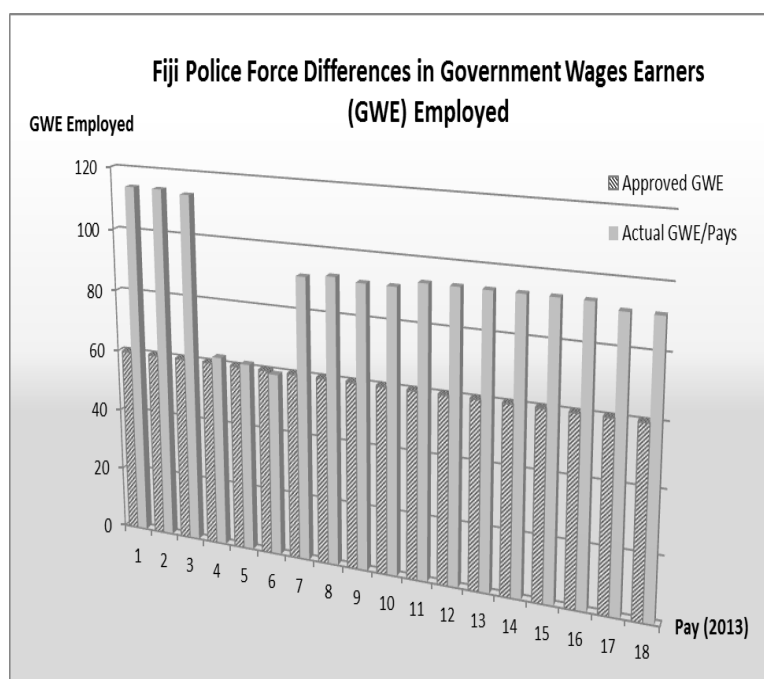
³⁰ The new recruits were classified as PL08 in the Police Force Grading System



- The current recruitment selections were made base on the draft Human Resources Manual guidelines “*3rd Draft HRM Manual*” that are yet to be endorsed by the Commissioner of Police. This anomaly was first highlighted in the 2012 Draft Audit Memorandum which was issued to the Force on 28/08/13 however it failed to take immediate action.
- The Force has a total of sixty (60) GWE as per approve staff establishment. The audit noted that the Force engaged more than sixty (60) GWE for the year which is unauthorised. Refer Table 19.27 below for details of examples of excess GWE paid from Pay 1 to Pay 17.

Table 19.27 and Figure 19.8: Variances in Government Wage Earners (GWE) Employed - 2013³¹

Pay No	Officers Paid	Approve Number	Variance
1	114	60	54
2	114	60	54
3	113	60	53
4	62	60	2
5	61	60	1
6	59	60	(1)
7	91	60	31
8	92	60	32
9	91	60	31
10	91	60	31
11	93	60	33
12	93	60	33
13	93	60	33
14	93	60	33
15	93	60	33
16	93	60	33
17	91	60	31

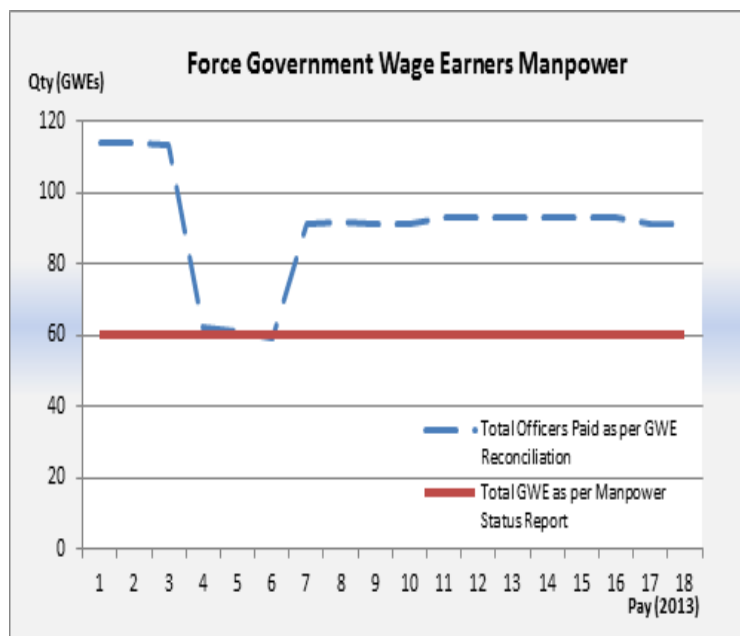


³¹ The list is not exhaustive to Pay 18/2013 onwards.

- The audit further noted that these variances for GWE staffs engagements were not reported on the monthly manpower status report by the Force's Human Resource Management Division. Refer Table 19.28 for details of Manpower reported in the monthly manpower status report and actual Manpower as per GWE payroll records.

Table 19.28 and Figure 19.9: Detail of Variances for Actual GWE Paid & GWE Manpower Reported³²

Pay No	Officers Paid ³³	Reported Officers ³⁴	Variances
1	114	58	56
2	114	58	56
3	113	58	55
4	62	58	4
5	61	58	3
6	59	58	1
7	91	58	33
8	92	58	34
9	91	58	33
10	91	58	33
11	93	58	35
12	93	58	35
13	93	58	35
14	93	58	35
15	93	58	35
16	93	56	37
17	91	56	35



Excess engagement contrary to the approved establishments post is a breach of standing Government Policies and Regulations. Also, recruitment above authorization encourages nepotism and favoritism.

Recommendations

- The Commissioner of Police should review the recruitments in excess of the authorized establishment immediately.
- Disciplinary action should be instituted on officers for recruiting officers in excess of the authorized limit.
- The Force should maintain its manpower capacity within the approved establishment and any excess establishment are to be regularised by PSC.
- The PSC should also investigate the recruitment of officers and take appropriate action where essential.

³² The list is not exhaustive to Pay 18/2013 onwards.

³³ Total Officers Paid as per GWE Reconciliation

³⁴ Total Officers as per GWE Manpower Status Report

Force's Comments

The following are our responses as tabled below.

S/No	Anomalies	Remarks
1	<i>FPF engaged excess PLO8 manpower contrary to PSC approved staff establishment.</i>	<p><i>The excess PLO8 manpower were recruited since the powers were vested by the Commissioner of Police as stipulated under section 127(5) of the 2013 Constitution and State Services Decree No. 6 of 2009 .</i></p> <p><i>The Commissioner of Police made this decision to foresee the future in the maintenance of law and order in the country and since there were 101 vacancies from PLO7 salary grade to USO1. The 101 excess PLO8 recruit officers were recruited for the purpose of maintaining the balance between surplus and variance.</i></p> <p><i>This was done to ensure that once the vacancies from PLO7 to USO1 are filled, there will be automatically 101 vacancies are created in PLO8 salary cadre to cater for this excess number. This exercise did not require additional budgetary allocation.</i></p> <p><input type="checkbox"/> <i>The Commissioner of Police is responsible for ;</i></p> <p style="padding-left: 40px;"><i>a) The organization and administration of the FPF, and;</i> <i>b) The deployment and control of its operations,</i></p> <p><i>And, subject to subsection (6), is not subject to the direction or control by any other person or authority in relation to those matters.</i> <input type="checkbox"/></p>
2	<i>Twenty nine (29) contract workers were engaged contrary to PSC approved staff establishment.</i>	<p><i>These are Building Maintenance and AFIS contracted officers.</i></p> <p><i>Although these are not approved establishment but for the purpose on effective and efficient organization for the maintenance of law and order , the Commissioner of Police used his discretion as stipulated under section 127(5) of the 2013 Constitution and State Services Decree No. 6 of 2009</i></p> <p><input type="checkbox"/> <i>The Commissioner of Police is responsible for;</i></p> <p style="padding-left: 40px;"><i>a) The organization and administration of the FPF, and;</i> <i>b) The deployment and control of its operations,</i></p> <p><i>And, subject to subsection (6), is not subject to the direction or control by any other person or authority in relation to those matters.</i> <input type="checkbox"/></p> <p><i>Further due to nature of their contract of employment for weekly payment of wages the GWE Payroll was used to facilitate processing of their pays, including PSC approved project Building Maintenance employees.</i></p>

S/No	Anomalies	Remarks
3	FPF continued to recruit police officers despite having excess PLO8 manpower.	<p>There are three specific reasons ;</p> <p>a) Although FPF has excess PLO8 officers, it continued to recruit officers because there were vacancies of similar number in the PLO7 to US01 salary cadre. The FPF foreseen that once these vacancies are filled, there will be automatically vacancies are created in PLO8 in future, hence the excess number of PLO8 are balanced with the created vacancies.</p> <p>b) The Commissioner of Police has authority as enshrined under Section 129(5) of 2013 Constitution on the organization and administration of the FPF, and; The deployment and control of its operations And does not require sanction of PSC, so long as it is within his budgetary allocation.</p>

Further, the officers were recruited in the Projects and were not paid from the GWE funds, however, due to nature of contract of employment for payment of weekly wages for these officers were facilitated/ paid from the GWE payrolls. For example; labourers, carpenters, plumber, painter, electrician, Data Operators, TRCOs, etc. However, our past years record shows that we had vacancies in all categories (Established/SC/GWE). Further, we had surplus in 2013 GWE allocations that proves that recruitment was not in excess of establishment. Refer to the 2013 expenditure below:

Government Wage Earner (\$)

Annual provision	667,393
Actual Expenditure	495,957
Surplus	171,436

Further OAG Comments

Although the Force did not overspent the Government Wage Earner (GWE) funds allocated for the year, the recruitment of excess officers exceeds the approved staff establishments without Public Service Commission approval.

19.13 Proper Procedure Not Followed for Recruitment/Advertisement of Vacancies

It has been established that Ministries, Departments and Agencies have a substantial number of vacant positions, which are critical to the achievement of their representative corporate outputs and deliverables.³⁵

Vacant posts will normally be advertised in the Fiji Public Service Official Circular and the press. When an Officer applies for any vacancy, he should send his application through his Permanent Secretary or Head of Department. Prior approval of the Public Service Commission is to be obtained with the certificate of availability of funds from the Ministry of Finance before any substantively vacant post is advertised.³⁶ The Secretary of the Public Service shall authorize advertisement of vacancies and prospective vacancies in the Public Service as soon as it is ascertained by the Permanent Secretary or Head of Department.³⁷

³⁵ Public Service Commission Circular No. 58/2011

³⁶ General Orders 2011 – Chapter 2: Appointments – Section 205

³⁷ Public Service Commission Circular No. 53/2011

Before a letter of appointment is issued, a candidate selected for appointment must undergo medical examination and be passed as being in all respects physically and mentally fit by an authorized Medical Officer.³⁸ He must have a satisfactory police record.³⁹

The compulsory retirement age from the Service will be 55 years as per Part 15 (1) of Decree No. 6 and titled State Services Decree 2009. Any Officer may, in special circumstances, and with the approval of the appropriate Service Commission be allowed to remain in the Service after he has attained the age of 55 years.⁴⁰ No manual payment of salary is permitted except on first appointment or upon written approval from the PS Finance.⁴¹

The audit noted the following anomalies for the recruitment and re-engagement of officers of the Fiji Police Force:

- Proper procedures were not followed during the recruitment process of police constables. Refer below for anomalies noted for the recruitment process:
 - The audit could not ascertain the appointment of officers as application form were not produce to audit,
 - There was no supporting police clearance forms,
 - There was no medical clearance forms, and
 - Other supporting documents such as birth certificates and examination transcripts could not be verified as files were not updated neither it was produce upon audit request. Refer to **Appendix 19.4** for details.
- In addition the force has 372 vacant positions. This constitutes 63 per cent of police constables, 10 per cent corporals, 6 per cent sergeant, 6 per cent inspectors and 15 per cent as others⁴².
- Further the following officers were appointed to the Communication Assistant (*ES06*) posts without proper recruitment process. Refer Table 19.29 for details.

Table 19.29: Communication Assistant Posts Filled Without Proper Recruitment Process

Name	EDP	Period of Appointment	Remarks
Kelvin Kamal Prasad	77700	25/01/13	The officers have been absorbed into the Force after being employed as provisional staffs and have been contracted for 3 years from the dates of their appointments. However those four communication posts were filled without advertising the vacancies and interview the candidate.
Saimoni Suka	77905	03/09/12	
Nitendra Nair	77883	20/02/12	
Ilisoni Naivalu	77837	01/12/13	

- The Force Forensic officer Mr. Mitieli Luvu (EDP 51341) was re-engaged without Public Service Commission approval.

³⁸ General Orders 2011 – Section 203 (a)

³⁹ General Orders 2011 – Section 203 (b)

⁴⁰ General Orders 2011 – Chapter 2: Appointment – 215(b) (c)

⁴¹ Fiji Police Force Finance Manual 2011 – Section 4.5.14

⁴² Civilians/GWE/Police Superintended/ Senior Research Officer/Consultant/Technical officer/Medical officer

- In addition the officer was manually paid from pay 16 to 26 totalling \$6,910 without the Ministry of Finance approval. Moreover the manual payment was not recorded into the payroll system.

In the absence of competitive recruitment evaluation, the selection processes is partial and incomplete. The required qualified people for the job may not be selected and there is a risk of favouritism and nepotism in the process.

The Force may not be able to deliver the required services to the public in a timely manner if positions continue to remain vacant for a long period of time.

Recommendations

- **The Force should maintain its manpower capacity within the approved establishment to ensure that the required services are delivered to the public in a timely manner and required output are achieved.**
- **The Force should ensure that the selection and appointment processes are strengthened, transparent and fair.**
- **The Force should ensure that vacancies are advertised in compliance to PSC regulation.**
- **The Force and PSC should investigate the recruitment and re-engagement of officers above 55 years and take appropriate action where necessary.**

Force's Comments

Firstly, I wish to draw your attention to the following mandated authority:

The Commissioner of Police under the Laws of Fiji, Chapter 85 and/or State Services Decree 2009, Decree No. 6 empowers the Commissioner of Police on the following:

Section 21(4) The Commissioner of Police is responsible for:

- (a) The organization and administration of the Fiji Police Force; and*
- (b) Its deployment and the control of its operations;*
and, subject to subsection (5), is not subject to direction or control by any other person or authority in relation to those matters.

(8) Notwithstanding anything to the contrary in any written law, the Commissioner of Police has the following powers in relation to the Fiji Police Force for all ranks and members of the Fiji Police Force:

- (a) to make appointments in the Fiji Police Force*
- (b) to remove officers in the Fiji Police Force*
- (c) to take disciplinary action in the Fiji Police Force*

The section 129 (1) of 2013 Fiji Constitution stipulates the appointment of the Commissioner of Police.

"...the commissioner of Police is appointed by the President on the advice of the Constitutional Offices Commission following the consultation with Minister responsible for the Fiji Police Force.is appointed by the Constitutional Commission as stipulated in the 2013 Constitution section....."

In view of the above, the State Services Decree number 6 and the 2013 Constitution of Fiji empowers the Commissioner of Police for recruitment of members of the Force within the budgetary provisions.

For your information, proper procedures were followed for the new recruits and all the relevant documents are available for your verifications at Fiji Police Academy and our Director Planning office. However, Force is in the process of transferring the relevant information from these recruitment files to their personal files maintained at the Headquarters.

Details responses as per item are as follows:

Table 19.29: Communication Assistant Post filled without Proper Recruitment Process

Srl No	Name	EDP	Remarks
1	Kelvin Prasad	77700	<ul style="list-style-type: none">CP's powers to appoint under the State Services Decree 6/2009 and 2013 ConstitutionThey all met the MQR of the position.
2	Saimoni Suka	77905	
3	Nitendra Nair	77883	
4	Ilisoni Naivalu	77837	
Srl No	Issue		Response
1	The Audit could not ascertain the appointment of officers as application forms were not produced to audit		Recruitment into the FPF (PL08) was advertised in the Fiji Sun.
2	There was no supporting Police Clearance Forms for new appointments		<ul style="list-style-type: none">Police Clearance successful applicants was done through Criminal Records OfficeFPA maintains files for officers on recruitment training where documents like birth certificates and exam transcripts are copied/recorded
3	Mitieli Luvu – re-engaged without PSC approval (PSC Circular Memo 29/498 dated 14.03.2014)		<ul style="list-style-type: none">FPF did not seek approval from PM's office for re- engagement of service.instead enforced 2013 constitution CP's delegated

Further OAG Comments

The Force did not submit records to audit upon further audit inquiry on 29/09/2014.

