**PUBLIC ACCOUNTS COMMITTEE**

**[Verbatim Report of Meeting]**

**HELD IN THE**

**COMMITTEE ROOM (EAST WING)**

**ON**

**WEDNESDAY, 5TH APRIL, 2017**

**VERBATIM NOTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD IN THE COMMITTEE ROOM (WEST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON WEDNESDAY, 5TH APRIL, 2017 AT 9.35 A.M.**

**Submittee: Ministry of Education**

In Attendance:

1. Mr. Iowane Tiko - Permanent Secretary for Education (PS)
2. Mr. Serupepeli Udre - Director, Asset Management Unit (AMU)
3. Mr. Sukendra Lal - Director, Finance

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MR. CHAIRMAN.- Good morning, Honourable Members, members of the media, members of the public and the secretariat. We are ready to start today’s programme for the Public Accounts Committee. Today, we are privileged to have the team from the Ministry of Education who have gladly accepted our invitation to be present here before this Committee to assist us in scrutinising their accounts as mandated to us and the authority given to us by Government and the Parliament of Fiji to go through the accounts.

For that purpose, we have today the team from the Ministry of Education.

(Introduction of Ministry of Education Team Officials)

Team Education, as I had advised earlier, we are doing the work assigned to us by Parliament, that is scrutinising the Auditor-General’s Report and as far as it deals with the public expenditure. For that purpose, we also have today the staff from the Ministry of Economy (MOE) to assist us headed by with the following team members:

1. Mr. Dominiko Tabuarua - Senior Accounts Officer
2. Mr. Kenneth Brown - Principal Accounts Officer and
3. Ms. Lanieta Senibulu - Principal Auditor.

We also have the team from the Office of the Auditor-General (OAG), namely the Auditor-General himself, Mr. Ajay Nand, a familiar Auditor-General, congratulations.

1. Mr. Ajay Nand - Auditor-General
2. Mr. Kuruwara Tunisalevu - Director Audit
3. Mr. Seremaia Delana - Acting Audit Manager
4. Mr. Mitieli Nawaqavou - Senior Auditor

Without taking further time, I would now request the Ministry for Education to commence with their presentation and we will ask the questions as we go along. As you would be aware, there are numerous issues that we have found that need answers in terms of the accounts of the Ministry of Education. Please, PS, go ahead with your submission.

MR. I. TIKO.- Mr. Chairman and Honourable Members of Parliament, our team from the MOE and the team from the OAG, it is important for me to mention that the staff in front of you to present this Report today were not in office when the Financial Report was actually taken to Audit by the

Auditor-General but we are in a position to discuss the findings though, and we will be in a position to answer questions to the level at which we could answer them.

MR. CHAIRMAN.- On that point, PS, none of your team here was present in the Ministry on the 2014 and 2015?

MR. I. TIKO.- We came into Office in 2016, Mr. Chairman.

MR. CHAIRMAN.- Thank you for that, that is probably an issue with some other Departments as well, personnel changed, officers changed but the systems, the accounts remain as they are and that is why, it becomes incumbent on the newly appointed officers to answer these questions.

MR. I. TIKO.- Thank you, Mr. Chairman. We will try our best to do that today and we meant to do that, to let everyone understand the background at which we are coming from and we will start off straightaway by looking through our vision - quality education for change, peace and progress and our mission is to provide a holistic and an empowering education system that enables all children to realise the inheritance and potential contributing to a peaceful and a sustainable national development.

Our Audit Opinion in 2014 was issued a qualified audit report, due to the incomplete Board of Survey, as the correctness of the statement of losses submitted by the Ministry could not be verified. The Board of Survey was only conducted for the district officers’ sections and head office; 13 government schools did not submit their annual Board of Survey reports.

Honourable Members, the Statement of Receipts and Expenditure is on Item 23.2 and the current leadership at the Ministry.

HON. RATU S.V. NANOVO.- Mr. Chairman, while I thank the Permanent Secretary for the explanation given on that point, we noted again this morning that this is another issue that keeps on recurring, the Board of Survey. I think being the Head of the Ministry, they should ensure that all the schools do adhere to the Board of Surveys to be carried out within the year. If not, then it is no use.

MR. CHAIRMAN.- May I suggest, Honourable Member, that we let the PS continue with his presentation on the introductory terms, then we will come to the questions on the actual issues after that. Please, PS, you may continue.

MR. I. TIKO.- Thank you, Mr. Chairman.

On the issue of Board of Surveys, we have readjusted and overhauled the whole system in 2015 and in the next report, you will find that we have stepped up a little bit, compared to where we were in 2014 and where we are right now in 2016.

23.2 - Statement of Receipts; the receipts and expenditure shows that the Ministry was able to generate more revenue in 2014 compared to 2013. The percentage increase was 98 percent which was mainly due to the increase in teacher registration fees. The expenditure of the Ministry, ladies and gentlemen, also increased by 36 percent as more capital works were carried out by the Ministry and also, increased grants were paid out to schools.

23.3 - Appropriations Statement; the Ministry incurred expenditure totalling to $377,117,473 in 2014 against a revised budget of $370 million, resulting in an overspending of $7.1 million to round it off, or 2 percent.

The table below shows details of expenditures, ladies and gentlemen. As you can see, SEG 1 is on Established Staff; SEG 2 - Government Wage Earners; SEG 3 - Travel and Communications, and it goes right down to SEG 10 - Grants and Transfers.

23.4 - Statement of Losses; the Ministry of Economy approved a write-off of $6.8 million for the Ministry of Education as unsubstantial variances between the Drawings Account and the General Ledger, $4,033 worth of items were lost due to theft and $19,182 was written off following the Board of Survey.

23.5 - Over-expenditure; the Audit noted that the Ministry had overspent its budgetary allocation for SEGs 1 and 2 in 2014. It was reviewed and verified through the ‘P to P’ listing in accordance with the requirements.

Mr. Chairman and Honourable Members, the Ministry’s budget had been prepared in accordance with the revised ‘P to P’ that was effected soon after that. This ensured that we do not incur any overspending in SEGs 1 and 2 in the future.

The Ministry also looked into the calculation of location allowance and this was reviewed and increased in the 2016 Budget.

23.6 - Statement of Losses; the Audit noted that the Ministry did not carry out the Board of Survey for all sections and stations and as a result, the correctness of the Statement of Losses could not be verified. As of 2015, proper and timely Board of Surveys were done for all sections and stations and Government schools, to ensure that our losses and write-offs are accordingly accounted for.

23.7 - Substantial Variance in Drawings Account; the necessary adjustments have been done by the MOE and the agencies’ bank reconciliation is still done by the FMIS Unit at the MOE.

23.8 - Revolving Fund Account with Credit Balance; necessary adjustments were addressed and were done to rectify the problem and correct JVs (Journal Vouchers) were passed.

23.9 - Significant Balances in Operating Trust Fund Account; the above balances were rectified in January 2015. The Accounts Officer is closely monitoring the balances now, timely reconciliations are done and reported to the Permanent Secretary and the Honourable Minister for Education, to ensure compliance.

23.10 - Uneconomical Purchases; the findings indicate that the Ministry’s Procurement Officers did not carry out proper price comparison before purchasing goods and services. The matter was investigated internally at the Ministry of Education and they informed the Ministry that there was no breach of the procurement process and the purchases made by the Ministry were fully supported with the required documentation. However, we did not take it as a guarantee that we are safe now. For your information, Mr. Chairman and Honourable Members of the Committee, we have centralised all our procurement since we took office in 2016.

23.11 - Envelopes Purchased but not Delivered by the Supplier; the envelopes were received by the storeman but were not recorded accordingly. The envelopes were recorded in the inventory register later on and the storeman did confirm receiving the envelopes.

23.12 - Fraudulent Amendment of Request to Favour Supplier A; the internal audit highlighted that there were no amendments done to favour a particular supplier. The findings also stated that the Acting PAO at that time was not engaged in getting quotes or selected suppliers, he just approved them as it came through the LPOs upon request.

23.13 - Unwarranted Purchases of Stationeries; the internal audit highlighted that the purchases were done upon requests. The Ministry now is stringent in its procurement processes to ensure compliance. The Ministry also has a separate procurement team, who facilitates the purchases for all sections to ensure compliance, Mr. Chairman and Honourable Members of the Committee.

23.14 - Purchase Items from Unauthorised Suppliers; the matter was investigated by the internal audit team within the Ministry and the respective staff were cautioned and transferred out of the Accounts Section. The Ministry is now strictly following the procurement process with the establishment of the new Procurement team.

23.15 - Items Received with Undated Invoices and Delivery Docket; Mr. Chairman and Members of the Committee, the matter was investigated by the internal audit team and the respective staff were cautioned and transferred out of Accounts Section. The Ministry is now, again, strictly following the procurement processes that are now being established and are now in place.

23.16 - Invoice Issued in Sequential Order; the internal audit team investigated the matter and highlighted that the supplier had kept a separate invoice book for the Ministry of Education and that was the only reason as to why the numbers were in sequence.

23.17 - No Segregation of Duties; this issue was rectified in 2015 as the new Procurement Team was set up, Mr. Chairman and Honourable Members of the Committee, to ensure compliance in the Procurement and the Payment Process.

23.18 - Free Education Grant (FEG) Loaned to a University; the loan amount was refunded to respective schools and the case was also referred to FICAC. Also note that all 8th Year schools are centralised and their grant funds are controlled by the Grant Team within the Ministry of Education.

23.19 - Poor Conditions of Schools; School infrastructure has been upgraded and we will continue to effect them gradually into our annual budgetary plans for the future. We estimated that Fiji needs to overhaul and upgrade its entire infrastructure fairly across the whole nation, and we will be looking at the commitment of $90 million. What we have come up with is to, at least, budget for every annual budget, submit a budget of $30 million to address infrastructure redress across the whole nation.

23.20 - Payment of Management Fees; the school reimbursed all management fees and the matter has also been reported to FICAC.

23.21 - Variance in Cash Book and FEG Account for School Registration Number 9787; all schools are required to update their financial transaction in the FMIS which is monitored now by the Primary and Secondary Sections respectively.

23.22 - Poor Record Keeping for Utilisation of Free Education Grant; the Ministry would like to inform this Committee that it only monitors the bank’s reconciliation for Government Schools on a monthly basis. For the non-government schools, the Ministry receives audited financials on a yearly basis. Now, we have factored in extra measures into that by strengthening our nine education District Officers to monitor the schools within their district thoroughly on audited financial reports annually.

Item 23.23 - Tender not Called for Contracts Exceeding $50,000; awareness training had been provided to school Heads and Management, highlighting the procurement processes and, of course, its guidelines. Mr. Chairman and Honourable Members of the Committee, the internal audit team also has an oversight on FEG utilisation.

23.24 - Land Development for the New School Registration Number E7/2395; the issue was resolved by iTLTB as the land survey was carried out by the team from iTLTB.

23.25 - Unaccounted Laptops - One Laptop Per Child (OLPC) Programme; unfortunately, both directors have retired and the Ministry was not able to get any documentation on this.

23.26 - Laptops not Verified when Received; both directors have retired, as I have mentioned earlier, and the Ministry was not able to get any documentation on this item.

23.27 - Audited Accounts not Submitted by Grant Recipient; the Ministry is still in the process of getting things sorted, and yet to receive the audited accounts for the grant recipients.

23.28 - Budgeted Expenditure; the Ministry would like to inform this auspicious Committee that proper virements were done to transfer funds approved from the MOE before it could use any of those extra funds. The funds were utilised accordingly once virement was approved.

Mr. Chairman and Honourable Members of the Committee, those are our answers to all the items for the 2014 Budget Review that was carried out by the OAG.

MR. CHAIRMAN.- Thank you, PS, for that section. We will go to the questions now for 2014 and then we will take it to the Detailed 2015 Submission or you want to do it together because the PS is reading from the submissions that is already before us. You may now commence with 2015 and then we will put the questions together, since we have the benefit of having the Auditor-General here today. We can use his expertise too in terms of certain questions that arise through other Ministries as well, so we will take 2015.

MR. I. TIKO.- Mr. Chairman and Honourable Members of the Committee, the 2015 Audited Reports, again, introducing our Vision and Mission at the Ministry of Education: “Quality Education for Change, Peace and Progress”. Our Mission is to provide a holistic and empowering education system that will enable all children to realise the inheritance and potential contributing to peaceful and sustainable national development.

Our audit opinion for 2015 was an unqualified audit opinion which shows great progress from where we were in 2014. As a Ministry, we have managed to improve a lot of our processes within and stringent its procedures, for example, we have raised the decentralisation of all procurement.

Mr. Chairman, allow us to go to the 2015 Financial Statements item by item.

21.2 - Statement of Receipts and Expenditures; it shows that the Ministry was able to generate more revenue again in 2015, compared to 2014. The 24 percent increase was the result of the introduction of the Technical College of Fiji (TCF) Centres.

