



ITAUKEI AFFAIRS

PARLIAMENTARY STANDING COMMITTEE ON THE PUBLIC ACCOUNTS ON THURSDAY 13TH APRIL 2017

CLARIFICATION OF ISSUES

1) The following comments are made in relation to Part A: Financial Statement

5.1 General Comments on Audit Opinion

The Ministry of iTaukei Affairs' financial performance is in full compliance with the Financial Management Act 2004 and the requirements of the Auditor General's office. This also refers to the procurement, payments, receipts, and balance sheets.

5.2 Statement of Receipts and Expenditure

The Ministry has highlighted the revenue collected for the financial year for 2015 which includes the Bond Recovery and the Agency Revenue, that is, fees and charges from dvd sale, VKB printing, FEA payment and refund of Accountable Advances. This Statement also reflects total expenses incurred from Operating and Capital Expenditure for 2015.

A Trend & Comparison of the 2 financial year is attached as **Appendix A**.

5.3 General Comments on Appropriation Statement

The Appropriation statement reflects the summary of all items from the 3 Activities of the Ministry in SEG level. This refers to the Total Budget Estimates for Financial Year 2015 and the Total Expenditure.

There were no redeployments of the Ministry's funds during the year. Hence the Appropriation Movement between the Budget Estimate and the Revised Budget Estimate in SEG 1 (Established Staff).

APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

SEG	Item	Budget Estimate (\$)	Appropriation Changes (\$)	Revised Estimate (\$)	Actual Expenditure (\$)	Carry-Over (\$)	Lapsed Appropriation (\$)
1	Established Staff	2,671,946	(189,385)	2,482,561	2,342,137	-	140,424
2	Government Wage Earners	114,400	54,385	168,785	155,618	-	13,167
3	Travel & Communication	65,812	10,000	75,812	71,452	-	4,360
4	Maintenance & Operations	260,500	105,000	365,500	275,045	-	90,455
5	Purchase of Goods & Services	70,000	20,000	90,000	80,763	-	9,237
6	Operating Grants & Transfers	5,590,594	---	5,590,594	5,589,394	-	1,200
7	Special Expenditure	766,479	---	766,479	666,587	-	99,892
	Total Operating Expenditure	9,539,731	---	9,539,731	9,180,996	-	358,733
10	Capital Grants & Transfers	572,586	---	572,586	426,838	-	145,748
	Total Capital Expenditure	572,586	---	572,586	426,838	-	145,748
13	Value Added Tax	170,700	---	170,700	109,896	-	60,804
	TOTAL EXPENDITURE	10,283,017	---	10,283,017	9,717,730	-	565,285

2) The following comments are made in relation to Part B Audit Finding

5.4 Update on Scholarship Bond Recovery Balances

This continues to be our biggest challenge because we cannot provide the Balance owed by each of the absconders, since the withdrawal of the Scholarship Unit from the Ministry in early 2014 and the transfer of all the Bond documents and files to the TSLB (Tertiary Scholarship and Loans Board office) in 2014 and in addition, even though Bond Recovery Fund Account is under the Ministry of iTaukei Affairs, the full control of the Fund Account is still with the Ministry of Economy.

With reference to the Bond Recovery Bank Statement, we continue to receive the repayments from 3 of the absconders, **Leone Vadei** who is in New Zealand; **Ratu Ilaitia Delasau** from New Zealand; and **Vasemaca Aditukana** currently employed by Government Shipping.

The Scholarship Bond Recovery Balance as at 31st December 2015 was **\$600,330.73**.

There was a withdrawal of \$500,000 by the Ministry of Economy on the 12th of May, 2016 which leaves the balance of \$100,330.73.

There was some additional payment made from May, 2016 until today which leaves us a balance of \$1, 34075.80.

Bond Recovery Details

Bank Name: Bank of the South Pacific

The Account Number: 8182866

The list of 2014 Scholarship Absconders that was handed over to TSLB is attached as **Appendix B**.

The Bond Recovery Bank Statement including the withdrawal by the Ministry of Economy is also attached as **Appendix C**.

5.5 Grants provided to iTaukei Affairs Board

A 2015 Grant Agreement was signed on the 8th of January, 2015 between the Ministry of iTaukei Affairs and the iTaukei Affairs Board, for the approved grant of \$5,589,394.00. Refer **Appendix D**. The Agreement stipulates the terms and conditions of payment and how the grant should be allocated to the various conditions of payment and how the Grant should be allocated to the various programs of TAB such Na Mata publications, Personnel Emoluments for iTaukei Affairs Board and Provincial Councils, and Allowances for the Mata ni Tikina, and Turaga ni Koro.

The increase in Grant in 2015 to \$5,589,394 from \$4,122,000 in 2014 was mainly attributed to the increase in Turaga ni Koro & Mata ni Tikina Allowances together with TAB allocation for the personnel emoluments. There are 1170 Turaga ni Koro and 262 Mata ni Tikina. The monthly TNK Allowances increased from **\$50 to \$75** while monthly MNT Allowances increased from **\$40 - \$65** for rural Mata and **\$33 - \$58** for urban Mata. The Turaga ni Koro and Mata ni Tikina Worksheets are attached as **Appendix E** and **F** respectively.

Quarterly acquittals are received from TAB. This is verified against the quarterly achievement report. Quarterly grants are only released once acquittals from previous Quarter grant are received.

In the March PAC update, a total of 82 annual accounts have been submitted against the 89 targeted submissions. Pending - 7 annual accounts.

Current Status as at to-date:

<u>Station</u>	<u>Last Audited Accounts</u>	<u>2017 March PAC Update on Annual Accounts Submission to OAG</u>	<u>Current Status of Annual Accounts Submission to OAG</u>	<u>Remarks on Target to Submit Annual Accounts up to 2007</u>
Ba	2000	2002-2006	2002-2007	Target Submission – 89 Annual accounts Achieved – 89 Annual accounts submitted to OAG <i>↳ noted. target achieved.</i>
Bua	2002	2003-2007	2003-2007	
Cakaudrove	2001	2004-2007	2004-2007	
Kadavu	2001	2002-2007	2002-2007	
Lau	2002	2003-2006	2003-2007	
Lomaiviti	2004	2005-2007	2003-2007	
Macuata	2004	2005-2007	2004-2007	
Nadroga	2001	2002-2007	2002-2007	
Naitasiri	1999	2000-2007	2000-2007	
Namosi	2000	2001-2007	2001-2007	
Ra	1999	2000-2007	2000-2007	
Rewa	2001	2002-2006	2002-2007	
Serua	2001	2002-2005	2002-2007	
Tailevu	2001	2002-2005	2002-2007	
TAB	2000	2001-2007	2001-2007	

As presented in the March PAC meeting, tabulated below is the 2017 Submission Targets for the Outstanding Annual Accounts from 2008.

	<u>Submission of Annual Accounts (Yrs)</u>	<u>Target Dates</u>	<u>Remarks on Targets</u>
14 PCs	2008 – 2010	31.07.2017	14 x 3 = 42
	2011- 2013	31.12.2017	14 x 3 = 42
TAB	2008- 2012	31.07.2017	1 x 5 = 5
	2013-2016	31.12.2017	1 x 4 = 4
Total target to be achieved by 31.12.2017 = 93 Annual Accounts			

Vinaka


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