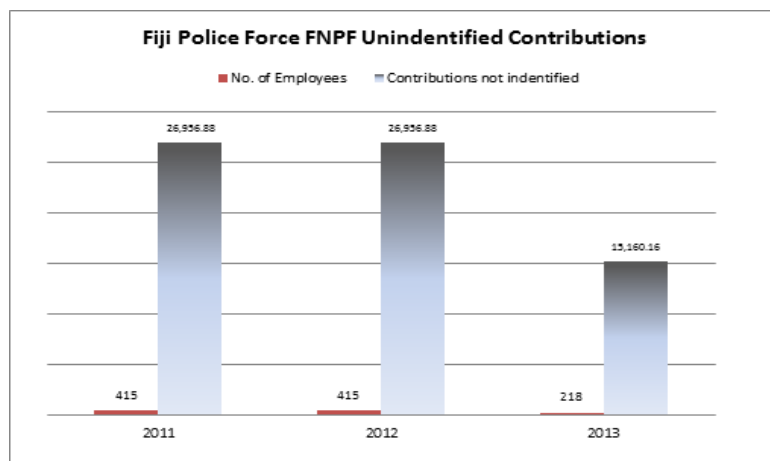
19.14 FNPF Suspense Account

Every employer shall, as soon as any person not already a member of the Fund under the age of 55 years becomes his employee, register him on the appropriate form and forward such form to the Manager at the Office of the Fund within 1 month of the date of commencement of his employment.⁴³

The audit noted that the Fiji Police Force had unidentified contribution of \$15,151 with Fiji National Provident Fund (FNPF) as at 31/12/2013. Refer to **Appendix 19.5** for details of unidentified contribution as at 31/12/2013 and below for unidentified contribution for the past three years.

Table 19.30 and Figure 19.10: FNPF Unidentified Contributions

Year	No. of Employees	Amount (\$)
2011	415	26,957
2012	415	26,957
2013	218	15,151



⁴³ FNPF Act (Cap 219) – Section 63; Part II - Regulation 7

It is apparent that the balance may continue to increase or carried forward to the next financial year if the Force fails to reconcile the unidentified funds with FNPF.

The above denotes laxity of the Force Accountant in ensuring that all unidentified contribution that has been with FNPF over the years is properly accounted in the books of the Fiji Police Force.

Recommendation

The Force should liaise with FNPF to reconcile and identify the unidentified contribution.

Force's Comments

The Force has managed to reduce its FNPF suspense Account with the assistance of the FNPF. However, there are un-reconciled amount that will be published in our weekly FRO and any outstanding then publish into local newspaper.

For your information, the Force has taken proactive approach in unnecessary accumulation of FNPF suspense account. Therefore, from last year no salary and wages is processed either manual or through payroll without officers producing their FNPF identification number cards as a result this will alleviate amounts in FNPF suspense account.

19.15 Salary Overpayments upon Termination / Deceased / Discharged and Retirement

Salaries and wages constitute a major portion of the agency's budget. Proper controls over engaging new employees, salary payments and resignations reduce the risk of fraudulent or unauthorised payments, inaccurate payroll reports and invalid pay rates.⁴⁴ Thus, the Force Accountant is responsible for the safekeeping and proper maintenance of all accounting records or documents.⁴⁵

The death of a workman from any cause whatever must be reported by the Commissioner of Police to the Permanent Secretary of Labour, within one week.⁴⁶

Officers who have been confirmed to permanent establishment must, if they wish to resign, give not less than 30 consecutive days' notice unless approved by the Commission, an Officer who resigns without giving 30 consecutive days' notice may be required to pay 30 days salary in lieu of notice.⁴⁷

Salary advices must be submitted promptly to the Ministry of Finance where there is any change to personnel emoluments or deductions such as appointments, promotions, transfers, acting allowances, dismissals and resignations, income tax allowances, housing deductions, or other authorized charges or deductions.⁴⁸

The principle is that no allowance shall be payable on the duration of a period of interdiction regardless of whether the officer concerned is reinstated or dismissed.⁴⁹ Extra Duty Allowance will be paid automatically to all Inspectorate and Subordinate Officers fortnightly and will not be paid to an eligible officer when interdicted from duty or on a training course overseas.⁵⁰

⁴⁴ Fiji Police Force Finance Manual 2011 – Part 4 Payroll

⁴⁵ Fiji Police Force Finance Manual 2011 – Section 17.1.3

⁴⁶ Fiji Police Force Standing Orders – No. (67)(4)

⁴⁷ General Orders 2011 – Section 214 (a)

⁴⁸ Finance Instructions 2010 – Section 17 (1)

⁴⁹ Fiji Police Force's Standing Order - No.65 (13)

⁵⁰ Fiji Police Force's Standing Order - No.65 (4) (d)

The Officer will not be reimbursed with the loss of salary during the period of interdiction.⁵¹

Allowances payable to Inspectorate and Subordinate Police Officers are declared in Police Regulations. This includes Extra Duty Allowances.⁵² Officers who are on tour of duty are not entitled for Extra Duty Allowance.

Review of the payroll records reveals the following anomalies;

- The following retired officers were overpaid a sum of \$1,559 due to non- cessation of salary in a timely manner. Refer Table 19.31 for details.

Table 19.31: Salary Overpayment for Retired Officers

Officer Name	EDP No	Amount (\$)	Post	Last Day
Alikisada Naisaboca	51151	225	Corporal	03/07/12
Isikeli Verenaivalu	52289	1,050	Corporal	23/12/11
Sera Bernad	51112	284	Senior Superintendent	10/06/12
Total		1,559		

- A sum of \$2,452 was overpaid due to non- cessation of salary for deceased officer in a timely manner. Refer Table 19.32 for details.

Table 19.32: Salary overpayment for Deceased Officers

Officer Name	EDP No.	Amount (\$)	Post	Deceased
Opetaiia Ratuvono	76379	1,357	Police Constable	15/12/11
Joseph Titau	76905	214	Corporal	26/06/12
Sosil Prasad	51560	881	Corporal	15/07/12
Total		2,452		

- The following officers continued to be remunerated during periods of interdiction and dismissal. Refer Table 19.33 for examples.

Table 19.33: Salary overpayment for interdicted/dismissed Officers

Officer	EDP No.	Financial Year	Amount (\$)	Particulars
Isei Vueti	50444	2011	158	Interdicted with effect from 17/03/11 on 50% salary and reinstated on 04/03/12. Despite OPR recoveries in salary and EDA totaling \$2,277.45 for 2011, the officer was still overpaid the amount.
		2012	2,695	Despite the OPR recovery in Acting and EDA for 2012, audit noted interdicted salary arrears were reimbursed to the officer including arrears of taxable allowances. Also the officer undergone training with effect from 03/11 – 22/11/12 where he was acting SSP.
Biutoka Vuli	79668	2012	77	The officer was overpaid lodging allowance of \$77.31 upon approval on 01/06/12. The officer was transferred from Ready Action Unit quarters to

⁵¹ Re-instatement Memorandum No. 23/03/12 – Commissioner of Police Directive

⁵² Fiji Police Force's Standing Order - No.65: Allowances

Officer	EDP No.	Financial Year	Amount (\$)	Particulars
				Nadawa.
Total			2,930	

It is apparent that the overpayment of salaries resulted from inadequate supervisory checks on payroll by the Force Accountant and the failure of the Force in maintaining stringent internal controls for payroll. Non-timely cessation of salaries accumulates overpayment amount which may not be recovered thus resulting loss of taxpayers' funds.

Recommendations

- The Force should consider ways to recover overpaid salaries from the officers concerned and take appropriate action to avoid overpayments in future.
- The Force should take appropriate action to ensure that salaries of the officers, who have been interdicted, dismissed or reinstated, are ceased and activated from the effective dates.
- The Forces Standing Order No. 65 and 67 should be strictly followed.
- Proper and stringent internal control such as supervisory checks in the accounts division should be strengthened to avoid overpayments.

Force's Comments

Your comments have been noted and effective stringent internal controls have been put in place from this year to minimize overpayments. Further, a joint weekly meeting between HRM and Accounts section are convened to reconcile on the processing of information in order to improve on the completeness of work and follow up on issue of importance. Our detailed responses are as follows:

Table: 19.31; Salary Overpayment for Retired Officers

Name	EDP	Amount	Issue	Response
Alikisada Naisaboca	51151	\$225.00	Overpaid salary	Options are explored to recover the overpayments e.g. pending leave etc
Isikeli Verenaivalu	52289	\$1,050.00		
Sera Bernard	51152	\$284.00		

Table: 19.32; Salary Overpayment for Deceased Officers

Name	EDP	Amount	Issue	Response
Opetiaia Ratuono	76379	\$1,357.00	Overpaid salary	Options are explored to recover the overpayments e.g. pending leave etc
Joseph Titau	76905	\$214.00		
Sosil Prasad	51560	\$881.00		

Table: 19.33; Salary Overpayment for interdicted/dismissed Officers

Name	EDP	Response
Isei Vueti	50444	Officer is interdicted on half salary. Recovery will only initiate after verification is complete.
Biutoka Vuli	79668	Further details required for verification

19.16 Significant Manual Overtime Payment without MOF Approval

Each agency must have in place a cost effective system of internal controls which safeguards money and property against loss, avoids or detects accounting errors and avoids unfavourable audit reports. No manual payment of salary is permitted except on first appointment or upon written approval from the PS Finance.⁵³

Overtime shall be approved only in essential circumstances and on specific approval by the Permanent Secretary and if is provided for in their Budgetary allocation. Delegates shall ensure proper planning of work to avoid unnecessary overtime.⁵⁴

The audit noted the following anomalies for the administration of overtime:

- The Force did not obtain Ministry of Finance approval for the manual payment of acting arrears to Sergeant Officer Iowane Rauto via cheque no. 69966 totalling \$3,889.
- The audit also established that Ministry of Finance approval was not obtained for the manual payment of overtime totalling \$15,449. Refer to **Appendix 19.6** for details. In addition the audit could not substantiate the overtime payment of \$2,235 as supporting documents were not produce to audit for verification.
- Substantial payments were made for overtime. Refer Table 19.34 for examples.

Table 19.34: Examples of Significant payment of Salary Arrears

Staff	Base Salary (\$)	Overtime Amount paid (\$)	Total/Year (\$)	Percentage Increase (%)	Audit Remarks
Ana Luvu	14,036	17,339	31,375	124	Assessed a continuous payment of extra hours for 10 months - February to December; PAYE not deducted for Pay 4 & 5
Emele Delai	13,117	15,909	29,026	121	Assessed a continuous payment of extra hours for 10 months - February to December; PAYE not deducted for Pay 4, 5, 6, 7 & 15
Jovesa Cevaloa	16,162	10,955	27,117	68	Assessed a continuous payment of extra hours for 5 months – July to September; PAYE was deducted accordingly;
Total	43,315	44,203	87,518		

- There was also no general ledger allocation⁵⁵ to cover overtime expenditure during the year. The payments have been committed under the personal emoluments allocation in the general ledger system.

The Force did not effectively monitor over time work in 2013 as a result there were excessive overtime and payments were made.

In the absence of the approval of Ministry of Finance, the manual payment of payroll expenditure is unauthorized. Manual payments without proper approval increase the risk of abuse and unauthorized payment.

⁵³ Fiji Police Force Finance Manual 2011 – Section 4.5.14

⁵⁴ Public Service Commission Circular No. 70/2012 & Appendix 1

⁵⁵ Financial Management Information System (FMIS) maintained and controlled by Ministry of Finance

Recommendations

- With substantial overtime hours worked by officers in the Force, management and those with supervisory roles need to proactively engage in management of overtime hours.
- Working overtime should be closely monitored and properly managed and procedures developed to closely monitor overtime costs.
- Routine tasks should be appropriately planned and allocated to be completed during official working hours.
- The Principal Accounts Officer should ensure that Ministry of Finance approvals are obtained for manual payments apart from first appointment.
- The Force should investigate the officers responsible for not adhering to the financial regulations and implement appropriate disciplinary actions.
- The Principal Accounts Officer should ensure that all necessary supporting documents are properly kept and maintained.
- The Principal Accounts Officer should ensure that appropriate arrangements are made to recover salaries overpaid where possible from the respective officers.

Force's Comments

The following are our responses:

Table 19:34; Significant payment of salary arrears (Payment of Extra Hours)

Srl No.	Name	EDP	Remarks
1	Ana Luvu	41701	No dates indicated, to be more specific
2	Emele Delai	60239	2013 - Overtime was directly approved by the management then for KIT CARD reconciliation, updating of files, and reconciliation of official mobile phone bills in accordance with powers vested to the Commissioner.
3	Jovesa Ceveloa	77893	

Early this year an administrative instruction has been issued outlining the procedures for manual payments. The manual payments are only made upon approvals from Ministry of Finance.

Further OAG Comments

The Force did not submit to audit the Ministry of Finance approval for the above payments upon further audit inquiry on 29/09/2014.

19.17 Administration and Payment Leave Compensation

Officers may be allowed to carry over up to a maximum of ten working days leave entitlement from one leave year to the next.⁵⁶ Officers responsible for administration of leave are encouraged to be proactive and ensure that leave roster is well planned, updated regularly and copies circulated to all Officers notifying them of their annual leave dates to avoid accumulation of leave.⁵⁷

Leave and other conditions under these Orders shall be deemed to be the right of officers. In the event of resignation, termination of appointment on any grounds or death of an officer he or his legal representative shall be paid pro rata compensation for annual leave due to the officer up to the date of

⁵⁶ General Orders 2011 – Section 705

⁵⁷ Public Service Commission Circular No. 05/2012

his resignation, termination or death, leave allowance, passages under General Order 708, if applicable and long service leave earned in accordance with General Order 706.⁵⁸

Compensating accumulated leaves will not be entertained thus; there should be no reason for or justification for the accumulation of annual leave beyond what is permissible, nor payment of compensation in lieu, if leave were properly administered. In exceptional cases where it is impractical to release an officer to take his/her leaves and only after the six months extension, request for leave compensation may be made to the secretary for Public Service.⁵⁹

Review of leave records reveals the following internal control weaknesses for leave administrations;

- The Force fail to record and maintain a summary listing of leave especially Police Constables hence the audit could not ascertain their leaves status. As a result the audit was not able to substantiate the total leave and leave liability for the Force as at 31/12/13.
- Despite proper leave records maintained for Civilian and GWEs, a total leave liability of \$110,163 were estimated for the unutilised excessive leaves for 31 officers. Refer to **Appendix 19.7** for details.
- In addition leave due to officers were not compensated at time of death or dismissal. Refer Table 19.35 for details.

Table 19.35: Details of Non-Payment of Leave Compensation

Name	Amount (\$)	Details
Death		
Eronimo Susunikoro	980	The officer had 19.5 working days of annual leave accumulated at the time of his death. There is no record of any leave compensation being paid out to his legal beneficiary. No manual payment was done either.
Alipate Driu Saukawa	3,559	The officer had a total of 46 working days of annual leave accumulated at the time of his death. There were no documents relating to the leave compensation pay out. No manual payment was done either.
Alvin Hemant Kumar	---	Audit was not able to verify the officer's accumulated annual leave due to the service register not being updated. No documents available to verify whether compensation is paid out or not. No manual payment was made either.
Unaisi Baleyasawa	760	The officer had 29 consecutive days of accumulated leave. Approval was given by CAO for the compensation to be paid to the beneficiary, however, upon verification in FMIS, no leave was paid out despite the approval letter.
Total:	5,299	
Dismissal		
Iosefo Waqawai (76887)	2,540	The officer had 50 working days of accumulated leave upon dismissal. No records in file that states leave compensation have been paid out.
Viliame Lotawa (76387)	3,520	The officer had 69 working days of accumulated leave upon dismissal. No records in file that states leave compensation have been paid out.
Vulaono Cibavakaloloma (76878)	3,701	The officer had 73 working days of accumulated leave upon dismissal. No records in file that states leave compensation have been paid out.
Setareki Talemaigau (76177)	3,701	The officer had 73 working days of accumulated leave upon dismissal. No records in file that states leave compensation have been paid out.
Manoa Kalouniviti	3,193	The officer had 59 working days of accumulated leave upon dismissal. No records in

⁵⁸ General Order 2011 – Chapter 7, Section 703 (a)

⁵⁹ Public Service Commission Circular No. 53/2009

Name	Amount (\$)	Details
(52828)		file that states leave compensation have been paid out.
Total:	16,655	

- Significant amount of leave compensations have been paid out during 2013 totalling to \$114,771 with an average payout of \$3,826. Refer 19.36 below for details.

Table 19.36: Significant Leave Compensation Paid in 2013

Date	Cheque No.	Vendor	Amount (\$)
02/04/13	693484	Hari Chand	17,848
15/10/13	700090	Ioane Naivalurua	16,011
02/05/13	694389	Kelera Rabuka	8,650
24/10/13	700469	Jimi Koro	7,759
25/09/13	699434	Rina Kumari	7,701
22/05/13	695025	Ram Chetty	6,440
30/01/13	691584	Public Trustee Coproration Ltd	6,290
01/02/13	691639	Mesulame Senimoli	5,968
18/04/13	694021	Meli Bulivakarua	4,312
06/09/13	698721	Etuate Gusuivalu	3,751
25/09/13	699439	Sailasa Turagaluvu	3,616
16/10/13	700143	Rt Tevita Vuluilakeba	3,501
14/11/13	701138	Mohammed Bobby Aiyaz	2,799
18/01/13	691334	Uraia Torau	2,326
16/08/13	697982	Taufa Lote	2,227
15/05/13	694769	Navneet Singh	2,173
25/09/13	699438	Seremaia Caginivalu	1,845
11/10/13	699974	Shalwin Kumar	1,602
25/01/13	691488	Arieta Dia Wara	1,472
25/07/13	697252	Rakesh Chandra	1,449
18/10/13	700283	Voreqe Bainimarama	1,434
19/08/13	697999	Semi Radrudru Ravoka	1,052
04/04/13	693549	Bhumika Devi	951
15/05/13	694798	Asgar Ali R	797
16/10/13	700149	Commissioner of Police	750
17/04/13	693931	Rakabatia Qiokacikaci	704
20/03/13	693156	Laijipa Radinimoce	533
09/09/13	698776	Salote Wati	389
11/10/13	699964	Lititana Nabati	344
18/11/13	701248	Atish Chandra	77
Total			114,771

The Force lacks proper administration and management of leaves. This may result in high compensation commitments for unutilized leaves days when Officers resigns or retire from the service.