The Ministry also incurred an increase of 27 percent in its expenditures as a result of the introduction of exams and free textbook initiatives.

21.3 - Appropriation Statement; the Ministry of Education incurred expenditures totalling $398 million in 2015, against a revised budget over $401 million, resulting in the savings of $3.2 or $3.3 million (the round figure).

Our Financial Statement Overview is up on the screen now, again our SEGs 1 to 10 are clearly highlighted.

21.4 - Statement of Losses; the Ministry had incurred loss of items worth $17,100 due to theft and this was across all schools and all nine Education District Offices. Items worth $81,142 were written-off up to the Board of Survey, Mr. Chairman and Honourable Members of the Committee.

21.5 - Stale Cheques Appearing in Unpresented Cheque Listings; the stale cheques listed in the audited report was cleared via JV 253/12/15.

Covering transaction from January to May; this JV was prepared on 12.12.2016, backdated to December 2016. The MOE was handling the Drawings reconciliation and the JV was to be punched by MOE. The Ministry is now ensuring that all stale cheques are cleared on time. The above issue had been resolved and necessary adjustments were made.

21.6 - Write-off; the Audit noted that the MOE approved a write-off worth $49,940.49 to the Ministry’s General Ledger balance as at 31st December, 2015. The Ministry would like to inform this auspicious Committee and its Honourable Members that the write-off was for previous years. This was a debit that was sitting in the respective Operating Trust Allocation and was transferred to SAG 560600 in order for the funding process to commence in the Trust Allocation. This write-off was approved by the MOE and all necessary documentation had been done.

21.7 - Understatement of Expenditure and the Financial Statements; the Ministry is making efforts to ensure compliance towards expenditure in regards to the Revolving Fund Account (RFA). The Ministry would also like to highlight that exams were implemented in 2015, however, these expenses were not budgeted for in that financial year.

In the Year 2015, only $300,000 was allocated for printing of examination papers whereas $1.6 million was specified in 2016. Therefore, the Ministry had to use the RFA to cater for these expenditures. The Ministry had to go ahead with the printing of the examination papers as it was one of the important Government initiatives on the day.

The Ministry would also like to highlight that $200,814.17 was brought forward from 2014 and the balance for 2015 was at that figure - $574,006.80, which accumulated to $1.1 million. The Ministry would like to inform the Committee and its Honourable Members that the above has been resolved through proper budget planning and submissions. The Ministry is now able to facilitate for such expenses and it has been budgeted for, and sufficient funds are provided by the Government to cater for the expenses.

21.8 - Over-Expenditure; the Ministry would like to inform this Committee and its Honourable Members that the over-expenditure was due to the payment of allowances, such as the location allowance. As per the General Orders, it is the Ministry’s commitment to pay the location allowance and the budget given for location allowance for 2015 was not sufficient to cater for all the allowances incurred.

The budget for 2015 was $600,000 whereas for 2016, the Ministry was given a budget of $5.3 million to cater for the same expenditure. Moreover, the budget for 2015 was insufficient to meet the expenditure and the Ministry had incurred an over-expenditure due to these allowances. Furthermore, the Ministry is now able to adequately cater for the above expenditure as Category 2. Location Allowance was increased and this ensures that all allowances are catered for through their budgetary provisions.

21.9 – No Board of Survey for Drawings Account; the Ministry would like to inform this Committee and its Honourable Members that drawings on the BOS had been done for 2016 onwards, and that we will ensure compliance in future.

21.10 - Loss of Taxpayers Funds; the Ministry would like to inform Honourable Members of this Committee that the Loss of Reports had been sent to the MOE Recovery Team and the Ministry of Education will only initiate recovery once the MOE provides the deduction authority. Follow-ups have been done with the Recovery Unit. We have also filed police reports and the police is still investigating some of the stated matters. The Ministry will only initiate recovery once approval is granted by the MOE.

For the cases of RKS and Natabua High School, the bursars were terminated and under police investigation. I think both of them by now had been sentenced in court, for information, Mr. Chairman and Honourable Members of the Committee.

21.11 – Tender not Called for Procurement Exceeding 50,000; the Ministry has gone through the Tender Process for 2016 and the tender documents are also available with the Ministry for verification.

Printing of Textbooks, a Tender Waiver Approval was given by the Ministry of Finance at that time, however, the procurement of the boats did not occur at the same time due to the timing of the request for boats coming in from outer islands and maritime schools. For this reason, it was sufficient to procure the boats on a three quote basis. As of 2016, Procurement for the Ministry had been centralised and correct procedures are being followed in detail.

21.12 - Misposting of VAT; the Ministry will ensure compliance in the future and ensure that correct allocations are used for the postings.

21.13 - Outstanding Retirement of Accountable Advance; the Ministry is strictly monitoring the accountable advance, retirement and clearance. Salary deductions are implemented for those staff who do not submit their acquittals on time.

21.14 - Utilisation of Capital Expenditures; the delays are due to the contributions of other stakeholders in the implementation of the project. The Ministry will ensure compliance in the future due to these processes.

21.15 - No Reconciliation for the Supply of Free Milk; proper and timely reconciliations are done for the supply of free milk and weekly updates are sent to the Director, Finance and that is for the information of the Committee, Mr. Chairman and Honourable Members.

21.16 - Non-Payment of Quarters Rent; the Ministry is getting the recoveries done for those staff that did not pay the rents and will initiate salary deductions as we proceed.

21.17 - Failure to Submit Audited Accounts, Cultural Agencies; Fiji Museum is currently working on the audit of 2010 to 2012 and will provide the report once finalised. Fiji Arts Council has not provided any feedback on this and the Ministry will liaise with OAG for assistance.

21.18 - Tenders not Called for Maintenance and Upgrading Works; awareness training has been provided to the school heads and management highlighting the procurement processes and the proper guidelines to be followed.

The internal audit team also has an oversight on FEG utilisation and for your information, Mr. Chairman and Honourable Members of the Committee, for the first time, the Ministry has come together to pull up its resources and ran a combined FEG utilisation workshop for all our school managers in the Eastern Division with all their school heads.

21.19 - Overdrawn Cost on Trust Fund Account; the Ministry managed to resolve the issue as new signatories were elected and the staff were warned not to use the Trust Fund Account for operations.

21.20 - Payment of Board of Governors Allowance; the Ministry has informed schools not to use FEG to pay for the above allowances as at 2016. These allowances are not being paid from FEG anymore. For the few that have been doing that in the past, we have taken them to task through reports to FICAC.

21.21 - Unsubstantial Expenditure; the Ministry would like to inform this Committee that the vouchers were available for verification in the school and all accounting records are well-kept.

21.22 - Incomplete Capital Projects; Nasinu Town Council had stopped the work as the contractor failed to provide the excavation plan.

21.23 - Anomalies in Maintenance and Upgrading Project; the Ministry would like to inform Honourable Members of this Committee that the Ministry will ensure compliance in the future.

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Thank you, Mr. Chairman and Honourable Members of the Committee, the team from the Ministry of Education is now ready for questions.

MR. CHAIRMAN.- Thank you, PS Education and the Team for your submission. In fact, the two Volumes contain a lot of pages as far as your accounts are concerned which indicates that there are a lot of questions by Honourable Members. The questions will be led by the Honourable Howard Politini, who was assigned the task but the floor is now open for questions to the Permanent Secretary.

Honourable Members, we will start from 2014 to be clear on one side. First item, 23.1 - Audit Opinion; they are general comments. Are there any questions in regard to 23.2?

HON. H.R.T. POLITINI.- PS, *bula* andthank you for that comprehensive report. Initially, when I was looking through the 2014 Auditor-General’s Report, I noticed a lot of wilful gross misconduct but thank you for your presentation this morning. I believe all the loose ends have been tightened. I believe there is a lot of laxity in terms of your Ministry staff when it came to procurement and monitoring of FEGs, but anyway, thank you for that.

MR. CHAIRMAN.- If I may ask the PS on Part B: Audit Findings, Item 23.5, there is an element of over-expenditure. You had explained that, “The Ministry had overspent the funds allocated for Established Staff and Government Wage Earners…” The comment that we see from the Auditor-General is that, “Incurring expenditures in excess of the budgetary allocation indicates poor budgeting and financial management.” The recommendation is that:

“The Ministry should:

* ensure that proper planning and monitoring is in place to manage funds wisely; and
* ensure that an accurate Person to Post listing is used to request payroll budget.”

Does the Ministry have any of those financial management or budgeting strategies because it has been indicated that poor budgeting has caused an over-expenditure?

MR. I. TIKO.- Mr. Chairman, to be honest, it was not the poor budgeting effect that factored into this over-expenditure, it was the reintroduction of school external examinations. In SEGs 1 and 2, we had the provision for our casual workers whom we needed very much to assist in textbook printouts and also in the examination papers preparation, so those are a few of the contributing factors to that overspending in SEGs 1 and 2, and the Director Finance could verify with the other details.

MR. CHAIRMAN.- The Ministry’s comment in Paragraph 2 and 3 at the time when it was questioned by OAG on over-expenditure was, I quote:

“Furthermore, the Allowances contributed (44.70%) as there was no proper costing done in terms of payment of Locational Allowance, Rural Allowance, Hostel Allowance by the Ministry. Acting allowances and Relieving Staff were the other areas which exceeded its budget.”

Can the Principal Accounts Officer explain why no proper costing was done?

MR. S. LAL.- The real reason for the over-expenditure in SEGs 1 and 2 was due to the ‘P to P’ listing and the number of teachers who are in rural and remote schools and those who are in permanent schools. If you look at our breakdown of the actual expenditures in SEGs 1 and 2, you will find that with the personal emoluments, we had been within the budget but it has just been the Rural Allowance and Location Allowance that led to the over-expenditure.

In 2015, we carried out an exercise to ensure that our ‘P to P’ listing is accurate, and that was when we really started to strategize and use that for our planning and budgeting process.

MR. CHAIRMAN.- The Committee understands that when members of staff are posted to the rural areas, you have to pay allowance, that is not the problem. The problem here is that, the proper costing was not done, as picked up by the Auditor-General, so if there was a plan that “x” number of staff would be posted to Kadavu and may be some to Lau, then you would have had planning done. That would have actually been covered in the budget, so is that problem now solved?

MR. S. LAL.- Yes, Sir, that has been addressed from the 2015 Budget onwards throughout for the submission for the 2016 Budget. There was absence of ‘P to P’ bad debt.

MR. CHAIRMAN.- There is a stringent measure in place now to curb that?

MR. S. LAL.- Yes, Sir.

MR. CHAIRMAN.- Any question in that regard, Honourable Members?

If no, we will move on to Item 23.6.

HON. RATU S.V. NANOVO.- Mr. Chairman, on 23.4 - Statement of Losses; the MOE approved a write-off of $6.8 million. Out of that, $4,033 worth of items was lost due to theft. The question here is; was this theft reported to the police? $19,182 was written-off following the Board of Survey. What were the other items that were written off to bring that up to the total to $6.8 million?

MR. CHAIRMAN.- There are three parts to that question, if I can reformulate that. Firstly, we have noted that in both 2014 and 2015, there has been theft of item. Where is this theft occurring, is it in the Ministry Headquarters or is it just happening in schools and why is it a recurring problem?

Secondly, we see that there was an unsubstantiated variance and as a result, an amount of $6,834,145.33 was approved to be written-off. This is an area that has been troubling us from other Ministries as well, the amounts being written off which go into millions of dollars and the explanation that we had, and this is where we need assistance from the Auditor-General.

We had discussed yesterday that when the move from the old system of accounting to the FMIS, the documentation that was needed to substantiate those reconciliations was not available over the years and that is the reason why those amounts were written-off. It is not necessarily a loss of money but it is an accounting procedure to clear the books, as explained by the MOE. Can the Auditor-General brief the Committee on this part? It is appearing in a lot of Ministries. We will come back to the Ministry of Education on that question?

AUDIT REP.- Thank you, Mr. Chairman, for that question. The realignment to the general ledgers and the subsidiary record, that cost, according to the MOE, we did point out that there were elements of fraud which could have been existing in those. The key issue to that, Mr. Chairman and Honourable Members, is that reconciliations were not regularly done, that is the root cause and why reconciliations were not done. From what we have reported in 2015, a lot of people issues, I am pleased to note that the PS for Education has indicated that awareness and training is happening now. Once that happens, it will resolve that. Prolonging the issue, as you have rightly said, relates to unreconciled differences in the previous system.

MR. CHAIRMAN.- We have heard from the MOE yesterday that now, the practice should be that monthly reconciliations should be done so that if there is something that is going wrong, it can be captured earlier. What was the practice before, how long was the reconciliation due for?

