**PUBLIC ACCOUNTS COMMITTEE**

**[Verbatim Report of Meeting]**

**HELD IN THE**

**COMMITTEE ROOM (EAST WING)**

**ON**

**THURSDAY, 4TH MAY, 2017**

**VERBATIM NOTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD IN THE COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON THURSDAY, 4TH MAY, 2017 AT 9.35 A.M.**

**Submittee: Ministry of Fisheries and Forests (MFF)**

In Attendance:

1. Mr. Samuela Lagataki - Permanent Secretary (MFF)
2. Mr. Maciu Waqa - Principal Accounts Officer (MFF)
3. Mr. Taniela Naulu - Senior Accounts Officer (MFF)

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DEPUTY CHAIRPERSON.- A very good morning and warm welcome to everyone. Apologies for the delay as you might be inferring through my voice that I am not feeling too well. I guess there is a season of sickness and eventually, the submission had to go on so we are here to take your submission.

On behalf of the Public Accounts Committee, I wish to convey my appreciation to the team from the Ministry of Fisheries and Forests and I would like to introduce you to my Honourable Members and other Officials who are representing themselves in the submission for today.

We have on our left Honourable Nanovo and Honourable Radrodro, a very experienced banker and a very experienced accountant. They are from the Opposition. Our Honourable Chair, he has been very sick from yesterday so he is not able to make it. Another Government Member is Honourable Assistant Minister for Health, Honourable O’Connor, he is out on ministerial responsibilities. I am, Honourable Dean, Deputy Chairperson of the Committee.

On my far right are Officials from the Ministry of Economy (MOE) and on my far left are the Officials from the Office of the Auditor-General (OAG) who are here to give us further advice and clarifications should there be any. So gentlemen, I do not think I am in a position to talk so much so I give the opportunity to the Officials to introduce themselves and afterwards, one of the designated Official can just take us through the submission. Thank you.

MR. S. LAGATAKI.- Thank you very much, Deputy Chairperson, Honourable Members of the Public Accounts Committee and members from the MOE and the OAG. First, I would like to take this opportunity to thank you for allowing us an opportunity to come and address this very important Committee.

First, I would like to introduce myself. My name is Samuela Lagataki, I am the Permanent Secretary for the Ministry of Fisheries and Ministry of Forests. To my left, Mr. Maciu Waqa is our Principal Accounts Officer at the Ministry of Fisheries and Forests. To my far left is Mr. Taniela Naulu, who is our Senior Accounts Officer at the Ministry of Fisheries and Forests as well.

First, Deputy Chairperson, before we go on to the issues for this meeting, I would like to take this opportunity to very briefly introduce to you what we are doing, the role of the Ministry of Fisheries and Forests. Very basically, Deputy Chairperson, and Honourable Members of the Committee, the main role of the two Ministries is to ensure the sustainability of both, forest resources and fisheries resources.

We have a total of about 1.3 million square kilometres of ocean that we need to manage and ensure its sustainability. We also have about 1.1 million hectares of forests that we manage to ensure its sustainability. Within our oceans, we have around 410 *qoliqolis* which also need to be managed and ensure its sustainability and we have forests that are owned by *mataqali* units, that are also to be managed in a sustainable manner.

One of the key roles of the two Ministries is to ensure that the effective framework in place ensures economic development and social development, addressing social issues and also environmental issues. Now, we have climate change coming in to ensure that those resources are developed, addressing in a balanced manner all those three areas and also the provision of development of policy guidelines and regulatory framework to ensure that those resources are developed in a sustainable manner.

Also, the key role of the two Ministries is the coordination of stakeholders - we have the industry, the resource owners and then we have Government and a number of NGOs and regional and international organisations, that we are working together with and the Ministry plays conduit to all these and also to ensure that our interests are reflected on international agenda, international areas for policy negotiations and processes that we need where we are members of and we have to comply with on certain areas in this regard.

However, I think one of the most important key areas is the identification of key areas for policy intervention and activity intervention of Government, to ensure that certain activities that the Government achieve its goals and areas of key government development areas. So with those words, Deputy Chairperson, I would like to take this time to thank you for the opportunity.

DEPUTY CHAIRPERSON.- So the Ministry of Fisheries and Forestry are two different Departments now?

MR. S. LAGATAKI.- Yes, they are two different Departments.

DEPUTY CHAIRPERSON.- But with one Permanent Secretary?

MR. S. LAGATAKI.- Yes, one Permanent Secretary.

DEPUTY CHAIRPERSON.- Sir, if you could take us through the 2014 Audit Report.

MR. S. LAGATAKI.- Deputy Chairperson, I would like to take us through the 2014 Audit Report.

30.1 – Audit Opinion; the Ministry has agreed to the findings that no audit evidence was provided to support the balances in the area of Trading and Manufacturing Account (TMA) Balance Sheet, TMA Surplus Capital Retained and the reconciled variances between the FMIS General Ledger, Cash Balance and the TMA Bank Reconciliation.

The closing balance also of the Trust Account Statement did not correspond to the FMIS General Ledger, however, Deputy Chairperson, we are now taking appropriate actions in addressing the three highlighted areas which we are currently doing now, working together with the FMIS section of the MOE, and also of the two Ministries - Fisheries and Forestry to try and rectify this issue.

HON. RATU S.V. NANOVO.- Still on that, Deputy Chairperson, first, I would like to thank the PS for the explanation given regarding the Audit opinion and just a question to them this morning, what sort of appropriate action has been taken in order to address these issues, can you briefly go further into that? Do you have a training section within your Ministry and what has the training section done? Have they identified those gaps and conducted training to address those issues in order for this not to recur again in the following year?

MR. M. WAQA.- Thank you, Deputy Chairperson and Honourable Members of the Public Accounts Committee, right now we have been conducting FMIS training. FMIS Officials have been coming along to conduct training and the Asset Management Unit of the MOE is coming right down to our TMA Office in Nasinu, conducting training and stock-taking regarding the stock at the TMA in Nasinu. We have been working closely with the FMIS regarding this inter-funding variances, recurring from past years. So right now, we have been working closely with the FMIS and Asset Management Unit.

HON. RATU S.V. NANOVO.- Still on that, Deputy Chairperson, one is the conducting of training as you had mentioned, the other and straight after that you have to identify the officers who cannot really follow that and you go on a one-to-one basis with them to ensure that they grasp what is being taught. Then after that, you monitor them on a three to four months-basis. Has that been done in your Ministry in order to avoid this from recurring again in the next year?

MR. S. LAGATAKI.- Deputy Chairperson, one of the actions that we have taken is, we have relocated our Senior Accounts Officer, who is sitting on my far left to where the TMA activities are currently happening. I think one of the issues was that, the senior officers were too remote and there were junior officers, simply clerical officers. Now, we are having a Senior Accounts Officer who is sitting here on my far left Mr. Taniela Naulu, doing monitoring and ensuring that they grasp that. Maybe, Taniela can further explain on that.

