**PUBLIC ACCOUNTS COMMITTEE**

**[Verbatim Report of Meeting]**

**HELD IN THE**

**COMMITTEE ROOM (EAST WING)**

**ON**

**TUESDAY, 18TH APRIL, 2017**

**VERBATIM NOTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD IN THE COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON TUESDAY, 18TH APRIL, 2017 AT 9.38 A.M.**

**Submittee: Ministry of Social Welfare, Women, Children and Poverty Alleviation**

In Attendance:

1. Mr. Josefa Koroivueta - Permanent Secretary
2. Mr. Rupeni Fatiaki - Director, Social Welfare
3. Ms. Raijieli Mawa - Acting Director for Women
4. Ms. Saleshni Naidu - Director, Poverty Monitoring Unit
5. Ms. Viniana - Acting Principal Accounts Officer
6. Ms. Mere Toga - Principal Accounts Officer

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MR. CHAIRMAN.- Good morning, Honourable Members, members of the media, secretariat and staff. We are now ready to take our presentation for today and that is the Ministry for Social Welfare, Women, Children and Poverty Alleviation. Today, we are fortunate to have the Permanent Secretary for the Ministry, together with the Acting Director for Women, Ms.Raijeli Mawa; the Director Social Welfare, Mr. Rupeni Fatiaki; the Director PMU, Ms. Saleshni Naidu; Ms. Viniana, the Acting Principal Accounts Officer; and Principal Accounts Officer, Ms. Mere Toga.

I welcome you all, ladies and gentlemen, to this session of the Public Accounts Committee (PAC). As you are aware, we are doing an important task on behalf of the Government and Parliament and that is, to scrutinise your accounts and our invitation to you have noted certain areas that is under scrutiny in terms of your 2014 and 2015 accounts as audited by the Office of the Auditor-General (OAG). I understand that the Volumes must be before you, so we will now allow you to make your short presentation before we can venture into the questions.

After your introductory remarks, then we can go to the question section by section and we will take 2014 first. There are a lot of issues there and then time permitting, we will take 2015 or we will take it on another day but we hope to finish 2014 and 2015 today.

Without taking further time, I welcome you once again. Yes, I was told that OAG is not here but let us start the presentation and seek assistance from OAG as time goes by. Thank you. You can now start your presentation.

MR. J. KOROIVUETA.- Mr. Chairman, Sir, we can wait.

MR. CHAIRMAN.- We will wait for OAG. We have the Ministry of Economy (MOE) Officers to assist us in this process. Can you call OAG and see where they are?

SECRETARIAT. – Yes, Sir.

MR. CHAIRMAN. -They should be here before time because we had instructed them to be here but MOE is quite prompt in that they were here before I came. While we are waiting for them, PS, you have noted that 2014 had a number of issues regarding your Ministry. Is your submissions answering those questions as they arise in the Report or is it a general overview?

MR. J. KOROIVUETA.- We have, as in the Report but we stand by to clarify the responses made then.

MR. CHAIRMAN. – We have noticed that a lot of passages here OAG have noted that there was no comments from the Ministry. Under table 27.5, noted on page 5, no comments provided, so we will appreciate if comments could be provided today for the completion of the Report.

We now have the Officer from OAG here and we can start today’s proceedings. For the noting of the OAG, we have been waiting from 9.20am for your appearance, request that once we send our programme a week in advance, which means officers are to be presents here before time please. Thank you.

AUDIT REP. – My apology, the officer who is supposed to come today is on bereavement leave. His mother just passed away.

MR. CHAIRMAN. -That is unforeseen so it is accepted.

Thank you, PS, for waiting we will now request you to start with your presentation. Do you have a copy of your presentation? Is it written?

MR. J. KOROIVUETA. - Yes, we had sent in a written submission but it is only on corporate matters.

MR. CHAIRMAN. -Not a problem, we can have a look at it later.

MR. J. KOROIVUETA. – Mr. Chairman, thank you very much for this privileged opportunity for us to be with the Parliamentary Standing Committee. We have a team here and we are ready to respond to any matters that need further clarification.

As an introduction I quite agree with the Audit Opinion and also the Statement of Receipts and Expenditures. I think they were very honest, they are very brief, they are right to the point and they are based on evidence that was provided to the Audit Team at that time. But certainly, there were some issues that we would just like to further provide an explanation to the Committee on, matters that have been highlighted and in retrospect, some of the Audit remarks were quite relevant at that time, but we certainly can clarify on that.

Maybe, if we go on as the correspondence from the Parliamentary Standing Committee, Part B on the Audit Findings but at your discretion, Mr. Chairman, Sir.

MR. CHAIRMAN. - Yes, before we go there on Part A, are these matters also addressed in your Part B submission? For example, in bulletpoint 2 on 27.1, it says; “The Ministry did not include in the Statement of Losses the amount of $113,548.42 written-off by Ministry of Finance…” Will you submit on that later on or should we ask that question now?

MR. J. KOROIVUETA. – I apologise, which one is that, Mr. Chairman?

MR. CHAIRMAN.– That is Part A - Financial Statement, 27.1- Audit Opinion; the second bulletpoint. The first bulletpoint has also got this notation; “The Ministry of Social Welfare, Women, Children and Poverty Alleviation did not complete the annual Board of Survey for the whole Ministry.” That is one issue. And then the second bulletpoint that says, “The Ministry did not include in the Statement of Losses the amount of $113,548.42 written-off by Ministry of Finance from the Ministry’s Drawings account. As a result, the correctness of the Statement of Losses submitted by the Ministry could not be verified.”

