

File Ref.: 7.4

13th October, 2017

Hon. Ashneel Sudhakar
Chairman, Public Accounts Committee
Parliament of Fiji
P O Box 2353
Government Buildings
S U V A

Dear Sir

RE: APPEARANCE BEFORE THE PUBLIC ACCOUNTS COMMITTEE

Reference is made to your letter dated 5th October, 2017 in regards to the above.

Enclosed please find Council's Responses [Management Comments] as requested.

Your information, please.

Yours faithfully



Tulsi Ram
CHIEF EXECUTIVE OFFICER

ENCL:

COPY: 1. File Copy

NP/np

L/H #: 421/17



Parliament of Fiji
P.O. Box 2353
Government Buildings

PARLIAMENT

REPUBLIC OF FIJI

STANDING COMMITTEE ON PUBLIC ACCOUNTS



Tel: 679 3305 811
Fax: 679 3305 325
www.parliament.gov.fj

Parl 3-1

5th October, 2017

Mr. Tulsi Ram
Chief Executive Officer
Sigatoka Town Council
Queens Road
SIGATOKA.

Dear Sir

RE: Appearance before the Public Accounts Committee

Section 70 of the 2013 Constitution of the Republic of Fiji, the Public Accounts Committee has been tasked to scrutinize the reports of the Office of the Auditor General on Municipal Councils for the year ended 2013. In accordance with Standing Orders 112(1) of the Parliament of Fiji, the Committee has the powers to:

- (a) "summon any person to appear before it to give evidence or provide information;
- (b) "Compel the production of documents or other materials or information as required for its proceedings and deliberations."

During the committee deliberations, there were anomalies noted in the 2014 Auditor-General's Report for Municipal Councils and Performance Audit Volume 1 which the committee wishes to clarify with your office. Copies of the Auditor General's Reports can be retrieved from the Fiji Parliament website on <http://www.parliament.gov.fj/auditor-generals-report/>

The Committee kindly requests you and your Chief Finance Officer and/or relevant personnel on **Tuesday 31st October 2017 at 09.20 a.m.** in the **Parliament Committee Room (East Wing)** to deliberate on the audit findings.

In addition, the committee also requests that you forward your written responses 7 days in advance for our information and reference please.

Should you request further clarifications, please do not hesitate to contact our secretariat on email address mateo.lagimiri@parliament.gov.fj or priya.chand01@parliament.gov.fj or telephone contact 3305811 or 3225692 and I look forward to receiving a confirmation from you end.

Thank you,

Hon. Ashneel Sudhakar
Chairman, Public Accounts Committee



SIGATOKA TOWN COUNCIL

small town. BIG 

TAUNI HEWA, YALOVINA

GHOTA SHAHAR, BADA DIL

File Ref. 7.4 [2]

4th November, 2015

The Auditor-General
8th Floor Ratu Sukuna House
McArthur Street
P O Box 2214
Government Buildings
S U V A

Dear Sir


**RE: MANAGEMENT COMMENTS FOR THE FINANCIAL STATEMENT
AUDIT OF SIGATOKA TOWN COUNCIL FOR THE YEAR ENDED
31ST DECEMBER, 2014**

I refer to your Draft Audit Memorandum, 2014 of Sigatoka Town Council dated 21st October, 2015

Annexed herewith please find the Management Comments which is self-explanatory.

Looking forward to your usual co-operation.

Yours faithfully



Tulsi Ram
CHIEF EXECUTIVE OFFICER

ENCL:

COPY: 1. File Copy

TR/np

L/H # 609/15

**SIGATOKA TOWN COUNCIL - DRAFT AUDIT MEMORANDUM FOR THE YEAR
ENDED 31 DECEMBER 2014**

7.0 DETAILED AUDIT FINDINGS

7.1 GENERAL

7.1.1 Minutes of Council Meeting

Council's Comments

Council has taken note on audit comments on writing of minutes. As per Council's knowledge recommendations of committee meeting automatically become resolution after the ordinary Council meeting, nevertheless, Council will act upon the audit recommendations

7.2 ASSETS

7.2.1 Bank Reconciliation

Council's Comments

Finance department has taken the recommendation regarding reviewing of monthly bank reconciliations by an independent officer either by the Chief Executive Officer or the Assistant Manager Finance.

7.2.2 Increasing Rates Arrears

Council's Comments

In previous year's the Council used to institute legal proceedings against defaulting rate payers, basically starting from the year. The Council was advised by the Ministry officials that legal action shall be the last resort to recover rates and more emphasis was to be given on arrangement and door to door collections.

Council has set a taskforce team in Year 2015 to collect its outstanding rates.

7.2.3 No Provision for Doubtful debts taken up for rates debtors

Council's Comments

Council will ensure that proper policies are developed for determining provision for doubtful debts for rates debtors and is properly taken up in financial statement.