MR. T. NAULU.- Thank you, Honourable Members. One of the main issues that has been recurring over the years was the setup in the FMIS system. The TMA operates on a separate bank account altogether from the Operating Account. A few years back, when the auditors tried to extract income statement reports and balance sheet reports, they were not matching and whilst following up with FMIS, they attested to that, “Yes, the setup of the system is the cause of the problem”, when the reports and the figures are not matching.

During our discussions, they came up with solutions and one of the things that they mentioned was that, it needs consultants to come and change and make amendments to the setup of the FMIS which I believe, comes with a high cost and this has not been rectified to-date. That is why you may have noticed that over the years, this has been a recurring issue.

One of the issues too that we were getting on board our staff from the Asset Management Unit of the MOE. They are working with us closely now, trying to rectify these issues and again, let me state at this point that the issue has not really been solved but there are a lot of adjustments going on now to try and address this problem.

There may also be a confusion between the Asset Management Unit and the Auditors of what figures they are to extract and to report on. I have shared this with one of the auditors and I see that this is where the confusion lies, what the monitoring team are doing and the figures that the auditors are extracting. There could be some confusion on that bit as well so perhaps, it is good that the Asset Management Unit are coming up with the templates. So TMAs are purely technical, the volume of timber, et cetera, and these are some things that they also need to understand and be updated on.

HON. RATU S.V. NANOVO.- Whilst still on that, Deputy Chairperson, can we hear the view from the OAG in regards to that?

AUDIT REP.- Deputy Chairperson, with regards to FMIS or the system, yes, we do agree that some things that should not be accepted in the FMIS was happening and that is still happening to-date. This is in terms of the two funds. We have the TMA and the Operating. The TMAs are supposed to operate on its own but what is happening is that, there is inter-fund transaction that is accepted by FMIS and that is what we have been raising with MOE for the system, not to accept such transactions because when that happens, the balance sheet of the TMA will not balance at the end. That is one of the main reasons that TMA has been qualified across Ministries because the system is allowing inter-fund transactions, between TMA and Operating Fund, that is the main reason and we agree with the Ministry. We have raised this with the MOE, they have undertaken that to see that this does not happen but uptil the last audit of July, 2016, we still found that that is still happening, so that issue is yet to be resolved.

HON. RATU S.V. NANOVO.- Thank you, OAG. On that, Deputy Chairperson, what is the Permanent Secretary doing when you see that that is still happening within your Ministry, after the advice from the OAG’s Office, not to criss-cross or whatever those two accounts and they are still doing it? How are you addressing these with your Ministry?

MR. T. NAULU.- Thank you, Deputy Chairperson. What we are doing now is, we are sitting together with the Officials from the MOE because we cannot do this on our own. We have to work together with them because once the data is punched into the system, the system decides where it puts the money and then when the summary comes out, we do not know, it is like a black box. It just does not match but I think what we are doing now, we are doing our best with them.

HON. RATU S.V. NANOVO.- Still on that, Deputy Chairperson, if it is not looked after well, may be the cause of this problem is the reconciliation of the two accounts. Has that been done on a monthly basis, to be checked that they are corrected and done on a monthly basis?

MR. M. WAQA.- Deputy Chairperson, yes, the reconciliation as at to-date, as I mentioned earlier, we are working closely with the Asset Management Unit of the MOE and we have been doing our reconciliation as at 2017.

HON. A.M. RADRODRO.- Deputy Chairperson, just a supplementary question on the operations of the TMA, can you just advise the Committee what sort of transactions are recorded in the TMA of the Ministry and how many TMA accounts does the Ministry have?

HON. T. NAULU.- Deputy Chairperson, we have only one TMA account in the Ministry. The remedial actions that we are undertaking now is (as I mentioned earlier), we are working closely with the MOE staff and also keeping in line with the audit issues that have been raised year-in year-out. To-date, we are training our people on the ground, these are Government wage earners (casual staff), who need to understand the reporting systems - the movement of raw materials, how to capture them, et cetera.

We have quite a lot of our staff on the ground and creating awareness on them on the importance of their work and for us capturing those data and information is what we are working on now. The sad thing about this is, when we punch into the system, it is that the default account at the back of the system is where the problem is, and that is something that we are conducting reconciliation on a regular basis with the MOE and we are trying to match and identify where the problems are and adjustments are made. So that is basically what we are working on right now.

HON. A.M. RADRODRO.- This TMA, what is it used for, what is recorded in the TMAs?

MR. T. NAULU.- They are the raw materials like timber, logs coming in. We have the saw-milling operation and whilst timber are processed, they go to the workshop where our wooden artefacts are made out of. These are what we actually do. We also assist landowners or resource owners. If they take their logs to these other timberyards, it is quite expensive, so these are the services that we provide. We operate on very affordable rates for our resource owners.

HON. MEMBER.- (Inaudible)

MR. S. LAGATAKI.- Deputy Chairperson, the TMA operations started to support the research activity that we are currently doing at the Timber Utilisation Division.

What we are doing there is normally not standard for saw-milling operations. We use waste wood to make furniture and use non-standard timber for furniture as a promotion on the usage of timber so when we do these kinds of things, we do that as a form of research. When you create a product, you need to sell the product and this is how the TMA came into place. So we are able to generate some revenue on this and also provide assistance to those who need it.

We are running a sawmill in Nasinu and this sawmill also has standards that we can promote to other saw millers as well.

HON. A.M. RADRODRO.- Just a supplementary question to that; in this first qualification, there is an account receivable of $5,745, that is like people owing to the Ministry, taking their product and not paying. Would you be able to provide to the Committee the listing of this sort of outstanding debt as are reflected in these audit accounts?

MR. T. NAULU.- We do have a credit policy within the staff. They can take items and we deduct direct from their pay but the sad thing is, when the payroll system when picks up the code OPR, it goes to General Revenue rather than coming to TMA. That is another issue that we have just noted so it is quite hard work for us to try and get back to the MOE’s Salary Section and try and get the funds back from 2014. So that is another issue that we are trying to tie-up (the code), the Operating Recovery in the payroll system needs to tie-up to our TMA accounts so that it comes directly to that rather than going to General Revenue.

HON. RATU S.V. NANOVO.- On that, Deputy Chairperson, what have you done in order to correct that mistake?

MR. T. NAULU.- We have talked with the Salaries Section and those at the FMIS in trying to create a separate platform altogether for TMA and not to be mixed with Operating on the same platform. We are trying to do that, discussions are ongoing on the creation of a separate platform altogether where TMA runs so that it does not meddle with the Operating platform.

HON. A.M. RADRODRO.- Just a supplementary question to that; the PS mentioned the action taken by the Ministry, the SAO was sent down, are you operating independently or separately from the main office?