MR. J. KOROIVUETA.– Mr. Chairman, we can certainly provide an written explanation on that.

MR. CHAIRMAN.– I mean, are you going to address that in your submission later?

MR. J. KOROIVUETA.– Yes.

MR. CHAIRMAN.– So 27.4 also deals with the same issue of Board of Survey in the Northern, Western and Central and Eastern Divisions, so could those three points be addressed?

MR. J. KOROIVUETA. – Yes.

MR. CHAIRMAN. – Now, we can go on to Part B of your Audit Findings.

MR. J. KOROIVUETA. – Mr. Chairman, I will ask our Acting Principal Accounts Officer to respond to that.

MR. CHAIRMAN. – We are referring to 27.5 - Drawings Account or are we going back to Part A? The first Audit issue was, all bank account should be reconciled monthly. Which Part are you on, Part A or Part B?

MS. VINIANA. - Sir, we have prepared the Drawings Account reconciliation for this, and….

MR. CHAIRMAN. – The issue is, this is 2014 Accounts and what was noted in the Audit Findings was that, all bank accounts should be reconciled on a monthly basis. The Audit noted the following anomalies in the Ministry’s Drawings Account, that is in bullet point 1. If you refer to the same book that I am referring to, that is, Audit Finding OAG Report, the Audit noted the following anomalies in the Ministry’s Drawings Account. It says, “A variance of $147,776.89 existed between the Ministry’s closing balance for 2013 and the opening balance for 2014 used by the Ministry of Finance for carrying out the Drawings account reconciliation…” So that is the first part of the question.

MS. VINIANA - Sir, at the moment we are currently working on it because the Drawings reconciliation now is handled by the MOE at the FMIS Section. The variance, I would say this morning, it is represented only for the stale cheques, et cetera, and are handled by the Ministry with the assistance of MOE.

MR. CHAIRMAN. – So are you doing monthly reconciliations now?

MS. VINIANA. - Yes, Sir.

MR. CHAIRMAN. – At that stage in 2014, it was not done, so that is probably why there was this variance. Is the variance a recurring issue in the Ministry now or has it been sorted out?

MS. VINIANA. – It has been sorted out, Sir.

MR. CHAIRMAN. – So the MOE is handling it now?

MS. VINIANA.- Yes, Sir.

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

MOE REP.- Thank you, Mr. Chairman. The issue of that $147,776 was, in fact, solved in 2014 through a write-off because that was a recurring issue which we were not able to reconcile through data migration from the old system to the new system, so it was a write-off in 2014 for that amount.

MR. CHAIRMAN. – This is another case where the accounts could not be verified and you have to write that amount off. That has been an issue across a lot of Ministries because the monthly reconciliations were not done at that stage, it will only identify a problem, probably 12 months later or maybe even later than that. So now, MOE with the monthly reconciliations handled by you, is this problem solved?

MOE REP.- Just to correct something, to prepare the reconciliation it still lies with Ministries and Departments. We assist them on the reconciliations. Just before I came, I want to get the updates so until March, the reconciliation I did has been submitted to-date so their reconciliations are alright now. The write-offs were corrected, now they are able to reconcile each GL balance.

HON. A.M. RADRODRO. – Mr. Chairman, for the information of the Committee, you said, you assisted the Ministry when they are still doing the reconciliation. What sort of assistance do you provide the Ministry in terms of preparing the reconciliation, is that training or any other sort of assistance that you provide?

MOE REP.-Thank you, Honourable Member. Of course, we provide training and I think for Drawings Account there was a new format that was introduced by FMIS to ease the preparation of reconciliations. The MOE is providing training on how to prepare reconciliations and also helping them to do it.

For the last years, MOE was calling one on one officers and they were working through with them, how to reconcile the bank statement with the GL. I think these are the handing over to the Ministries and Departments, now for the Drawings only because as I have said for Drawings, there was a new reconciliation format. For others they were doing it, for Drawings we were helping them to do it because they were finding it hard ,not only for them but other Ministries as a new format was introduced by FMIS.

HON. RATU S.V. NANOVO.- Mr. Chairman, under Drawings Account, the new format of Drawings Account reconciliation was introduced by your Ministry but no training was given to them, it is written in here. Why was not any training given?

MOE REP.- Honourable Member, we did provide trainings and as ….

HON. MEMBER. - (inaudible)

MOE REP.- As I said, after the new format was introduced, we took over the reconciliations from them in 2014 to fast-track the reconciliation because there was a delay in the Ministries to prepare the reconciliations and then we took over the two year’s reconciliation for whole of Government. As I said, we are rolling out to Ministries and Departments this year.

HON. RATU S.V. NANOVO. – After that, did you provide any training so as to assist them in carrying out this new format on their own without your assistance?

MOE REP. - Yes, we did. This year, we are doing it.

HON. RATU S.V. NANOVO. – Why not in 2014? From 1st January, that is a new format. Why was the relevant training not conducted to them to carry out that task?

MOE REP.- The issue was the time factor.

HON. RATU S.V. NANOVO. –Was there training provided or not? That is it, it is written over here.

MOE REP. – In 2014, there was no training provided.

HON. RATU S.V. NANOVO. – Yes, that is all.

MR. CHAIRMAN. – In 2014, the issue that has been raised yesterday, a new system was introduced and the Ministry did not provide training at that time and is not in the OAG Report. That is why there was this variance, they did not know what to do. But now you are saying it has been provided, so we can move on to the next one.

Table 27.4: Variance in Closing and Opening Balance in Drawings Account, below the table, it says:

“The Ministry did not carry out Board of Survey for the unpresented cheques as at 31/12/14.