In the absence of the approval of the Public Service Commission, the payment of leave compensation is unauthorized.

Failure to compensate leave upon death and dismissal deprived the rights of former officers as per General Order 703.

Recommendations

- The Force should ensure that officers are encouraged to take their leave when due without hindering the continuity of the Force's operations.
- The Force should ensure that all leave due to an officer on resignation, termination or death are compensated.
- The Force should ensure that Officers are notified of their leave positions and appropriate steps are taken to ensure leaves are utilized by Officers when it falls due.
- The Force should ensure that only 10 annual leave days is carried forward to next leave year.
- The Force should comply with General Order and circulars issued by the Public Service Commission from time to time regarding the administration of leave.
- A leave roster may be drawn to enable staff plan and take leave during the year.

Force's Comments

Due to shortage of manpower arising from vacancies not filled etc, Officers were not able to proceed on leave.

The Force is in the process of filling in vacant positions and accordingly officers are now advised to proceed on leave.

Table 19.35 and Table 19.36: Administration and Payment Leave Compensation

Srl No	Issue	Response
1	<i>The Force fail to record and maintain a summary listing of leave especially Police Constable hence the audit could not ascertain the leaves status. As a result the audit was not able to substantiate the total leave and leave liability for the Force as at 31/12/13.</i>	<i>All case will be verified and where necessary payments will be made</i>
2	<i>Despite proper leave records maintained for Civilian and GWE, a total leave liability of \$110,163 were estimated for the unutilized excessive leave for 31 officers.</i>	
3	<i>In addition the audit noted that officers leave due were not compensated at time of death or dismissal.</i>	
4	<i>Further reviews reveals that significant amount of leave compensation have been paid out during the year totaling to \$144, 771 with an average pay-out of \$3,826.</i>	
5	<i>In addition officers were paid leave compensation without the approval of the Public Service Commission.</i>	

19.18 Significant and Non-Recovery of Vehicle Accident Surcharge from Terminated Officer

A driver involved in an accident may be surcharged if the surcharging authority believes the driver was at fault.⁶⁰ The surcharge amount of 100% recovery of the full cost of repairs or replacement is charged for damage to or loss of government vehicle.⁶¹

⁶⁰ Fiji Police Force Finance Manual 2011 – Section 11.6.7

⁶¹ Finance Instructions 2010 - Section 64

The audit noted that a total of 19 officers were surcharged for causing damage/loss to state assets worth \$23,727.

Further reviews reveal that the surcharge amounts were not recovered from two officers that were terminated. Refer Table 19.37 below for details.

Table 19.37: Non Recovery of Surcharged of Vehicle Accident from Terminated Officers

Date	Name	EDP/FNPF No.	Amount (\$)	Status
29/8/12	Sitiveni Waqa	50235	200	Officer was terminated on 07/02/12
5/9/12	Josaia Dulaki	XS809	600	Officer was terminated on 05/05/08
Total			800	

The above findings indicate non-compliance with the surcharge procedures and the laxity of the Accounts Officers in taking corrective action on a timely manner.

Recommendation

The Force should ensure that all sum owed are recovered prior to terminating the officers.

Force's Comments

The officer namely Josaia Dulaki was terminated on 05/08/08 and the surcharge process took place on 15/08/12 which was a result of the delay. Further, for officers the surcharge recovery inputs into payrolls are effected by Ministry of Finance on the advice of their surcharge Unit.

19.19 Kit Items Not Returned by Departing Officers

Gazetted and Inspectorate Officers who leave the Force will return all items of kit on their charge to Director Finance and Administration. Director Administration and Finance will strike off the kit card all items returned and account for them in the unserviceable kit register. Subordinate Officers who leave the Force will return all items of kit on their charge to the officer holding the kit card. Each item of kit will be checked off against the kit card and the value of any item not returned will be deducted from the final pay sheet. Items returned will be struck off the kit card and accounted for in the Unserviceable Register.⁶²

The audit noted the departing officers failed to return kit items to the Force. Refer Table 19.38 for details.

Table 19.38: Officers Departing Without Return of Kit Items

Names	Rank	EDP No.	Date of Depart
Abenesh Kissun	PC 4812	78801	Resigned with effect from 24/08/12
Makereta Nagusa	WPC 4097	77076	Resigned with effect from 10/12/12
Rupeni Biudole	PC 4523	77496	Resigned with effect from 26/06/12
Lasaro Turagadrau	PC 4466	77440	Terminated with effect from 09/08/12
Inia Mekemeke	PC 4357	77335	Dismissed with effect from 15/06/12
Sharmila Devi	WPC 4080	77059	Dismissed with effect from 25/06/12
Mosese Tuicakau	PC4801	77787	Dismissed with effect from 25/08/12

⁶² Fiji Police Force Standing Order No.39 – Section 5 & 6

Names	Rank	EDP No.	Date of Depart
Alikisada Naisaboca	Cpl 1151	51151	Retired with effect from 03/07/12
Sera Bernard	SSP	51112	Retired with effect from 10/06/12
Opetaiia Ratuvo	PC 3410	76379	Notice of Death 15/12/11
Steve Bryan Roko	PC 3968	76947	Notice of Death 02/12/12
Joseph Titau	Cpl 3928	76905	Notice of Death 26/06/12

In addition departing officers who fail to return the kit items were paid leave compensation. Refer Table 19.39 for details.

Table 19.39: Officers Departing without Return of Kit Items but paid Leave Compensations

Names	Leave Amount (\$)
Abenesh Kissun	1,150
Makereta Nagusa	869
Lasaro Turagadrau	1,682
Joseph Titau	2,442
Total	6,143

The above is a blatant disregard of the Force's Standing Orders. Payments of leave compensation without returning kit items indicate weak internal controls.

Recommendations

- **The Force Standing Orders should be complied with at all times.**
- **The Force must ensure that all Officers Kit items are returned before they depart the organization.**

Force's Comments

Leave compensation is on hold due to non-submission of kit clearance from respective stations

Table 19.38: Officers Departing Without Return of Kit Items

Names	Rank	EDP No.	Date Depart	Remarks
Abenesh Kissun	PC 4812	78801	Resigned 24/8/12	Leave compensation not paid. Kit clearance is in the salary file
Makareta Nagusa	WPC 4097	77076	Resigned 10/12/12	Leave compensation not paid
Rupeni Buidole	PC 4523	77496	Resigned 26/6/12	Leave compensation not paid
Lasaro Turagadrau	PC 4466	77440	Terminated 9/8/12	Leave compensation not paid
Inia Mekemeke	PC 4357	77335	Dismissed 15/6/12	Leave compensation not paid
Sharmila Devi	WPC 4080	77059	Dismissed 25/6/12	Leave compensation not paid
Mosese Tuicakau	PC 4801	77787	Dismissed 25/8/12	Leave compensation not paid
Alikisada Naisaboca	CPL 1151	51151	Retired 3/7/12	Leave compensation not paid
Sera Bernard	SSP	51112	Retired 10/6/12	Leave compensation not paid
Opetaiia Ratuvo	PC 3410	76379	Death 15/12/11	Leave compensation not paid
Steve Bryan Roko	PC 3968	76947	Death 2/12/12	Leave compensation not paid
Joseph Titau	CPL 3928	76905	Death 26/6/12	Leave compensation not paid

Table 19.39: Officers Departing without Return of Kit Items but Paid Leave Compensation

Audit has also raised queries that the following officers have been paid Leave Compensation despite them not returning the kit items.

<i>Names</i>	<i>Rank</i>	<i>EDP No.</i>	<i>Date Depart</i>	<i>Remarks</i>
<i>Abenesh Kissun</i>	<i>PC 4812</i>	<i>78801</i>	<i>Resigned 24/8/12</i>	<i>Leave compensation on hold</i>
<i>Makareta Nagusa</i>	<i>WPC 4097</i>	<i>77076</i>	<i>Resigned 10/12/12</i>	
<i>Lasaro Turagadrau</i>	<i>PC 4466</i>	<i>77440</i>	<i>Terminated 9/8/12</i>	
<i>Joseph Titau</i>	<i>CPL 3928</i>	<i>76905</i>	<i>Death 26/6/12</i>	

Further OAG Comments

Even though the compensation was not paid but the Kit items were not returned for those officers reported on Table 19.41. However the leave compensation was not on hold as it was deducted (net off) from the 30 days' notice and overpayment of salaries for those officers reported on Table 19.42.

19.20 Non Retirement of Accountable Advances

A travelling officer shall recoup the travel advance within seven days of completing travel by submission of an acquittal report with supporting documents. If an advance has not been fully expended, the travelling officer must repay the balance within seven days of completing travel.⁶³

Where an advance has not been acquitted within seven days of travel, the Force Accountant shall effect recovery through a salary deduction from the concerned officers salary within six (6) fortnights. Upon clearance of the advance, the Force Accountant shall update the advance register, offset the advance account and debit the appropriate expenditure account.⁶⁴

The audit noted that a certain officers have not retire the advances paid to them as at date of audit. 06/12/13. Refer Table 19.40 for details.

Table 19.40: Outstanding Advances

Date	Cheque No.	Amount (\$)	Payee	Details
14/08/13	697899	5,000	Sakeo Raikaci	Advance to facilitate the activities at the Police Hibiscus Villa during the 2013 Hibiscus festival lapsed of 65 days from 02/9/13
19/08/13	698022	6,000	Sakeo Raikaci	Advances to cater meals for the officers taking part in the Hibiscus festival lapsed of 65 days from 02/9/13
Total		6,000		

Non-timely clearance of advances contributes to the large un-reconciled balances in the advance account over the years that may become irrecoverable.

Recommendation

The Force Accountant should ensure that recovery actions are instigated on officers who failed to retire advances within seven days upon return from duty.

⁶³ Fiji Police Force Finance Manual 2011 – Section 9.1.11 and 9.1.12

⁶⁴ Fiji Police Force Finance Manual 2011 – Section 9.1.14 and 9.1.15

Force's Comments

The following are our responses pertaining to accountable advances.

Date	Cheque No.	Amount (\$)	Payee	Details	Force Comments
14/08/13	697899	5,000	Sakeo Raikaci	Advance to facilitate the activities at the Police Hibiscus Villa during the 2013 Hibiscus festival lapsed of 65 days from	The advance has been cleared as per JV#063192-01/12/13. The delay for Acquittal was due to improper receipts and the matter was referred to the Management for decision or for further investigation.
19/08/13	698022	6,000	Sakeo Raikaci	Advances to cater meals for the officers taking part in the Hibiscus festival lapsed of 65 days from	
Total		6,000			

For your information we would like to inform you that Police officers mobility is not usually planned unlike other officers in various agencies. Some cause of the delays in acquittals are that usually officers are to attend to issues with very little time given, as a result submitting of acquittals, processing of acquittals by their immediate Supervisors, etc are not within the time frame because of unavailability or away from the office. Further, in the discipline Force the communication protocol is very important; hence, whilst the acquittals are channelled through various officers it has surpassed the seven days' timeframe.

Further OAG Comments

The Force did not produce to audit evidence of retirement and recovery upon further audit inquiry on 29/09/2014.

19.21 Un-Reconciled Provisional Taxes Paid

The Force Accountant is responsible for maintaining ledgers and reconciling balances in such ledgers to ensure the accuracy of financial.⁶⁵ Natural account in Standard Liability Group (SLG) 84 relates to accounts payable balances that therefore should have a credit balance or zero balance at a particular point in time.⁶⁶

To facilitate the payment of provisional tax payable by any person in respect of the profits or gains of the trade, profession or vocation of that person, there shall be deducted from any payment made under any contract for services, but not being a contract of employment, including progress payments under a contract, a sum equal to 15 per cent of such payment. Where any sum has been deducted by any person under the provisions of these Regulations, such sum shall be deemed to be held in trust for the Crown.⁶⁷

As at 31/12/13, the provisional tax payable account had a debit balance of \$101,756⁶⁸ indicating more payment in provisional taxes being made than deducted from contracts. Refer Table 19.41 and Figure 19.11 for balances in the account over the five year period:

⁶⁵ Fiji Police Force Finance Manual 2011 - Part 15

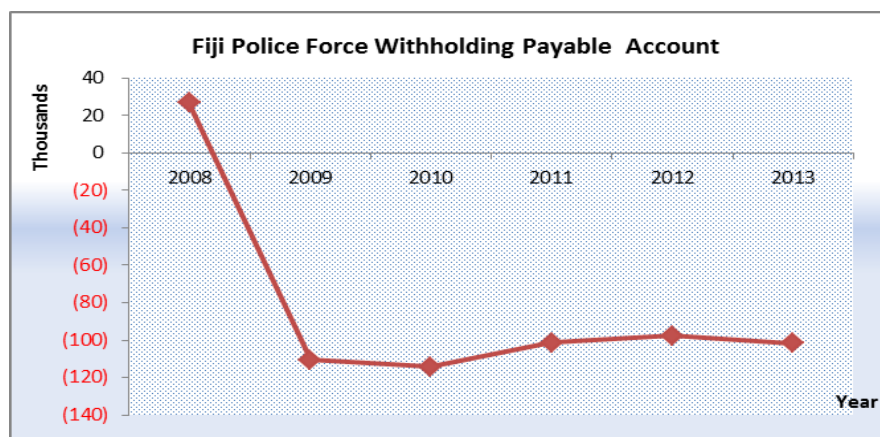
⁶⁶ Chart of Accounts – Account Number Structure for Fiji Government

⁶⁷ Income Tax (Collection of Provisional Tax) Regulations, section 2 (2) and 3

⁶⁸ Allocation: 1-20101-20999-840602

Table 19.41 and Figure 19.11: Provisional Tax Payable Account over the 5 Year Period

Year	Amount (\$)
2008	26,757
2009	(110,504)
2010	(114,286)
2011	(101,454)
2012	(97,758)
2013	(101,756)



No reconciliation was done by the Force for the account. This resulted in more payment made from the account than the tax deducted. This has increased by 4.09% or \$4,000 in 2013.

This could prove that provisional tax has not been credited to the account or have been deducted and erroneously recorded in some other account. The non-preparation of the reconciliation indicates the laxity of the Force Accounts division which has resulted in the misstatement of the account balance.

Recommendation

The Force Accountant should ensure that proper monthly reconciliations are performed and investigate the payments made with the corresponding deduction of provisional tax from contracts paid.

Force's Comments

The debit balance is accumulated from previous years (consistent from 2009-2013). After detailed verification submission will be made to Ministry of Finance for consideration of write-off.

19.22 Inadequate Maintenance and Missing Accounting Records

The Force Accountant is responsible for the safekeeping and proper maintenance of all accounting records or documents of the agency.⁶⁹ The need to improve record management in all agencies is vital for promoting Good Governance, Transparency and Accountability in the public sector. It is the responsibility of all staff hierarchy levels in each agency to integrate proper record management upkeep.⁷⁰

The procurement of any goods, services or work required by Ministries or Department must be initiated either by the issue of a Local Purchase Order (LPO) for any purchases of goods, services or works made locally or by the issue of an indent for any purchase of goods from overseas.⁷¹ 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.⁷² The Force Accountant or the Senior Accountant must no certify a payment as correct unless they are satisfied that it is in accordance with an LPO, invoice or other authorization that there is documentation that the goods, services or works

⁶⁹ Fiji Police Force Finance Manual 2011 - Section 17.1.3

⁷⁰ Public Service Commission Circular No. 10/2011

⁷¹ Procurement Regulations 2010 – Section 21 (3)

⁷² Finance Instructions 2010 – Section 29

have been received.⁷³ Immediately after payment has been effected, the Clerical Officers and Administrative Staff must stamp “paid” on all vouchers and supporting documentation to avoid any double payments.⁷⁴

Within one week of the end of each month, the Assistant Commissioner of Police, Administration and Finance shall submit to the Deputy Commissioner of Police the internal control report.⁷⁵

The audit noted the following anomalies for payment made;

- Absence of three competitive quotations;
- Local Purchase orders were not generated and issued for local purchases;
- Invoices , receipts and other supporting documents were not attached to justify the payments made;
- Payments were made on proforma invoice without Ministry of Finance approval;
- Payment vouchers and supporting documents do not have ‘stamp paid’ stamp on it, and
- There was no evidence of proper authorization for payment made.

Refer to **Appendix 19.8** for details.

In addition, the audit was not provided payment vouchers and supporting documents for expenditure totalling \$1,014,052. Refer **Appendix 19.9** for details.

Significant records of financial information were not properly stored by the Force. The financial records and documents were not properly kept and filed as the storage room was congested.