MR. T. NAULU.- Sir, I am still with the main office but I am based in Nasinu, looking after TMA and also at our operations at the main office.

HON. RATU S.V. NANOVO.- On the corrective measures to be undertaken on that issue, when are you likely thinking of getting that organised?

MR. T. NAULU.- There are quite a lot of technical issues, we were in the payroll system and linking it with FMIS.

HON. MEMBER.- (Inaudible)

MR. S. LAGATAKI.- Deputy Chairperson, as I mentioned before and also I think as mentioned by the OAG, one of the main issues here is within the FMIS itself. We can be doing our reconciliation but once the data is punched into the FMIS, that is where the official figure comes from. The official figure will come from the FMIS, not from our reconciliation. Our figure needs to tie with the FMIS but it really depends on when the consultants or whoever has been raised, to come, and I think it is the programing within the FMIS, the inter-funding as well when the MOE will separate the two funds.

HON. RATU S.V. NANOVO.- Any advice from the MOE on that, when can this be likely addressed?

MOE REP.- We are trying to solve that issue of separating the TMA postings through giving separate access, like at the moment, when a person logs into the system, they can access both, TMA and Fund 1. We have three type of Funds: Fund 1 - Operating; Fund 4 - TMA; and Fund 9 - True Trust. What we are trying to do is give two separate log-ins so a person who just logs in for TMA can only post into TMA. So that is one way in which we are trying to do that so that there is no inter-fund posting.

As far as the default setup is concerned regarding the payroll, I think as Taniela has already mentioned, he needs to go to authorities. That setup needs to be done in the payroll system, not the FMIS system because that is directly done because payroll is a different system from FMIS. So that needs to be changed in the payroll system, whereas we go back and check on our side when I will raise with them in regards to our setup which you were saying that currently, the default setup is not right so that it can be corrected. And if need be, we can always call in our consultantsto come in and solve that issue.

HON. A.M. RADRODRO.- With your explanation, are you able to resolve those problems already or you are working on it?

MOE REP.- We are working on it.

HON. A.M. RADRODRO.- So what is your timeline of your working on that?

MOE REP.- First of all, I need to get some details. Can we come back to you, Sir, on that?

HON. A.M. RADRODRO.- Yes, alright.

HON. RATU S.V. NANOVO.- All this time you have been working with them, you are still yet to get the information.

MOE REP.- The main thing about TMA is that, as mentioned, it is handled by Asset Management Unit. Now, because FMIS handles other reconciliations but normally the TMA is with the Asset Management Unit, with us within the MOE but different Section so that is like another Unit.

AUDIT REP.- Deputy Chairperson, I would just like to add that even though we agree that there are problems within the system, what we would like to see from the OAG is that, the users to take ownership of every transaction that go into the system.

We see FMIS as just the administrator of the system, the actual punching in of figures that go into the system is the responsibility of the users. SO when there are inter-fund transactions happening, it is not FMIS that is doing those inter-fund transactions, it is the users, so we would like Ministries to take ownership of everything that goes into the system and prepare reconciliations.

Reconciliation is supposed to identify those inter-fund transactions and not to wait for FMIS to come in and solve the problem. If we do our reconciliation, we identify the problems, then we adjust those. That is what we would like to see but this is not just a problem for the Ministry of Fisheries and Forests, it is across Ministries, especially those Operating TMAs.

HON. A.M. RADRODRO.- When you say that in your recent audit, there is still no improvement on this, generally speaking, across all Ministries and Departments?

MOE REP.- Yes, Deputy Chairperson. We have noted the submission by the Ministry, that they have taken corrective actions. We will look into that in our next audit, however, in the last audit that we did, yes, the MOE still has to come in at the end of the year to resolve the inter-fund transactions that are happening.

DEPUTY CHAIRPERSON.- You can proceed to Audit Findings, I think, we have deliberated more than enough on Audit Opinion, so if you could just take us through Part B of your submission.

HON. A.M. RADRODRO.- Sir, just comments regarding the operations that had been alluded to by the PS on how the Ministry conducts its roles and responsibilities, you mentioned something about policy interventions that the Ministry is now focussing on, can you just advise what sort of policy intervention is the Ministry developing in terms of trying to perform its role as highlighted in its roles and responsibilities?

MR. S. LAGATAKI.- Deputy Chairperson, I will give an example, in the Ministry for Fisheries, we have the total ban on the use of underwater breathing apparatus. It is costing Government around $0.5 million every year to treat decompression issues. That is costing taxpayers $0.5 million every year so that is one issue.

The next issue is that, when people use underwater breathing apparatus, they go in deeper into the ocean and just collect whatever mother sea cucumber are there that are giving out the seeds. Lately, the Honourable Minister for Fisheries has announced the complete ban on the export of sea cucumbers, that is from the Ministry of Fisheries.

For the Ministry of Forests, we are now reintroducing the diameter limits for the cutting of each tree species. Yearly in the past, there used to be 35 centimetres and above, flat for all species but we know that all the tree species grow at different rates. For example, *dakua* will now be harvested only the ones over 90 centimetres. You cannot cut any *dakua* above that but then you have the faster growing ones like *kauvula*, you can reduce this down to around 60 centimetres. But the funny thing is, we do not know that there was already an existing legislation.

When I came into the Ministry, I know that all species for harvest are at 35 centimetres but then just lately, we realised that there was the *iTaukei* regulation on the different species, I think it was in the 1985 *iTaukei* Regulation. When we found this out, we made inquiries with the Solicitor-General’s Office and they told us that that legislation is still very much in force and we do not have to go again to the stakeholders and make consultations, all we have to do is just to enforce it. So we mentioned this to the Honourable Minister and now we are telling all our stakeholders but we were having a hard time trying to convince our saw-millers that they have to increase the diameter limit and then we finally made these discoveries. So we are now putting this back in place and by June this year, we will be enforcing this regulation.

HON. A.M. RADRODRO.- Just specifically on the forest, does the Ministry play a role in the mahogany plantations and pine plantations?

MR. S. LAGATAKI.- The Ministry of Forest does not play any direct role altogether. Fiji Hardwood Corporation (FHCL) comes under the Ministry of Public Enterprises.

HON. A.M. RADRODRO.- …(inaudible) see where the Ministry played a regulator role in that industry or it does not play any role at all? Who plays the regulator role to ensure that the processing of mahogany is complied with the necessary standards?

MR. S. LAGATAKI.- I think this is a grey area that still exists. We have been talking with the CEO of FHCL because it will actually mean our Forestry Officers going into the areas of logging operations of FHCL and stop all logging operations if they are not following the code, but right now, we are not being able to do that because of the grey areas that we still need to sort out.