A variance of $1,521,623.18 existed between the Ministry’s Drawing Account reconciliation and the FMIS general ledger balance as at 31/12/14.”

What was the reason for that?

MS. VINIANA. – Sir, the Board of Survey was carried out in December 2014.

MR. CHAIRMAN. – Was it was carried out? They were saying it did not carry out the Board of Survey of unpresented cheques. Can you confirm that a Board of Survey for unpresented cheques was carried out as at 31st December, 2014?

MS. VINIANA.- Yes, Sir, the Board of Survey was carried out in 2014 with the details of unpresented cheques and all the total cheques issued for the whole month of 2014.

MR. CHAIRMAN. – So, how did the variance of $1.5 million occur if a Board of Survey was actually carried out? Note that the second bulletpoint, and I am referring to Table 27.4 that says that the Board of Survey was carried out whereby OAG is saying it was not.

MS. VINIANA. – It was then carried out or the time the inspection was done, it was not completed at that time, and then we carried out after the closing of the 2015 accounts.

HON. RATU S.V. NANOVO.- Within 2014, it was not?

MR. CHAIRMAN. – At the time the OAG compiled this Report, it was not done, you are saying it was done later?

MS. VINIANA. – Yes, it was done very late, Sir.

MR. CHAIRMAN. – OAG, any comments on that?

MS. VINIANA. – Not within the year.

MR. CHAIRMAN. – OAG, any comments on that?

On Table 27.4, there are two bulletpoints. You had noted that no Board of Survey was carried out on unpresented cheques, they are saying it was done but on a later date. Is that issue resolved, now?

AUDIT REP. – Sir, we will need to verify this.

MR. CHAIRMAN. – Yes, please verify that.

HON. A.M. RADRODRO. – A supplementary question to that; noting the Auditor-General’s Findings at the bottom of Table 27.5, it says, and I quote:

“The findings indicate lack of supervision and monitoring by Senior Officers and lack of coordination between the Ministry and the Ministry of Finance.”

The first question to the PS, what sort of supervisory or monitoring role do you have in the Ministry to ensure that they are being properly monitored in the performance of their work, especially in this particular exercise?

The question to MOE, how often do you conduct your verification with the Ministry and when was the last time you did your verification?

MOE REP. – Thank you, Honourable Member. The last audit that the Internal Audit Team did for the Ministry of Social Welfare was in the financial year 2014. In 2014, we also picked up those issues - delays in submission of reconciliations and some other issues that have been picked up here. As we had been mentioning in our submissions for the other Ministries, the Internal Audit can only recommend and encourage the Permanent Secretary to ensure that there is constant monitoring by the supervisors, so the onus is on the respective Heads to be doing that. Thank you.

MR. CHAIRMAN.– Yes, Honourable Radrodro has pointed out a pertinent issue there. First is the lack of supervision and monitoring by Senior Officers who are within the Ministry. So this is for the PS to respond to and the lack of coordination between this Ministry and MOE. Again, PS and your Ministry, what is your response to the first finding, the lack of supervision?

MR. J. KOROIVUETA. – Thank you, Mr. Chairman. We have learnt from issues of the past and we have now instituted a new mechanism whereby the whole Ministry gets on board for the whole of Ministry coordination and that includes finance; and it is done on a monthly basis. We do it now with our Honourable Minister and they are basically expected to take us on a budget utilisation, keeping in track of how the Ministry is performing against the budget that has been allocated to us, plus matters that relate to accounting for that matter.

MR. CHAIRMAN. – The recommendations in that Report, Honourable Members, do you have further questions in that regard?

HON. RATU S.V. NANOVO.– Still on that, Mr. Chairman, there are number of recommendations given by the OAG regarding that oversight. The last is; “Appropriate disciplinary action is taken against responsible officers.” Was that done in your Ministry when that was not performed to your expectation?

MR. J. KOROIVUETA.- Yes, it was done, Mr. Chairman.

MR. CHAIRMAN. – Will you be able to advise us on what actions were taken?

MR. J. KOROIVUETA. – Yes, we certainly can provide that.

HON. A.M. RADRODRO. – Another supplementary question to the MOE; you have indicated that you conducted internal audit in 2014. You identified those issues but they keep appearing in the Auditor-General’s Report. Can you just advise us whether you have taken necessary steps to relate to the Head of the Ministry, these issues which you identified earlier when the audit was taken?

MOE REP.- Thank you, Mr. Chairman. The internal audit process is such that we conduct an Audit Exit Meeting following the submission of this report. In that exit meeting, we discuss a timeframe in which we can come back and verify the implementation of the recommendations.

HON. A.M. RADRODRO. – In this particular one, who did you verify or discuss with, as you alluded to earlier?

MOE REP.- We would have discussed with the Accounting Head. I apologise that I do not have the details with me but we would have done that.

MR. CHAIRMAN. – Please, have a check of that and advise us. Your Ministry will advise us on what actions were taken. Probably, some verifications done by you must be in the records somewhere, please pull that out for us.

MOE REP.- Yes, that would have been done and the covering memorandum would have been sent to the Permanent Secretary, highlighting the number of recommendations that were implemented.

HON. A.M. RADRODRO. – Between the MOE and the Ministry, I am just trying to check, whether what you are saying has really impacted the work of the Ministry. Otherwise, you will keep highlighting, while they are not knowing what you are highlighting.

MR. CHAIRMAN. – MOE will check and let us know.

The Ministry’s comments, PS, one of the first areas that we have noted, at that time no comments were provided by your Ministry, so what is an issue there? If these answers were there at that time, did you attempt to explain to the OAG the reasons for those? The Ministry’s comment there is, “No comments were provided.”