AUDIT REP.- Reconciliations are done every month, there is a backlog, and it is still happening if you note the 2015 Report. As I mentioned, I think the people issues need to be addressed, perhaps through the recommendations of this Committee as well.

MR. CHAIRMAN.- What the Committee understands is that, once the reconciliation happens, you can actually look at the expenditure, tally the invoice and see what money is left. If it is not happening and then it comes to a stage there are no proper documents for the $6.8 million, it could be an element of fraud, people could have gone away with the money. But then the unfortunate part is that, the Government has to write it off because it cannot be substantiated, so I hope the Ministry has curbed that problem.

We will come back to the questions, please, answer those three parts that the Honourable Ratu Nanovo raised.

HON. RATU S.V. NANOVO.- Still on that, Mr. Chairman, a theft item can only be written off once the police has accepted that, that has been a theft. Has that been done?

AUDIT REP.- Sir, the theft items were reported to the police but a few of those cases are pending follow-up reports from the police to actually write it off.

HON. RATU S.V. NANOVO.- Can they be given source documents to confirm that?

AUDIT REP.- Police reports are provided to the MOE.

HON. RATU S.V. NANOVO.- Can you give us a copy of that?

AUDIT REP.- Yes, we will surely provide those.

HON. RATU S.V. NANOVO.- The next item is that, that $19,182 was written-off following the Board of Survey. That can be taken in as “It’s alright”, but what about the rest of the items that you had written off, what are they and where is the list?

AUDIT REP.- The $6.8 million, Sir?

HON. RATU S.V. NANOVO.- Yes, out of that $6.8 million ….

AUDIT REP.- Sir, the $6.8 million is the write-off for the unsubstantiated variance, we have the GL listing for it. We will be able to provide you with that.

MR. CHAIRMAN.- Yes, they can do a written response for that.

Just on that point, OAG, yesterday there was a particular Ministry in their accounts, about $300 or $500 or so thousand dollars was not substantiated and they requested the MOE to write that off. The MOE refused and asked them to substantiate.

They went back to the table, searched the documents and they were able to substantiate $200,000 from that, so only $300,000 remained and they are working on it to substantiate the remainder of that which they will probably need not write that off. That means they can substantiate that $500,000, so probably if it is not written off and they are put to the task, they might find the document.

AUDIT REP.- Thank you, Mr. Chairman. We have raised this issue with the MOE during our entire accounts audit and they agreed that there could be elements which should have been substantiated. But as you have rightly said, perhaps the MOE would need to do a rigorous review. They indicated to us that they have exhausted all the avenues before they decided to write-off but perhaps more can be done.

HON. RATU S.V. NANOVO.- Before writing off any account, there are procedures to be followed. Once all those procedures are exhausted, only then you can write it off. You just cannot write it off like that.

MR. CHAIRMAN.- Did the Ministry actually make a request to MOE and MOE then, after their own investigations and searches, writes it off? If the request is made, that means that the initiation was by the Ministry after they could not substantiate that.

HON. RATU S.V. NANOVO.- Maybe, that is the listing that we are after.

HON. A.M. RADRODRO.- Mr. Chairman, just a supplementary question;: would you be able to advise how far back is this unsubstantiated balance? Do you have it there with you or you do not?

MR. S. UDRE.- No, we do not have that.

HON. A.M. RADRODRO.- Are you able to tell us? It is about $6 million, you cannot tell us how far back is this balance accumulating?

AUDIT REP.- We will be able to provide the full listing, of course.

MR. CHAIRMAN.- We will take that.

HON. A.M. RADRODRO.- Mr. Chairman, just on 23.2 - Statements of Receipts and Expenditure, I note that the increase in revenue is due to Teacher Registration Fee. Can the PS advise this Committee, how many teachers have been registered in terms of the number?

MR. CHAIRMAN.- The question is statistical and it is not an audit issue but you may choose to answer that in writing later.

MR. I. TIKO.- Mr. Chairman, the reason for the grand increase on teacher registration was simply because we have changed the registration term, from a year to three years and teachers from our maritime schools and rural schools found it much more reasonable to pay the registration for three years rather than just paying it annually because it will be a burden for them coming into the Ministry Headquarters at the end of every year, so that was the reason why there was a sudden increase in teacher registration fees. Most teachers opted to be registered for three years rather than the usual one year registration.

HON. A.M. RADRODRO.- Would you be able to tell us the number of registered members?

MR. I. TIKO.- We could supply you with the details and information on the number of teachers who are registered for three years in 2014, that is not a problem.

HON. A.M. RADRODRO.- Just on the expenditures, there is an increase in expenditures, as you have highlighted on SEGs 1 and 2. Just a point of clarification, in terms of SEGs 1 and 2, does this include $12,000 for new teachers who are absorbed by the Ministry? Are the teachers being paid at the standard $12,000 starting salary?

MR. CHAIRMAN.- The new teachers, which year, because this is 2014?

AUDIT REP.- They were recruited in 2015.

MR. CHAIRMAN.- It will not be reflected in there. Can we have the next question?

PS, let me take you to 23.7 - Substantial Variance in Drawing Accounts. Again, what it says is that, and I quote:

“The audit noted an unreconciled variance of $315,229 between the Ministry’s drawings account reconciliation and FMIS general ledger balance as at 31 December 2014…

The non-reconciliation of drawings account and poor monitoring by the Ministry have resulted in the variances highlighted above. As a result audit was not able to ascertain whether all payments were properly recorded in the general ledger.”

Can I have some explanation on that, that there is some error there of not reconciling and that is the result of a variance there?

MR. S. LAL.- Mr. Chairman, as per our comments, at that time, the MOE were doing the reconciliations for us.

MR. CHAIRMAN.- So the MOE can answer that one.

MR. S. LAL.- Yes, they would be in a better position to answer that.

MR. CHAIRMAN.- MOE, can you see that part there, paragraph 23.7 in the 2014 accounts?

MOE REP.- Mr. Chairman, as similar to the other Ministries and Departments, 2014 was the beginning of the early years when the MOE started off with the new format of reconciliations for the whole of Government and the FMIS Unit took it upon themselves, assisting all Ministries and Departments. This was also the time that we were trying to substantiate the balances that were carried forward and tried to liaise with Ministries and Departments in substantiating the balances and the postings in the general ledger, so these were the figures that were from previous years. Some of those figures were written off and some were not, and we were still trying to substantiate them. Over the years, towards 2015 and 2016, we managed to reconcile and clear them.

MR. CHAIRMAN.- That means that it is again the same problem, that during the migration from the old system to the new, the documents were missing to substantiate those amounts.

MOE REP.- That is right, Sir.

MR. CHAIRMAN.- It is a recurring issue. Just for general knowledge to the Committee, currently (2017), has that problem now been resolved because this FMIS has been operating for the past two years, I think

MOE REP.- We have mitigated to those balances due to the write-offs and the controls that are put in place and policies and trainings throughout the whole of Government.

MR. CHAIRMAN.- So every Principal Accounts Officer of every Ministry is being trained and they are told the procedures?

MOE REP.- Yes, Sir. We conduct trainings twice in a year. This comes under the Accounts Payable Module for the whole of Government of which there are two levels; one is for the Accounting Heads level training and one is for the Accounts Officers, Senior Officers and Clerical Officers Training. These are issues that are thrown out and addressed during those trainings.

HON. RATU S.V. NANOVO.- Still on that, Mr. Chairman, on 23.7, just the question to the Ministry of Education again, while they were doing that for you, how often do you follow that up with them?

MR. S. LAL.- I would not be in a position to explain how often we had followed that up, now from 2015 onwards and for the 2014 ones?

HON. RATU S.V. NANOVO.- It is in here because that is for your work. If I were you, I will keep on following up with them the status of my request. Have they been doing that or not?

MR. CHAIRMAN.- He was not there at that time.

MR. S. LAL.- It was done.

MR. CHAIRMAN.- You cannot answer that question?

MR. S. LAL.- I was not in the Ministry.

MR CHAIRMAN.- He was not in the Ministry. He can answer what is happening now which is not our problem, but if you can explain what is the procedure now?

HON. RATU S.V. NANOVO.- What were you doing, were you reporting back to them to advise them on the progress of the work relating to that Ministry?

MOE REP.- Mr. Chairman, yes, we were. Currently, now for those Ministries and Departments that have managed to clean their reconciliation, we have handed over the reconciliation to them. Other Ministries that are still in trouble, we are still assisting them on their reconciliations.

HON. RATU S.V. NANOVO.- (Inaudible)

MR. S. LAL.- Yes, the reconciliations are with us but the variance is there that has been written off.

HON. RATU S.V. NANOVO.- You asked about the progress, you ask them again, it should have been with you, the progress of this Item 23.7.

MR. S. LAL.- The resultant of that is the write-off. It would end at the end of that financial year.

MR. CHAIRMAN.- We have reached that far, that amount they could not verify and they requested for write-off but why it was not verified until 2014. This team cannot answer but there should be some system in there now, at least. The MOE had already told us what was happening before, they tried all the avenues. They would have tried all the avenues, they could not reach the result but the amount is very serious, that is the problem.

23.8 - Revolving Fund Account; you did explain a bit on that but I would like more clarification. What is the Revolving Fund Account and why was there a credit balance of $574,000 in 2014, has that been rectified?

MR. S. LAL.- Yes, Sir, that has now been rectified.

MR. CHAIRMAN.- It does not appear in your accounts anymore?

MR. S. LAL.- Yes, Sir.

MR. CHAIRMAN.- 23.9 - Significant Balances in the Operating Trust Fund Account; I understand that this Trust Fund is the deduction that the Ministry makes on behalf of the staff and then post it to their respective Provident Fund Account, et cetera. However, that amount is being carried on by the Ministry and it is incurring unnecessary liability for the Ministry as at 2014. What is the position there now?

MR. S. LAL.- Sir, in terms of the Trust Fund Account, one of the key issues for that is, for instance, the FNPF deduction. The deductions are done instantly upon salary payment but the payments are made to FNPF after a month, which is when it becomes due after the reconciliation is all through, and that is when it really will sit for a month before it is paid. So if it comes to the end of the financial year, it will remain there because it is not due yet.

MR. CHAIRMAN.- It is done on a monthly basis, you write a cheque to FNPF every month or you do electronic transfer?

MR. S. LAL.- Either EFT or cheque mode payments but for instance in March, the January payments would be due so the deductions that we hold would remain in the Trust Fund until that time.

MR. CHAIRMAN.- If I refer you to Table 23.7 when it says $70,337 for 2010, $70,000 for 2011, $70,000 for 2012, this is not the whole years’ accumulation, this is just for that month?

MR. S. LAL.- With the last month’s accumulation.

MR. CHAIRMAN.- Any questions on that, Honourable Members?

HON. A.M. RADRODRO.- Just a supplementary question, have these trust account balances been cleared out, as we speak?

MR. S. LAL.- Yes, Sir.

HON. A.M. RADRODRO.- What process did you follow, through that MOE write-off or did you pay out?

MR. CHAIRMAN.- I was explaining that every month, at the end of the month, he pays that.

MR. S. LAL.- It would clear out after reconciliation and payment to the respective agency.

HON. MEMBER.- (Inaudible)

MR. S. LAL.- Yes, Sir. Our monthly FNPF payment is around $3 million so in respect of that, that amount is within our monthly payments so it is not that much when compared, it is not an accumulation.

MR. CHAIRMAN.- It is not an accumulation of years, it is just certain month.

MR. S. LAL.- It is not an accumulation.

MR. CHAIRMAN.- If you pay $3 million per month, yes?

MR. S. LAL.- Yes.

HON. A.M. RADRODRO.- What the Auditor-General stated was that, these amounts are still appearing in this Trust Account balances, as at the time of the audit, is that right? So from 2010, the date of the audit is still appearing there and you said it has been cleared, can the Auditor-General advise us on this?

MR. CHAIRMAN.- Auditor-General, what is the situation there?

AUDIT REP.- This would be the balances for December 2014 which was paid in 2015 but apart from FNPF, there are other amounts as well, for example, PSC Scholarship, so those would be the deductions for December only.

MR. CHAIRMAN.- At the time you audited the accounts, those were there, but then it should be out?

AUDIT REP.- It should be paid in January.

MR. CHAIRMAN.- Those are done on a monthly basis?

AUDIT REP.- Yes.

MR. CHAIRMAN.- Item 23.10 - Uneconomical Purchase; this is the problem area to be identified. Supplier A has been appearing consistently and apparently according to the OAG, this supplier was given some preference over other suppliers. The independent quote revealed that the prices offered by Supplier A were significantly higher, compared to the prices offered by some reputable suppliers.

