



STANDING COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE

**Report on the Public Petition for Parliament to Review and Redress
the Vast Anomaly present in the recent Police Back-Pay Out of 2015**



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MINISTRY OF ECONOMY

OFFICE OF THE AUDITOR-GENERAL

MERCER REPORT

INDEPENDENT AND EXTERNAL TASKFORCE REPORT

RETIRED POLICE OFFICERS PAY SLIP

Chair's Foreword

I am pleased to present the Report of the Standing Committee on Foreign Affairs and Defence on its review of the Public Petition for Parliament to Review and Redress the Vast Anomaly in the Police Back- Pay of 2015 (The Petition).

The Standing Committee is established under Section 109(2)(e) of the Standing Orders (SO) of the Parliament of the Republic of Fiji.

This report reviews the petition tabled on 24th August 2015 requesting Parliament to scrutinise and redress the claims by retired police officers on alleged anomalies in the police Job Evaluation Exercise (JEE) from 2004-2005 and resulting Back Pay conducted in 2004. The petition was first referred by Parliament to the Standing Committee on Justice, Law and Human Rights on 24th August, 2015. It was later referred to the Standing Committee on Foreign Affairs and Defence by the Honourable Speaker on 20th March, 2017.

The Committee held its first meeting on 28th March 2017 and agreed on a work plan that involved a call for oral and written submissions from affected parties and interested stakeholders. A series of Committee hearing was conducted between 4th April, 2017 to 28th March, 2018.

The Committee commends the efforts of the Ministry of Economy, Ministry of Defence, National Security and Immigration and Fiji Police Force for the appointment of a taskforce in 2015 to initiate the process of pursuing the payment of the Job Evaluation Exercise (JEE). As a result, the police pay increment and payments arrears as far as the JEE, is concerned were paid to police officers in 2015 for the following years; 2004, 2005, 2006, 2009, and 2012. The budget for Job Evaluation Exercise was \$28.5 million and the fund was under Head 50.

Whilst commending some of the initiatives of the stakeholders, the Committee had identified some opportunities for improvements; these are outlined in the report.

On behalf of the Standing Committee on Foreign Affairs and Defence, I submit this report to the Parliament.



Hon. Netani Rika
Chairperson

List of Acronyms

FPF	Fiji Police Force
FPOA	Former Police Officers Association
JEE	Job Evaluation Exercise
JER	Job Evaluation Report
MOD	Ministry of Defence, National Security and Immigration
MOE	Ministry of Economy
OAG	Office of the Auditor General
PSC	Public Service Commission
RFMF	Republic of Fiji Military Forces
SO	Standing Orders

Introduction

On 24th August 2015, Honourable Semesa Karavaki presented a Petition to Parliament to Review and Redress the Vast Anomaly in the Police Back-Pay under the 2015 Budget. In accordance with Standing Orders 37(5), the Honourable Speaker referred the petition to the Standing Committee on Justice Law and Human Rights. The Speaker later referred the matter to the Standing Committee on Foreign Affairs on 20th March 2017.

Background

The Petition claimed that in a JEE conducted for the security services of the Fiji government in 2004, the Fiji Police Force was awarded a 30 per cent increase in basic salary. Due to the enormity of the total amount to be paid, police officers would receive back-pay instalments starting in 2005. The petitioners further claimed that the pay-out in 2006 was not done until 2015. The Former Police Officers Association (FPOA) claimed that exorbitant discrepancies suggested that they did not receive the full 30 per cent due to them. The retired police officers claimed that individual inquiries on the matter had not been addressed fairly. Furthermore, they claimed that the non-action by the Fiji Police Force suggests that some fraud had been committed.

In a **Cabinet Decision on 13th December 2004 (CP (04)543)** on the Implementation of the JEE Report for the Disciplined Services the following were approved:

- The immediate implementation of the Job Evaluation Report (JER) recommendations for Police, Prisons and Republic of the Republic of Fiji Military Force (RFMF) officers;
- That RFMF personnel in the ranks of Private, Lance Corporal, Corporal, Sergeant, staff sergeant, 2nd lieutenant and colonel be awarded the recommended 2004, 2005 and 2006 increases as one payment in 2004; and
- That the amount of \$14, 816, 271 payable as the first phase of the Disciplined Service JER implementation be paid before the end of 2004.

The Public Service Commission (**PSC Circular No. 80/2010 dated 16th December 2010** on the implementation of the 2003 Job Evaluation for the Fiji Police Force noted the Cabinet approval of 13th December, 2010 vide Cabinet Decision No. 459 of 2010 had approved the implementation of the Job Evaluation Exercise for the Fiji Police Force.

In its decision, Cabinet had:-

- Approved the implementation of **phase 4 of the JEE**, that is the payment of 6 per cent backdated to 1st January 2009 to all Police Officers in grade PLO8 – PL01¹ to cover the period 1st January 2009 to 31st December 2009 only;
- Endorsed that the flow-on effect of this payment for 2010 and the payment of Phase 5 are to be considered later;
- Endorsed that since the Fiji Police Force cannot meet this payment from within its budget, the **Ministry of Finance** is to identify a sum of **\$2.8 million for the JEE payment** mentioned above;
- Such payment is to be effective on pay 26 of 2010.