MS. M. TOGA. – Mr. Chairman, I believe that we did provide a verbal response to them at the time the audit was carried out.

MR. CHAIRMAN. – OAG, there were comments provided, but you have noted that there were no comments provided.

AUDIT REP. – Thank you, Mr. Chairman. For report purposes, for example, in this case, we normally request Ministries to provide written comments.

MR. CHAIRMAN. – So, for the Ministry, PS, I think it is better that you provide written responses which the OAG will have some substance to write on. Verbal is like anyone’s words, unless it is recorded but we cannot verify it. So, please ensure that it is in writing in future.

Can move to the next one, 27.6 – Unpresented Cheques Listing. At the bottom it is noted, and I quote:

“…the unpresented cheques totalling $3,472,703.25 for the Ministry as at 31/12/14 was inclusive of $1,404,786.08 or 40.5% of EFT. In addition some of the EFT amounts included in the Drawings account reconciliation does not reflect dated far back as 2013.

The findings indicate poor reconciliation and monitoring process of the Drawings account. As a result the unpresented cheques listing was overstated by $1,404,786.08…”

So, what are these unpresented cheques usually for, are they welfare assistance?

MS. M. TOGA.- Mr. Chairman, I believe that all cheques that were shown as unpresented cheques were those cheques that had been stale and not presented to the bank.

MR. CHAIRMAN. – We know that unpresented cheques means those not been presented, but what are those cheques? Why were they not presented? Was there any monitoring system in your Ministry which the OAG suggested, like monthly reconciliation, to see if the cheques are being presented on regular basis?

MS. M. TOGA. - I believe, Mr. Chairman, majority of the unpresented cheque in the list was from the Electronic Fund Transfer (EFT) where we just deposit - direct payment to the bank and those are listed under all our unpresented cheque list which I believe we had no control over because when we did the payments directly to the bank and it goes directly to the payee’s bank account.

HON. A.M. RADRODRO. – For cheques, if there is EFT, you just transfer from here to there and money is automatically deposited into the account of the supplier?

MOE REP.- You are right, Honourable Member. Yes, when we do EFT we do not write cheques, it goes direct into the account. Unpresented cheques are for those cheques which were written but not presented to the bank.

MR. CHAIRMAN. – How can that happen if it is EFT? Can the Ministry have any explanation on that?

MS. M. TOGA.- Mr. Chairman, because that is the EFT payment and I believe that the MOE are finding other ways now where we have to reduce cheques issued by the Ministry.

MOE REP. – Thank you, Mr. Chairman. With the EFT as earlier mentioned, the transfer is done immediately or the day after, therefore, we would have a minimum or no unpresented cheques. What may have happened in this case was that, most probably in the process of doing a fund transfer to the bank, the complete cycle within the FMIS system was not adhered to. Though the cheques have been presented, either the money has been sent to the recipient which the FMIS system did not complete the processes that we have of about six or seven steps.

When those steps are not completed, then it shows as unpresented in the ledger hereas the funds have been transferred to the recipients. That is why, Mr. Chairman, there was a big amount.

MR. CHAIRMAN. – The fund would have been transferred, it is just that it did not show it properly?

MOE REP. - Yes.

MR. CHAIRMAN. – The other thing could have been that some details were incorrectly entered, for example, bank account details, it was shown in two days later that it was returned.

MOE REP. - Yes.

HON. RATU S.V. NANOVO. - Mr. Chairman, how can the fund be transferred without the process being completed? How can that be done?

MOE REP.- Thank you, Honourable Member. We have just introduced the EFT in Government and this is something new that the Ministries are still trying to learn. As I mentioned earlier, there is a process flow, it is just that the Ministry may not have completed the whole cycle to remove this from that particular unpresented cheque listing but in as far as the funds, it has been transferred and it has been reduced from the bank balances.

MR. CHAIRMAN.– The main issue there is that the findings indicate poor reconciliation and monitoring process of the Drawings account. As a result, the unpresented cheques listing was overstated whether it is EFT or unpresented cheques, the issue there was the Ministry had poor reconciliation and monitoring process. Is that under wraps now? Has the Ministry introduced any reconciliation and monitoring process?

MS. M. TOGA. – Mr. Chairman, we are undergoing training with the MOE at the moment.

MR. CHAIRMAN. – In terms of reconciliation monitoring?

MS. M. TOGA. - Yes, Sir.

HON. A.M. RADRODRO.– A supplementary question to the MOE; what happens in this particular case where the process is not followed (as you stated) and the funds are gone, how do you reconcile or correct this?

MOE REP.- Thank you, Honourable Member. Normally, it is like bank statements, we reconcile bank statements with the GL balances and that is how we pick it up and then we correct it through journals.

HON. RATU S.V. NANOVO. – (inaudible)

MR. CHAIRMAN. – It could have gone to someone else’s account then.

MOE REP. – As I said, normally the balance in the bank statement and the GL will not tie because the entries are not up-to-date, so we post it back into the GL to correct as per the bank statement. But for this case, can we come back to the Committee on what actually happened there?

HON. RATU S.V. NANOVO. – Mr. Chairman, in a normal procedure, the cheque is the last thing to go out or whatever. You must ensure or whoever is the supervisor, to ensure that all the processes required in order for you to clear that amount of money must be satisfied before the payment is done. In here, the process was not completed, yet the money was already in the bank.

MR. CHAIRMAN. – Please just check and let us know because the amount of $3.4 million and $1.4 million is a big amount.