The procurement officers at that time procured Supplier A, even though his prices were significantly higher, for the supply of toners, printers, imported office chairs, et cetera. The Ministry considered appropriate to buy several office items from Supplier A at much higher prices. The prices paid by the Ministry were 18 percent to 68 percent higher than the independent quote obtained by the Audit for the same items from reputable suppliers. This is a very serious problem, this is buying things at a higher rate, from a preference supplier too. Can there be some explanation on that, Accounts?

MR. S. LAL.- Thank you for the question, Mr. Chairman. In terms of the Ministry’s procedures in 2014, procurement was decentralised, that means the Exams Office would do their own buying. The Primary Section, Secondary Section, HR, would do their own buying and they would provide the three quotations. They would raise their order at the department level and the Finance Section would facilitate the payment.

Another issue to that is that, the price is not the only factor that determines uneconomical or economical buying, there are other factors, such as timing of delivery. One thing that we really faced was that, reputable and big businesses do not go for small quotes. If you wish to buy something like $1,000, $2,000, they really would not ensure that you will get the items on time.

MR. CHAIRMAN.- I do understand that some suppliers probably will just throw in a tender but they are not in a position to supply but in here, it has been a recurring thing and to make it worse, the Audit Finding states that, and I quote:

“The finding indicates that the Ministry’s procurement officers did not carry out proper price comparison before purchasing goods and services from Supplier A. In addition competitive quotations were intentionally not obtained from reputable suppliers in order to defraud the government by legitimatizing purchases from Supplier A as the lowest cost supplier.”

So the problem here is twofold; one was that the procurement officers intentionally refrained from obtaining the quotes, and then there was also an allegation of defrauding the Government by the procurement officers. To your knowledge, has any of those procurement officers been disciplined, surcharged or taken to task over this?

MR. I. TIKO.- Mr. Chairman, to our best memory, both the procurement officers mentioned in this report have passed away. When the investigation started, it sort of added pressure on their individual lives and they have passed on.

MR. CHAIRMAN.- Their souls may rest in peace but the problem is that, it is causing a loss. I do understand the Accounts point that tenders are not necessarily given to the lowest supplier because there are issues of delivery and quality as well. I will come to that again.

In another section as well, if you look at those invoices when we come to that, they are saying that we kept a separate book for the Ministry so that is why the numbers are in series. But if you see the numbers, they are not in series; 1 to 5 and 6 or 7 are missing, that means they were supplying some other people with that book as well. So may be when the investigation started, they wrote the invoices and they deliberately put in the numbers, so we will come to that but let us take it in order. Is there any other matter regarding that question?

HON. H.R.T. POLITINI.- Just a comment, Mr. Chairman, I guess in any business environment, when you see an issue like this happen and was picked up in an audit report, you will immediately suspect that there is a back-handling deal going on in there, but the issue is under the bridge now and gone since the two officers are no longer in existence on this earth. Thank you.

MR. I. TIKO.- Mr. Chairman, the moment we came into office, there were about seven or six officers at that level who were playing this game. Three have taken their trip overseas, they have sneaked out through Immigration and we are still after them now.

MR. CHAIRMAN.- They never came back?

MR. I. TIKO.- They have not come back yet, two had passed on and the other one, we have already disciplined. It prompted us to act on the procurement process that was within the Ministry at that time. My general assumption was that, it was very loose when we came in, compared to where we are now after centralising and that came from a special recommendation given to us by the Deputy Auditor-General because I did summon him during my first months in office to give me advice on what is the best way forward for us. Through our series of meetings with the Internal Audit from MOE, we managed to be enlightened on the best way forward.

We have taken a precautionary measure on that front, Mr. Chairman and Honourable Members of the Committee, to safeguard our Ministry. It is a very big Ministry and the trend that we discovered when we came in was that when officers offended in government schools, they get transferred to another school so no disciplinary action done. For me, it was unfair on my teachers in the teaching cadre because when they offend in a school, they get disciplined on the spot but our offenders were, sort of, being passed on from one school to another and the trend goes on until we drew the line when we started in 2016.

MR. CHAIRMAN.- Thank you for implementing that procedure that, at least, this procurement will be done properly now and the transfer of that particular officer to a new environment is not going to solve the problem. He will get a newer field to play on, probably disciplinary action and making examples of these characters would send the right signals to the Departments.

You mentioned that there were six or seven officers involved in this Supplier A saga. Three of them had gone overseas and have not come back, two of them have taken a longer trip, they will never come back. Who are the people who will be disciplined, there were two or three that would be disciplined, demoted, but are they still in the Ministry? Has there been any option to surcharge them to recover, at least, some of those moneys?

MR. I. TIKO.- Yes.

MR. CHAIRMAN.- 23.11 - Envelopes Purchased but not Delivered by the Supplier; I think you have explained that envelopes were, in fact, delivered. It was just the storemen who did not note it down. Is that alright?

HON. RATU S.V. NANOVO.- Is the storeman still there, he should be penalised and disciplined also.

HON. H.R.T. POLITINI.- Mr. Chairman, just one question again on 23.6 - Statement of Losses, on the table, Board of Surveys were not completed. We had a school down on the Western side when the groundsman apparently retired from the school, he not only retired but also made off with some school items, such as the lawnmower for the compound and also the welding machine. I just note with interest here that a lot of these schools have not completed their Board of Survey, yet are quite big schools and you have noted here that they have not handed in their Board of Surveys yet. Is there a timeframe or window period where you expect these schools to hand-in before we have incidents such as theft occur?

MR. S. LAL.- Sir, you would note in the 2015 one, that we have completed the Board of Survey for all schools and departments.

MR. CHAIRMAN.- So now that is in order?

MR. S. LAL.- Yes.

MR. CHAIRMAN.- The Honourable Member has raised a valid point that if the Board of Surveys are done in a timely manner, you will be able to see what is missing, what needs replacement, what needs to be written off and if this is not done, then we have more lawnmowers disappearing from schools.

Can we now move to 23.12 – Fraudulent Amendment of Request to Favour Supplier A; again, coming to Supplier A, the same thing, there was an issue of cheques.

23.13 - Unwarranted Purchase of Stationery; is it the same transaction we are looking at or is it a different transaction, different quotations? It says, and I quote:

“The audit also noted that Supplier A on several instances supplied office stationeries in excess of the quantity ordered by the Ministry. In addition the Officers receiving the stationeries, at the Ministry’s Headquarters did not at any time notify Senior Officers about the excess supply compared to quantity ordered.

The Acting Principal Accounts Officer also continued to process the payments to Supplier A without questioning the oversupply of several stationery items.”

Whilst procurement from Supplier A was improper, after getting the tender, the contract, he was supplying items in access of what was ordered which means that the Government was paying more than what they had budgeted for or there was oversupply/surplus as to their requirements and the Accounts Officer kept on paying it without even questioning. Is that Accounts Officer still with the Ministry?

MR. S. LAL.- Sir, the officer who was initially Acting Principal Accounts Officer uptil April was Makarita Fuata and she has now retired from there in 2014, the other officer is now with the Fiji Museum.

MR. CHAIRMAN.- So there is no chance of surcharging because she has already retired. Is there any policy now in place, this is not an audit issue for this year but it will probably come later but now for our information, is there any policy in place to save this kind of incidents from happening, where someone was initially procurring wrongfully and they kept on supplying more, which means they are making a greater sale than they bargained for and then someone was paying. If someone gives you 20 books instead of 10, 10 for free, not a problem but then they have paid for 20, we will get it somehow but at least there will be no loss. Is there any policy in place now?

MR. S. LAL.- Sir, the policy has always been there in place. Those policies are there, about implementing those and that is what we have focussed more on in terms of having our oversight in the procurement and conducting monthly audits of that, as well as ensuring that there is segregation of duties amongst those who are procurring and the requisition part right up to payment, those control measures that we have implemented to mitigate those type of risks.

AUDIT REP.- Sir, with your permission, this was the same supply in all the three cases because nothing happens to the supplier. Two of the Ministry staff have passed on, two died, three ran away but if that matter had been reported to police, then the message should have gone to the supplier that he cannot do away with that.

MR. CHAIRMAN.- Can your Ministry, as a matter of urgency, refer this matter to FICAC now?

MR. I. TIKO.- Mr. Chairman, for the information of the Committee, the leadership at that time did very little to curb this. It was thriving in the Ministry and flourishing in broad daylight.

MR. CHAIRMAN.- It is spreading like cancer.

MR. I. TIKO.- Yes, we had to do a good clean-up when we came in after finding out what was transpiring through the procurement of items to companies and we have also redirected our central procurement team to the recommended suppliers from the MOE because the MOE gives us a recommended list of suppliers, and now we are dealing with them and them alone because now, it is well in control within the centralised mechanism of procurement.

MR. CHAIRMAN.- Is this supplier still on your list of suppliers or is he out?

MR. I. TIKO.- No longer listed there, we have blacklisted the suppliers.

MR. CHAIRMAN.- Probably, another step would be to report the supplier also.

MR. I. TIKO.- We have tried our best to gather some evidence in regards to a few officers that we had started investigating but they slipped through Nadi, even after we asked the Immigration Department to assist us in stopping them from getting out of the country.

MR CHAIRMAN.- There is another problem that is noted here, I understand your point there but if these things are continuing. It says, and I quote:

“The audit further noted that the Receiving Officers at the Accounts section did not record the stationary items received or issued to various sections at the Ministry.

The audit was also not able to substantiate how these stationery items were used by the Ministry, including the over-supplied items.”

There was an over-supply paid by the Ministry but not used as per the records, so that could have been sold in the black-market.

HON. RATU S.V. NANOVO.- To solve that question, Mr. Chairman, maybe we have got one former Permanent Secretary in Parliament right now whereby we should subpoena him to come and answer your question.

MR. CHAIRMAN.- He was there at that time?

HON. RATU S.V. NANOVO.- Yes, he was the former Permanent Secretary for Education in Parliament at that time, on the Government side. Maybe, you could subpoena him to come and answer those questions.

MR. CHAIRMAN.- Yes, we can do that but is it for the same period, 2014? We will consider that, that is a separate matter from this investigation but we will call the Ministry with him.

Let us move to 23.14.

HON. RATU S.V. NANOVO.- Mr. Chairman, just a question to the Ministry of Education again, what about stock-take, do you normally carry out stock-take before giving out your request for additional stocks to be ordered?

MR. S. LAL.- Sir, now that we have got a centralised procurement and we also have the annual procurement plan, that lays out the requirements for each department and the Ministry as a whole throughout the year. We now have a more systematic approach to our procurement, the issue of buying extra has been mitigated through that.

MR. CHAIRMAN.- 23.14 - Purchase of Items from Unauthorised Suppliers; again, the supplier appears there and here the issue is even more complex because the ITC, which is the Government agency was ready to supply desktop computers to Office Products for the whole of Government Ministries. It says, I quote:

“The audit noted that the Ministry failed to comply with the standing offer contracts and purchased Desktop Computers and various office stationeries from Supplier A.”

So Supplier A again. Whilst there was an offer by ITC to supply, it was refused and then people went to Supplier A again. Are they the same procurement officers who passed away during that time, otherwise we could have brought them over here to explain?

MR. I. TIKO.- Mr. Chairman, the officer did not really buy the computers but there were purchase orders signed and all the documentations done but collected somewhere else from the company and took off.

MR. CHAIRMAN.- So the equipment never reached Government?

MR. I. TIKO.- Computers were only seen in documents but when we inspected and ran through the units with all the numbers on every computer machines, we could not find the ones that were in the purchase documents by the procurement officers.

MR. CHAIRMAN.- What the officer did, the LPO was raised for purchase, money was paid but the goods were never delivered so there must have been a share between the supplier and probably the officers have got hold of the entire thing.

MR. I. TIKO.- One of the reasons, Mr. Chairman, that I requested to the Deputy Auditor when I came into office, because I saw that it was a very well-knitted business that was going on to corrupt Government and it was undetected because no one else knew. It was only the supplier and the procurement officer who were dealing with the business. I went through our car park just to prove to our Honourable Minister that this is happening and I told him, “I am jealous because I am the Permanent Secretary and I am driving this old second-hand car, and I am seeing my procurement officers driving posh vehicles parked there in our car park.” We searched their background, their better halves were not on a better salary scale job elsewhere but it sort of hinted to us that there was something thriving within the Ministry right there.

MR. CHAIRMAN.- Unexplained wealth, that there are lots of it in the country.

HON. H.R.T. POLITINI.- Just a supplementary question again to the Ministry, through you, Mr. Chairman, what has happened to the company? Are they liable since they did not supply these computers and Government has paid?

MR. CHAIRMAN.- The PS said that they are looking for evidence, if they find the report, but it is a very calculated move and really the fault lies with the Ministry. The company will say, “I will supply it”.

HON. H.R.T. POLITINI.- I guess in this case, they are supposed to supply those computers which were never supplied so that is when they are caught in the net.