The Ministry of Economy noted in March of 2015 a Cabinet decision endorsed the payment of JEE arrears and salary shortfall to the police force. The Ministry record shows that a total sum of **\$27,018,041** was released to the police force in three trenches:

- **Tranche 1** -\$16, 528, 441; in March 2015,
- **Tranche 2** -\$10,154, 254; in August 2015 (of which \$6,485,024.79 was provided for Lodging Allowance and \$3,669,229.21 is for the shortfall in the JEE payment) and
- **Tranche 3**- \$335, 346.00 in November 2015.

¹ PLO 8 – Pay grade for Police Constables and PLO1 – Pay grade for Deputy Commissioner of Police (DCP).

Findings

The Committee's findings are outlined below:

- As per the Mercer Report in 2003 recommendations (page 67 and 68 of the report) JEE refers to base salaries (Recommendations number 2 - *Police Base Salaries should be determined at rates commensurate with FPS jobs of similar work value*). The increment in the base salary consequentially led to the increment in the Extra Duty Allowance (12.5 per cent of the base salary) and the Lodging Allowance (20 per cent of the base salary).
- The Fiji Police Force Accounts were to pay out the 30 per cent JEE on a pro-rata basis of 6 per cent on annual basis from 2004-2012, due to the non-payment of funds and the complaints by the petitioners, finally payment was made in the 2015 Budget under Head 50.
- Retired police officers came up with issues of non-payment and delays of JEE payments from 2004-2012. JEE payments with substantial amounts were used by Police Accounts at Headquarters to pay for PAYE and FPNP payments without seeking the legal consent of the concerned retired officers or the next of kin for deceased officers.
- Method of JEE payments and amounts received were inconsistent for the period of 2004-2012.
- Salary reconciliation within the Fiji Police Force Accounts Pay Office normally done every month was not being conducted in the last several years.
- Major lapses in payment of arrears of salaries before shortfall in JEE payments was detected.

Concerns and Responses

A. The concerns of the Petitioners are outlined below:

1. What formula used to calculate the police back-pay?
2. The accuracy of the personnel files data from which the pay-out is based.
3. After several false promises from the Fiji Police Force, the FPOA needed a reliable office to answer genuine queries of welfare.
4. The delay of the JEE payment for a period of 10 years (2004-2014).

B. Response of the Committee to the above concerns:

1. The general method used was the pro-rata basis of 6 per cent per annum as approved by Cabinet.
2. There is a need for proper record keeping and database to guide the functions of police human resources and accounts departments.
3. There is a need to set up a Police Accounts Department Call Centre to service queries from serving and former police officers on JEE payments in real time.
4. The response to concern 4 above has been addressed in the Report.

Challenges

1. Pro-longed duration of non-payment of JEE to concerned group of police officers (officers in service; terminated; retired; resigned or deceased officers) from 2004-2012.
2. Lack of consultation to concerned group of police officers on the JEE purpose and formula used for payments from Police Headquarters.
3. Non-availability of accurate data due to non-reconciled figures.
4. Missing names from the Pay-roll and also on the spread sheets provided by the Police Accounts Department.
5. Lack of professional expertise resulting in the engagement of retired auditors and accountants.
6. Confidentiality of information revealed without proper authority resulting in the engagement of the Independent Auditors.
7. Limited time to complete the audit exercise (three weeks).
8. Non-availability of the accurate data to non-reconciled figure from the Fiji Police Accounts Department.
9. Incorrect baseline salary point from junior officers to senior officers in the Force.
10. Communication shortfalls from Police Headquarters in the non-provision of a dedicated personnel and line (telephone hotline) to handle enquiries channelled through the call centres.

Recommendations

The Committee recommends the following:

1. A Senior Accountant from the Ministry of Economy be seconded to head the Accounts Section of the Fiji Police Force for neutrality, transparency and accountability.
2. Only Civilian account officers with relevant qualifications and experience to be in the accounts Section of the Fiji Police Force.
3. Proper consultation needs to be carried out prior to any JEE pay out in the future.
4. All eligible police officers from 2004 to 2012 in the service and out of the service that did not receive their JEE pay-out or partly paid should be paid their dues. This is to be done after the correction of personnel data and reconciling of pay out figures.
5. Authorizations via PSC Circular for any future JEE pay-out based on relevant data be sought by stakeholders (Ministry of Economy, Ministry of Defence and Fiji Police Force). This exercise will minimize errors and not prolong the JEE pay-out process.
6. There is a need for up-skilling and capacity-building in the Human Resources Department and such a department to be manned by qualified civilian staff.
7. The FPF human resources and pay filing system to be updated and electronically stored for ease of reference.
8. The FPF need to strengthen its adherence to government accounting standards and Ministry of Economy financial procedures. This includes compliance to internal control systems and monitoring by the Auditor General's Office.
9. The FPF needs to develop Accounting and Finance Manuals to guide the Accounts Department to ensure accountability and transparency of public funds.
10. A thorough review is needed for the FPF's corporate division to align it with current and modern practices in administration, accounts and human resources. The FPF needs to benchmark systems, process and practices in its corporate division with police forces in the region namely Australia and New Zealand.

Conclusion

The Standing Committee on Foreign Affairs and Defence has fulfilled its task as mandated by Parliament to consider the Public Petition to Review and Redress the Vast Anomaly Present in the Police Back Pay of 2015.

The Committee report is a bi-partisan one and contributions from both sides have provided the final report.

The Committee believes that the key areas highlighted in its findings would address issues on Vast Anomaly Present in the Recent Police Back- Pay Out 2015 and to improve the overall performance of the Fiji Police Force Accounts Section in the future.

The recommendations highlight areas of concern which include the Fiji Police Force (FPF) JEE outcomes in 2015.