HON. A.M. RADRODRO.- There is another policy issue on the REDD+ (Reducing Emissions from Deforestation and Forest Degradation), can you just inform the Committee how the REDD+ initiative work?

MR. S. LAGATAKI.- REDD+ in developing countries is a mechanism under the United Nations Framework Convention on Climate Change (UNFCCC) where forests is used as a tool for sequestering carbon dioxide from the atmosphere for the reduction of carbon dioxide concentration in the atmosphere. What the international community has found out that deforestation is occurring at an alarming rate. If deforestation is occurring, it is occurring in around 30 million hectares a year around the world. What is actually happening is, if you are cutting down more trees, then there are less trees to sequester carbon dioxide so what you want to do is to encourage developing countries to keep their trees standing and then calculate the amount of carbon dioxide that these trees are sequestering and then pay the countries for that.

Who are the countries that are going to be paying us for this? There are developed countries that are emitting much more than what they are sequestering, so the gap, if they can go and pay other countries to sequester on their behalf so this is how climatic conditions work.

HON. A.M. RADRODRO.- (Inaudible)

MR. S. LAGATAKI.- The mechanism is set up by Government, it has to be paid to Government and then Government has to transfer the fund right through to the landowners. Right now we have the REDD+ Unit and are still to set up. If the funds are going to come in for the sequestering of carbon dioxide, it will have to come in through a process that has to be approved by Government, it will be beyond 2020. The funds that are coming in is called the Readiness Fund. We have US$3.8 million Readiness Fund that came into the country to help us put up that process or mechanism in place to ensure that we participate in the carbon trading mechanism from 2019 onwards.

DEPUTY CHAIRPERSON.- If you could just take us through from Part B - Audit Findings.

HON. A.M. RADRODRO.- There are some issues on 30.2 and 30.3 before we reach Part B. Can we go through it?

DEPUTY CHAIRPERSON.- 30.2, alright.

MR. S. LAGATAKI.- Thank you very much, Deputy Chairperson. 30.2 – Statement of Receipts and Expenditure; the Ministry is fully agreeing with the Report of the OAG or analysis which shows the true record of the Receipts and Expenditures.

30.3 – Appropriation Statement; the Ministry also concurs with the findings of the OAG.

HON. A.M. RADRODRO.- On 30.2, PS, the reasoning for the increase in expenditures relates to staff, of $1.8 million. Can you just inform the Committee whether this is part of the pay increase that the Ministry undertook in 2014?

MR. S. LAGATAKI.- Deputy Chairperson, this is only with regards to the increase in the number of staff, the number is at 25, the new staff who came in. The Ministry of Fisheries always have a very low number of staff, more project staff but now, I think what we are doing is getting the number of established staff up.

HON. RATU S.V. NANOVO.- Still on that, Deputy Chairperson, we noticed that there is a vessel, *Bainitakali*, owned by the Ministry, what do you use this vessel for?

MR. S. LAGATAKI.- Deputy Chairperson, this vessel was initially brought in for research purposes. We only have Tuna Fisheries right now at this moment but we need to get information for deep-sea water snappers and all these other fish species but we cannot really get to establish Fisheries for this until we really get information on this, to set up a management plan. Then we can allow this to happen, so it is basically a Fisheries Research vessel. It is also used for other purposes, like deployment of Fish Aggregation Devices (FADs), for transportation of other Fisheries items to the islands, et cetera.

HON. A.M. RADRODRO.- The third point on the expenditure, this pine wood logging packages in Gau and Cicia Pine Schemes Capital Purchase of $791,075, can you just explain what are these capital purchases for?

MR. S. LAGATAKI.- Deputy Chairperson, the issue surrounding pine development in maritime areas is that, the pines are maturing but there is no pine processing facility, so that the owners can make use of all the pine resources within the island itself. So this Fund is basically used for the purchase of saw-mill equipment, timber treatment plant equipment, et cetera. It is part of a Government Extension Programme where it grows the pine right through to processing, so I think the issue that was coming up from the community was that, the Government came and promote pine-planting and when our pines are maturing, they do not want to do anything with it. Therefore, the Government is now taking the positive step to really assist them in that.

HON. RATU S.V. NANOVO.- Still on that, Deputy Chairperson, can we be briefed again on what constitutes all the machines that you purchased for those islands?

MR. S. LAGATAKI.- The machines constitute two portable sawmills, two tractors that were bought from China and also two static treatment plants, two generators to run the treatment plants and also some little workshops where we can dress the timber to really turn it into something useable for their building.

HON. RATU S.V. NANOVO.- Are they still working at the moment?

MR. S. LAGATAKI.- They are fully operational at this moment, except for Cicia. Gau is fully operating. While the discussions was ongoing for Cicia, everything was alright but then as we move into the final stages, we suddenly got a letter from Cicia. The chief of Cicia does not want the Timber Treatment Plant in Cicia. By that time, the generator was already in Cicia but we have not taken the Treatment Plant because they want Cicia to be an organic island. So we took the Timber Treatment Plant and installed it at Nasinu because our Treatment Plant in Nasinu was not working.

Now, we have got a big generator sitting there in Cicia. I think the issue now is to address the big generator in Cicia. We may need to take a smaller generator to Cicia but for Gau, everything is working fine. For Cicia, we might have to relocate the big generator in Cicia and might as well take a smaller generator but the tractor is still in Cicia because they are pulling the pine logs and they are using it.

HON. RATU S.V. NANOVO.- Still on that, Deputy Chairperson, I just want to raise an issue too regarding the Treatment Plant in Kadavu and what is happening right there at the moment. What they are complaining about is the pulling of those pine logs from where they are, saw it up then take it to the Treatment Plant. The Treatment Plant is the last thing to be done, is there any plan within the Ministry to also provide that, machines like tractors?

MR. S. LAGATAKI.- Deputy Chairperson, right now, there are two bullocks in Kadavu. We are trying out these technologies, tractors, bullocks but what we are trying to do is to introduce technology that is appropriate to the villages on the islands. What we do not want is to bring in technology that will just chew up very little money so we are trying the tractor in Gau and in Cicia.

The issue about the tractor has only very limited place where it can run and then it can very easily tumble over and then someone can get hurt, this is the issue with the tractor. We are trying out the tractor and we are learning from it but for the bullocks, the good thing about them, you do not pay any money. You just have to make sure that it just has enough rest, drink water but there are other safety issues because the bullock can turn around and chase you. The other issue also, they might use the bullock for funeral or something else, so I think these are issues that we will really try to learn from. There are advantages and disadvantages.

HON. A.M. RADRODRO.- Sir, just on that particular scheme, does the Ministry monitor the actual processing right up to the market that is provided for in this particular scheme and whether the Ministry is also looking at providing the similar assistance to Lakeba Pine Scheme?