As a result the audit wasted valuable audit hours in searching and locating the requested financial records. Refer to Figure 19.12 for pictures taken from the room.

⁷³ Fiji Police Force Finance Manual 2011 – Section 2.8.4

⁷⁴ Fiji Police Force Finance Manual 2011 – Section 2.8.9

⁷⁵ Fiji Police Force Finance Manual 2011 – Section 16.1.10

Figure 19.12 Unsatisfactory Record keeping of Financial Records



Past and current financial records of the Force in poor conservative conditions and also non-disposal of old records utilizing storage space and accumulating dust.

The above shows the laxity of the accounts section in the proper maintenance and storage of its records.

In the absence of proper documentations and availability of records payments could not be verified and could be deliberate to conceal fraud and irregularities.

Recommendations

- The Force Accountant and Senior Accountant should ensure that payments are only authorized in accordance to section 2.8.4 of the Finance Manual.
- The Force Accountant should check and report on a monthly basis on the record keeping of the payment vouchers within the Force.
- Disciplinary action should be enforced upon officers failing to maintain accounting records and documentations.
- The Force Accountant should strictly comply with section 17.1.3 of the Finance Manual.
- The Assistant Commissioner of Police, Administration and Finance should carry out checks on a monthly basis of records and documents.
- The Assistant Commissioner of Police, Administration and Finance should monitor the records maintained through the internal control report provided in accordance to section 16 of the Finance Manual.

Force's Comments

Your comments have been noted and the following is our responses:

For your information, the filing room for the Accounts section is also for keeping Accounts stationery and other accounts items that are required for safe keeping. In order to save costs the cartons were kept for to be later used to pack old files and transfer it to Force Archive in Nasese. The cartons shown in the pictures are of our A4 papers which are kept securely.

Since there was limited space available for the auditors to work, risk of misplacing documents during shifting from one room to another and to become easy accessible of information to the auditors, the management had decided to in-house them in the filing room.

There was clash of audits from Ministry of Finance and Office of the Auditor General also contributed to the situation as reported. Auditors from Finance were just about to complete when your auditors came in for audit.

In future we would appreciate no clash of audits, please.

19.23 No contract agreement with approved tenderer

The Government Tender Board in its Meeting No. 25/2012 held on 08/11/2012 approved to award the supply of Footwear for the Fiji Police Force on 'as and when required basis for a period of 1 year to Footwear Industries Limited and Ishwar Industries Limited. Additionally a proper contract should be put in place and vetted by the Solicitor General' Office with a signed copy to be forwarded to the Fiji Procurement Office.⁷⁶ A written contract or agreement must be entered into with the approved tenderer for the supply of the goods, services or works tendered. Legal advice must be sought on the draft contract or agreement.⁷⁷

Despite the above, the audit noted that the Force did not put in place a contract for the procurements of footwear. Refer Table 19.42 for procurement made without a contract in place:

Table 19.42: Procurements Made From Approved Suppliers without a Contract

Date	Cheque No.	Payee	Amount (\$)	Remarks
5/02/2013	691719	Footwear Industries	56,875	Payment for 650 black sandals for Police Officers Government Tender Board Approval Police -Tender No. CTN 59/2012 Tender approval states that proper contract should be in place but no contract in place.
5/02/2013	691720	Global Safety and Civil Supplies Ltd	36,750	Payment of 50% balance of the total amount (\$73,500) payable for the supply of 3,500 expandable batons Government Tender Board Approval -Tender No. CTN 10/2012. Tender approval states that proper contract should be in place but no contract in place
14/06/2013	698834	United Apparel Limited	58,000	Payment of 1,000 official shirt with badge @\$58 Government Tender Board Approval -Tender No. CTN 07/2012 Tender approval states that proper contract should be in place but no contract in place

⁷⁶ Government Tender Approval – Meeting No. 25/2012 of 08/11/2012 for Tender No. CTN 59/2012

⁷⁷ Fiji Police Force Finance Manual 2011 – Section 2.4.15

Date	Cheque No.	Payee	Amount (\$)	Remarks
13/09/2013	698943	Footwear Industries	111,300	Payment of accounts for the purchase of footwear Government Tender Board Approval Police -Tender No. CTN 59/2012 Tender approval states that proper contract should be in place but no contract in place.
26/09/2013	699475	Footwear Industries	111,300	Payment of accounts for the purchase of footwear Government Tender Board Approval Police -Tender No. CTN 59/2012 Tender approval states that proper contract should be in place but no contract in place.
Total			374,225	

While the needs of goods were necessary, it certainly does not require deviations from policies and guidelines.

The above reflect blatant disregard to regulation governing the procurement of goods and services by the Force.

Recommendations

- **The Force should ensure that a contract is put in place and vetted by the Solicitor General's office.**
- **Disciplinary action should be taken for non-compliance with regulation governing the procurements of goods.**
- **Regulation governing the procurements of goods and services should be adhered to by the Force.**

Force's Comments

The contract as per tender terms and conditions was not enforced;

However, the agency notes that in order to enforce a contract, it needs to implement performance bond on the said tender. Given that determination of performance bond was enforced by Ministry of Finance through Fiji Procurement Office in March 2013, the Agency noted that it is a mandatory requirement for a contract for release of funds.

Further, from 2014 the Force has started implementing contracts together with performance bonds.

19.24 Abuse of Prisoners Meal

The Clerical Officers preparing a payment voucher must ensure that all information required under Finance Instruction 14-(1) has been included on the payment voucher or attached to it, before passing it to the Assistant Accountant for verification and then to the Force Accountant or the Senior Accountant for certification.⁷⁸ The Force Accountant or the Senior Accountant must not certify a payment as correct unless they are satisfied that it is in accordance with an LPO, indent, contract, invoice or other authorization.⁷⁹

Detainees held at various Police stations overnight while awaiting court hearing or further questioning on various reported crimes they commit are provided meals by the Force. This is charged to prisoner's

⁷⁸ Fiji Police Force Finance Manual 2011 – Section 2.8.3

⁷⁹ Fiji Police Force Finance Manual 2011 – Section 2.8.4

meal allocation in the Force's budget allocation. The various stations submit the meal claims provided by various restaurants or individuals to Head Quarters for processing of payment.

The meals for the Totogo Police Station were provided by the Fiji Police Gazetted Officers Mess. The claims are processed by Headquarters and deposited directly to the Mess bank account. The Mess meal charges per person are as follows:

- Breakfast \$4
- Lunch \$5
- Dinner \$5

The audit noted that officers on duty are abusing the meals by also charging meals taken by them to the claims order book. The audit noted that officers fill in the names of detainees for a particular day or night twice for the same meal on the same day.

All relevant documentation and approval pertaining to the payment were in order; however, the discrepancy was seen in the Meal order books. Refer to **Appendix 19.10** for a sample of claims processed for Totogo Police Station which indicated discrepancies in the meal order books.

It is apparent that Senior Officers authorizing the payments are not properly verifying the vouchers and the supporting documents which have resulted in the above discrepancies.

Poor internal control exists for the supply of meals to prisoners at Totogo Police Station and has resulted in abuse and corrupt practices.

Recommendations

- **Appropriate disciplinary measures should be instigated on officers consuming meals provided for people held at the stations at the Force's expense.**
- **The Force Accountant and Senior Accountant should ensure that payments are only authorized in accordance to Section 2.8.4 of the Finance Manual.**
- **The Station Sergeant, Station Officer and Officer in Charge responsible for signing off the Prisoners Meal Payment Certificate should first inspect and verify the Prisoners Meal Order Book to ensure that no extra meal is claimed.**

Force's Comments

Your comments have been seriously noted and an officer is assigned to further investigate in order to take appropriate actions against the officers responsible.

All certifying officers are reminded of the importance of verifications and they are to ensure that it is correct before forwarding these relevant documents for payments to Accounts.

19.25 Western Garage Anomalies

It shall be the responsibility of the Director Traffic to oversee all matters relating to vehicle usage.⁸⁰

The Director Traffic must ensure that vehicle records are properly maintained and up to date, fuel and oil usage is closely monitored, servicing of vehicles is regularly carried out, vehicles are properly

⁸⁰ Fiji Police Finance Manual 2011 – Part 11 Vehicles, Section 11.1.1

secured when parked or garaged, drivers understand vehicle procedures as outlined in this section and reporting requirements are adhered to at all times.⁸¹

The following weaknesses were noted for resource management by the Western Garage:

- There was no proper organization structure in place for the management of the Garage. The workers are merely working on the posts for years and the workers file maintained by the Divisional Head Quarters – Western only contains leave update and there was no job description filed for the garage workers.
- The Garage officers in charge reveal that there has not been any performance assessment done for the garage workers.
- Only three garage mechanics are looking after the Western Division garage. As a result a total of fifteen vehicles were grounded at time of audit and the garage workers reveal that those vehicles will only be attended to when they have completed the vehicle that is currently being serviced. Refer to figures below.

Figure 19.13 Grounded Police Vehicles – Western garage



In addition, the audit further noted the following internal control weaknesses for the Inventory and spare parts management:

- There is no tally card register for spare parts in use or removed/replaced from vehicles.
- The audit was not able to trace back the spare parts removed from vehicles when new ones were bought. Spare parts were scattered around the garage.
- There was no register for the daily usage of mechanic tools.
- There was no register for all unserviceable parts; and
- There was no board of survey conducted in 2013. The officer's at the garage could not recall when the last board of survey was conducted. Refer below for some detailed images of the above noted anomalies.

⁸¹ Fiji Police Finance Manual 2011 – Part 11 Vehicles, Section 11.1.2

Figure 19.14 Poor Maintenance of Vehicle spare parts – Western garage



There was also no stock take done for the fuel that the garage have and the fuels were not properly stored and secured since it is highly flammable and can be misused. Refer below for some detailed images of the above noted anomalies.

Figure 19.15 Poor Maintenance of Vehicle Fuel drums – Western garage



Moreover the audit noted the following regarding the safety of the garage:

- The garage in general is not secured and non - OHS⁸² compliant. The garage has been without a main gate since the gate has been damaged and fencing were not maintained with overgrown grass covering the fences.
- There is no security for the garage to ensure safe custody of the garage at night and on weekends. The garage is largely open for theft of parts and scrap metal business.
- There is no adequate storage area for spare parts, unserviceable vehicles and parts as the audit noted that parts were scattered on the garage compound taking up valuable space.
- There was no fire extinguishers and fire hydrant located around the garage premises.
- The workers protective clothing was worn out due to wear and tear.
- The vehicle ramp in the garage was without proper steps for the mechanics to escape in case of emergency. Refer to Figure 19.16 for detail pictures of the above noted anomalies.

Figure 19.16 Unsatisfactory Care and administration of the Western Garage



Lack of organisation guidance and supervisory capacity from the Force management has resulted in the above anomalies.

Recommendations

- **The Director Traffic should ensure that measures are immediately taken to ensure the anomalies highlighted above are sorted to safeguard government interest and resources from theft and miss-use.**
- **The Force should ensure that the General Workplace Condition at the Garage is OHS standards so that work is done in an efficient and at a quick turnaround time.**

Force's Comments

Your comments have been noted and following are our responses:

The Western Police Garage, including other two police division garages was managed by contracted civilian garage supervisors; as such they did not follow proper laid down system, process and procedures. We are now appointing established police officers for garage supervisors, who will supervise, coordinate and control the garage activities including the administration. Some vacant positions have been identified to recruit more skilled staff to address staff shortage in order to enhance the turnaround time for repair of grounded police vehicle.

However, the relevant plans have been put in place to strengthen the administration and accountability of the three Police Garages (Nasese, Lautoka & Labasa)

Force has very old fleet that often breaks down and consume a lot of costs, coupled with financial constraints. It also contributes for delays in vehicle repairs and maintenance. In fact majority of these vehicles had surpassed its value and should be boarded and replaced.

Performance management tools have been developed and strict monitoring will be done to assess the performance of the garage employees.

Suitable candidate has been identified to take charge of the stores and to manage spare parts records and unserviceable parts and keep proper accountability of mechanical tools to record in relevant registers. The board of survey process of boarding of vehicles has commenced and the board of survey of the unserviceable parts will follow after the above has been completed.

Cost effective strategic plan is also in place for outsourcing of vehicles to private garages for major repairs.

Submission has been made for renovation of all police garage to enhance the security.

Directives have been issued to divisions and formations for effective monitoring of fuel usage on a daily, weekly and monthly basis and submission of monthly fuel returns to force transport HQ for analysis prior to onward submission to Commissioner of Police.

Force is in the process of securing funds for construction of proper storage facilities for safe keeping of highly flammable fuels in fuel drums.

Fuel lubricants registers will be adequately maintained to ensure proper usage, control and record. The empty fuel drums are to be exchanged with the new barrels and this should be also recorded in relevant register.

For your information, an internal audit pertaining to the above issues was also conducted by the Fiji Police Force in November, 2013 with similar findings and the Fiji Police is currently in process of rectifying the above issues. Minor maintenance work has been done in all the three garages to enhance safety and security and OHS issues and more improvements have been planned in due course. The main gate at the western garage has been repaired and the cleanliness of the garage has been adequately maintained. Personnel protective equipment (OHS Compliance) has been issued to all garage employees to enhance the personal safety at workplace. Proposal has been submitted for construction of hydraulic ramps to minimize risk to garage employees.

APPENDICES

Appendix 19.1: List of Voided Cheques

Cheque No.	Issue Date	Remit ID	Payee Name	Amount (\$)	Pay Status
691097	10/1/2013	P-W/MNA 340	Nasinu Domestic Cour	120	Void
691365	22/01/2013	P-O/PWS 243	Police Welfare Schem	113	Void
691410	24/01/2013	P-O/LIC 244	Life Insurance Corpo	14,645	Void
691411	24/01/2013	P-O/PWS 243	Police Welfare Scheme	25,135	Void
691412	24/01/2013	P-PAYE	Firca	625	Void
691413	24/01/2013	P-R/PRB 267	Public Rental Board	1,067	Void
691414	24/01/2013	P-R/RHU 208	Housing Authority	1,563	Void
691417	24/01/2013	P-U/HFL 326	Handy Finance Limited	406	Void
691419	24/01/2013	P-U/POL 307	Police Service Credi	9,794	Void
691420	24/01/2013	P-U/PSA 301	Fiji Public Service	1,735	Void
691422	24/01/2013	P-U/WES 320	Wesram Finance	10,263	Void
691423	24/01/2013	P-V/FDB 266	Fiji Development Ban	149	Void
691424	24/01/2013	P-V/HA 263	Housing Authority	20	Void
691427	24/01/2013	P-W/DSP 386	Police Welfare Fund	80	Void
691430	24/01/2013	P-W/MLT 346	Lautoka Domestic Cou	360	Void
691434	24/01/2013	P-W/MSI 348	Sigatoka Domestic Co	60	Void
691435	24/01/2013	P-W/MSU 341	Suva Domestic Court	975	Void
691436	24/01/2013	P-W/MTA 344	Tavua Domestic Court	80	Void
691437	24/01/2013	P-W/SPA 323	Fiji Police Sports F	1,934	Void
691438	24/01/2013	P-X/FPF 501	Fiji National Provid	24,777	Void
691439	24/01/2013	PATTE001	Patterson Brothers S	2,101	Void
691542	29/01/2013	FIJIP004	Fiji Police Welfare	78,767	Void
691626	1/2/2013	COMMI002	Commissioner Of Police	366	Void
691627	1/2/2013	DIRHR001	Director Hrm	45	Void
691628	1/2/2013	FORCE002	Force Accountant	333	Void
691629	1/2/2013	MAKEW001	Make Waqavesi	36	Void
691630	1/2/2013	POPUL001	Popular Furniture Li	560	Void
691631	1/2/2013	X-41701	47170 Ana Luvu	90	Void
691632	1/2/2013	X-51122	Sgt Francis Nagesa	100	Void
691636	1/2/2013	X-60239	Emele Delai	81	Void
691686	4/2/2013	P-W/FDB 266	Fiji Development Ban	30	Void
691986	12/2/2013	P-V/PRB 267	Public Rental Board	50	Void
692284	21/02/2013	P-O/CML 241	Colonial Insurance	7,430	Void
692285	21/02/2013	P-O/LIC 244	Life Insurance Corpo	15,152	Void
692286	21/02/2013	P-O/PWS 243	Police Welfare Schem	25,900	Void
692288	21/02/2013	P-R/PRB 267	Public Rental Board	1,340	Void
692289	21/02/2013	P-R/RHU 208	Housing Authority	1,565	Void
692291	21/02/2013	P-U/GSM 305	Good Samaritan Credi	40	Void
692292	21/02/2013	P-U/HFL 326	Handy Finance Limite	1,443	Void
692293	21/02/2013	P-U/NUC 319	Nupw Credit Union	1,552	Void
692295	21/02/2013	P-U/PSA 301	Fiji Public Service	2,175	Void
692296	21/02/2013	P-U/VNT 313	Viti National Of Tau	125	Void
692297	21/02/2013	P-U/WES 320	Wesram Finance	11,909	Void
692298	21/02/2013	P-V/FDB 266	Fiji Development Ban	149	Void
692299	21/02/2013	P-V/HA 263	Housing Authority	105	Void
692300	21/02/2013	P-W/CTC 357	Suva City Council	20	Void
692301	21/02/2013	P-W/CTC 368	Nasinu Town Council	115	Void
692302	21/02/2013	P-W/DSP 386	Police Welfare Fund	150	Void
692304	21/02/2013	P-W/MBA 345	Ba Domestic Court	88	Void
692305	21/02/2013	P-W/MLT 346	Lautoka Domestic Cou	260	Void