MR. CHAIRMAN.- Maybe they did and their officer took off with it but that is the evidence that you can look into. Any questions in that regard?

23.15 - Items Received with Undated Invoice and Delivery Docket; the Audit noted and it says, and I quote:

“The audit review of the process through which these items were purchased revealed the following anomalies:

* + The invoice and delivery docket for these items were not dated to indicate the day the items were received and invoiced. In addition the purchase orders were not issued for the items supplied by Supplier A. As at the date of audit no payment was made for these items.
  + The Transport and Supplies Officer did not have the requisitions for the purchase of these items. Hence the items were procured in excess to the requirements of the Ministry.
  + Physical verification of the items received with the invoice noted that the items costing $1,271 were not supplied by Supplier A but invoiced for payment.”

This is something that the Honourable Politini had just raised to be taken up. They charged and paid the money. First of all, it was not required by the Ministry but then it was free, purchased and they were not delivered.

There is a high risk of fraud and collusion between the transport and supplies officer and Supplier A so I think this matter should be taken up and FICAC should also report. The Committee should also make a recommendation to FICAC on this one. The FICAC will not investigate a private company on its own but if there is collusion, then they will look into that.

23.16 – Invoice Issued in Sequential Order; that is an area that I was again thinking but now it is pretty clear that Supplier A was problematic so it goes without saying that these invoices that are numbered here, if one looks at the sequence numbers of those invoices, it starts from 1 to 3, 4 is missing, then we have got 5, 6, 7 and 8, 9 is missing, then 10 and 11, 12 is missing, 13, 14, it goes like that. So the explanation that was given by the Ministry was that, Supplier A said that they have kept one Invoice Book for the Ministry itself. This cannot be correct because the numbers are not in sequence but they are in a sequence that actually shows that probably three invoices were deliberately left out, to show that it was proper.

If there any further explanation on that or any action taken?

MR. S. LAL.- Sir, no further action has been taken on that matter as yet.

MR. CHAIRMAN.- The recommendation by OAG was to cease purchasing from the Supplier A . I think that has been taken on board, you have blacklisted the supplier.

23.17 - No Segregation of Duties; it says, and I quote:

“The audit noted that there were inadequate segregation of duties in the transactions performed for purchases of goods and services from Supplier A.

“The above finding indicates ineffective internal control with the purchasing and payment process and laxity on the part of Acting Principal Accountant to effectively scrutinise the payment vouchers before approving the payment.”

The lack of segregation of duties increases the risk of misappropriation of funds and fraud. The Acting Principal Accounts Officer at that time did not scrutinise payments properly. Is there a system in place now to, at least, crosscheck the items that have been supplied?

MR. S. LAL.- Yes, Sir, initially, the supplies officer was part of the payments team. There was separation in terms of payments as well as requisition and purchasing of it, but now that we have a separate payments team and a separate procurement team, that control we have implemented in terms of segregation of duties.

MR. CHAIRMAN.- This type of incidents could be minimised now?

MR. S. LAL.- Yes, Sir.

MR. CHAIRMAN.- 23.18 - Free Education Grant (FEG) Loaned to a University; it says, I quote:

“The audit noted that out of the total FEG given to schools in 2014, $743,800 or 30% of the total grant was loaned to the University, which is also owned by the religious organisation, without the approval of the Ministry. As at 31/12/14 only $61,000 or 8.2% of the total amount loaned was repaid by the University.”

So the case here is that, 12 schools were given grant and the organisation that is running the schools unlawfully moved the money, loaned that amount to a University and that money rightfully should have been used by the schools for the Government’s purpose of giving free education. However, that money was loaned to the University and the University as at 31st December, 2014, paid only 8.2 percent of that. That means the organisation that is running those 12 schools through the Government money which is supposed to be for free education then loaned it to a University run by the same organisation and they failed to pay back, so it defeats the purpose.

HON. RATU S.V. NANOVO.- Mr. Chairman, I think this case is in court right now.

MR. CHAIRMAN.- Is it in court now?

MR. S. LAL.- Yes.

MR. CHAIRMAN.- If it is in court, then it is fine, action is taken. I thought there was another one but if it is in court, then it is fine but, at least, there has been some notation here.

HON. RATU S.V. NANOVO.- This was trying to get free tuition for University students in.

MR. CHAIRMAN.- Probably, we cannot comment on that, let the court decide on that but is that under control now?

MR. S. LAL.- Yes, Sir, and the funds were also reimbursed to the respective schools and those bodies or schools are controlled centrally by the Ministry.

MR. CHAIRMAN.- Apart from this case, generally, if a grant is given to a school and the grant is transferred and used for other purposes, do you have any sanctions or any sort of penalties imposed on the schools to prevent this from happening?

MR. I. TIKO.- Mr. Chairman, the moment we detect any abuse of grants, before we could not control it. During this period, it was more very loose in the sense that grants were released at 100 percent. Now, we have segmented grant release in percentages. We will give first phase 25 percent and then await the acquittals, et cetera, and then move on. The abuse of grants was not only done by this one man, it was (sort of) common across all schools all over the nation.

MR. CHAIRMAN.- This is not an isolated case?

MR. I. TIKO.- It is not an isolated case, Mr. Chairman, the moment we stepped in, we wanted to reorganise the whole funding mechanism. We reviewed each policy and each documentation and now, we are training school managers and school heads on the revised financial management handbook of schools. We thought that was the best way forward for us at this time. The rest of the cases that we have got hard evidence on, we have submitted 23 to FICAC.

MR. CHAIRMAN.- That is good, because we note here, the findings indicate mismanagement of FEG grants per school and poor monitoring of FEG by the Ministry. As you have mentioned, some policies are in place to curb this problem. Are there any questions on that? You cannot answer on the case though but any general questions?

(There were no questions)

23.19 - Poor Commission of Schools; this is something that has not only been brought up to this Committee, but there is a general concern raised many times and I will read the relevant sections and probably you can explain a bit on that. It says, and I quote:

“As a best practice, the school management shall ensure health and safety at schools for all teachers and students. The school management are to provide and maintain an environment that is safe and without risk to health of teachers and students.

Fiji Education Grant shall be used solely for the purpose of facilitating learning and teaching in the school.

Under the Ministry’s guideline on the use of FEG, 20% of the total grant is allocated for Building and Compound maintenance. However, the audit inspection of a sample of schools revealed that schools were in a very poor condition and not conducive for effective teaching and learning. Refer to the following examples.

School Registration Number 1849

The school (registration number: 1849) received a total FEG of $249,333 for the year 2014. Out of the total FEG the school was allocated $49,866.60 or 20% for Building and Compound maintenance.

Despite $49,866.60 allocated by the Ministry for Building Maintenance no such works were carried out by the school during 2014 as $75,000 or 30.8% of the grant fund was transferred to the University which is managed by the school (registration number1849) management.”

It was part of that case, all these sample schools were from the same university or same organisations so that we can move on?

(Inaudible)

MR. CHAIRMAN.- Alright, we will leave it at that because those conditional schools can be discussed here. It does not impinge on the case itself but we leave it to a later day because as it is, we have been advised by the Ministry that it is before the courts.

Really, the pictures show that schools are in appalling conditions, looks like one of those neglected warehouses in Levuka.

MR. I. TIKO.- Mr. Chairman, for your information, from the day of the report to-date, we have managed to redirect funds and improved the school. We have got the latest clips and we would like to present that to the Committee, just for your assurance that the school is no longer an unconducive learning environment.

MR. CHAIRMAN.- We will pass that to the secretariat. That audit will probably come in a later report but for our information, we can use that.

23.21 - Variance in Cash Book and FEG Account for School Registration Number 9787; is this the same one or is it different?

This indicates that the school bursar failed to carry out monthly reconciliations and the variances between the FEG cash book and bank account were not identified and registered. As a result, audit was not able to ascertain whether all payments were properly recorded. Failure to produce monthly reconciliations resulted in schools not being able to detect misappropriation.

The school is not named so probably you can comment on that. The issue here is that, the school bursar has not been doing monthly reconciliations for that particular school and that results in the failure to detect misappropriation of FEG. Is there any policy in place now or is it a recurring problem?

MR. I. TIKO.- Mr. Chairman, as I have said earlier on, we have reviewed the Financial Management Handbook, together with all its related policies and I think it is also important to note, Mr. Chairman, that now, we have rested the utmost authority of FEG on our school heads rather than on the school managers. In the first Financial Management Handbook, it was given an equal preference for the school manager and the school head. We now feel that it is safer to have that authority with the school head.

MR. CHAIRMAN.- Because the school head is employed directly by the Ministry.

MR. I. TIKO.- Exactly, Mr. Chairman.

MR. S. LAL.- Mr. Chairman, may I add on, in terms of the FEG monitoring, what we have done now, we have got an online FEMIS system which is the Fiji Education MIS. Once the schools raise a payment, they directly raise it out of the FEMIS system and the Ministry has got an audit team itself which audits information in real time in terms of the schools that incur expenditure. They are able to do analysis and also request documents to be provided for monitoring, from schools so more or less we are trying to have more oversight in terms of the utilisation of grants in schools.

MR. CHAIRMAN.- That probably also explains Item 23.22 - Poor Record Keeping for Utilisation of Free Tuition Grant. I am certainly monitoring it, so it will be better utilised now.

MR. S. LAL.- Yes, Sir.

MR. CHAIRMAN.- I thank you.

The issue here would be, if the problems are curtailed or has been rectified, then the future reports would be clearer and it will focus more on other issues. If it is a recurring problem, then there is a problem for us again but I note the OAG’s comments that the Ministry has been able to tackle a lot of these things.

23.23 - Tender not Called for Contracts Exceeding $50,000; is it the schools respectively or the Ministry itself? It looks like the schools. It says, and I quote:

“The audit noted that the management of school (registration number 2337) did not call for tenders for general exterior painting of the school even though the total cost of painting works exceeded $50,000. The painting works were completed and the contractor was paid the full amount, sum of $95,000.”

Some schools did not call the tender and then ended up paying $95,000 for exterior painting.

What sort of controls does the Ministry have on schools in doing this?

MR. S. LAL.- Sir, we have increased our trainings and awareness of school heads in the principals and headteachers’ conferences; in 2015, we had the training for all school heads in three different Divisions and quite recently, we have redeveloped our School Management Handbook that would be a guiding tool for school heads and school managements in terms of the key policies and the things that they need to follow.

We are beginning with the School Management Training from 13th April for every district to increase awareness in terms of the utilisation of grant and also in terms of audit. As at the end of March this year, our Audit Team has conducted 104 audits of schools, just to ensure that the schools are in compliance to the set policies and procedures that we have. The online system that we have, it is really helpful in helping us to do audits.

MR. CHAIRMAN.- Just a question on that, this procurement for maintenance, painting, et cetera, this is done by the school head or the management?

The responsibility of it lies with both the school management and the school head because the Financial Instructions states that only 20 percent of the FEG can be used or the 20 percent of the total grant can be used for maintenance of this, and for procurement of anything over $50,000, you should call for tenders. What happens to procurements under $50,000?

MR. S. LAL.- They would apply the procurement process of obtaining three quotes.

MR. CHAIRMAN.- Is that controlled or monitored by the Ministry now or still respective schools?

MR. S. LAL.- The tender would still be called by the school but we would have to control in terms of reviewing the respective transactions that take place.

MR. CHAIRMAN.- I hope the Ministry is able to curb this because it is not an issue of this money. The Free Education Grant is given for a purpose that the school is a worthy place, people are able to study there and the Government’s policy of free education must reach the desired population. If this kind of things keep on happening, then a chunk of this money is moving out of the system and probably into the pockets of those contractors who do not even tender so I hope the Ministry is strictly monitoring these schools.

MR. I. TIKO.- Mr. Chairman, for the information of the Committee, like I mentioned earlier, the Financial Management Handbook had some gaps in it and we have addressed those. The school management thought that with the FEG in their control they could run off on a shopping spree. It was very much prevalent in the early days of FEG utilisation. We then thought that it was important for us to train school managers and school heads to work hand-in-hand in responsibly controlling the school FEGs.

However, with the online website, everything seems to be monitored thoroughly from the Head Office through the Primary and Secondary Sections. They are given six main allocation areas to feed from through the FEG utilisation priorities mentioned in the schools Financial Management Handbook.

We find that sometimes, they exhaust one and want to vire for the other three to help them complete their school projects. Those virements are requested to headquarters and with our approval, they can go ahead and do that.

MR. CHAIRMAN.- If I am understanding correctly, the total FEG has got six components to it. You can use it for six purposes and it is a different percentage for each. If the work is done and there is some surplus left in a particular provision, for example, the building is completed, maintenance of 10 percent is completed and 10 percent is left, then they write to you and ask that that 10 percent be shifted to another area. Is that reasonable?

