



Presentation to Standing Committee on Public Accounts

2015 Audited Reports

Presenter: Mr Gucake and Mr Kumar (DSI)

Wednesday 31st May , 2017

Parliament Committee Room (East Wing)

2015 Financial Statement



● Audit Opinion -

- In 2015 the Ministry of Sugar Industry was issued a qualified audit report due to incomplete Board of Survey as the correctness of the Statement of Losses submitted by the Ministry could not be verified.
- Ministry has improved on this and ensures that board of surveys are conducted.

2015 Financial Statement



Audit Report	Ministry's Comments
35.2 Statement of Receipts & Expenditure	The Statement of Expenditure shows that Ministry's expenditures decreased by 43% due to transfer of the South Pacific Fertiliser grant of \$9.1 million to Ministry of Economy's - Head 50
35.3 Appropriation Statement	The Ministry incurred expenditures totalling to \$10,580,205 in 2015 against the revised budget of \$11,768,624 resulting in an under spending of \$1,188,419 or 10% The table below shows details of expenditures:

2015 Financial Statement



SEG	Item	Budget Estimate (\$)	Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)
1	Established staff	454,703	-	454,703	355,591	99,112
2	Government wage earner	56,651	-	56,651	31,932	24,719
3	Travel and communications	74,000	-	74,000	49,843	24,157
4	Maintenance & operations	69,000	-	69,000	62,214	6,786
5	Purchase of goods & services	17,000	-	17,000	14,110	2,890
6	Operating grants & transfers	1,429,400	-	1,429,400	1,429,399	1
7	Special Expenditure	938,170	-	938,170	938,170	-
	Total Operating Expenditure	3,038,924	-	3,038,924	2,881,259	157,665
8	Capital construction	2,500,000	-	2,500,000	2,099,179	400,821
9	Capital purchases	600,000	-	600,000	-	600,000
10	Capital grants & transfers	5,000,000	-	5,000,000	5,000,000	-
	Total Capital Expenditure	8,100,000	-	8,100,000	7,099,179	1,000,821
13	Value added tax	629,700	-	629,700	599,767	29,933
	TOTAL EXPENDITURE	11,768,624	-	11,768,624	10,580,205	1,188,419

35.4 Statement of Losses

Ministry has no loss of money or assets reported for the year 31 December, 2015.

2015 Financial Statement



35.5 Underline Accounts Reconciliation not being prepared

- ✓ Ministry did not prepared monthly reconciliation for three of the seven operating trust account from January – December 2015.
- ✓ Ministry did not prepared monthly reconciliation for four of the seven operating trust account from January – June 2015.

Ministry has improved on by preparing accounts reconciliation on monthly basis for all 7 trust accounts in 2016. This was achieved through increased consultation with Ministry of Economy.

35.6 Board of Survey

Audit noted that Ministry did not carry out the Board of Survey for assets, the correctness of the statement of losses could not be verified.

As of 2016 proper and timely Board of Survey's have been done for all assets .

2015 Financial Statement



35.7 Variance in Drawing Accounts

- ✓ Ministry did not provide explanations for the variance in drawing accounts.
- ✓ Absence of adequate supervisory checks in accounts section.

Ministry had only three staff in the accounts section. To ensure that there is adequate supervisory checks ministry recruited an additional assistant accounts officer.

35.8 Unexplained Account Balances

- ✓ Unexplained balances totaling \$3,975,515 in the FMIS general ledger under APP Surplus and deficit Account

The Ministry working closely with Ministry of Economy to ensure all FMIS general ledgers are checked on the monthly basis. Any unexplained accounts balances are rectified at the end of each month.

2015 Financial Statement



35.9 Anomalies in Payment

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| <ul style="list-style-type: none">✓ Double payment of the bills✓ Payment made from incorrect allocation✓ Three quotation not obtained for cane Access Road procurement less than \$50,000 | <ul style="list-style-type: none">✓ Ministry liaised with the supply and the amount paid as double payment was forfeited by the supplier.✓ Ministry had shortage of staff hence the ministry has improved on the supervisory and check measures as the Ministry was provided additional budget to recruit assistant accounts officer in the accounts sections.✓ There are only one or two suppliers in the locality. The GTB has also approved pool of contractors hence the ministry only obtains quotations from the approved pool of contractors. |
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2015 Financial Statement



35.10 Audited acquittals of the grant to Sugar Research Institution of Fiji (SRIF) not provided

- ✓ SRIF's audited financial reports were not provided to the Ministry before the funds were disbursed to SRIF.

Ministry has improved and ensures that SRIF provides audit report of grant funds to the Ministry. Ministry obtained audited grant expenditure for 2015 and 2016 before the funds were disbursed to SRIF.

End 2015 Audit Report