We move on to 27.7 – Statement of Losses; what is noted there is a component of the Agency Financial Statement which includes the loss of cash, loss of assets and write-offs reported during the financial year. It is noted here that the Ministry did not include in the Statement of Losses the amount of $113,548.42 which was written-off by MOE from the Ministry’s Drawings Account.

Dur to negligence in the part of the management, the Statement of Losses was not correctly reported. As a result the losses may not be properly disclosed by the Ministry in the Statement of Losses.

Again, an Annual Board of Survey. It was also noted in the third bulletpoint, “Due to lack of proper planning and coordination by the Ministry, the Board of Survey for 2014 was not completed. As a result the losses may not be properly disclosed….”

They have noted an issue here and this is quite serious, negligence in the part of the management. PS, can you explain that?

MR. J. KOROIVUETA.- Mr. Chairman, this is an area that we need to work more closely with the MOE. Even though we are tightening up a lot of new areas in our financial management information system and staff need to be capacity-built to ensure that these sort of matters are taken care of, and with proper training and also with proper monitoring both, internally and also by the Ministry, it will ensure that we deal with these matters and it does not occur again.

MR. CHAIRMAN. – So are the trainings being conducted currently? This is three years after this 2014Report and now it is 2017.

MR. J. KOROIVUETA. – Yes, there is training being done by the MOE but I think they are well positioned to respond to that. I know our staff are collaborating very closely now. FMIS system, as far as I know, it is under reform at the moment and there are changes that are occurring. We know there are issues but I think the Ministry is well underway to deal with those.

HON. RATU S.V. NANOVO.– Still on that, Mr. Chairman, I just request if the items that were written-off, amounting to $113,548.42 can also be provided to us. Thank you.

AUDIT REP. – Yes, you can request the MOE to provide the write-off as this is part of the write-off.

MR. CHAIRMAN. –27.8 – Overdrawn Operating Trust Fund Account; the Trust Fund Account as noted usually contains funds that are deducted from salaries which are then paid to other entities, for example, insurance premiums, Fiji National Provident Fund, et cetera. These moneys were recorded in the Operating Trust Fund Account.

The Audit noted that the Ministry’s Operating Trust Fund Account was overdrawn by $407.87. These funds was deduction from staff salaries and paid to things, like superannuation fund. How could this be overdrawn?

MS. M. TOGA. – Mr. Chairman, I believe that the overdrawn amount was due to the carry forward balance from the previous years. We have now rectified that and our SLG Trust Fund Account is in credit balance now.

MR. CHAIRMAN. – This is alright, is it working now?

MS. M. TOGA.- Yes, Sir.

MR. CHAIRMAN. – Thank you.

HON. RATU S.V. NANOVO. – Mr Chairman, still on that, this is the fruit of not doing reconciliation at the right time. You can always end up overdrawing your account. If reconciliation is done at the right time, you will not be able…

MR. CHAIRMAN. – 27.9 - VAT Reconciliation; – this was also noted, I quote:

“A variance of $176,598.13 existed between the VAT paid to FRCA for the year 2014 and the balance disclosed in the FMIS general ledger.”

What could be the cause of that? VAT is a straightforward 15 per cent at that time, it was deducted and paid to FIRCA, but this is a variance of $176,598.13 that exists now.

MS. M. TOGA. – Mr. Chairman, I believe that the variance is only due because of lack of reconciliation or it was not done properly, but we have made an effort now that reconciliation and payment of VAT is done on time.

MR. CHAIRMAN. – That is now taken care of?

MS. M. TOGA. - Yes, Sir.

MR. CHAIRMAN. – Alright.

HON. A.M. RADRODRO. – A question to PS and the Ministry staff; were you in charge of the Ministry’s finance during this time?

MS. M. TOGA.- Mr. Chairman, no.

MR. CHAIRMAN. – Who was in charge?

MR. J. KOROIVUETA. – Sir, he actually migrated now.

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

MR. J. KOROIVUETA. – Yes, we had, but this person is still under training, and also it is very open now under the Open Merit Recruitment and Selection process.

MR. CHAIRMAN. – We will come to that in a while because there were some recruitments made by the Ministry not on merit, as noted there. But the issue raised by Honourable Radrodro was that, the Ministry itself was responsible for reconciliation but the person who was doing for the Ministry has now migrated.

MS. M. TOGA.- (Inaudible).

MR. CHAIRMAN.- It is also noted there in that part is a comment that the, “Ministry of Finance Circular 9/95 provides the guidelines for the preparation of VAT…” So this error that occurred here is not because of the reconciliation, but because the guideline was not followed. When this kind of situations happen, when the MOE guidelines is not followed by your Ministry, what sort of actions do you take against the person? What is the current procedure?

MS. M. TOGA. – Mr. Chairman, I believe when did our training with FRCA and that was last year or year before, we were taken through this VAT return reconciliation.

MR. CHAIRMAN. – 27.10 – Unauthorised Journal Vouchers; what is noted there that, I quote:

“The Audit noted several instances where journal vouchers were posted in the FMIS (general ledger) without the approval of the Principal Accounts Officer and Accounts Officer.”

Probably, one of those reasons of this variance, that the Principal Accounts Officer and Account Officer were not consulted or they did not approve but entries were being posted on FMIS. Can you verify or explain that or what was the reason?

MS. M. TOGA.- Mr. Chairman, I believe when these journal vouchers were posted, they were not certified and signed by the respective officer, and I believe that was overlooked by us.

MR. CHAIRMAN. – It was noted there, I quote: “The audit further noted that the journal vouchers did not include any supporting documents.” Probably, that was the reason why the Accounts Officer did not approve that, because there were no supporting documents but then still somehow, someone managed to post it on the FMIS.