I think it is a good idea to have the controls with the school heads because they are your employees directly from the Ministry because I know what happens on the ground, that there will be one particular management that will be there - managers, president, secretary, everyone, the money will be misappropriated, (if I may use that word). And then the following year, the new management comes in so they cannot go back and surcharge or claim that back from them because some of them disappeared, so I think the idea that you have implemented, if it is strengthened properly, this problem can be stopped.

23.24 - Land Development for the New School Registration Number E7/2325; what that reads is that, I quote:

“The Minister of Finance on 02/05/14 granted waiver of the tender proceedings and approved the engagement of Contractor B to undertake Land Development and Upgrading Works for the New School (Registration Number E7/2395). The contract was awarded at a total cost of $1,300,343.46 (VIP).

As at the date of audit33 the Ministry paid $943,520.24 (VIP) or 72.6% of the contract sum. The payments were made based on the contract agreement signed between the Ministry of Education and Contractor B on 08/04/14.

The audit review of the project noted the following:

* As a pre-requisite to any project construction, it is important to carry out Land Survey to identify the boundaries and obtain the lease agreement for the site of the project.

The audit noted that the Ministry failed to carry out the land survey to identify the boundaries and obtain the lease agreement from iTaukei Lands Trust Board for the proposed site of New School in Tailevu. During the site visit carried out by audit on 15/12/14, it was noted that the Contractor had commenced with the site improvements, ground compaction, and clearing of roadside drains without any approved boundaries and lease agreement.

Carrying out capital construction without proper survey and lease agreement may lead to unnecessary conflicts with the iTaukei Lands Trust Board.”

This finding indicates that the Ministry does not have adequate technical expertise in project management and did not perceive the importance to carry out soil testing before commencing with the land filling phase of the project.

Inadequate ground condition bearing or ground instability may result in minor or major building failure through landslides or sinking of the building foundation.”

There is a whole heap of things mentioned there. Can you explain a bit on that, that the idea seems to be that the OAG is pointing out a new school ought to be built, the contractor was engaged without any proper lease document and without any soil testing and it was insufficient or inappropriate to hold a building of that size. It has also pointed that the Ministry does not have the expertise to carry out those projects.

MR. I. TIKO.- Mr. Chairman, the school referred to is Bau College. It has been a pending Government project for some time because of the poor attitude of following the proper procedures and processes that were due to be taken before any major project is laid on the ground or rolled out. What we actually found out was that, no GeoTech survey was done and perhaps, the details of it, my Director AMU can furnish and enlighten the Committee this morning with your approval, Mr. Chairman.

MR. CHAIRMAN.- Yes, please, if you can give us a brief background on that. There should be a technical officer here all the time when it is submission time. It is probably time to procure new microphones for the Parliament as well.

MR. S. UDRE.- With regards to the issues raised in the Report, I am happy to say that we had engaged an engineering company that had conducted the GeoTech Survey but we are currently also working with the engineers from the Ministry of Infrastructure and Transport. We are due to revisit the site on midday on Friday for the reassessment of the site and the possible visit with the contractor. The contract is supposed to be signed by the end of this week as well.

GeoTech had awarded a tender to Super Construction and the Solicitor-General’s Office has also approved the MOA and that will be signed soon by the end of the week. As I mentioned, we will conduct a combined site visit with the MOIT and the contractor on Friday, to re-look at the site for constructing the double-storey building.

MR. CHAIRMAN.- That means that the work is still in progress?

MR. S. UDRE.- Yes, Sir.

MR. CHAIRMAN.- Some actions taken on that area because those issues were pointed out by the audit that the ground, soil testing, et cetera, that has been under control now?

MR. S. UDRE.- The Army Engineers were responsible for site levelling. The site for construction in that area that the Geo-Tech Assessment Report had proposed, that it be filled up with soapstone so that has been done as well.

MR. CHAIRMAN.- I was told that because of the power surge yesterday, the microphones have a problem. What we will do, as suggested by my staff, we will take a 10-minute tea break, we can all have tea and they will readjust the microphones. We will then start with 23.25.

Thank you very much. We will adjourn for 10 minutes.

The Committee adjourned at 11.23 a.m.

The Committee resumed at 11.48 a.m.

MR. CHAIRMAN.- Thank you, Honourable Members, members of the team from the Ministry of Education, the OAG and the MOE; we can now take this next segment of our presentation.

As stated, PS, if we are not able to finish the 2015 Report today, we will take that on another day but we should be thorough as possible because this is the only time we are reviewing this 2014 and 2015 Reports, and then we will await the next reports. So we can now start with Item 23.25 - Unaccounted Laptops - One Laptop Per Child (OLPC) Programme.

What is noted in here is that, and I quote from the Report:

“The audit on 15/12/14 carried out physical verification of the laptops purchased under the LPC program. The laptops were stored and distributed through the Primary Section Storeroom. The physical verification revealed that 60 laptops worth $27,600 were missing. Refer to Table 23.21 below for details of the items.

The Research Officer OLPC Program did not provide any explanation for the missing laptops. The finding indicates poor administration of the laptops under the OLPC program by responsible officers. The lack of proper administration of laptops increases the risk of loss of public funds through theft.”

The comments by the Ministry was that, I quote:

“There were some laptops delivered to schools as advised by the former PEO Primary & SEO Primary which was not recorded or taken into account.

The Ministry will ensure that it maintains proper record keeping in future avoiding discrepancies.”

What we need to know about this is, whether the laptops are actually missing and if they were delivered, what proportion was delivered and why were the records not kept?

HON. RATU S.V. NANOVO.- At the same time, Mr. Chairman, just to inquire whether the missing laptops were also reported to the police?

MR. CHAIRMAN.- Yes.

MR. S. LAL.- We did conduct an internal investigation into this matter with the respective officers some time in 2015. What they had updated us on was that, the laptops were distributed to the schools upon verbal advice from the former Directors but there were no records kept for it. However, they were distributed to all the schools but it was only the recording part that was missing from that.

HON. A.M. RADRODRO.- You mean to say that there were no missing laptops, it is just the recording that gets updated by your Ministry to account for the 60 variance?

MR. S. LAL.- Yes, Sir, in terms of the dispatch book and the inventory records that is kept at HQ.

HON. RATU S.V. NANOVO.- Have they been advised, the Auditor-General, to rectify this?

AUDIT REP.- If not, we will be able to provide the report that was prepared.

MR. CHAIRMAN.- The laptop actually went missing or was it the recording issue?

HON. RATU S.V. NANOVO.- They have to advise.

MR. CHAIRMAN.- So that resolves it. The Ministry has got to implement proper monitoring system now to see that it is dispatched properly.

HON. RATU S.V. NANOVO.- Mr. Chairman, has any disciplinary action taken against the officer-in-charge for not doing his recording work properly in this matter?

MR. S. LAL.- The officers have retired, Sir.

MR. CHAIRMAN.- That is the issue that I was worried about. If an officer retires, the subordinates would still be there so they would know what has gone wrong, would they not?

If they are able to point in the right direction, you can still charge them but criminal offences do not have any limitation period. When it is discovered, you can always go after them and the Ministry is in the right position to report some of those things because what will happen is, actually leaving a room for those people who are about 53 or 54 years old, and the things they will do and then they will retire. “No one will catch us”, is it not? But So I will leave it in your hands, but we will also make some recommendations in that regard.

MR. I. TIKO.- Mr. Chairman, the OLPC initiative was not planned very well, so to say. We purchased laptops without the proper software to apply it into our primary school level. We used a few pilot schools but in the end, we found out that one of our local bidders have gone in to secure the role of provider of the software and in the whole process, they demanded that we pay fees for our school teachers who are going to be trained to use the OLPC so it complicated the whole issue. The Honourable Minister then instructed that we leave it at that and we will reinvestigate when we could find all our laptops where they are right now but mainly with our primary schools which have got fully air conditioned computer rooms prepared and we have furnished all of them. We are just moving from one education district to the next in trying to verify all the laptops that were supplied from the Ministry through the OLPC initiative.

MR. CHAIRMAN.- Is it this kind of laptops that you are using, or the IPad?

MR. I. TIKO.- It is not the IPad, it is not the ones that we are using. When you look at it, they look green and white in colour and more like for computer games, sort of. We did not know that USP has already done the software and they were marketing it from USP, so we approached the University leadership if we could have a partnership in that, but so far nothing has become fruitful, Mr. Chairman.

MR. CHAIRMAN.- Not to worry, that is probably a Ministry’s policy issue. The issue here is whatever was on the ground at that time, whether that has been controlled, I think that has been well-explained.

23.26 - Laptops not Verified When Received; this is on the same issue.

23.27 - Audited Accounts not Submitted by Grant Recipients; what is this about, for respective schools or is this for the Fiji Museum, Fiji National Trust of Fiji?

It says, and I quote:

“The recipient of the Grant Assistance shall prepare an acquittal report. The acquittal report shall provide the following information:

i. Details of grant money expended and unexpended;

ii. Grant objectives and targets achieved; and

iii. Financial statement (audited if practicable) for grants of $20,000 or more35.

The Ministry provides grants to Fiji Museum, National Trust of Fiji and Fiji Arts Council. The grants provided to each of these agencies are in excess of $20,000. The audit noted that these agencies have not been submitting their audited financial statements to the Ministry of Education for the past few years.

The audit also noted that the Ministry continued to provide annual operating grants despite the agencies not submitting the audited financial statements.”

We had this issue when we were dealing with the Fiji Museum. They have not been submitting their accounts to the OAG and they come under the Ministry of Education. In the absence of audited financial statements or proper acquittal reports, the Ministry cannot substantiate whether grants were used for the purpose they were given for. There is a higher risk of grants not being properly used. Can you provide a bit of explanation on that? You have noted in your comments that the Ministry will ensure that grant recipients submit their financials and the Ministry will continue to monitor the usage of grants. Is that thing under control now?

MR. S. LAL.- Mr. Chairman and Honourable Members, with respect to the respective agencies that we provide grants to, some financials have not been submitted way back in 2010. Fiji Museum has already engaged an external auditor, Ernest & Young, to review that currently to mitigate the risk of grant not being used for that purpose. But we require them to provide acquittals on a quarterly basis before we release the next set of grants, so the risk of that is being mitigated from 2014, 2015 onwards, to ensure that the utilisation now is in accordance to what it is required for.

MR. CHAIRMAN.- By the time probably the Museum gives its accounts, it will be fit to replace in the Museum as well, they are very old.

HON. A.M. RADRODRO.- Mr. Chairman, just a supplementary question to 23.27; which other organisations the Ministry gives grant to apart from these three?

MR. S. LAL.- Fiji Arts Council and Fiji Museum.

HON. A.M. RADRODRO.- What about grants to FNU, who manages that?

MR. S. LAL.- That goes through the Higher Education Commission.

HON. A.M. RADRODRO.- Let us move to the next one.

23.28 - Unbudgeted Expenditure which states, I quote:

“The Ministry did not have any allocation as ‘Other Setup and Implementation’ (allocation number 21101-91012-070299) in its 2014 budget. However the audit noted that the Permanent Secretary for Education vired funds totalling $2,130,426 from different allocations on three occasions into ‘Other Setup and Implementation’ allocation. Details of the virement are shown in Table 23.23 below.

The audit further noted that funds totalling $1,855,634.11 or 87.1% from ‘Other Setup and Implementation’ were used by the Ministry to procure goods, services or works that were not budgeted for. The payments were approved by the Permanent Secretary for Education.

The finding indicates that proper procedures were not followed by the Ministry to seek approval for use of public funds. Hence the funds vired to allocation ‘Other Setup and Implementation’ was not approved by the Parliament.”

Recommendations

* The Ministry of Finance should investigate this matter and take appropriate action.
* The Permanent Secretary for Education should:
* cease the practice of transferring funds from other allocations into ‘Other Setup and Implementation allocation’; and
* cease the use of funds from the ‘Other Setup and Implementation’ allocation.”

Can you explain what is happening there?

MR. S. LAL.- Yes, Sir, we tend to deviate from the findings. The proper virement processes were followed to ensure that virements were approved by the MOE prior to it being loaded into and utilised for the specific purpose.

MR. CHAIRMAN.- Why is there a need for virement? When funds are exhausted in one particular section, then you move from that one to the other?

MR. S. LAL.- Yes, Sir, if you come up with some new initiatives that is not budgeted for.

MR. CHAIRMAN.- That means that when you do your budget submission, you allocate areas that this is where we need the funds for. If you move the funds from one area to the other, that means that the other area will be neglected or there will be work in that area. How do you cater for that?

What I am basically asking is that, the Permanent Secretary at that time used about $1.8 million for other setup for implementation.

MR. S. LAL.- Sir, in terms of that, we ensure that we abide by our Annual Corporate Plan and all our activities that are mentioned that are adhered to. It is a budget and then we start incurring actual expenditure which we come across with surpluses as well. During the year, the management may decide to let go of some initiative and go on with some other, so that is the reason why virement is required to be done.