MR. S. LAGATAKI.- Deputy Chairperson, the concept behind what we are doing is to be able to provide assistance and to make them able to run on their own, this is the ultimate objective. The issue they have been facing in Lakeba was that, there has been a mixing of commercial operations with the *vanua* so what we are trying to do is to work with them under the Fiji Pine Trust. There is the Fiji Pine Trust so right now, we are working together with the people in Lakeba, Gau and Cicia. They are still very much part of the project until there comes a time when we are trying to phase it out and then we leave them run on their own.

DEPUTY CHAIRPERSON.- Can we move to 30.3?

MR. S. LAGATAKI.- 30.3 - Appropriation Statement; the Ministry concurs with the findings of the OAG.

DEPUTY CHAIRPERSON.- 30.4, I think, we have discussed quite a lot on that and 30.5 as well. Honourable Members, any questions on 30.6?

HON. A.M. RADRODRO.- Just on 30.6 – Statement of Losses; can the Ministry advise us on the result of this investigation and who was involved in this misappropriation of revenue?

MR. M. WAQA.- Deputy Chairperson, on the misappropriation of revenue, we managed to get the officer surcharged from their salaries and the recovery has been done, so for the losses, we will be able to get the approval from the MOE for the write-off of fixed assets that have been disposed of.

HON. RATU S.V. NANOVO.- Still on that, Deputy Chairperson, how long will this take in order for this $3,644 to be paid off?

MR. M. WAQA.- It is already fully recovered, Sir. These are two officers’ misappropriation of revenue so the amount has been recovered. They have been counselled and warning letter had also been given to them.

DEPUTY CHAIRPERSON.- You can take us through the Audit Findings.

HON. RATU S.V. NANOVO.- Deputy Chairperson, just on Table 30.8 - Fixed assets disposed of. Were these items not being sold again to some of the staff who would like to purchase it at the very low price, even though you have written it off?

MR. M. WAQA.- Deputy Chairperson, these computer equipment and office equipment are really old and no one else can really buy these computers and some office equipment. The vehicle has been auctioned by the MOE so the auction was instituted at Colo-i-Suva garage where the public was invited.

HON. RATU S.V. NANOVO.- Just a question to MOE, when can you likely auction this vehicle from the Ministry?

MR. M. WAQA.- Sir, that has already been done.

MR. S. LAGATAKI.- Part B: Audit Findings. 30.7 – Upgrading and Refurbishing of Quarters; the Ministry also concurs with the findings of the OAG, the question that we might need to answer. I think the issue with regards to 30.7, it is the upgrading and refurbishment of quarters in Colo-i-Suva which was below $50,000, that is why it was not tendered. I think that was the issue that we had in 30.7.

HON. A.M. RADRODRO.- A question to the MOE regarding this particular kind of contractual work; do you value the contract as a whole exercise of refurbishment or do you value the contract on a separate item by item scenario?

Individually, the quarters are less than $50,000 but in total, the whole work is the refurbishment work. It is not a refurbishment of one quarters but five or six quarters. So how do you interpret the tendering process and probably the Auditor-General too can put in snippets on this?

MOE REP.- Deputy Chairperson, our understanding is that, this would be contractual so if the total contract exceeds $50,000 it should be tendered.

HON. A.M. RADRODRO.- Less than $50,000 but that is on one quarters, the total quarters that were undertaken in this project are about six or seven which is more than $50,000.

MOE REP.- Our understanding, Deputy Chairperson, is that it should be the total project.

MR. S. LAGATAKI.- Deputy Chairperson, this was the first time that we were doing this project. Now, we have changed the whole thing. We have learnt from this and I think we discussed with the MOE that we should not do it this way. And that this was the first and the last time that we are doing it this way, but I think there was an oversight on our part on that. We were doing it on quarters by quarters basis because of the different companies that were coming in and doing it, but I think now we are not doing it anymore this way.

HON. RATU S.V. NANOVO.- On that, Deputy Chairperson, when was this ruling in place, to look at it in totality rather than individually like it has been done?

MOE REP.- Thank you, Honourable Member, that is part of the Procurement Regulations.

HON. RATU S.V. NANOVO.- Can you answer that, Permanent Secretary, was that there all the time but deviated from that?

MR. M. WAQA.- Thank you, Honourable Member. The Forestry Quarters at Colo-i-Suva was initially built by Forestry carpenters on the understanding that the repairs would be done by Forestry and no Ministry of workplan was initiated for those quarters. The understanding here, Sir, is they themselves look for the contractors to come and repair its quarters. That may be the misunderstanding here. They are not following the Procurement Regulations because initially, the institutional quarters belong to the Department of Forestry. We have learnt from these findings so right now, Sir, we have been liaising with the Ministry of Works for the scoping before any repairs or refurbishment on our quarters can be done, and the vetting of our contracts too with the Solicitor-General. That is the proactive measure or the way forward we are taking now.

MR. S. LAGATAKI.- If I can add to that, in order for us to make the tender, we need to get the Public Works to come and do the scoping. But when Public Works came and did the scoping, they were scoping on the standard of houses of PWD quarters but our quarters are Forestry quarters so what we were doing, we were dealing with it quarters by quarters, the different companies.

When we looked at the scoping that was done by PWD, we found out that our quarters are totally very low grade quarters. If you compare our grade of quarters and the grade of quarters of the PWD, PWD quarters are very high grade, very high quality, very good and when they came and did the scoping for our quarters, they said, “Take off this, take off that, replace all those.” They want to upgrade the quarters to the PWD quarters and because they have their own standard, we were having problems. Then we said, “No, what we just need are minor repairs here and there because our quarters are totally different.”

If you go to Colo-i-Suva and you see the quality of quarters at Colo-i-Suva , they are totally different from the PWD quarters. Then when we were trying to get companies to fix those, we were trying to do it on a piecemeal basis but to save funds and to repair more quarters for the small amount of funding, if PWD comes in, we are going to tender it out and then build two quarters or something like that, and all the money would be gone because we will tender the whole works, one company will come and do the whole refurbishment. We found out that they were not even allowed to do that.

MR. M. WAQA.- Deputy Chairperson, I would just like to clarify that paragraph, we were not raising the issue of tenders because as mentioned by the PS, there were different companies that were involved. The criteria in the Procurement Regulations is for the works to be the same vendor and same type of service so we would just like to clarify that line that we were not raising the issue of it being below $50,000 and the issue there was just meant for introductory paragraph to the whole works that were carried out.

DEPUTY CHAIRPERSON.- I also concur with the explanation given by PS, given the scenario they were in, I think he also has his justifications as to why it happened. But anyways there were issues on the contracts, especially in terms of vetting which is highlighted in 30.7.2, so if you could just go through that.

HON. A.M. RADRODRO.- Deputy Chairperson, some of the Audit issues that were highlighted, like the maintenance of the record and the work done for the refurbishment, how does the Ministry ensure that what is being paid to the contractor is actually value for money in terms of the actual work performed as per the intentions of the Ministry?