Cheque No.	Issue Date	Remit ID	Payee Name	Amount (\$)	Pay Status
692306	21/02/2013	P-W/MNA 340	Nasinu Domestic Cour	160	Void
692307	21/02/2013	P-W/MNA 342	Nausori Domestic Cou	370	Void
692308	21/02/2013	P-W/MND 347	Nadi Domestic Court	60	Void
692309	21/02/2013	P-W/MSI 348	Sigatoka Domestic Co	120	Void
692310	21/02/2013	P-W/MSU 341	Suva Domestic Court	975	Void
692311	21/02/2013	P-W/MTA 344	Tavua Domestic Court	80	Void
692312	21/02/2013	P-W/SPA 323	Fiji Police Sports F	1,992	Void
692332	21/02/2013	P-V/HA 263	Housing Authority	105	Void
692532	28/02/2013	SUNSE001	Sunset Apartment Hot	140	Void
692533	28/02/2013	VODAF001	Vodafone Fiji	46,443	Void
692957	13/03/2013	X-52796	Pc Jitendra Lal	78	Void
694124	24/04/2013	FIJIP002	Fiji Police Credit U	137,933	Void
694479	7/5/2013	FIJIP002	Fiji Police Credit U	68,969	Void
697218	25/07/2013	P-W/FIN 400	Chief Executive Offi	80	Void
697667	8/8/2013	P-W/FIN 400	Chief Executive Offi	80	Void
697675	8/8/2013	P-W/MTA 344	Tavua Domestic Court	80	Void
697676	8/8/2013	P-W/SPA 323	Fiji Police Sports F	2,048	Void
698208	22/08/2013	P-W/FIN 400	Chief Executive Offi	80	Void
698690	5/9/2013	P-W/FIN 400	Chief Executive Offi	130	Void
699171	19/09/2013	P-W/FIN 400	Chief Executive Offi	130	Void
699724	3/10/2013	P-W/FIN 400	Chief Executive Offi	190	Void
700344	21/10/2013	HIGHC002	High Court Lautoka	26,000	Void
700667	31/10/2013	P-W/FIN 400	Chief Executive Offi	170	Void
701031	14/11/2013	ASCOM001	Asco Motors	1,748	Void
701110	14/11/2013	P-W/FIN 400	Chief Executive Offi	170	Void
701410	22/11/2013	OFFIC003	Official Receiver	520	Void
701421	22/11/2013	FIRST001	First Light Inn	1,890	Void
701561	27/11/2013	CENTR003	Centrepont Hotel	1,330	Void
701570	27/11/2013	X-51545	Kishor Kumar	864	Void
701651	29/11/2013	P-W/FIN 400	Chief Executive Offi	170	Void
701888	3/12/2013	X-77000	Dharmend R Verma	300	Void
701957	5/12/2013	CENTR001	Central Rentals Ltd	3,306	Void
702267	12/12/2013	P-W/FIN 400	Chief Executive Offi	150	Void
702492	17/12/2013	BONDW001	Bondwell Computers F	282	Void
702652	20/12/2013	X-50012	Ip Sakiusa Tikotani	170	Void
702730	23/12/2013	LODHI001	Lodhias Travel Servi	2,512	Void
702789	23/12/2013	P-W/FIN 400	Chief Executive Offi	170	Void
702933	27/12/2013	DATEC001	Datec Fiji Ltd	25,600	Void
702952	27/12/2013	VTSOL001	Vt Solutions	7,329	Void
702989	27/12/2013	SHARM003	Sharma Music Centre	2,588	Void
703202	31/12/2013	BOMBA001	Bombay Trading Ltd	3,435	Void
900000692962	13/03/2013	AVISR001	Avis	2,240	Void
900000693048	14/03/2013	SONAUS001	So Nausori	306	Void
900000693050	14/03/2013	SUNBE001	Sunbeam Transport Li	31	Void
900000693051	14/03/2013	X-77618	Tevita Ledua	1,230	Void
900000693052	14/03/2013	X-FL247	Phul Singh	78	Void
900000693053	14/03/2013	X-JB582	Noa Sukanasau	640	Void
900000693096	18/03/2013	OFFIC003	Official Receiver	90	Void
900000693098	18/03/2013	P-U/NUC 319	Nupw Credit Union	40	Void
900000693100	18/03/2013	P-W/FDB 266	Fiji Development Ban	30	Void
900000693101	18/03/2013	POSTF001	Post Fiji Ltd.	113	Void
900000693103	18/03/2013	PUBLI001	Public Service Commi	502	Void
900000693104	18/03/2013	SPORT002	Sport Fund	2,432	Void
900000693105	18/03/2013	VEERA001	Veera's Kitchen	744	Void

Cheque No.	Issue Date	Remit ID	Payee Name	Amount (\$)	Pay Status
900000693732	8/4/2013	CHIEF003	Chief Administration	600	Void
900000693733	8/4/2013	FIJIE001	Fiji Electricity Aut	109	Void
900000693734	8/4/2013	PACIF005	Pacific Sun	1,305	Void
900000693735	8/4/2013	SAVIT001	Savitri's Fast Foods	1,766	Void
900000694146	24/04/2013	SUNSE002	Sunset Express	600	Void
900000695483	4/6/2013	X-ZO608	Ulaiasi Lawavou	303	Void
900000695789	13/06/2013	FIJIP002	Fiji Police Credit U	75	Void
900000698087	20/08/2013	X-50444	Isei Vueti	500	Void
900000698089	20/08/2013	X-51119	Maretino Qiolevu	500	Void
900000698090	20/08/2013	X-51607	Naulu Lutunicaucu	500	Void
900000698092	20/08/2013	X-61356	Nacanieli Ravu	18	Void
900000698093	20/08/2013	X-76362	Pc Vaione Cagica	78	Void
900000698094	20/08/2013	X-77050	Vinaina Wainivanua	45	Void
900000698095	20/08/2013	X-77051	Moala Visawaqa	27	Void
900000698096	20/08/2013	X-77094	Livai Kaiviti	18	Void
900000698097	20/08/2013	X-77409	Kelepi Gucake	500	Void
900000698099	20/08/2013	X-R2163	Rosi Rupi Kuboutawa	45	Void
900000701481	25/11/2013	ABACU001	Abacus Graphics	1,610	Void
900000701482	25/11/2013	ASCOM001	Asco Motors	197	Void
900000701483	25/11/2013	COPYE001	Copyer Marketing Lim	398	Void
900000701484	25/11/2013	DAI-I002	Dai-Ichi (West) Comp	300	Void
900000701485	25/11/2013	DATEC001	Datec Fiji Ltd	13,545	Void
900000701486	25/11/2013	FIJIR002	Fiji Rubberstamp Com	145	Void
900000701487	25/11/2013	IMAGI001	Imaging Technologies	1,728	Void
900000701488	25/11/2013	JANTY001	Janty Enterprises Li	348	Void
900000701489	25/11/2013	JRWHI001	J.R White Ltd	1,300	Void
900000701490	25/11/2013	KLEAR001	Klear Water Chemical	654	Void
900000701491	25/11/2013	NAVOS001	Navosa Hardware	403	Void
900000701492	25/11/2013	QUALI004	Quality Auto Spares	180	Void
900000701493	25/11/2013	RICOH001	Ricoh Business Centr	83	Void
900000701494	25/11/2013	RUPIN001	Rup Investments Limi	2,831	Void
900000701495	25/11/2013	SNPFI001	S N P (Fiji) Ltd	680	Void
900000701496	25/11/2013	SOUTH002	South Pacific Bussin	203	Void
900000701497	25/11/2013	TONER001	Toner Tech (Fiji) Lt	2,071	Void
Total				627,066	

Appendix 19.2: List of Stale Cheques

Date	Cheque No	Amount (\$)
1/2/2013	690906	259
1/3/2013	900000618432	240
1/3/2013	900000618431	1,626
1/3/2013	900000618430	499
1/3/2013	900000618429	336
1/3/2013	900000618428	756
1/3/2013	900000618427	442
1/3/2013	900000618426	2,040
1/3/2013	900000618425	474
1/3/2013	690946	560
1/4/2013	690978	108
1/8/2013	691029	1,977
1/8/2013	691023	814
1/8/2013	691012	356
1/9/2013	691070	6,642
1/9/2013	691067	1,006
1/10/2013	691135	462
1/10/2013	691121	100
1/10/2013	691108	336
1/10/2013	691087	86
1/15/2013	691217	744
1/16/2013	691251	640
1/17/2013	691264	3,000
1/18/2013	691323	2,310
1/18/2013	691310	117
1/18/2013	691309	64
1/18/2013	691308	54
1/18/2013	691307	108
1/18/2013	691306	36
1/18/2013	691305	45
1/18/2013	691304	63
1/18/2013	691303	36
1/18/2013	691302	72
1/18/2013	691301	820
1/18/2013	691300	54
1/21/2013	691345	640
1/24/2013	691444	207
1/24/2013	691443	177
1/24/2013	691442	1,130
1/24/2013	691440	28
1/24/2013	691439	2,101
1/24/2013	691438	24,777
1/24/2013	691437	1,934
1/24/2013	691436	80
1/24/2013	691435	975
1/24/2013	691434	60
1/24/2013	691433	60
1/24/2013	691432	345
1/24/2013	691431	120
1/24/2013	691430	360
1/24/2013	691429	88
1/24/2013	691427	80

Date	Cheque No	Amount (\$)
1/24/2013	691426	95
1/24/2013	691425	20
1/24/2013	691424	20
1/24/2013	691423	149
1/24/2013	691422	10,263
1/24/2013	691421	40
1/24/2013	691420	1,735
1/24/2013	691419	9,794
1/24/2013	691417	406
1/24/2013	691416	40
1/24/2013	691414	1,563
1/24/2013	691413	1,067
1/24/2013	691412	625
1/24/2013	691411	25,135
1/24/2013	691410	14,645
1/24/2013	691409	7,234
1/24/2013	691408	87
1/24/2013	691407	50
1/24/2013	691406	1,130
1/29/2013	691554	125
1/29/2013	691553	24
1/29/2013	691545	22,484
1/29/2013	691542	78,767
2/1/2013	691637	72
2/1/2013	691636	81
2/1/2013	691634	21
2/1/2013	691633	534
2/1/2013	691632	100
2/1/2013	691631	90
2/1/2013	691630	560
2/1/2013	691629	36
2/1/2013	691628	333
2/1/2013	691627	45
2/1/2013	691626	366
2/1/2013	691619	837
2/4/2013	691705	9,774
2/4/2013	691687	873
2/4/2013	691669	70
2/6/2013	691755	882
2/7/2013	691875	25,145
2/7/2013	691862	20
2/8/2013	696028	7,122
2/12/2013	691989	885
2/14/2013	900000693135	225
2/14/2013	692038	1,018
2/14/2013	692031	190
2/19/2013	692186	1,415
2/19/2013	692147	219
2/19/2013	692146	920
2/20/2013	692210	117
2/20/2013	692203	116
2/21/2013	692358	442

Date	Cheque No	Amount (\$)
2/21/2013	692315	1,074
2/21/2013	692314	55,982
2/21/2013	692313	25,466
2/21/2013	692312	1,992
2/21/2013	692311	80
2/21/2013	692310	975
2/21/2013	692309	120
2/21/2013	692308	60
2/21/2013	692307	370
2/21/2013	692306	160
2/21/2013	692305	260
2/21/2013	692304	88
2/21/2013	692302	150
2/21/2013	692301	115
2/21/2013	692300	20
2/21/2013	692299	105
2/21/2013	692298	149
2/21/2013	692297	11,909
2/21/2013	692296	125
2/21/2013	692295	2,175
2/21/2013	692294	10,069
2/21/2013	692293	1,552
2/21/2013	692292	1,443
2/21/2013	692291	40
2/21/2013	692290	20
2/21/2013	692289	1,565
2/21/2013	692288	1,340
2/21/2013	692287	122
2/21/2013	692286	25,900
2/21/2013	692285	15,152
2/21/2013	692284	7,430
2/21/2013	692283	1,074
2/25/2013	692426	3,707
2/25/2013	692421	330
2/25/2013	692420	3,151
2/26/2013	692469	1,344
2/27/2013	692520	507
2/28/2013	692533	46,443
2/28/2013	692532	140
2/28/2013	692531	135
2/28/2013	692530	9,895
2/28/2013	692529	1,156
2/28/2013	692528	2,138
2/28/2013	692527	737,942
2/28/2013	692526	2,732
3/5/2013	692699	320
3/7/2013	692805	27
3/7/2013	692785	1,124
3/7/2013	692784	1,974
3/7/2013	692783	80
3/7/2013	692782	993
3/7/2013	692781	120
3/7/2013	692780	60
3/7/2013	692779	370

Date	Cheque No	Amount (\$)
3/7/2013	692778	160
3/7/2013	692777	260
3/7/2013	692776	88
3/7/2013	692775	96
3/7/2013	692774	20
3/7/2013	692773	94
3/7/2013	692772	105
3/7/2013	692770	10,869
3/7/2013	692769	125
3/7/2013	692768	2,195
3/7/2013	692767	10,175
3/7/2013	692766	1,472
3/7/2013	692765	1,434
3/7/2013	692764	55
3/7/2013	692763	1,267
3/7/2013	692762	1,271
3/7/2013	692761	25,630
3/7/2013	692760	15,087
3/7/2013	692759	7,445
3/7/2013	692758	1,124
3/7/2013	692757	3,867
3/8/2013	692825	5,848
3/11/2013	692908	6,182
3/11/2013	692907	795
3/11/2013	692906	595
3/11/2013	692905	348
3/11/2013	692904	804
3/11/2013	692903	93
3/11/2013	692888	195
3/12/2013	900000692944	11,804
3/12/2013	900000692943	272
3/12/2013	900000692941	1,000
3/12/2013	900000692940	180
3/12/2013	900000692932	1,248
3/13/2013	900000693005	660
3/13/2013	900000693004	5,996
3/13/2013	900000693003	45
3/13/2013	900000693002	172
3/13/2013	900000693001	3,520
3/13/2013	900000692968	172
3/13/2013	900000692962	2,240
3/13/2013	692958	405
3/13/2013	692957	78
3/14/2013	900000693053	640
3/14/2013	900000693052	78
3/14/2013	900000693051	1,230
3/14/2013	900000693050	31
3/14/2013	900000693049	145
3/14/2013	900000693048	306
3/14/2013	900000693047	422
3/14/2013	900000693046	1,593
3/18/2013	90000093098	40
3/18/2013	900000693106	27
3/18/2013	900000693105	744

Date	Cheque No	Amount (\$)
3/18/2013	900000693104	2,432
3/18/2013	900000693103	502
3/18/2013	900000693102	102
3/18/2013	900000693101	113
3/18/2013	900000693100	30
3/18/2013	900000693099	50
3/18/2013	900000693097	113
3/18/2013	900000693096	90
3/18/2013	900000693095	126
3/18/2013	900000693094	348
3/18/2013	900000693093	437
3/18/2013	900000693092	660
3/18/2013	900000693091	78,172
3/18/2013	900000693090	30
3/18/2013	900000693089	5,029
3/18/2013	900000693088	138
3/18/2013	693085	3,800
3/18/2013	692107	640
3/18/2013	692100	4,900
3/19/2013	693111	1,316
3/19/2013	693081	1,565
3/21/2013	693199	1,161
3/21/2013	693177	1,663
3/21/2013	693176	3,804
3/21/2013	693175	139,000
3/22/2013	693288	218,746
3/22/2013	693286	26,061
3/22/2013	693241	180
3/22/2013	693224	45
3/22/2013	693220	98
3/25/2013	693306	2,426
3/25/2013	693304	3,619
3/25/2013	693290	0
3/26/2013	900000693340	3,025
3/26/2013	693337	106
3/26/2013	693327	1,394
3/28/2013	693418	260
4/2/2013	693475	1,340
4/4/2013	693612	15,039
4/4/2013	693611	3,966
4/4/2013	693610	127,512
4/4/2013	693609	3,773
4/4/2013	693607	24,596
4/4/2013	693579	45
4/4/2013	693542	28
4/4/2013	693528	52,898
4/5/2013	693648	999
4/5/2013	693635	132
4/8/2013	900000693735	1,766
4/8/2013	900000693734	1,305
4/8/2013	900000693733	109
4/8/2013	900000693732	600
4/9/2013	693733	2,550
4/9/2013	693727	9,667