MR. CHAIRMAN.- What sort of checks and balances do you do for virement, to say that if the funds move to the other unbudgeted sector, then the budgeted one does not get affected. Is there anything you need to seek approval from the Ministry of Finance?

MR. S. LAL.- Yes, Sir, in the financial instructions, there are separate SEGs that the respective Permanent Secretaries can approve and they are certain that we will go through with the MOE but for all, it will go through the Ministry for Economy for loading into the GL. So all of it will go through our Permanent Secretary to the MOE and once it gets approved, then the Ministry will be able to utilise those funds.

HON. RATU S.V. NANOVO.- A supplementary question to that, Mr. Chairman; is there a limit to where you can do virement, say only up to $2 million or $3 million?

MR. S. LAL.- Sir, there is no limit for virement. There are restrictions on the segment that you can vire from.

HON. RATU S.V. NANOVO.- Still on that, who gives the final authority within the Ministry, is it the Permanent Secretary alone or a Committee?

MR. S. LAL.- It is the Permanent Secretary that has the authority over it in accordance with the Financial Instructions.

MR. CHAIRMAN.- That brings us to the end of 2014 Accounts. If there are no further questions, we can move to the 2015 Accounts.

It was an unqualified report that started with 21.2 – Statement of Receipts and Expenditure. Are there any questions on 21.2?

The revenue that the Ministry collects is mostly from examination fees, government day schools, fees from government boarding schools, registration commission and student fees from Technical College of Fiji. Technical College students pay fees for studies?

MR. S. LAL.- Yes, Sir, they are both private as well as sponsored students.

MR. CHAIRMAN.- I guess TELS also?

MR. S. LAL.- Yes, sponsored through TELS.

MR. CHAIRMAN.- Any questions in that regard?

(There were no questions)

Can we move to 21.3?

HON. RATU S.V. NANOVO.- A question on Table 21.1; what is that commission component in the State revenue column amounting to $101, commission for what?

MR. S. LAL.- Sir, can I get back to you on that under specifics of the Commission?

HON. A.M. RADRODRO.- Sir, on 21.2, I reiterate my question that I opposed earlier on the SEG 1, Established Staff; there is an over-expenditure of about $8.2 million. This would include the revision of starting salary for teachers at $12,000 per annum. Can the Ministry advise us whether that is the case?

MR. S. LAL.- The new recruits in that year were budgeted and the budget was provided for that. The over-expenditure relates again to as in 2014, the allowances that are being paid.

HON. A.M. RADRODRO.- In SEG 1?

MR. S. LAL.- Yes, in SEG 1.

HON. A.M. RADRODRO.- In this particular year, the $12,000 new starting salary came into force, is it?

MR. S. LAL.- Yes, Sir.

HON. A.M. RADRODRO.- The other question is that, this $12,000 salary, is it fixed for all new starting post holders or does it vary?

MR. S. LAL.- Sir, it was a one-off probationary one-year period for the new recruits.

HON. A.M. RADRODRO.- Being at $12,000?

MR. S. LAL.- Yes, Sir.

HON. RATU S.V. NANOVO.- Still on that, Mr. Chairman, for teachers who are going to be posted to rural schools, what sort of allowances would you pay them and whether that also had an impact on this budget? Was that taken into account when preparing that budget?

MR. S. LAL.- For the 2015 Budget, that was not accounted for.

HON. RATU S.V. NANOVO.- Why?

MR. S. LAL.- As per the reasons provided for in the 2014 Report. We did not have a correct Person to Post listing at that point in time. We were able to rectify it during mid-2015 and that was incorporated in our 2016 Budget submission.

MR. CHAIRMAN.- That was explained by the PS and the Accounts Officer earlier in the 2014 Report.

MR. I. TIKO.- Mr. Chairman, also important for the information of the Board that the $12,000 salary was not a salary level for teachers in the country. We took the hard yards just for a reason because there were a lot of graduates floating around in society that have not secured any teaching job, so we tried our best to employ everyone who were out there qualified but we then saw it from the other perspective the fact that the Universities or our teacher providers were recruiting at will.

They were not provided a proper quota to work on to enable the graduates to have hoped to secure employment and also able to repay loans that they owe Government so when we came in, the process was in a mess. We tried our very best to start off by recruiting as many of the floating teachers as possible. That was the reason why we advertised in that year that this would be the starting salary of teachers, so once they got in, we readjusted their salary scales by 2016 because they were already in the system and we are not intending to use that salary scale anymore because it was just not fair for a graduate to start off on a $12,000 salary.

When we looked up in the market, we found that the Bachelor of Commerce, Economics, Accounting graduates out of USP were starting on a $10,000 in some of our private markets but we thought that we were better off, $2,000 above with graduates for teachers.

MR. CHAIRMAN.- At least, they had some employment as opposed to being unemployed.

MR. I. TIKO.- Exactly.

MR. CHAIRMAN.- With that money, they could repay their loans.

MR. I. TIKO.- Because those were the complaints and the concerns that were raised through our office when we started, that is the team.

HON. A.M. RADRODRO.- Thank you, Mr. Chairman, thank you PS for that explanation. I think one of the challenges that has been facing the employment situation in Fiji is to fit in those with higher degrees and level of attainment and the comparison that has been highlighted, comparing with other Departments of Government, say for the Security Forces, they have a higher starting salary as compared to people who come out of graduation.

I was hoping to ask whether that $12,000 starting salary will be reviewed in the near future and that was my next line of question. So now that you have answered that, it would probably be reviewed down compared to other security institutions.

MR. I. TIKO.- Like I said, Mr. Chairman, it was just a one-off measure that we took to be able to employ the number of teachers or the mass of teachers that have graduated without a job. They were knocking at our office because they have got a loan to pay.

MR. CHAIRMAN.- That is understood.

HON. A.M. RADRODRO.- Sir, just a comment on that; it could be interpreted that they have a better option in the security institution, if that is the case.

MR. CHAIRMAN.- He cannot answer that, he is not the Permanent Secretary for Defence.

Item 21.4 - Statement of Losses; there was a loss of $34,847.36 reported for the Ministry. Items worth $17,000 were lost into theft, so there is another theft and items worth $81,142 were written-off following the conduct of the Board of Survey. Moreover, the General Ledger balance of $49,940 was written-off, approved by the Ministry of Finance. Can that be explained, items worth $17,000 were lost into theft, this is theft from within the Ministry?

HON. RATU S.V. NANOVO.- Mr. Chairman, can they advise us whether this has again been reported to police?

MR. CHAIRMAN.- Yes.

MR. S. LAL.- Sir, we can assure you that all cases are reported of theft to the police and we will be more than happy to provide you with the reports from the police.

HON. RATU S.V. NANOVO.- Progress finding from the police up to now, have they come back to you regarding their investigation of theft?

MR. S. LAL.- We have got follow-up reports from the police on two of the cases for their investigation. We will be able to provide you with the correspondence for all those theft cases.

MR. CHAIRMAN.- Are you in a position to let the Committee know what sort of theft was this, such as stationery equipment?

MR. S. LAL.- Probably, there were some laptops and things that were stolen from the Technical College, the new Technical College in Nabua that is there.

MR. CHAIRMAN.- Stolen by staff or from outside?

MR. S. LAL.- It was a break-in.

MR. CHAIRMAN.- If you are able to answer this, are those things insured? When you buy that, does the Ministry have any general insurance policy?

MR. S. LAL.- No, Sir, there is no general insurance policy on theft for the whole of Government for that matter.

MR. CHAIRMAN.- What about those items worth $81,144 written-off following the Board of Survey, are those furniture unusable?

MR. S. LAL.- Yes, Sir, those were related to IT equipment that were obsolete in nature.

MR. CHAIRMAN.- $49,940 was written-off from the General Ledger, approved by the Ministry of Finance.

MR. S. LAL.- This is related to the initial write-off of $6.8 million so there is just an adjustment that was left out initially in that $6.8 million adjustment that was done.

MR. CHAIRMAN.- Alright, that was an exercise.

Part B: Audit Findings; 21.5 – Stale Cheques Appearing in Unpresented Cheque Listing; I understand that there is a lot of issues of stale cheques but have you employed Electronic Fund Transfer (EFT) now?

MR. S. LAL.- Yes, Sir, we do utilise EFT mode of payment as well. The stale cheque one was largely due to not being able to put it in that general vouchers but those are being adjusted now.

We do utilise EFT but there are certain payments mostly by cheques, especially for our teachers and those who come from remote areas during travelling.

MR. CHAIRMAN.- Is there still an issue of unpresented cheque?

MR. S. LAL.- Yes, we do have an issue with unpresented cheques but those are adequately mitigated now through reconciliations.

MR. CHAIRMAN.- If a rural teacher is given a cheque and is unpresented, do they have a recourse to come back to the Ministry and ask for another cheque?

MR. S. LAL.- Yes, Sir, those funds that would become stale, we would journalise that as an expenditure item into our GL so we will still be able to utilise that expenditure.

MR. CHAIRMAN.- Because probably, some of the islands do not have a bank to cash those cheques?

MR. S. LAL.- Yes, Sir.

HON. A.M. RADRODRO.- On these stale cheques, these are all relating to or most of it, the figures seem familiar and they are similar in nature. This is relating to salaries and wages. If you look at the table, the figures are similar in nature in terms of the amount. Is the table relating to the salaries, the Table on Appendix 21.1?

MR. CHAIRMAN.- There are some amounts, $71.44, appearing in many places.

MR. S. LAL.- This is mostly related to transfer allowances and expenses for teacher transfers.

HON. RATU S.V. NANOVO.- Transfer allowance then you write it off?

MR. S. LAL.- No, Sir, this means that the teachers were not able to present or the suppliers were not able to present the cheque to the bank within the six months period that the cheque is valid.

HON. RATU S.V. NANOVO.- Then what do you do after that?

MR. CHAIRMAN.- The money we are shown are revenue, I think, that is what we heard.

HON. RATU S.V. NANOVO.- The cheque can only become stale if it has not been presented after six months. Between that six months, what were you doing, were you reconciling your account to ensure that all those cheques are being cleared within that time?

MR. CHAIRMAN.- The procedure is in six months, you could be presented on the last day as well, so that you cannot anything in another six months.

HON. RATU S.V. NANOVO.- What I am talking about here, it is a monthly reconciliation, they were doing that, they will monitor all the unpresented cheques at that time. You cannot leave it to the end of the six months period.

MR. CHAIRMAN.- What purpose will it serve if they do not want the reconciliation?

HON. RATU S.V. NANOVO.- You will identify the unpresented cheques and you follow up and tell them to pay, to take it to the bank for clearing.

MR. CHAIRMAN.- Can you explain, I do not think it is their responsibility? If someone does not present a cheque, that is not the Ministry’s problem but you can explain if you are able to.

HON. RATU S.V. NANOVO.- What can you do about that? How can you assist in that area?

MR. S. LAL.- I think the issue in the Auditor’s Report is that, it was not adjusted in our GL rather than not being presented or not in terms of updating in our GL. The General Voucher was ready but due to some incompetency, it was not entered but then it was later adjusted to the same accounting period as per our comments.

AUDIT REP. - These are the stale cheques that are appearing in the Unresented Cheque List. After six months, the cheque becomes stale. We would assume that the onus is on the recipient of the cheque to deposit the cheque to their account and cash it. After six months, the Ministry then looks at the list of the cheques there and then they either put it back to expenditure or wait for the previous years. It is journalised and written off to remove it from the Unpresented Cheque List.

For the six months, as I mentioned, the onus would be on the receiver of the cheque to then cash it. For the Ministry, they would just have to wait until it expires because as mentioned, the receiver of the cheque may then cash it on the very last day of the six months lapse period.

HON. A.M. RADRODRO.- During these particular instances, they have to pass journal vouchers (JVs). In these instances, were the cheques presented and if they were during the period, what sort of action was taken to clear them out before the six months from this account?

MR. S. LAL.- Sir, we will not be able to clear it before the six months because it would still be valid payment. We will only be able to action it after it becomes stale because it is not being claimed by that particular person. That is the accounting process that is in place.

MR. CHAIRMAN.- If they clear it before the six months and he presents it on the last day, then he will come back to the Government to say, “You issued me a cheque and you have stopped payment on that.”

MR. S. LAL.- The reconciliations would highlight those cheques that would be cleared. Reconciliations are the things that are highlighted, it is just that the JV was not passed. The reconciliations did highlight the number of stale cheques.

MR. CHAIRMAN.- Item 21.6 - Write-Off; that amount of $49,940, the final comment from the OAG was that, and I quote:

“The write-off indicates lack of proper review, monitoring and supervision of reconciliations prepared by the Ministry.”