It was also noted, I quote:

“The findings indicate lack of monitoring by the Principal Accounts Officer on the processing of journal vouchers. Hence there is a high risk of fraudulent or incorrect journal entries passed and processed into the FMIS (general ledger).”

HON. RATU S.V. NANOVO. – Still on that, Mr. Chairman, the normal procedure is that, whoever is preparing the cheque must ensure that, that column or whatever, is approved first before you prepare the cheque. How can that be done without approval and yet you had already gone ahead and prepared the cheque?

MR. CHAIRMAN. – Was any action taken against the Principal Accounts Officer at that time? Because the recommendation was that the Permanent Secretary should investigate and take appropriate action against the Principal Accounts Officer for not controlling and monitoring the processing of journals.

MR. J. KOROIVUETA. – We had other related disciplinary matters that was taken at that time, that is, the PAO at that time, the one who migrated.

MR. CHAIRMAN. – It is pretty unfortunate that those errors were committed and then the person migrated. We had another Ministry where before the investigations were to start three people died, probably saved by the bell. But the problem is, this amount of money in future should be more stringent so that they do not escape the net.

27.11 - Anomalies in New Appointments; as noted here, I quote:

“The audit noted that the Permanent Secretary for Social Welfare, Women, Children and Poverty Alleviation created 29 positions without consultation and approval of the line Minister.

The Ministry had total of 149 established and 33 unestablished staff positions approved in its 2014 budget. However the Ministry had a total of 211 staff which included 158 established and 53 unestablished staffs.

The audit also noted that the Permanent Secretary for Social Welfare, Women, Children and Poverty Alleviation appointed 9 Officers at lower level after the positions became vacant on promotion and acting appointment to the newly created positions.

However the Ministry did not recruit these Officers through an open, transparent and competitive selection process based on merit.”

So, in that year, a number of staff were appointed without the open merit process. Any explanation on that PS?

MR. J. KOROIVUETA.- Mr. Chairman, maybe I will start it off, firstly, to be honest at that time, we did not have the workforce needed to meet our demand as expected of ours and secondly, we did not have a proper SOP system in place to ensure that there is evidence. But we now have that with the concurrence of the Minister. We now have an SOP and it is a written document to ensure that whatever position is being recruited, there is also the concurrence. At that time we did not have it, some of it was done verbally, and these was some of the laxities, to be honest, on our part.

MR. CHAIRMAN. – There is one issue there of the officers being recruited without the process, nothing has been taken off now, you are looking at new guidelines in appointment.

The second issue was that the Ministry recruited additional staff on the understanding that the MOE will increase their budgetary allocation. However, the MOE did not approve the increase in payroll budget and advised the Ministry to cease the new appointments. The Ministry did not adhere to the advice from the MOE and continued to employ additional staff. What could have been the situation?

MR. J. KOROIVUETA.- Yes, this was the situation, Mr. Chairman. We had to establish an Executive Support Unit for our Minister, so we had to pull funding from here and there, to ensure that this is being done. At the end of the day, we had to submit to higher authorities and we know that we had to do it. It was in the true spirit of actually building up a workforce ready to serve the disadvantage and also the women and children.

MR. CHAIRMAN. – Yes, because I was coming right on that point. We will come to that again.

On the next Item 27.12 – Over Expenditure in Payroll; it says, and I quote:

“The Ministry vired funds from Care and Protection Allowance, Welfare Graduation Programme, Expanded Food Voucher Programme, Poverty Benefit Scheme, Commission Charges, Power Supply, Office Supplies and Telecommunications allocations to meet the over expenditure in payroll allocations.”

These are some very important allocations made by Government to have the benefit to these selection groups, who are underprivileged. But once you hire additional staff, the money was vired from here to pay their salary. The very people whom these staff should have serviced would have missed some of the benefits there. Is there any explanation on that?

MR. J. KOROIVUETA.– Mr. Chairman, just a point. These Programmes were actually established but there was no allocation made for the workforce, for the implementation of the Programmes. So that was the challenge that we, as a Ministry, had to deal with to ensure that this is executed within the best spirit and we had to make do of what we can within the funding provided to us.

MR. CHAIRMAN. – Will I be correct in saying that if there was a staff needed for Care and Protection Allowance, if the staff was recruited, his wages would have been paid from the Care and Protection Allowance?

MR. J. KOROIVUETA. – Exactly, Sir.

MR. CHAIRMAN. – Any questions in that regard, Honourable Members?

HON. A.M. RADRODRO. – I have a question to the PS in terms of his explanation. Can you just advise the Committee why the need for these Programmes when you are not being provided with the budget? Why do you need to engage in such Programmes when you are not provided with the necessary budget?

MR. R. FATIAKI. - May I answer that, Mr. Chairman. For the Care and Protection Allowance, the staff whom we recruited are the people who are working with children. This is part of our legislative responsibility, the care and protection of children and that is why we had to bring them in to assist.

Likewise, for the Busfare and Social Protection Scheme, when were given those Programmes, we were asked to administer those programmes but there was no additional human resources added to it. That is why we had to vire from the Programme budget because the staff whom we had, as the years progress responsibility has progressed but there was no additional human resource so we had to look within to try to get Project Officers to implement those Programmes.

HON. A.M. RADRODRO. – So your Programmes that you allocated budget to are exclusive of HR costs?

MR. R. FATIAKI. – Yes.

HON. A.M. RADRODRO.- Why is that?