Date	Cheque No	Amount (\$)
4/9/2013	693706	36
4/9/2013	693705	198
4/9/2013	693702	1,361
4/10/2013	693778	1,280
4/11/2013	39	110
4/11/2013	38	819
4/12/2013	3	6,079
4/12/2013	2	1,899
4/12/2013	1	1,375
4/15/2013	56	1,373
4/15/2013	55	395
4/15/2013	54	311
4/16/2013	693897	126
4/16/2013	693896	108
4/16/2013	693895	126
4/16/2013	693894	263
4/16/2013	693893	65
4/16/2013	693892	700
4/16/2013	693885	1,346
4/18/2013	900000694073	2,869
4/18/2013	694031	116
4/18/2013	693986	40,359
4/18/2013	693952	1,390
4/22/2013	60	809
4/22/2013	59	764
4/22/2013	58	775
4/24/2013	900000694146	600
4/24/2013	694142	542
4/24/2013	694124	137,933
4/26/2013	694204	60
5/2/2013	694389	8,650
5/3/2013	900000694409	1,170
5/3/2013	900000694408	258
5/6/2013	900000694431	285
5/6/2013	900000694418	458
5/7/2013	900000694498	242,871
5/7/2013	87	387
5/7/2013	86	1,329
5/7/2013	85	780
5/7/2013	84	1,400
5/7/2013	83	1,436
5/7/2013	82	427
5/7/2013	81	3,470
5/7/2013	80	117
5/9/2013	694583	28,503
5/11/2013	700793	68
5/16/2013	694893	28,173
5/17/2013	900000694908	3,800
5/17/2013	900000694907	30
5/23/2013	900000695167	2,200
5/30/2013	900000695299	1,436
5/31/2013	696017	2,059
6/4/2013	900000695483	303
6/4/2013	900000695482	27

Date	Cheque No	Amount (\$)
6/4/2013	900000695481	99
6/4/2013	900000695480	2,268
6/4/2013	900000695479	580
6/4/2013	900000695478	350
6/4/2013	900000695477	164
6/4/2013	900000695476	3,722
6/4/2013	900000695475	327
6/4/2013	900000695474	700
6/4/2013	695472	30
6/11/2013	900000695641	106
6/13/2013	900000695791	560
6/13/2013	900000695725	2,207
6/17/2013	900000695860	30
6/21/2013	900000696030	1,492
6/21/2013	900000696029	4,904
6/21/2013	900000696027	309
6/21/2013	900000696026	157

Date	Cheque No	Amount (\$)
6/21/2013	900000696025	2,184
6/21/2013	900000696024	228
6/21/2013	900000696023	220
6/21/2013	900000696022	165
6/21/2013	900000696021	182
6/21/2013	900000696020	52
6/21/2013	900000696019	6,250
6/26/2013	696208	5,305
6/27/2013	900000696268	60
6/27/2013	900000696246	45
6/27/2013	900000696242	50
6/27/2013	900000696240	1,171
6/28/2013	696391	395
6/28/2013	696334	2,900
Total:		2,720,509

Appendix 19.3: List of Outstanding Advances

Chq No./Date	Amount (\$)	Payee	Details
691231 - 16/01/13	1,540	COP	Advance to cater meals for various officers engaged in docket inspection in ND, WD and ED
692000 - 12/02/13	787	Luke Rogoyawa	Advance to cater expenses for CP's TOD in WD wef: 13/02-15/02/13
692071 - 15/02/13	3,267	N Lesi	Advance to facilitate for contingent commander Unmil in Liberia
692072 - 15/02/13	1	COP	Advance to cater for meals and accommodation for police rugby league team- 52447 Aporosa Lutunauga
692958 - 13/03/13	405	Semisi Ika Rabonu	Acc adv_14/3-18/3/13
698436-28/08/13	678	Peceli Galuvakadua	Advance to cater for the 2nd RFL in WD
699216-18/09/13	1,000	Rusiate Tudravu	Advance to cater for his trip to Shanghai China
699774-04/10/13	358	Timoci Naulu	Advance to cater for his trip to Dublin, Ireland wef 15/10/13
699996-11/10/13	1,380	Tevita Waqabaca	Advance to cater for meals and accommodation for central division boot camp wef 11/10/13-13/10/13
699972-11/10/13	300	Bitukula Waqanui	Advance to cater for lunch and refreshment for IB OPS meeting and security landscape survey wef 11/10/13
700492-25/10/13	2,910	Tupa Talemainiusiladi	Advance to cater for the launching of the Duavata community policing model in Ra district on 01/11/13
	378	Camp Commandant	Advance to cater for meals for the two special constable deployed to Ba police station for the upgrading of cell block
700617-30/10/13	78	Shalvendra Naicker	Advance to cater for the ND tour
700999-12/11/13	108	Josaia Ece	Advance to cater for meals for sc2051 Ilaisa Toroca for the Rakiraki trip wef 12/11/13-15/11/13 as per details attached
701062-14/11/13	99	Isikeli Vuniwaqa	Advance to cater for meals for the above named officer while on official tour to Kadavu wef 20/11/13-29/11/13
701075-14/11/13	351	Laisenia Tawalesu	Advance to cater for meals while touring ND on survey wef 14/11/13
701064-14/11/13	189	Joji Ravaga	Advance to cater for the Taveuni tour wef 17/11/13
701177-15/11/13	117	Sivoki Tuwaqa	Advance to cater for meals while conducting tribunal wef 27/11/13-01/12/13
701275-19/11/13	(60)	Tomasi Koroisavulevu	Advance to cater for 4 nights and 1 meal for the band personnel during their Kadavu tour wef 23/11/13
701306-20/11/13	500	Matelita Daveta	Advance to cater for the purchase of gifts items for the delegation travelling to china
701418-22/11/13	189	Isireli Pareti	Advance to cater for meals while attending court in Koro island wef 23/11/13-30/11/13
701427-22/11/13	3,776	Rajeshwari N	Advance to cater for the purchase of fuel for the northern division tour
701413-22/11/13	441	Tira U	Advance to cater for contingency fund to facilitate any official function hosted by A/CP on his trip to Vanuatu
701483-26/11/13	2,270	Tito Elo	Advance to cater for the bill board and banner for the launching of the Duavata concept in Naselesele Taveuni wef 27/11/13
701557-27/11/13	378	Josaia Ece	Advance to cater for meals for SC Leone Rokowai who has been selected to be clerk of work at Taveuni wef 29/11/13
701559-27/11/13	180	Josaia Sukani	Advance to cater for meals for four officers on site survey at Levuka PS
701606-27/11/13	450	Ravuama Matata	Advance to cater for 5 nights while attending the drug operation in Taveuni wef 27/11/13
701569-27/11/13	360	Authur Paulino	Advance to cater for meals for Rotuma trip wef 29/11/13-10/12/13
701570-27/11/13	864	Kishore Kumar	Advance to cater for the ND economic crime tour
701692-28/11/13	1,842	Tito Elo	Advance to cater for contingency fund to cater for their trip to Singapore wef 02/12/13
	54	Robert Hill	Advance to cater for meals for SC2665 Naivasi while escorting prisoners to Levuka police station
	2,520	Pauliasi Lutunauga	
701866-03/12/13	1,202	Ravin Deo	Advance to cater for accommodation air fare and meals for WPC 3348 Elina Cerei while in Kadavu for court sitting wef 05/12/13
701954-05/12/13	1,940	Samuela Laliqavoka	Advance to cater for meals and contingent fund for 5 BMU officers

Chq No./Date	Amount (\$)	Payee	Details
			undertaking general survey on the police institutions in WD and ND wef 09/12/13-19/12/13
	648	Uate Rogo	Advance to cater for meals while in WD upgrading the internet connection as per details attached.
702042-09/12/13	2,530	Pene Harry John	Advance to cater for the passing out parade graduation wef 20/12/13
702171-11/12/13	500	Nacanieli Ravuraboto	Advance to cater for the boat master training wef 17/12/13-20/12/13
702122-11/12/13	126	Niadere Stolz	Advance to cater for meals while attending court in Taveuni wef 13/12/13-18/12/13
702208-12/12/13	300	Marisiale Bete	Advance to cater for meals for SC 4255 Taufu while in Kadavu installing solar in place of PC Dharmend Roy
702193-12/12/13	540	Sevuloni Masitabua	Advance to cater for meals for 5 CID officers conducting investigation in WD
702287-12/12/13	135	Joji Ravaga	Advance to cater for meals while attending court in Taveuni wef 16/12/13-17/12/13
702327-13/12/13	220	Maria Maopa	Advance to cater for meals while attending court in Taveuni wef 16/12/13-23/12/13
7026817-20/12/13	1,500	Ratu Sailosi	Advance to cater for the repair cost of Ba police Bure
703079-30/12/13	1,000	DPC-ED	Advance to cater for the new year's operations refreshment
703080-30/12/13	1,000	DPC-ND	Advance to cater for the new year's operations refreshment
703085-30/12/13	700	CO-CENTAL	Advance to cater for the new year's operations refreshment
703068-30/12/13	200	DIR-CID	Advance to cater for the new year's operations refreshment
703069-30/12/13	200	DIR-IB	Advance to cater for the new year's operations refreshment
Total:	40,452		

Appendix 19.4: PL08 Grade Recruitments

Name	Post	Anomalies in Recruitment Procedures
Koini Rokodrausa	WPC 4875	No Police and Medical clearance done with an Incomplete Application for Enlistment
Anarieta Iribalavu	WPC 4873	
Livia Vakere	WPC 4878	
Losalini Rosi	WPC 4879	
Mavis Eleni Fatiaki	WPC 4881	
Melisa Talei Sorokibau	WPC 4882	
Roneel Renay Sharma	PC 4953	
Sakiusa Nailoloku	PC 4957	
Stella Rogoyawa	WPC 4890	
Sovaia Adivulivosa	WPC 4889	
Sheetal R Nand	WPC 4888	
Anaseini Tikomainamibia	WPC 4872	No Police and Medical clearance done
Naomi Tava	WPC 4883	
Senitiki Dinayacavou	WPC 4886	
Seremaia L Koro	PC 4982	
Shafrina B	WPC 4887	
Ilisapeci Waqanivonokula	WPC 4874	No Police and Medical clearance done with an Incomplete Application for Enlistment. There was no Birth Certificate, TIN Letter or Form 7 Examination reports/ Form 6 report provided
Inoke Ovasisi	PC 4983	No Police and Medical clearance done or TIN letter provided
Komal Kavita Kumar	WPC 4876	No Police and Medical clearance done nor Examination or School Reports provided
Shaneel Anand	PC 4981	
Komal Kritika Lal	WPC 4877	No Police and Medical clearance done with an Incomplete Application for Enlistment nor Examination or School Reports provided
Rishma Reshika Deo	WPC 4884	
Rita T Vakadranu	WPC 4885	
Ratu Lepani Rokodudu	PC 4954	
Ratu Tevita Mataitoga	PC 4955	
Taina Mulo	WPC 4892	

Appendix 19.5: Unidentified FNPF Membership

Ref	Year	Line #	Sheet #			First Name		Surname	Amount (\$)
1	2011	73	6						0
2	2011	154	20						0
3	2010	305	5			ABDUL	A4228	MOHAMMED	28
4	2010	219	2			ABDUL	M.	SAMEEN	47
5	2010	219	3			ABDUL		MOHAMMED	47
6	2010	224	10			ABDUL	MOHAMMED 4268	SAMEEM	93
7	2010	294	13			ABDUL	MOHAMMED	SAMEEM	47
8	2010	223	9			ABDUL	MOHAMMED 4268	SAMEEM	47
9	2010	336	14			AJINESH		KRISHNA	26
10	2009	299	12			AKITA		BULI	23
11	2010	207	12			ALISANA	4026	NANISE	64
12	2010	200	12			ALISANA	4026	NANISE	122
13	2010	235	12			ALISANA	4026	NANISE	103
14	2010	334	18			AMANI		T	49
15	2009	252	2	2425180	0	AMINIO	1276	BALE	108
16	2010	330	7			APENISA		BAI	38
17	2010	299	16			AVINESH		KRISHNA	26
18	2010	203	6			BAI	4175	RABUATOKO	88
19	2010	230	3			BAI	B4175	RABUATOKO	84
20	2010	208	5			BAI	4170	RABUATOKO	93
21	2010	201	5			BAI	4170	RABUATOKO	47
22	2010	236	5			BAI	4170	RABUATOKO	47
23	2009	305	15			BALE	Q		26
24	2010	294	6	2426915	0	EDWIN	RAM	RAJU	32
25	2010	309	6	2426915	0	EDWIN	RAM	RAJU	31
26	2010	303	7	1108783	0	EFEREMO	KUBUNAVANUA	VUNITURAGA	30
27	2010	316	10	2111859	0	EPELI		SORO	40
28	2010	295	13			EPELI		LELEINOVO	26
29	2010	322	14			EREMASI	25891	LEVUI	14
30	2010	330	13			ESERA	25675	KOROI	26
31	2010	372	10	2700103	0	ETA		DAVUI	62
32	2010	201	7			IFEREIMI	C/021	MASIBALAVU	79
33	2010	195	15			IFEREIMI		MASIBALAVU	26
34	2010	278	20			IFEREIMI		MASIBALAVU	79
35	2010	271	12			IFEREIMI	C/021	MASIBALAVU	26
36	2010	301	18	1404148	0	ILIESA		NAMANULEVU	61
37	2010	381	2			ISIMELI		U	104
38	2011	65	2	819417	0	J	N 51328	RATUKADREU	289
39	2010	383	3			JAG		PRASAD	40
40	2010	226	8	2565468	0	JOELI		RAVUAMA	93
41	2012	235	8			JOELI	I4334	LUTUMAILAGI	93
42	2012	250	8			JOELI	14334	LUTUMAILAGI	77
43	2012	234	7			JOELI		LUTUMAILAGI	87
44	2012	250	6			JOELI	I4334	LUTUMAILAGI	96
45	2012	233	6			JOELI	14334	LUTUMAILAGI	82
46	2012	249	6			JOELI		LUTUMAILAGI	96
47	2010	201	9	425725	0	JONA	I	ROPA	106
48	2010	264	8	1711996	0	JONACANI	QK996	TUSA	32
49	2009	271	9	425725	0	JONE		ROPA	132
50	2009	275	10	425725	0	JONE		ROPA	79

Ref	Year	Line #	Sheet #			First Name		Surname	Amount (\$)
51	2009	272	13	425725	0	JONE		ROPA	132
52	2009	275	1	425725	0	JONE		ROPA	79
53	2009	310	3	425725	0	JONE		ROPA	26
54	2010	186	18	425725	0	JONE		ROPA	79
55	2010	296	1	425725	0	JONE		ROPA	26
56	2010	363	1	2224251	0	JONE		R	92
57	2010	366	18	2205712	0	JONE			78
58	2010	277	6	425725	0	JONE	DY725	ROPA	79
59	2010	332	16	425725	0	JONE		ROPA	26
60	2010	333	19			JONE		KOTOIWASAWASA	26
61	2010	272	8	425725	0	JONE		ROPA	53
62	2010	299	6			JONE		CIWA	47
63	2010	299	10	425725	0	JONE		ROPA	53
64	2010	299	11			JONE		SERU	47
65	2010	275	9	425725	0	JONE		ROPA	132
66	2010	196	7			JONE	425725	ROPA	26
67	2010	279	3			JONE	425725	ROPA	79
68	2010	271	19	425725	0	JONE		ROPA	26
69	2010	293	20	425725	0	JONE		ROPA	26
70	2010	296	20	425725	0	JONE		ROPA	31
71	2010	304	18	425725	0	JONE		ROPA	26
72	2010	197	12	425725	0	JONE		ROPA	106
73	2010	197	8	425725	0	JONE	DY725	ROPA	106
74	2010	360	19	425725	0	JONE	DY725	ROPA	26
75	2010	198	4	425725	0	JONE	ROPA		53
76	2010	318	1			JOSEFA		KOROI	26
77	2010	299	19			JOSEFA		KOROI	26
78	2009	297	9			JOSEPH		N	45
79	2004	237	1			JOSEVA		SELO	78
80	2011	215	17	2422762	0	JOSEVA		NASAU	132
81	2010	322	6			JOSEVATA	25495	SOVANIVAUVAU	8
82	2010	365	20			KELEVI			48
83	2012	224	1	719556	0	KINIVILIAME	GS556	RATILA	89
84	2009	311	1			LAISENIA		CAMA	26
85	2009	307	16			LAISENIA		CAMA	26
86	2010	338	7	2020357	0	LASARUSA		L	52
87	2010	369	8			LEMATT		SULIANO	84
88	2009	295	19			LIVAI		S	47
89	2010	363	11			LOATA			95
90	2010	301	1	2502188	0	LUKE	YB188	K.	65
91	2009	312	17			MAIKA		WAQAVATU	23
92	2010	368	11	2426828	0	MAIKA		M	94
93	2010	328	6	2102698	0	MARIO		T	104
94	2010	271	15			MERE	C/025	RAILECE	27
95	2010	307	11			MERE	C/025	RACELE	16
96	2010	197	7			MERE	C/025	RAILECE	108
97	2010	224	9			MERE		RAILECE	9
98	2010	197	3			MERE		RAILECE	108
99	2010	197	19			MERE		RAILECE	103
100	2010	289	10			MERE		RAILECE	27
101	2010	196	6			MERE		RAILECE	108
102	2010	196	5			MERE		RAILECE	102