MR. S. LAGATAKI.- Deputy Chairperson, what we are doing now is, we are liaising with the Ministry of Works for them to give a Clerk of Works. A Clerk of Works is involved in all our building projects. They are the ones who are now approving the payments, they go and check everything as of to-date.

HON. RATU S.V. NANOVO.- While conducting these repair works, were there any Clerk of Works at that time?

MR. S. LAGATAKI.- As I had mentioned, if we were to get a Clerk of Works that time, he will only work on the specification from the Public Works but we were not using the specification from the Public Works because the Public Works did not build the house. The house was built by Forestry so we are only using Forestry stuff to monitor but we really need to go and get the Ministry of Works, but the Ministry of Works come with their high standards. If I take it to the SG’s Office for contract, they want the scope of works to be done by the Ministry of Works and I think this is a dilemma that we are going through, but we finally learnt our lesson from that, we cannot even do that.

HON. A.M. RADRODRO.- (Inaudible)

HON. RATU S.V. NANOVO.- … how was the payment made when the work was incomplete?

DEPUTY CHAIRPERSON.- Deputy Chairperson, those are some of the things that finally came through a few months after the work has been done and I think this is also one of the reasons why we are now getting the Clerk of Works from the Ministry of Works to come and work with them.

MR. M. WAQA.- Sir, just on that issue, there was work done on identifying defects in different quarters and that was noted. Unfortunately, when the contractors came to do the work, this was the miscommunication, the defects for every house was not given to them, they just did a general work. So that was one of the setbacks that we found out later, that the defects were really not attended to.

HON. RATU S.V. NANOVO.- Who was the staff that was given the responsibility to monitor the work carried out, as you were saying, only one staff from Forestry would be monitoring the work, so who was that staff?

MR. S. LAGATAKI.- He was one of our staff, Mr. Lasarusa Turaga.

HON. RATU S.V. NANOVO.- Was any action taken against him when the work was not being fully completed to what was expected? Monitoring was lackin.g

MR. S. LAGATAKI.- I think what actually happened was, we had taken away the whole project of monitoring the implementation of the work and it has now come under a totally different section at Headquarters.

I think one of the issues that we raised was the actual defects in the houses that were not really listed and I think that has led to what we are seeing in the pictures here but a very small amount was paid for the house so they were doing just patch-up work here and there. Had they gone and if we were to go and look at the house, there was general maintenance and painting works here and there. Like I said, if we did the full maintenance of the house, then we would not get the total number of houses that we were supposed to fix but I am not trying to defend anything here.

What I was trying to do is to fix these much number of houses. All the houses were leaking and we were doing the bare minimum here and there and even the contractors were going out of their way to do that. I think the amount of work that they did compared to the amount of money that we pay, it is very bare minimum. I think that is what led to this, but like I mentioned, we have learnt from this and now we are going back to the Ministry of Works to do this.

HON. RATU S.V. NANOVO.- Was there any disciplinary action taken against him. I know all the explanations given, all I am after, were there any disciplinary action in order to teach him?

MR. S. LAGATAKI.- There was no direct disciplinary action taken during the time.

DEPUTY CHAIRPERSON.- Based on the reasons the PS had provided that given the very less amount available and to do work of such scope, but anyways, can we move on to 30.7.2?

HON. A.M. RADRODRO.- Sir, just a question on this sort of arrangement; who was the contractor, was it a private contractor or staff from the Ministry?

DEPUTY CHAIRPERSON.- You do not need to specify the name, you can just tell us in general.

MR. M. WAQA.- Deputy Chairperson, we use the panel of contractors that PSC uses. These contractors were repairing the quarters at Domain, so we engaged them to do those repairs.

HON. A.M. RADRODRO.- There were comments that were noted on Table 30.10 by the Auditor-General, the defects liability period was not stated in the contract and that has been common in all these five contractors. Had the defect liability period been included, it would have addressed these pictures that have been highlighted at the back so probably something for the Ministry to learn in terms of the recommendations that have been given by the Auditor-General.

DEPUTY CHAIRPERSON.- 30.8 - Drawings Accounts Reconciliation.

MR. M. WAQA.- The Ministry concurs with the OAG findings and has been working closing closely with FMIS in reconciling the variance in our GL, cash book and our bank statement. Right now, FMIS has adopted the new system and training which really assists us so before the handing over, all the drawings to our ministries. Right now, we have been working closely with the FMIS Team.

30.9 - Anomalies in the Main Trust Fund Account – 1/3 Subsidy Scheme; the Ministry acknowledged the findings on these variances and these had been rectified in the write-off exercise in 2015 by the MOE. So those variances, Deputy Chairperson, had been carried forward from the time when that Fisheries subsidy was given to the public.

These figures have been recurring from those years and during that time, we do not know where those figures came from so the inter-funding exercise coming through, that is why we made this write-off exercise in 2015, the Ministry of Finance to write-off those figures.

HON. RATU S.V. NANOVO.- Still on those write-offs, Deputy Chairperson, you were not able to find source documents to certify all those figures that were showing?

MR. T. NAULU.- Deputy Chairperson, the issue with this True Trust Account is the same as the TMA. There were figures that were carried over from previous years and we could not find a way to reconcile it. Another issue that we faced with this True Trust Account, there are two accounts, debit and credit but the default account, when we post through the system, our debits were just increasing. They were not hitting the same default account and it has been happening over the years.

We also liaised with FMIS and we went back and the only sensible move that FMIS did was the write-off exercise because we could not trace it back. It was way back in 2004, if my mind serves me right, and that was the same issue as with TMA, it is also happening with True Trust, Fund 9, the three different bank accounts - Operating, TMA and True Trust. We operate and have those three accounts in our Ministry.

HON. A.M. RADRODRO.- Just a supplementary question on this one-third subsidy scheme, can you just inform the Committee of this scheme, what were the intentions of the scheme and whether it really achieved its intended objective?

MR. T. NAULU.- Deputy Chairperson, this was mainly for Fisheries, way back in 2004, for those who would like to start-up their *tilapia* farming, fishing boat or equipment. They were to provide one-third and the Ministry was to provide two-thirds of the subsidy. It could be cash-in-kind, if they have a boat then we would find an engine and fishing equipment. That was the main purpose of this True Trust Account.

HON. MEMBER.- (Inaudible)

MR. S. LAGATAKI.- Yes.

MR. M. WAQA.- Deputy Chairperson, just recurring issues from the TMA, as we alluded earlier, we are requesting the assistance of the TMA Unit, Asset Management Unit of the MOE and our Senior Accounts Officer has been posted to Nasinu to rectify all those issues, especially our stock-take and our record-keeping and proper monitoring of our staff there and training done on the schedules.