The issue was, and I quote:

“The audit noted that the Ministry of Finance approved the following write-off to the Ministry’s general ledger balance for the year ended 31/12/15.”

What was that for, just to clear their accounts?

MR. S. LAL.- Yes, Sir, it is related to the $6.8 million write-off and there was still $49,000 that was sitting in that allocation that was cleared off in 2015.

MR. CHAIRMAN.- So it was the books that were cleared.

MR. S. LAL.- Yes, Sir.

MR. CHAIRMAN.- Item 21.7?

MR. S. LAL.- It was written-off by the MOE so I think they will be able to explain.

MR. CHAIRMAN.- That amount of $49,940?

MR. S. UDRE.- Mr. Chairman and Honourable Members, the write-off was way back in 2004 during the time of the mapping over to the FMIS and there might be a huge possibility that there were figures going back before that date.

MR. CHAIRMAN.- 21.7 - Understatement of Expenditure in the Financial Statements; it says, and I quote:

“The audit noted that the expenditure totalling $1,171,464.53 incurred in 2015 was not included in the Ministry’s Agency Financial Statements for the year ended 31/12/2015. The expenditure was posted to the Prepaid Expenses accounts in the Revolving Fund Account (RFA) general ledger as at 31/12/156.

Discussions revealed that the amount of $1,171,464.53 was the balance which Ministry could not clear from RFA due to insufficient funding. The expenditure related to examination expenses and the given budget was not sufficient to cater for these expenses, therefore the Ministry used the RFA. As a result, the Ministry’s expenditure for 2015 was understated by $1,171,464.53.”

What is the issue there?

MR. S. LAL.- Sir, the RFA is an advanced account whereby unbudgeted payments were made in advance and then there is funding in the GL then that gets cleared. So due to some of our initiatives, such as the examination expenses, that largely led to payment from RFA that was cleared in the following financial year, the expenses for it. Payments were mostly related to supervisors’ and markers’ allowances.

MR. CHAIRMAN.- I thought that it is a fund that is *ad hoc* given to the supervisors for allowances. It is not a budgeted item, because how many supervisors are needed for a particular school, we do not know that or do they?

MR. S. LAL.- The budget provided for was not sufficient to meet those expenses.

HON. A.M. RADRODRO.- Mr. Chairman, the way the audit issues have been highlighted looks like this particular exercise was never budgeted at all when the 2015 budget was set up. Therefore, this is like an *adhoc* decision that needed to be accommodated through this funding arrangement.

MR. CHAIRMAN.- What it says in the explanation is that, only $300,000 was given to cater for the expenditure but it was found that they needed $1.6 million. $300,000 was given for the printing of exam papers in 2015 and $1.6 was given in 2016. Therefore, the Ministry used the RFA to cater for the expenditures.

This was one of the Government’s initiatives that the Ministry had to go forth with the printing of the exam papers. The Ministry would also like to highlight the $200,000 was brought forward from 2014, so the Ministry went ahead to print the papers because there was not enough funding for that.

MR. I. TIKO.- Mr. Chairman, just for the information of the House, the examinations we are looking at here were not only external examinations. They have also brought in national examinations at all levels to be prepared from the Ministry of Education and administered at all school levels. That brought up the number of examination supervisors to a level that did not match what we had budgeted for.

HON. A.M. RADRODRO.- May be, Mr. Chairman, if the PS would like to answer the question, if not that is alright. What prompted the Ministry to incur or introduce this examination? Sir, the way I can look at this, $300,000 was probably that a study needs to be done but to incur $1.8 million, which is the actual expenditure for the examination being conducted.

MR. I. TIKO.- Mr. Chairman, it was not something that we were trialling, it was something that we have thought of as the best way forward after we have evaluated the findings of our investigation on scaling. When we removed scaling, it came up with a lot of other revelations which, sort of, pointed to the ills that now exists within our education system.

One such ill, Mr. Chairman and Honourable Members of the Committee is that, teachers who were teaching towards the examination, because of scaling teachers know that they do not have to push for a 100 percent effort. They will just push the child to a 35 percent effort, the scaling will do the rest. It has dominated the teaching fraternity to an extent whereby the teachers could be able to pinpoint how much score a child should get and how it will turn out at the end of scaling - the raw results.

With that, we have also evaluated all the local examinations done in our local schools. We have found that the level of the papers prepared was just not right in blueprint terms of preparing examination. Teachers were much often caught in preparing or just lifting from one school test to the next or to the neighbouring schools. Schools were exchanging test papers to dodge that effort in really sitting down, setting a test proper examination blueprint and setting question items to suit the blueprint so we thought we were going to take hold of that, Mr. Chairman and Honourable Members of the Committee, and redirect our examination system to gain a bit of integrity. That was the reason why we went down that pathway.

MR. CHAIRMAN.- I heard the recent comments of the Honourable Minister, in fact, that no school has crossed 50 percent in Maths in the entire nation when the internal examination results showed 94, 95, 99 percent. That means there were some discrepancies. The scaling was pushing the marks up or the teachers were probably not doing their part right, so that actually explains that expenditure in that area.

MR. I. TIKO.- You may remember, Mr. Chairman and Honourable Members of the Committee, Fiji was the first to take its step in that direction, simply because the whole mechanism that was instituted to continuously review scaling was defunct in the South Pacific region. They have failed us miserably, it used to be a job of SPBEA before. We could not trust them anymore so we had to take our steps locally to avoid a lot of embarrassment later on.

However, we could all remember that soon after we took that bold step, Tonga and Samoa followed us about a month in between. That was something that we boldly took a step towards to avoid the misjudgement that is happening at our tertiary level. If we bring the data out to this Committee, Mr. Chairman, it is quite embarrassing. There were intakes into our tertiary institutions who were coming in, who cannot even write an accurate grammatical sentence.

MR. CHAIRMAN.- In fact, the implementation of scaling is beyond the audit query but it was implemented and there was no monitoring system at that time, as you mentioned. So the idea was implemented and no one corrected it over the years. It kept on producing, someone getting 20, but the raw mark would be up-scaled to 80, and the University intake was showing that. In any event, you can take it further from that.

HON. A.M. RADRODRO.- Thank you, PS, for the explanation. I think it is good that the Ministry has identified the performances in schools, it is only relating to the school work and not taking into account other factors - political, social and economic. Hopefully, I am just asking about whether you have a vision, when will this become an improvement in terms of output from school? Do you have any timeline to ensure that this programme begins to show reality?

The second part is, the amount that has been spent on exam papers, we note that some schools were printing their own exam papers last year and the year before. How does that cost incurred by the schools get factored into the Ministry’s expenditure paper costs?

MR. I. TIKO.- Mr. Chairman, to answer the first question from the Honourable Member of the Committee, I think with all due fairness, we were on our way down continuous internal assessment. That was the strategy that was brought in by previous Governments but we then got jolted. I think it was the previous Minister.

With that internal assessment, Mr. Chairman, school settings around Fiji were not really 100 percent ready or sure to take on board the new initiative and that transpired into a lot of teaching and learning ills that followed. It got worse to the stage that we have to advise the new incoming Honourable Minister that we need to take a serious research on this.

We consulted the professionals and got our data provided and we analysed our data right down to the last figure and it was very alarming so to say, but the effect of that short-term, three-year phase of internal continuous assessment, when we removed the external exams, took us up to 2014 and 2015. By then, students who were going through the transition of internal continuous assessment have reached tertiary level. This was when all our tertiary institutions started rattling the red-light and calling for help towards the Ministry of Education, so we knew that something has to be done quickly to guide us in the right direction.

We have gone past a couple of years of exam now. We thought that we were not going to only bring back external examination. We need to set final year examination at all year levels of our secondary schooling at the national level and that has been done and the results in the last three years have been encouraging. On a new initiative, we have come back without any jolt period and we have steadily gained rise and the line has got a good gradient year in year out as we progress after that.

We are hoping that it will take us through as you can find around these tables, Mr. Chairman and Honourable Members of the Committee, products of raw scores. We were products of raw scores. When the organisation that was assigned to continuously review scaling, so to assist in both ways and encourage teaching and learning, when they sleep on their job, that is the best option Fiji can have. We will go back to raw scores because it will save us in the long run.

MR. CHAIRMAN.- Thank you very much for that.

HON. A.M. RADRODRO.- A supplementary question to that on this exercise of raw scores. Are you looking also at having teachers' salaries which is a big contributor to this whole exercise?

MR. I. TIKO.- Mr. Chairman, we have thought of that. We thought of proposing a new paper but the Government’s new reform has pointed us to the right direction. We are working on Job Evaluation right now. We have sent out questionnaires to all teachers and all education officers and I think at the end of this Job Evaluation Exercise, we will get to redress salaries in terms of all our teachers on the ground.

MR. CHAIRMAN.- I think we should move on to the next segment that was by way of background.

Item 21.8 - Over Expenditure; states and I quote:

“The audit noted that for the past five years, the Ministry has over spent the funds allocated for Established Staff (SEG 1) and Government Wage Earners (SEG 2) in the Budget Estimates. Refer to the Table 21.4 for details.

Incurring expenditures in excess of the budgetary allocation indicates poor budgeting and financial management.”

Recommendations

The Ministry should ensure that:

 proper planning and financial management practises are employed to avoid over

expenditures;…”

Your comments were, I quote:

“Audit is noted. Ministry would like to inform Audit that the over expenditures are due to the payment of allowances such as the location allowance. As per the General Orders, it is Ministry’s commitment to pay the location allowance and the budget given for location allowance for 2015 was not sufficient to cater for the allowances. The budget for 2015 was $600,000 whereas for 2016 Ministry was given a budget of $5.3m to cater for the same expenditure. Moreover, the budget for 2015 was insufficient to meet the expenditure and Ministry had incurred over-expenditure due to these allowances.”

The question is; once you make your Budget presentation, do you highlight these issues that these are the number of teachers that you will post out to rural areas?

MR. S. LAL.- Yes, Sir, this was highlighted in our 2016 Budget submission.

MR. CHAIRMAN.- That there was an increment?

MR. S. LAL.- The 2016 Budget which was presented in 2015.

MR. CHAIRMAN.- That is why there was an increment there?

MR. S. LAL.- Yes, Sir.

MR. CHAIRMAN.- Item 21.9 - No Board of Survey for Drawings Account; again, the Ministry failed to carry out the Board of Survey on Drawing Account cheques as at 31st December, 2015. The total of the unpresented cheques recorded in the Drawings Account reconciliation was $4 million.

It says, and I quote:

“The above findings indicate non-compliance to Finance Circular 14/2015 (5.31) to ensure the correctness of unpresented cheque listings.”

This is what I think the Honourable Nanovo was asking earlier, “Unpresented Cheques Listing”, is it under control now? Your note was, and I quote: “The Ministry should ensure that Board of Survey on drawings account cheques is carried out at the end of the year.” There is a Finance Circular on that.

MR. S. LAL.- Yes, Sir, in 2015, that was an oversight but then we addressed that in our 2016 Board of Survey.

MR. CHAIRMAN.- There is a number of issues left from 21.10 onwards. I think we should give a rest to the PS and his staff. We have another 20 minutes left, Honourable Members, what do you suggest? We can take other questions on another day? PS will that be alright? You have been kept in the chair for three and a half hours, you must be tired.

MR. I. TIKO.- Mr. Chairman, I am also engaged with the Job Evaluation Review team and it is now carrying out the exercise down at the GCC building.

MR. CHAIRMAN.- It is happening now?

MR. I. TIKO.- It has been happening from the last two days and I would appreciate if we could move this on and complete it for us today so that I am free tomorrow to join my team again.

MR. CHAIRMAN.- If you so wish you can do it, we could adjourn it to another day, not tomorrow but a week later or so.

MR. I. TIKO.- If that is so, Mr. Chairman, then I will be glad to call it a day now.

MR. CHAIRMAN.- We will not continue tomorrow because we have some other programmes for tomorrow. The Secretary will liaise with you for a day in the following week, would that be alright?

MR. I. TIKO.- Yes.

MR. CHAIRMAN.- Honourable Members, the Secretariat will liaise with the PS and the team from Item 21.1 onwards and that will be after seven days.

With that, I would like to thank the Permanent Secretary for Education, Mr. Iowane Tiko; Director, Asset Management Unit (AMU) Serupepeli; and Director of Finance, Mr. Sukendra Lal; for your attendance this morning and afternoon before the Committee. Also the team from the Ministry of Finance and OAG, thank you very much for your attendance and your answers have been very informative, PS and the team, thank you very much for that.

Your written and oral submissions will be taken into account when doing our report, of course, after we have invited you again for the others. There were a lot of issues left I did not want to rush through so I thought it will probably be better if we do it on another day. With that, Honourable Members, thank you very much. We will adjourn and reconvene in a while.

The Committee adjourned at 12.40 p.m.