Ref	Year	Line #	Sheet #			First Name		Surname	Amount (\$)
103	2011	195	5			MERE		RAILECE	27
104	2010	334	17			MESULAME			104
105	2010	365	3			MESULAME			104
106	2010	298	19			MIKAELE		M.	43
107	2009	306	12			MISAELE		VORETE	26
108	2010	339	5			MOROTIKEI			60
109	2012	203	10			MUA	RAKIM4332	FESAITU	140
110	2012	219	8			MUA	RAKIM4332	FESAITU	96
111	2012	203	13			MUA	RAKI	FESAITU	59
112	2012	202	14			MUA	RAKI M4332	FESAITU	95
113	2012	218	9			MUA	RAKI	FESAITU	96
114	2011	221	7			MUA M4332	RAKI	FESAITU	46
115	2012	219	15			MUA M4332	RAKI	FESAITU	95
116	2011	87	7	1001915	0	N	52162	DAINITERI	220
117	2010	368	17	2535853	0	NACANIELI		N	69
118	2011	206	11	2703511	0	NAPOLIONI	NAVILA		152
119	2009	300	17			NARARA		VADIBAU	26
120	2010	305	14			NAVNEET		S	47
121	2010	360	12	1716236	0	NAWADOLE			62
122	2009	252	15			OSEA	2525295	TUKOLI	93
123	2009	298	14			PAULA			10
124	2010	300	3	2415928	0	PAULA		W	140
125	2010	320	20	2108261	0	PAULA	UH261	WARA	26
126	2010	54	16	2302141	0	PAULA		KATONI	144
127	2009	305	18			PAULIASI		TAGICAKIBAU	34
128	2010	300	4	2509420	0	PAULIASI		COLAMOTO	300
129	2010	331	13	1324486	0	PEAI	MX486	RASALOLO	26
130	2009	309	6			PENI		TOKALAU	26
131	2009	313	4			PENI		TOKALAU	26
132	2010	300	7			PENI		MATEIWAI	26
133	2010	317	4	2521695	0	PENI		BATI	44
134	2010	365	13	2423178	0	PENI			24
135	2010	228	18			PENI	COLASAU 27100	RASOQOSOQO	93
136	2010	294	20			PENI	C001	MATEIWAI	26
137	2010	302	19			PENI	C/601	MATEIWAI	26
138	2010	364	4			PENI		MATEWAI	106
139	2010	231	16			PENI	2189	RARAWA	47
140	2011	195	1	2502269	0	PENI		SENILOLOKULA	128
141	2011	194	20			PENI	2502269	SENILOLOKULA	128
142	2012	263	5	2502269	0	PENI		SENILOLOKULA	160
143	2012	193	2	2502269	0	PENI		SENILOLOKULA	131
144	2012	263	3	2502269	0	PENI	Y8269	SENILOLOKULA	132
145	2012	194	2	2502269	0	PENI		SENILOLOKULA	66
146	2012	261	2	2502269	0	PENI	Y8269	SENILOLOKULA	98
147	2009	274	14			PETERO	25905	RAQAUQUAU	74
148	2009	307	8			RAJENDRA		PRASAD	43
149	2010	328	8	2108261	0	RATU	BULA	WARA UH261	26
150	2011	65	1	819417	0	RATUKADREU	J N 51328		289
151	2011	65	1	819417	0	RATUKADREU		J N	168
152	2010	333	17	2224999	0	RICKLESH			104
153	2010	366	10	2503176	0	ROHITESH			88
154	2009	306	16			ROMIL		PRAKASH	26

Ref	Year	Line #	Sheet #			First Name		Surname	Amount (\$)
155	2010	308	9			ROMIL		PRAKASH	53
156	2010	330	10			RONIL	25664	PRAKASH	26
157	2010	308	12			ROPATE		SIVO	47
158	2010	230	12	2423498	0	RUPENI 2090	2423498	BULIMAIBAU	93
159	2010	213	8	1518266	1	RUSILA 672	1518266	ADIRAICA	98
160	2009	294	12			SAILOSI		N	57
161	2010	307	3			SAILOSI	S4223	V	47
162	2009	300	11			SAIRUSI		CADI	111
163	2010	302	4	1626835	1	SAKIUSA		QERA	26
164	2009	312	13			SALANIETA		SENINEI	22
165	2010	337	17			SAMISONI		M	63
166	2010	366	1			SAMLESH			83
167	2010	367	17	1325958	0	SAMUELA			84
168	2010	202	10	2426171	0	SAMUELA	SHAW		87
169	2010	225	11	2219664	0	SANDEEP	107 2219664	LAL	14
170	2010	199	9			SATISH	726456	SHARMA	152
171	2010	310	13			SEFETI		M	43
172	2010	306	3			SEMESA		LOTE	103
173	2010	209	4			SEMESA	C/018	LOTE	105
174	2010	309	18			SEMESA	C/018	LOTE	26
175	2010	286	4			SEMESA		LOTE	105
176	2010	361	20			SEREMAIA		N	104
177	2009	309	13			SETAREKI		LUVU	26
178	2010	299	10			SETEFANO		S.	71
179	2010	302	18			SETEFANO		S	71
180	2009	299	9			SILIVA		C	36
181	2009	301	3			SINGH	51467	R	58
182	2009	307	7			SIRELI			43
183	2010	382	8			SOLOMONE		S	41
184	2009	298	5	2303054	0	SULIANO			47
185	2009	298	2			SUSANA		K	20
186	2009	298	7			SUSANA		K	20
187	2012	17	12			SUSANA	77881	LEWADRAU	162
188	2012	17	9			SUSANA		LEWADRAU	97
189	2012	17	9			SUSANA	77881	LEWADRAU	97
190	2012	17	11			SUSANA		LEWADRAU	97
191	2009	308	5			SUSHIL		PRASAD	11
192	2010	360	10			TAGIVAKATINI			62
193	2010	363	5	1313644	0	TEMESI			104
194	2010	304	11	2004308	0	TURAGA		YABAKI	66
195	2012	228	5	2595045	0	URAIA	U4342	VALILOA	96
196	2010	252	8			VERENIKI	V4184	DRIU	21
197	2010	230	12			VERENIKI	4184	DRIU	93
198	2010	223	1			VERENIKI	V4184	DRIU	72
199	2010	258	1			VERENIKI	4184	DRIU	72
200	2010	268	2			VERENIKI	4184	DRIU	74
201	2010	340	2			VERENIKI		DRIU	47
202	2010	267	2			VERENIKI	4184	DRIU	22
203	2010	338	20	2014911	0	VICKLESH			70
204	2009	294	20	2105142	0	VILIAME		K	84
205	2009	299	16	1323961	0	VILIAME		NAISARA	32
206	2010	330	5	2310532	0	VILIAME			104

Ref	Year	Line #	Sheet #			First Name		Surname	Amount (\$)
207	2010	331	12	1323916	0	VILIAME	MW916	VALI	26
208	2011	210	20	2589422	0	VILIKESA		KALOU	80
209	2011	210	19	2589422	0	VILIKESA		KALOU	75
210	2012	208	15	2589422	0	VILIKESA	25422	KALOU	65
211	2009	309	3	2119401	0	VULI		RATU	28
212	2010	365	8			WAME			104
213	2009	217	16			WATISONI	W2845	NEITONI	122
214	2009	216	5			WATISONI	2845	NEITONI	98
215	2010	240	19			WATISONI	2845	NEITONI	133
216	2010	371	16	2326845	0	WATISONI		NATONI	48
217	2010	226	7			WATISONI	2845	NEITONI	92
218	2010	225	17			WATISONI	2845	NEITONI	23
TOTAL									15,151

Appendix 19.6: Unauthorized Payment of Extra Hours

Date	Chq #	Vendor	Amount (\$)	Details of Payment
24/12/2013	702905	Loata R Qica	1,279	Being payment of extra hours wef 30/11/13 to 20/12/13
24/12/2013	702924	DimereDioge	1,453	Being payment of extra hours wef 8/11/13 to 13/12/13 – no documents pertaining to the approval of the overtime
24/12/2013	702928	IlisoniNaivalu	2,014	Being payment of extra hours wef 07/11/13 to 12/12/13 – no documents pertaining to the approval of the overtime
31/12/2013	703236	Ana Luva	1,010	Being payment of extra hours
31/12/2013	703263	Peni Senilolokula	1,984	Being payment of extra hours wef 18/11/13 to 30/12/13
31/12/2013	703264	SaimoniSuka	1,265	Being payment of extra hours wef 10/12/13 to 30/12/13
31/12/2013	703260	MiriamaWaqatabu	993	Being payment of extra hours wef 14/12/13 to 30/12/13
31/12/2013	703270	AtecaRogocake	869	Being payment of extra hours wef 03/12/13 to 30/12/13
23/12/2013	702803	KelerayaniPillay	407	Being payment of extra hours wef 25/11/13 to 21/12/13
24/12/2013	702915	EmeleTavaga	658	Being payment of extra hours wef 11/12/13 to 20/12/13
24/12/2013	702910	Joana Seruvatu	655	Being payment of extra hours wef 10/12/13 to 20/12/13
31/12/2013	703269	Rosa M S Vakaloloma	627	Being payment of extra hours wef 10/12/13 to 30/12/13
			13,214	
9/08/2013	697763	JosevaCevaloa	1,180	Voucher missing
28/11/2013	701627	TalicaRaitekiteki	424	Voucher missing
31/12/2013	703267	InokeRauci	631	Voucher missing
			2,235	
Total			15,449	

Appendix 19.7: Excessive Leaves – Civilian & GWEs

Name	Leave c/f	Salary (\$)	Amount (Leave Liability) (\$)
Ana N Tau	25	10,724	1,774
Devi Kanchan	30.5	18,218	3,609
Elizabeth Peters	20	44,157	6,963
George Satakala	22.5	20,945	3,504
James Kalougivaki [DR]	21	34,824	5,625
Jolame Uacyisrael	50	28,425	7,762
Jovesa Cevaloa	16	16,162	2,300
Krishna Chand	19.5	41,407	6,450
Luse Tuitoga	36	11,581	3,233
Loata Benaca Kuruwale	30	11,148	2,058
Mereoni V Biumaiwai	28	11,148	1,972
Mereani Moroivalu	18.5	10,724	1,505
Mohammed B Aiyaz	44	18,218	4,555
Naomi Tuitoga	21	19,205	3,102
Ponnu S Goundar [DR]	23	72,538	12,276
Peni Senilokula	20.5	10,724	1,588
Praneel Kumar [DR]	29	34,824	6,697
Rohini Lata	23	10,724	1,691
Sanjay Kumar	25	18,218	3,223
Sainiana Tivi Tawake	18	10,724	1,485
Tasel Salem	31	34,824	6,965
Venina Miller	27	11,148	1,929
Vandana Samad	19	10,724	1,526
Yashmin Lata	31	10,724	2,021
Apete Tamani	17	9,655	1,077
Cama Scott	36	9,907	1,829
Rupeni Bulivou Tiko	26	9,655	1,411
Akeai Koro	21	31,298	5,056
Jovilisi Josese Cakau	17	9,724	1,085
Semisi Kama	18	31,298	4,695
Tulia Tuikenawa	20	9,724	1,197
Total		633,319	110,163

Appendix 19.8: Payment Anomalies**Appendix 19.8.1: Absence of Competitive Quotations**

Date	Cheque No.	Amount (\$)	Allocation	Details	Audit Remarks
20/08/2013	698242	6,000	PO Account	Payment of account to Bale Investment for the Hire of Sound System – Hibiscus Committee (Albert Park)	No competitive quotes obtained
1/05/2013	694341	7,958	12010120101079999	Payment of CCTV equipment for G77 meeting operations from Professional Electronics	
9/07/2013	696540	8,558	12010120101060401	Payment of Airfare to Lodhias Travel for ASP Ulaiaisi Ravula to Lyons France 5/07/13 – 12/07/13	
22/10/2013	6700404	250	12010120101030101	Payment for hire of Nasese Bus from Nasinu to Nasova for Commissioner's 3r quarter parade	
8/11/2013		2,550	12010220101050406	Payment for hire of Sunset Bus to cater for Force Band official engagement	
21/03/2013	693188	5,874	12010120101059144	Payment of 2 motor mowers and 4 brush cutters from Courts Fiji Limited for camp commandment	No competitive quotes and no delivery docket attached
6/05/2013	694436	4,600	12010120101030101	Payment of helicopter charter to Island Hoppers which was to be used during G77 operations.	Absence of at least 3 competitive quotes. Only 2 quotes attached to the voucher
Total		35,790			

Appendix 19.8.2: Absence of Proper Approvals and Bills to Substantiate Payment Made

Date	Cheque No.	Amount (\$)	Allocation	Details	Audit Remarks
26/02/13	692488	41,074	12010120101030101	Payment of Telecom Bill for the month of February 2013	No approval to the payment made
26/03/13	693346	46,927	12010120101030401	Payment of Vodafone bill for the month of February 2013	
19/07/13	697438	45,925	12010120101030401	Payment of Vodafone bills for June 2013 – Vodafone Fiji	
30/07/13	697424	43,476	12010120101040422 12010692011040422	Payment of electricity bills for Police HQ – June \$38,380.19 Northern and Western division June-July - \$5,095.34	
31/05/13	695376	43,546	12010120101040422 12010120101040522	Payment of account for month of March & April 2013 – Police HQ - \$43,135.12 month of March & April – Colo-i-Suva C/post - \$411.13	
20/12/13	702684	32,068	12010120101030401	Payment of Vodafone bill	No bill attached to
31/05/13	695372	2,930	12010491011030401	Payment of Vodafone Bill for the	

Date	Cheque No.	Amount (\$)	Allocation	Details	Audit Remarks
				month of May 2013 – Vodafone Fiji	substantiate the payment made
28/06/13	696381	358	12010120101030401	Payment of Vodafone Flash net account for the month of April 2013 - Vodafone Fiji	
28/06/13	696381	11,419		Payment of Vodafone bills for the month of May: Western: \$4,695 Northern: \$3,029 Eastern: \$3,695 \$11,419 -Vodafone Fiji	
27/02/13	692535	46,443	1201012010059144	Payment of Vodafone post pay account for Jan 2013	
21/05/13	695002	34,561	12010120101030401	Payment of Telephone bills account for the month of April 2013 for various offices – Telecom Fiji	
23/05/13	695086	36,996	1201069201130401	Payment of telephone bills for western division for the month of April 2013 – Telecom Fiji	
12/12/13	702283	54,447	12010120101030401	Payment of Telecom bill	
30/04/13	693515	334	12010820101040422	Payment of electricity bills for Totogo Police station – Fiji Electricity Authority (FEA)	
28/03/13	693495	23,318	12010120101040422	Payment of electricity a/c for March 2013 for Police HQ	
14/03/13	693001	40,708	12010120101030401	Payment of Telephone bills account for the month of February, 2013 for HQ division - Telecom Fiji	No approval & bill attached to substantiate the payment made
27/02/13	692435	46,443	12010120100059144	Payment of Vodafone Bill for the month of January 2013 – Vodafone Fiji	
13/02/13	692087	53,797	12010491011040422	Payment of FEA bills - Nabua P/S Nov 2012-Jan 2013 \$18860 - Valelevu Prosecution Nov 23 rd 2012 –Dec 21 st 2012 \$280.14 - Totogo P/S Nov 2012-Jan 2013 \$34,656.69	
28/02/13	692632	21,220	12010120101040522	Payment of acct for the month of Oct 2012-Jan 2013 for Navosa, Nasese, CID/HQ & FPA – Water Authority of Fiji	
Total		625,990			

Appendix 19.8.3: Payments Made Without Supporting Documents Attached

Date	Cheque No.	Amount (\$)	Allocation	Details	Audit Remarks
01/02/13	691666	3,676	12010120101030401	Payment of damages on rental vehicle LR402 from AVIS.	Audit noted that an investigation was not carried out in regards to the accident to the vehicle. No Accident Report was attached to substantiate who's at fault for the damages the rental vehicle received as the cost was borne by Fiji Police.
08/07/13	696604	17,034	12010120101040321	Payment of supply and installation of cooking appliances for main kitchen at Nasova	Payment processed on proforma invoice
24/07/13	697167	1,514		Payment of computer accessories from Bondwell Computers for awareness training program for Interpol – eastern division	
12/07/13	696840	2,800	12010120100059144	Payment for the purchase of 1 gear box for GN470 F/104 Valelevu Police Station to Alarm Trading Ltd	Payment processed on proforma invoice and there was no delivery docket
28/12/13	703035	79,122	12010120101861210	Payment for Police Welfare Scheme	There was no supporting documents attached to the payment records
13/06/13	695783	4,904	12010120101010101	Payment of arrears of acting allowance for 10 officers	There was no evidence of approval for payment made.
4/04/13	693553	18,951	12010120101010101	Payment of salary for pay 7/13 which was reversed from bank due to miss-postings	There was no evidence of approval for payment made.
11/07/13	696768	19,788	12010120101010101 12010120101861920 12010120101861902	Being payment of salaries for the new recruits wef 01/07/13 – 15/07/13	There was no supporting document attached for total meal disbursed of \$23,316.
23/12/13	702841	30,492	LPO Account	Payment made to Medica Pacifa South Pacific Ltd for Pathology equipment as per Tender # CTN 17/2013,	There was no contract was attached to the payment records.
30/12/13	703186	20,439	12010120101040203	-Payment made to Sky Technologies for the purchase and repair of handheld radios and portable repeater.	There was no LPO or competitive quotes attached
			12010120101130101		