7.2.4 Dishonoured Cheques

Council's Comments

The above recommendations are being noted by finance department and will be acted accordingly.

7.2.5 Disposal/written off

Council's Comments

Finance department will ensure that only assets that are disposed / written off will be de – recognized and removed from the fixed assets schedule.

7.2.6 Board of Survey not properly done

Council's Comments

Finance department will ensure that a proper board of survey is carried and will include all assets.

7.3 EXPENDITURES

7.3.1 Sigatoka Municipal Market Renovation/Upgrading

7.3.1.1.1 Awarding of Contractual work to J.K. Builders Limited

Council's Comments

A committee was made of Council officers and the tender was opened. The tender was adopted by the full Council at the Ordinary Meeting but in future Council will ensure that all proper procedures are followed and will be approved in Council meetings before successful tenders are informed and that minutes of all meetings are properly recorded and supported with documents.

7.3.1.1.2 Contract Sum

Council's Comments

The amendments in the respect of payments to J.K. builders were approved and done at Special Administrators discretion, nevertheless, the audit recommendations are noted and will be implemented in future.

7.3.1.1.3 Total payment made to J.K.Builders by the Council

Council's Comments

Council had appointed a Projects Manager [Jai Dev]. Jai Dev was fully responsible to monitor the project and approve payments as per his contract. Upon the approval from Projects Manager through its certification, Council was releasing payments to the Contractor. All payments made to J. K. Builders were approved and certified by the Projects Manager.[All certificates issued by the Projects Manager were attached in the payment vouchers] but Council had noted the recommendation and will ensure that approvals are made for variations in Council meetings for future projects.

7.3.1.1.4 Failing to Comply with Completion Time – Cost of Liquidated and Ascertained Damages not enforced

Council's Comments

The Council 's choice to opt for quality materials and hence getting the materials from abroad also partially contributed towards the delay in the project. Adverse weather conditions also affected work progress and the Council decided not to do any deductions but the Council will ensure that in all similar projects undertaken in future, Council will be more vigilant.

7.3.1.2 Bill of Quantities

Council's Comments

Initial agreement made between the Council and J.K. Builders were without the bill of quantities. But the Council will ensure that when entering into an agreement with Contractors and Consultants, Bill of quantity is prepared.

7.3.1.3 Purchase of Materials and tiling works for the renovation/upgrading

Council's Comments

Staffs were advised to choose and select tiles and paints of our Council's choice by the contractor. Tiles provided by the contractors were not to the Special Administrators satisfaction. We were informed by the SA that we needed to provide a state of the Art to the public convenience. Therefore these items were purchased from Overseas. However Council has noted the recommendations of audit and will ensure the same is implemented in future projects.

7.3.1.4 Certificate of Completion not issued

Council's Comments

Council will see that a completion certificate is issued for the works done.

7.3.1.5 Council paid for additional cost of the renovation/upgrade works

Council's Comment

The Special Administrator was not satisfied with the tilings & plumbing materials provided by the Contractors so these materials were bought on Council's choice from Overseas and Jacks of Fiji , nevertheless, Council had noted the concerns of audits in regards to usage of donor funds and will ensure that proper planning is made discouraging the use of Council's funds.

7.3.2

Tender for Procurement of Capital items

Council's Comment

The purchase of lightings and Play equipment from Overseas was organized by the Special Administrator and then Finance Department was instructed by him to process payment so that is why finance department couldn't comply with Mannual of Accounts but the concern is noted and will adhere with the proper procedure in future.

7.3.3

Discrepancies in the procurement of rubbish bins

Council's Comment

The Council in its Ordinary meeting approved to buy 20 only rubbish bins and sell to the business houses. The supplier was instructed to construct the 20 bins by the Special Administrator and then finance was advised by him to release payments so that is why finance department didn't take any quotes but the recommendation would be acted accordingly in future.

7.4 RECURRING ISSUES

7.4.1 Sundry Advances

Council's Comment

Note that Council won't be able to provide the supporting documentation for Sundry Advances as because this balance was carried forward prior year 2000. Council doesn't have documentation for that period. This amount should therefore be written off.

7.4.2

Sundry Deposit

Council's Comment

Note that Council won't be able to provide the supporting documentation for Sundry Deposit as because this balances was carried forward prior year 2000 and there are no records present.

7.4.3

Car Parking Fees and Rental Income Fees

Council's Comment

There is a covering letter from Carpenters Fiji Ltd on the use of property but the file was sent to the A-G's office during investigation of Sale of Land to MH in July 2013 by the Special Administrator. However, Council is now in the process of having a proper agreement made between Carpenters Fiji Ltd and the Council.

7.4.4

Expiry of Employee Contracts

Council's Comment

Council has noted your comments. Council is now in the process of making individual contracts with all employees.