MR. R. FATIAKI.- As we progress, we have gone to MOE to request for additional budget which has now been addressed. When it first came, there were no additional staff and it is only operational budget and we were required to work within our staff then because of the additional responsibility. We had to go out and get those Project Officers to help us implement those Programmes and these are not small programmes these are big programmes.

MR. J. KOROIVUETA.- Mr. Chairman, if I may, these Programmes are very noble, their intension is so great and it is also given on the true understanding that Heads of Ministries Permanent Secretaries, if funding is unavailable from the Government, they will look to other avenues and we have UN partners, we have other donors to boost our HR and we know there are limitations within the funding of the State.

MR. CHAIRMAN. – The issue here is that the budget for the Programmes was provided, it is just that the staff factor was not considered but then now it is taken of?

MR. J. KOROIVUETA. – Now, we have greatly improved from that state.

MR. CHAIRMAN.– The set of recommendations that are provided in that section was, I quote: “all new appointments are to made in consultation and approval of the line Minister.” I think you had just explained that now, were being followed.

“All recruitments are undertaken through an open, transparent competitive selection process based on merit.” Is that being done, currently?

MR. J. KOROIVUETA. – Yes, we have now complied with the open merit. At that time and looking back, we were not ready.

MR. CHAIRMAN. – It continues, I quote: “Approval from the Ministry of Finance is obtained for increase in payroll budget for new positions.” Are those approvals now being currently undertaken?

“Funds from other SEGs are not vired for the payment of wages and salaries.” Is that under control now?

MR. J. KOROIVUETA. – Yes, that is under control now, Sir.

MR. CHAIRMAN. – “All appointments made without proper approval and funding is reversed.” Are those appointments been reversed?

MR. J. KOROIVUETA. – Yes, Sir, those have been reversed.

MR. CHAIRMAN. – “The matter is investigated and appropriate action is taken against those responsible for unauthorised appointments and payroll expenses.” I believe you had explained that too necessarily at that time, but have the disciplinary actions been taken regardless?

MR. J. KOROIVUETA. – No, Sir.

MR. CHAIRMAN. – I do see some sense in that and we will come to that in a while. But you mentioned that at that time, the budget did not include staff recruitment so you had to go out of your way to recruit staff so that the Programmes could be implemented. You probably had a difficult situation whether to take a disciplinary action or not, but are there any questions on that?

What happened was, the budget given by the Ministry did not include an allocation for the recruitment of staff to oversee those projects, to see their implementation. They vired the funds from those very allocations to recruit staff to get the Programmes going. So the recommendation of investigation and disciplinary action was a bit difficult one here, regardless they were not taken as explained.

HON. RATU S.V. NANOVO.- Mr. Chairman, one question on that. The power to vire any allocation does that rest with the Permanent Secretary alone or do they have to consult with the MOE?

MR. J. KOROIVUETA. – We have to consult with MOE.

MR. CHAIRMAN. – The MOE must have approved.

MR. J. KOROIVUETA. – It is with the approval of MOE.

MR. CHAIRMAN. – MOE, any comments on that? Is that the normal procedure?

The issue here is that, the funds as explained by the PS was that Programmes such as, Care and Protection Allowance, Welfare Graduation Programme, Expanded Food Voucher Programme, Poverty Benefit Scheme, Commission Charges, Power Supply, Office Supplies, Telecommunications, et cetera, the amounts were located under these Heads to the Ministry but there was no allocation in those budgets for recruitment of staff to see the implementation and overseeing of those Projects. So they vired the funds from these sections to recruit staff to commence with the projects. Virement of those funds are usually approved by your Ministry.

MOE REP. - Thank you, Mr. Chairman. Under the Finance Instruction 2010, virement of funds out of SEGs 1 and 2 can be approved by the Permanent Secretary, if it is vired within SEGs 1 and 2. But not to vire from other SEGs into SEGs 1 and 2.

MR. CHAIRMAN. – Is that sufficient?

HON. A.M. RADRODRO. – Mr. Chairman, just a question to the PS; what is the total number of staffing capacity now at the Ministry? In 2014, it was 149.

MR. J. KOROIVUETA. – Yes, we now have 311 human resource.

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

MR. J. KOROIVUETA. – Yes, Sir.

HON. RATU S.V. NANOVO – Still on that, Mr. Chairman, if the virement was approved by the MOE, why did the Auditor-General put down this recommendation as one of the recommendations to be considered. If that has been approved, it should not be there.

AUDIT REP.- Mr. Chairman, the virement in here is mainly in regards to the virement from other SEGs into SEGs 1 and 2. Normally, SEGs 1 and 2 are establishment for the Ministries and you need to have budget for those. If you create new positions but you do not have budget for those, then you will have problems in the following years finding from where to pay them. So that is why this Finance Instruction is there not to vire into SEGs 1 and 2. That is why we have that instruction.

MR. CHAIRMAN.- It became an audit issue regardless.

MR. R. FATIAKI.- Mr. Chairman, can I add to that, when we submitted our proposals to the Ministry of Finance then or the MOE, we did factor in the administrative costs which covers that and only when they approved it, then we proceeded with it. So it is through our proposal submission to MOE that, for example, in 2014 when the Social Pension Scheme came in, it came in with a $4 million budget but no human resource and we have to recruit about 15 Project Officers to help us implement that Programme. So that was how we proceeded in trying to implement that, but always through the proposal to the MOE saying that we need this amount for administrative costs under that certain programme.

HON. RATU S.V. NANOVO.- On that, Mr. Chairman, that is what we are saying, if that approval was given then there is no need for this recommendation in this report for disciplinary action to be undertaken.