HON. A.M. RADRODRO.- I hope you remunerate the person accordingly with the huge task that he had been given.

MR. M. WAQA.- The second one is the anomalies in our Main Trust Fund, one-third Fisheries subsidy as I alluded to earlier, that has been FMIS, the write-off in 2015.

HON. A.M. RADRODRO.- Is the scheme still available to-date?

MR. M. WAQA.- This account is still available.

HON. MEMBER.- (Inaudible)

MR. M. WAQA.- No, Sir, this scheme has already lapsed.

HON. A.M. RADRODRO.- The people that are interested in the *tilapia* farm, do they have to pay the full cost now, so what assistance has been given by the Ministry?

MR. M. WAQA.- Deputy Chairperson, we have got capital projects - Food Security so the public can apply to the Minister if they want a *tilapia* farm, for their pond to be created and assistance from the Ministry. It has a committee with the membership from the MOE and the Ministry of Fisheries.

HON. A.M. RADRODRO.- Can you also advise on the success rate of this scheme from when it was implemented, all those who have been assisted through this one-third subsidy scheme?

MR. S. LAGATAKI.- Deputy Chairperson, there has been a lot of success in this area but I think we do not have the actual statistics with us right now. But I think when *TC Winston* came, it wiped out a large number of boats and engines, especially on areas of the cyclone path so this is where the focus of attention is going on right now but there has been a lot of success in these areas.

HON. MEMBER.- (Inaudible)

MR. S. LAGATAKI. - Deputy Chairperson, this logging database, the initial plan when we set up this database is to have a centralised database at our Headquarters where data is to be maintained. At one point we were talking with ITC on how we are going to transmit the data over. Right now the data is still at the divisional level with the database but what they do is, they back it up into CDs and then when they do annual, quarterly backups, then they retrieve from the system when they want the processing of the data.

I think the issue that we are now working towards is to find how we are going to centralise this database. Like I mentioned before, we were talking with ITC on how we can do this but I think ITC has other priorities with respect to the whole computerisation of Government information so we were doing this on our own at this moment.

HON. A.M. RADRODRO.- Has there been instances where you work with other relevant ministries and departments regarding record data-keeping, whether GIS is important in this kind of database and whether the sugar GIS is also important to your work? Do you correspond with other ministries and agencies to assist in your record-keeping while you are doing your conversation with ITC?

MR. S. LAGATAKI.- Thank you very much, Honourable Member, GIS started with the Forestry Department around 1990. This was before any other Government Department started GIS. Our Forest inventory, we did GIS and remote-sensing.

GIS is still very much a core and an integral component of our work. I think one of the issues with the GIS system is the sharing of data. Government Departments that have the GIS system that have boundaries and things like this, they do not really want to share data at this moment, but data-sharing has been an issue that we have been raising many times.

We do our Forest Mapping through GIS and remote sensing. We have the forest there where forest is and where there is no forest, but when we want to put the road layer, when we want to put the village layer and river systems, we cannot get it because the Lands Department owns it. They do not want to give that to us. Then we go to Ministry of Agriculture. These are issues but now we are working together at Permanent Secretary level but when we go down to Director level and we go down the level, people are still ….

DEPUTY CHAIRPERSON.- I thank you, PS, I believe that is the end of 2014 submission. We will take a small tea adjournment and after 10 to 15 minutes, we will begin with the 2015 submission.

The Committee adjourned at 10.59 a.m.

The Committee resumed at 11.24 a.m.

DEPUTY CHAIRPERSON.- Honourable Members and Officials who are here for the submission, I believe every one of you had a good tea adjournment given the extensive submission we have had in regards to the 2014 Report, so I would like to request the PS and his team to take us through the 2015 Report.

MR. S. LAGATAKI.- Deputy Chairperson and Honourable Members, thank you very much. I would like to take this opportunity to take us through again the Audit findings for 2015.

Part A: Financial Statements. 32.1 - Audit Opinion; again, I would like to state that issues with respect to findings on 2014 and 2015 are quite similar in nature and I believe that in most of these areas, we might be repeating ourselves again in what we mentioned for the 2014. However, I would like to mention here that appropriate action has been taken to reconcile the TMA Variance and Trust Account between the FMIS and the Ministry, as we discussed earlier on the same Item 30.1 for 2014.

32.2 - Statement of Receipts and Expenditure; again, the Ministry is agreeing with the findings of the Auditor-General Report on this analysis which shows the true records and Receipts of Expenditures.

32.3 – Appropriation Statement; again, the Ministry concurs again with the Report of the OAG on the Appropriation Statement.

32.4 - Trading and Manufacturing Account; the Ministry agrees with the Report of the OAG on the findings with regard to the TMA analysis, the Manufacturing (TMA) Account, Profit and Loss Statement and the Balance Sheet.

32.5 - Trust Fund Account; the Ministry concurs with the findings of the Auditor-General.

30.6 - Statement of Losses; again, the Ministry agrees with the findings of the Auditor-General.

Part B – Annual Financial Statement Audit Findings. 32.7 - Anomalies in the Trade and Manufacturing Account; the Ministry acknowledges the findings of the Auditor-General and the Senior Accounts Officer has been posted to overlook all the TMA processes to address and rectify all shortfalls in the TMA. The Asset Management Unit in the MOE has been assisting our officers in training, reconciliation and stock-taking at Nasinu.

32.8 - Drawings Account Reconciliation; the Ministry concurs with the Report of the OAG findings as necessary adjustments could not be done in 2015 due to insufficient fund. Adjustments were made in 2016 with the assistance of the FMIS Team. Training of the new Drawings Reconciliation format was instigated by the FMIS team in 2017 as a way forward to curb this issue.

32.9 - TMA Stock Figures; the Ministry agrees with the findings of the OAG. As the Permanent Secretary for Fisheries and Forests, I have directed our Senior Accounts Officers to oversee the TMA Operation at the TMA Unit in Nasinu and the MOE has been assisting in the training and stock-take and proper recording as mentioned earlier.

32.10 - Stale Cheques; the Ministry agrees with the findings. Stale cheques adjustments were made in 2016 with the assistance of the FMIS team. Training on the new drawings reconciliation format was instigated by the FMIS team again in 2017 as the way forward to curb this issue.

32.11 - Anomalies in the Fisheries Main Trust Fund; the Ministry concurs with the findings again, and seeking FMIS assistance in the adjustment of variance in the Main Trust balance and the Main Trust cash balance (SAG 52).

32.12 - Anomalies in the Underline Accounts Reconciliation; again, the Ministry agrees with the findings and has been complying with the monthly reconciliation of the underline accounts.

Part C - Regularity Audit Findings. 32.13 - Medical and Police Reports for New Recruits not Provided; the Ministry concurs with the findings of the OAG. Human Resource Officers have been following up on updates on the medical form and police clearance from the newly intake officers. Staff turnover and shortage of staff in the Human Resource Section has caused the inability to follow up all these reports.