Date	Cheque No.	Amount (\$)	Allocation	Details	Audit Remarks
14/02/13	692057	6,700	12010120101570301	Payment of advance to Officer Unaisi Vunilaoqa for expenses incurred during Community Policing Symposium to pay Taveuni Kitchen Delights.	However no proper invoice was provided by the caterer.
30/12/13	703280	34,712	12010120101040321	Payment to Hery's Construction for the maintenance of Singles Mens Quarters.	However there were no supporting documents attached.
30/12/13	703139	18,607	12010120101080423	Payment to Hery's Construction for fencing of Totogo boundaries. 1 st payment of \$23,258 paid via 702095. However, 2 nd payment cheque was voided. – Cheque # 703289 was issued on 30/12/13 to pay the company \$18,607	No work done by Contractor when this payment was processed.
Total		258,739			

Appendix 19.8.4: Payment Vouchers Not Stamp "Paid"

Date	Cheque No.	Amount (\$)	Allocation	Details	Audit Remarks
25/01/13	691484	171	12010720101020101	Payment of wages for JB 258 Tevita Vakaotia for pay 02/2013	Payment voucher was not stamped paid
25/01/13	691484	786	12010120101030301	Being payment of meal allowance for accounts salaries staff working overtime.	
03/06/13	695427	32,984	12010120101040202	Payment of printing & binding Fiji Police Force Standing Orders to Extreme Stationery & Printery	
31/12/12	692025	376	12010320101050632	Payment of Compressor for Maritime Border to Vinod Patel	Payment voucher was not stamped paid and there was no delivery docket attached to the payment voucher
Total		34,317			

Appendix 19.8.5: No Proper Authorization Obtained

Date	Cheque No.	Amount (\$)	Allocation	Details	Audit Remarks
26/09/13	699482	9,610	12010120101040321 12010120101059144	Payment to Vinod Patel	Audit noted that there was no Minute attached and approval was given by store man – Anthony Solo

Appendix 19.9: Source Documents not verified

Chq#	Date	Payee	Amount (\$)
697310	29/07/2013	VITI OFFICE STATIONE	54
697311	29/07/2013	AUSTRALIA & NZ BANK	3,235
697312	29/07/2013	BANK OF BARODA	436
697313	29/07/2013	BRED BANK	290
697314	29/07/2013	COLONIAL NATIONAL BA	9,260
697315	29/07/2013	WESTPAC BANKING CORP	1,624
697316	29/07/2013	DIRECTOR NIB	351
697317	29/07/2013	FLOWERS FOR LIFE	160
697318	29/07/2013	Colonial Insurance	124
697319	29/07/2013	Life Insurance Corpo	287
697320	29/07/2013	POLICE WELFARE SCHEM	101
697321	29/07/2013	COMMISSIONER OF POLI	20
697322	29/07/2013	Housing Authority	175
697323	29/07/2013	NUPW Credit Union	125
697324	29/07/2013	FIJI PUBLIC SERVICE	68
697325	29/07/2013	WESRAM FINANCE	354
697326	29/07/2013	Public Rental Board	55
697328	29/07/2013	NASINU TOWN COUNCIL	10
697329	29/07/2013	Fiji Development Ban	30
697331	29/07/2013	SUNRISE BATTERY AND	204
698327	26/08/2013	FIJI ELECTRICITY AUT	3,298
698328	26/08/2013	HOTEL NORTHPOLE	160
698329	26/08/2013	Colonial Insurance	124
698330	26/08/2013	Life Insurance Corpo	293
698331	26/08/2013	POLICE WELFARE SCHEM	101
698332	26/08/2013	Housing Authority	175
698333	26/08/2013	NUPW Credit Union	100
698334	26/08/2013	FIJI PUBLIC SERVICE	20
698335	26/08/2013	WESRAM FINANCE	254
698336	26/08/2013	Public Rental Board	54
698337	26/08/2013	NASINU TOWN COUNCIL	10
698341	26/08/2013	MANAINI MILLS	63
698448	29/08/2013	FIJI ELECTRICITY AUT	12,523
698449	29/08/2013	TELECOM FIJI LTD	39,230
698450	29/08/2013	VODAFONE FIJI	19,804
698139	21/08/2013	PC PETER BROWN	248
698146	21/08/2013	POPULAR FURNITURE LI	540
698153	21/08/2013	WAINIQOLO VERETAIYAC	300
698663	5/09/2013	AUSTRALIA & NZ BANK	54,645
698664	5/09/2013	BANK OF BARODA	3,811
698666	5/09/2013	COLONIAL NATIONAL BA	144,306
698667	5/09/2013	WESTPAC BANKING CORP	17,757
697252	25/07/2013	RAKESH CHANDRA	1,449
697253	25/07/2013	KAIAVA TADRAU	1,000
697259	26/07/2013	BOMBAY KHANA KHAZANA	4,084
697260	26/07/2013	26903 UATE ROGO	2,062
697265	26/07/2013	MAHARAJA MINI MART	1,597
697997	19/08/2013	SYS TECH SIGNS	3,870
697994	19/08/2013	WPC RAJESHWARI NAICK	99
697995	19/08/2013	WATER AUTHORITY OF F	2,352
697996	19/08/2013	VINOD PATEL & COMPAN	773

Chq#	Date	Payee	Amount (\$)
697701	18/01/2013	RAMASWAMY GOUNDER	14,718
699146	19/09/2013	COMMISSIONER INLAND	238,193
701011	13/11/2013	COMMISSIONER INLAND	238,193
698038	20/08/2013	Colonial Insurance	124
698039	20/08/2013	Life Insurance Corpo	293
698040	20/08/2013	POLICE WELFARE SCHEM	101
698041	20/08/2013	COMMISSIONER OF POLI	4
698042	20/08/2013	Housing Authority	175
698043	20/08/2013	NUPW Credit Union	115
698044	20/08/2013	FIJI PUBLIC SERVICE	20
698045	20/08/2013	WESRAM FINANCE	311
698046	20/08/2013	Public Rental Board	54
698047	20/08/2013	NASINU TOWN COUNCIL	10
696658	9/07/2013	EXTREME STATIONERY&P	21
696659	9/07/2013	S FIJI AIRWAYS TRAVEL	333
697071	22/07/2013	BRED BANK	1,641
698573	3/09/2013	LAUTOKA HOTEL	160
698575	3/09/2013	NCSMED	3,000
698576	3/09/2013	PATTERSON BROTHERS S	1,550
698577	3/09/2013	RAM'S MAINTENANCE	49,482
698578	3/09/2013	ROYAL HOTEL	240
698579	3/09/2013	TELECOM FIJI LTD	19,257
698580	3/09/2013	TOKATOKA RESORT HOTE	220
698581	3/09/2013	PC EPI MAU VEIMOSOI	330
698582	3/09/2013	SGT RAJESH KRISHNA	330
698583	3/09/2013	PC TIMOCI NAULU	330
698584	3/09/2013	PC SHALEND SASHI KRI	118
698585	4/09/2013	FIJI ELECTRICITY AUT	23,085
698586	4/09/2013	FIJI RUBBERSTAMP COM	501
698587	4/09/2013	J MANEKLAL & SONS LT	3,640
698588	4/09/2013	JANTY KANVAN LIMITED	348
698589	4/09/2013	LAUTOKA HOTEL	480
698590	4/09/2013	MODERN STATIONERY &	251
698591	4/09/2013	NUTECH OFFICE SUPPLI	275
698592	4/09/2013	OFFICE 2000 + LTD.	199
698593	4/09/2013	ON-TIME UPHOLSTERY	155
698594	4/09/2013	PARTNERS LINS COMPAN	720
698595	4/09/2013	SUVA BOOKSHOP	308
698596	4/09/2013	TEMPLETEC FIJI LTD	33,255
698597	4/09/2013	WATER AUTHORITY OF F	5,874
698598	4/09/2013	51744 WAQA CAVUILATI	171
698599	4/09/2013	PC Josua Gagalia Cha	180
698600	4/09/2013	TIMOCI RAVOUVOU TOKA	315
698601	4/09/2013	VAKURU SAWALU	330
698602	4/09/2013	ALVINS ELECTRICAL SE	2,700
698603	4/09/2013	BLIGH WATER SHIPPING	54
698604	4/09/2013	DYNAMIC SOLUTIONS	6,655
698605	4/09/2013	MEDICA PACIFICA SOUT	31,555
698606	4/09/2013	SYS TECH SIGNS	500
698607	4/09/2013	TOKATOKA RESORT HOTE	150
698608	4/09/2013	VINOD PATEL & COMPAN	963
Total			1,014,052

Appendix 19.10: Examples of Prisoners Meal Abuse**A) Payment Voucher # 693076****1) Tax Invoice # 4891 of 01/01/13 to 15/01/13**

Name of Prisoner	Station	Date	Meal Type	Book #	Remarks	Extra Amount Claimed (\$)
Lepani Saurusi	Totogo p/s	02/01/13	Lunch	18409 18035	This name appeared twice on the same day for same meal but was recorded in different meal order book.	4
Sakeasi Lotawa	Cell Block	03/01/13	Lunch	18149 18150		4
Tomasi Sinudamu	P.M.T Totogo p/s	09/01/13	Dinner	17602 20179		4
Marika Mata	Cell Block Totogo p/s	10/01/13	Dinner	17605 20181		4
-	Totogo p/s	04/01/13	Breakfast	20155 20154	The meal order book has 2 names entered only but in the summary of the prisoners meals attached the voucher, it's entered as 3.	3
-	Totogo p/s	07/01/13	Lunch	20169	Total meals entered is 8, however in the summary it's written 10 in total	8

2) Tax invoice 4895 of 15/1/13 to 31/1/13

Name of Prisoner	Station	Date	Meal Type	Book #	Remarks	Extra Amount Claimed (\$)
Rusiate Cakacaka	Totogo	16/01/13	Lunch	18102 18101	Name appeared twice in separate books for lunch on 16/01/13 in the same station.	4
Leone Buli	Totogo	16/01/13	Lunch	18102 18101		4
Rusiate Cakacaka	Totogo	17/01/13	Lunch	18104 18459	Name appeared twice for the same meal on the same day but was recorded in 2 separate meal books.	4
Leone Buli	Totogo p/s Central p/s	18/01/13	Lunch	18111 18109	This name appeared ones in Book No. 18109 for Central P/s on 18/01/13 Lunch and also appeared in Book No. 18111 Lunch for Totogo P/s on the same day.	4
Marika Vakabua Andrew Kamal Rusiate Cakacaka Eremasi Cokaisura	✓	✓	✓	✓		16
Josefa Tukuna Eseroma Vakacegu	Totogo P/s Cell Block – Govt Building Suva	21/01/13	Dinner	18123 18425	This name appeared ones in Book No. 18123 Dinner (Totogo P/s) then again in Book No. 18435 (Cell Block) for dinner same day.	8

Name of Prisoner	Station	Date	Meal Type	Book #	Remarks	Extra Amount Claimed (\$)
Jemesa Volitiviti Eseroma Vakacegu	Totogo P/s	23/01/13	Dinner	18754 18131	Name appeared in both the Meal books for dinner same day.	8
Amit Kumar	Totogo P/s	30/01/13	Lunch	17952 17953		4
Various	Cell Block Suva	29/01/13	Lunch	9648	Total meals 14; however in the tally provide with the payment voucher, it is totalled as 15 lunches.	4

B) Payment Voucher # 696460**1) Tax invoice # 0823 of 01/5/13 to 15/5/13**

Name of Prisoner	Station	Date	Meal Type	Book #	Remarks	Extra Amount Claimed (\$)
Peni Tuilaselase	Totogo P/s Charge Room	01/05/13	Dinner	15539 23326	The name appeared in both the prisoners' meal book for the same day and the same meal.	4
Keleni Tui	Totogo P/s	08/05/13	Dinner	16635 23350		4
Jale Maafu Keleni Tui	Totogo P/s	09/05/13	Dinner	22664 22652		4
-	Totogo P/s	13/05/13	Dinner	22669	Total meals add up to 15, however in the meal summary, it is stated as 16.	4

2) Tax Invoice # 0824 of 16/5/13 to 31/5/13

Name of Prisoner	Station	Date	Meal Type	Book #	Remarks	Extra Amount Claimed (\$)
Kelesi Ralalu Apete Senikalou Neraj Singh	Totogo P/s	19/05/13	Breakfast	22683 22687	These names appeared on both the books for the same meal on the same day.	12
Martin Singh	Totogo P/s Cell block	22/05/13	Dinner	23261 22698		4
Suresh Lal Nazir Ali Ram Chandra Manoa Uluisolevu	Cell Block Govt Building Totogo P/s	21/05/13	Lunch	15351 15352	These names appeared on both the books for the same meal on the same day, however, the stations were different.	16
Deepak Amit SinghAmit Atish Prasad Lalendra Naicker	Totogo P/s	26/05/13	Lunch	13716 13714	These names appeared on both the books for the same meal on the same day and the same station.	12
Jonetani Tawake Jiten Lal Sandeep Singh Peter Coster	Totogo P/s	30/05/13	Lunch	13270 13273		16

Name of Prisoner	Station	Date	Meal Type	Book #	Remarks	Extra Amount Claimed (\$)
-	Totogo P/s	30/05/13	Lunch	13742	Total comes to 3 meals however in the meal tally its stated as 4 meals.	4

3) Tax invoice # 0804 01/3/13 to 15/3/13

Name of Prisoner	Station	Date	Meal Type	Book #	Remarks	Extra Amount Claimed (\$)
Arieta Tinai Bakalevu Moceimekemeke Iowane Sam Roshni Lata Josaia Cama Isaia Bobo Samisoni Meke Joji Kaci Jane Gaunavou Josateki Nailati Ronald Rohit Kumar Salesh Chaudary Arvind Chand	Totogo P/s	03/03/13	Lunch	9684 9685	These names appeared in both the books for the same meal on the same day and for the same station.	52
Joseph Isoa	Totogo P/s	10/03/13	Breakfast	15875 15874	The name appeared on both the books for the same meal on the same day.	3

4) Tax Invoice # 0819 of 18/4/13 to 30/04/13

Name of Prisoner	Station	Date	Meal Type	Book #	Remarks	Extra Amount Claimed (\$)
Savenaca Inia	Central Police Station	22/04/13	Dinner	23245 15529	The name appeared in both the books for the same meal on the same day.	4
Marika Bavoro	Totogo P/s Cell block	24/04/13	Lunch	18786 18784		4
Pamela Akini Angira	Totogo P/s	26/04/13	Lunch	23309 23308		4
Josefa Rogodawa	Cell block Totogo Officers mess	29/04/13	Lunch	15534 15533		4
Lote Waisale	Cell Block Totogo P/s Central P/s	23/04/13	Lunch	18782 23249	The name appeared in both the prisoners meal book for the same meal on the same day, however the stations were different.	4

C) Payment Voucher # 700299

Name of Prisoner	Station	Date	Meal Type	Book #	Remarks	Extra Amount Claimed (\$)
-Lia Baubau -Leone Kacimaimuri	Totogo Officers Mass	01/08/13	Dinner	0032216 0030692	The name appeared in both the books for the same meal on the same day.	8
-Timoci Colohea -Navitalai Serevalu	Totogo P/s	02/08/13	Dinner	0032221 0032312		8
-Miliana Rokosiawa	Totogo P/s	06/08/13	Dinner	0032234 0032372		4
-Vikash Prasad -Daniel Ritesh	Totogo Officers Mass	07/08/13	Dinner	0030441 0030442		4
-Josefa Waqalevu	Totogo Officers Mass	07/08/13	Dinner	0030442 0032101		4
-Tawake Luvuwai -Louise Steele -Danial Ritesh	Totogo P/s	08/08/13	Breakfast	0030443 0030450		12
Josaia Nabure	Totogo Officers Mass	19/08/13	Lunch	0032074 0032323		4
Ledua Tikotani	Totogo P/s Officers Mass	19/08/13	Dinner	0032389 0032075		4
-Timoci Qolitabua -Seru Soko -Aiseli Colati -Elia Makaira	Totogo P/s Officers Mass	21/08/13	Dinner	0032082 0032391		16
Emosi Banilotu	Totogo P/s Officers Mass	26/08/13	Dinner	0032114 0032095 0032121		4
-	Totogo P/s Officers Mass	28/08/13	Lunch	0032004	A total of 14 persons were listed. Three names were cut off which totalled 11, however in the meal book summary it is recorded 14. Three extra lunch was paid for \$12	12
-	Totogo Officers Mass	02/08/13	Dinner	0032221	Total number of meals is 9, however the meal summary totalled ten.	4
Josaia Nabure	Totogo P/s	19/08/13	Dinner	0032389	The name was repeated on the same prisoners meal book	4