32.14 - Competitive Quotes not Obtained; the Ministry concurs again with the findings. Heads of Divisions and clerks have been notified on the issue of competitive quotes for purchase of goods and services.

32.15 - Misallocation of Expenditures; the Ministry agrees with the findings and virement has been prepared to address the misallocation. Clerks and Divisional Heads have been notified to request HQ Accounts on the correct expenditure allocation to use in order to minimise this misallocation issue.

32.16 - , Use of Operational Funds (Fund 1), to cater for Trading and Manufacturing Account (Fund 4) Activities; the Ministry acknowledges the findings of the OAG, as we will not entertain such inter-fund transactions in the future.

32.17 - Consultancy Payments Anomalies; the Ministry concurs with the findings of the OAG and ensures that in the future to abide by the terms and conditions stated in the contract.

32.18 - LPO raised after Invoicing; the Ministry agrees with the findings of the OAG and ensures prior issue of LPO for any purchase of goods and services.

32.19 - Utilisation of Capital Expenditure Funds for Other Projects; the Ministry acknowledges the findings of the OAG and warrants that this issue is not recurring in the future. The Ministry will abide by the Ministry of Fisheries and Forests Finance Manual.

32.20 - Settlement of Previous Years’ Outstanding Accounts; the Ministry concurs with the OAG’s findings and we will put stringent measures to avoid such practice.

Thank you, Deputy Chairperson, that has brought to the end our response to the findings of the 2015 Audit Report.

DEPUTY CHAIRPERSON.- I thank you, PS. As you have alluded in your submission that those issues were recurring and we have heard already very extensive details as to the general reasons. Nonetheless, I will ask and request Honourable Members if they have any supplementary questions.

HON. A.M. RADRODRO.- On 32.2 - increase in expenditures, fifth point - Operating Grants and Transfers increased by $401,000, for forest subsidy on value-adding machines as government subsidy for the procurement of equipment related to the pine-raising project. Can you advise the Committee on the status of this particular pine-raising project to-date?

MR. S. LAGATAKI.- Deputy Chairperson, the pine-raising activity that we were doing was one of the most successful activities that we did that had generated really a lot of employment on the ground and a lot of economic activities for our pine landowners in the islands, especially in Lakeba where there is a lot of pine and in Vanua Levu. Unfortunately, the company that came to set up the pine-raising tapping industry in Fiji was not able to strike the agreement with the major pine owner which is Fiji Pine Limited, so they were not able to come to some kind of agreement and so they pulled out of the contract. I think this has brought this industry to a total stock right now. We were really looking good when we were doing this. Had it not been for that issue of them failing to come to an agreement, this would have been a very thriving industry right now.

HON. A.M. RADRODRO.- Are there any plans by the Ministry going forward to rejuvenate this project or this exercise?

MR. S. LAGATAKI.- Deputy Chairperson, what we are doing now is, we are trying to find an investor because this really needs some overseas investors to come and work with us and work with the community, establishing this. It needs quite a lot of money in terms of investment that needs to go in. We know that we have tried twice.

The first company from New Zealand came and established itself in Deuba, but again the same company was not able to strike a deal with the Fiji Pine Limited. The second company came and tried and was not able to strike a deal again but this time, I think we are trying to work only with the communities but it is economy of scale.

HON. A.M. RADRODRO.- On the last point, again on capital construction, the amount was also spent on the previous 2014 Projects for Gau and Cicia but you have Rotuma Ice Plant Project there. Can you just inform the Committee on the operations of this Rotuma Ice Plant Project?

MR. S. LAGATAKI.- Deputy Chairperson, the Rotuma Ice Plant project is now completed and the Ice Plant has already been serving the community in terms of selling of ice to the community. Right now, the office is completed, the staff quarters is completed and it is now ready for full operation. Before, there were no quarters, no office, only the ice plant operating and the ice plant attendant with the ice, so now we are constructing the office, staff quarters, everything is complete, so it is just ready now for opening.

HON. RATU S.V. NANOVO.- Still on that, Deputy Chairperson, just a question to the Permanent Secretary; when the ice plant was working in Rotuma or still working in Rotuma now, do you notice the increase in the quantity of fish or whatever that has been brought over to Fiji or you do not experience that?

MR. S. LAGATAKI.- Thank you, Deputy Chairperson, I think the main reason why this Ice Plant is set up is to serve the communities. In terms of going out and getting the fish and making sure that the fish lasts long when they are brought from the ocean, to sell it locally or bring that to Suva so basically, fish is for food security on the island itself.

HON. RATU S.V. NANOVO.- Under that item too, Deputy Chairperson, on the sixth point, Special Expenditures increased by $255,402, I just want to know whether this expenditure quoted in here will also assist the Ministry in rectifying the fault that has been detected now on the FMIS? I just want to know whether that will cater for that or not?

MR. S. LAGATAKI.- To answer your question, Sir, it is not part of that, this is purely for communication purpose only.

HON. A.M. RADRODRO.- On 32.17- Consultancy Payments Anomalies, has the consultant produced the report as he was intended to provide to the Ministry?

MR. M. WAQA.- Thank you, Deputy Chairperson, he has initially submitted the report, he had already made the prior payment but it was not supposed to be the case. He was supposed to have produced the report earlier, in fact, he had submitted the report.

DEPUTY CHAIRPERSON.- I thank the Honourable Members, and in particular, the Officials from the Ministry of Fisheries and Forests, represented by the Permanent Secretary.

Like I said, for 2014, we had a very extensive discussion as to the underlying reasons for certain issues that were pointed out in the Auditor-General’s Report, nonetheless there is always room for improvement. I think certain measures and matters are underway and in the process to rectify some of the problems that were identified, especially in terms of reporting and the systems that were being followed that need to be further improved. Nonetheless, we do hope that improvements will prevail as soon as possible.

We do hope that come next time, we will be able to have a more positive feedback that these improvements have been addressed and solved. So I thank you, PS, and your team for the good and hard work that you have been carrying out.

Without further ado, I would like to request if you have some concluding words, before we conclude our submission.

MR. S. LAGATAKI.- Thank you very much, Deputy Chairperson and Honourable Members of the Committee and Government representatives who are here. I would like to take this opportunity again to thank the Committee for the opportunity that is offered to us to come and explain the issues surrounding the Audit findings. We are doing our very best by including the MOE and now we are talking with the OAG on possible opportunity for them to come and address us in terms of having our quarterly review meetings and also identifying areas that need improvement that come out of the Auditor-General’s findings and putting them as KPIs (Key Performance Indicators) on our activities, on our Annual Corporate Plans where they are appropriate.

Again, Deputy Chairperson, I would like to take this time to thank you very much.

The Committee adjourned at 11.45 a.m.