MR. CHAIRMAN.- What OAG is saying is that, it becomes an audit issue regardless. The deal between MOE and the Ministry of Social Welfare, Women and Poverty Alleviation is something that they usually do procedure-wise because they have to implement their Programmes with that $4 million budget and there was no human resource provision given to recruit, but it becomes your audit issue regardless, is it not? It is part of the Financial Instructions. So, perhaps the issue will be resolved when the new budget includes human resource section as well.

HON. A.M. RADRODRO.- The other question PS regarding those posts, are they `P to P’ posts?

MR. J. KOROIVUETA.- These are project positions based on the annual funding.

HON. A.M. RADRODRO.- A supplementary question to PS; one of the audit findings there is the appointment of the consultant which has been highlighted, for the National Child Helpline without the approval of the Minister. Could you just give us some details on that particular audit issue, who was the consultant and what was the work?

MR. R. FATIAKI.- Thank you, Mr. Chairman. Yes, the Child Helpline was a new programme for us and when it started in 2013, we had an Australian volunteer who came to work on the consultations while doing the Programme. The process took us the whole of 2013 because of the tender process that needed to be done and the volunteer’s contract was for one year.

At the end of 2013, the Child Helpline was like in the middle stages. We were waiting for the tender and it did not happen so because she had been working from the very beginning of 2013, we had requested that she continue to do the work. UNICEF was willing to fund so it was funded by UNICEF whilst she was with us for that duration of the remaining year, to ensure that the Programme was completed.

That is the reason, instead of bringing in someone else halfway through the Programme, it is going to be like teaching the person anew and the rationale that she has been with this Programme from the very beginning, it is better that she takes it to complete the Programme. We had the funding from UNICEF to assist in the paying of her salary for that one year duration to complete the Programme and that was how it was done.

HON. RATU S.V. NANOVO.- Just a question to them again, Mr. Chairman; when the volunteer was there, was there any succession plan in place, someone to understudy her so that when she goes out, the person will take it over?

MR. R. FATIAKI.- Yes, I remember they had the training. Once she completed her second year, someone is looking after that programme now.

HON. RATU S.V. NANOVO.- Why can the person not replace her in the first year?

MR. R. FATIAKI.- This person was the Assistant Director for Child Services. She had other responsibilities and that was why we did not allow it because it was quite a big task and the Assistant Director for Child Services was the one who was understudying her and because of her other responsibilities, they worked together until the end of the project. It would have been too much for the Assistant Director for Child Services to take over the responsibility here and there when we are in the process of something that was new for us.

HON. RATU S.V. NANOVO.- How did you weigh the Assistant Director when you know very well that she has got so many things on her plate? Why can you not appoint someone else, apart from her?

MR. R. FATIAKI.- At that moment, because she was the one who was responsible for all Child Protection Programmes and I think it was important that she has a full awareness of what the project entails. That is why we had her but after that, there were other people below her who also worked on the Programme so now, they are fully working on that Programme.

MR. CHAIRMAN.- It is called continuity.

MR. R. FATIAKI.- Yes, it is continuing.

MR. CHAIRMAN.- PS, would you like to comment on that?

MR. J. KOROIVUETA.- Mr. Chairman, just to add on, this position had a consultant who was truly dedicated to the establishment of the National Child Helpline and we did not have that expertise locally. This was overseas, it was an adaption of a facility abroad and we need a person of that expertise to help us set it up. Now, it is up and running 24 hours.

MR. CHAIRMAN.- Now, a new local staff can be trained by that consultant to manage this Chid Helpline?

MR. J. KOROIVUETA.- We now have a Unit that is looking after the Child Helpline and it is an outsourced facility to MSP.

HON. A.M. RADRODRO.- Mr. Chairman, just further down the audit findings, it says that the contract that was signed was not signed off by the Solicitor-General. How did the Ministry regularise this audit issue? What was the value of the contract?

MR. J. KOROIVUETA.- Mr. Chairman, we do not get to see the value.

HON. A.M. RADRODRO.- From?

MR. J. KOROIVUETA.- From UNICEF.

MR. CHAIRMAN.- Can we go to ….

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

MR. J. KOROIVUETA.- The funding is from them but we provide the logistics for the consultant.

MR. CHAIRMAN.- 27.13 - Unauthorised Project Posts for the Executive Support Unit.

HON. A.M. RADRODRO.- Mr. Chairman, still waiting on that; whether the Ministry regularised this audit finding that the contract was signed by the Solicitor-General or it does not need to?

MR. J. KOROIVUETA.- We are of the view that it is through the UNICEF selection and because they actually made the selection, they provided the funding and they provided the selection.

MR. CHAIRMAN.- It is their funding and it is their contract but the service is provided by the Ministry.

27.13 - Unauthorised Project Posts for the Executive Support Unit; it is noted, and I quote:

“Employment decisions in the public service are made without patronage, favouritism or political influence, and appointments and promotions are made on the basis of merit after an open, competitive selection process.”

Here, it is noted, and I quote:

“The Ministry created 4 project posts following the functional review which comprised of 2 Administrative Officers, 1 Clerical Officer…”

Seven project posts were recommended by PSC. It says, I quote:

“The Ministry did not advertise the project posts in the local dailies. The 4 project officers were recruited by the Ministry from the NEC without interviews. The Ministry appointed 2 of the 4 project officers directly from NEC to ESU while the other 2 were appointed from the NEC on temporary posts and transferred to ESU. In addition the Ministry did not obtain the Police and medical clearance for the Project Officers recruited.

The MQR for the Administrative Officer position was an undergraduate Degree in Management and Public Administration, Business Administration…

However, details such as qualification and work experience were not kept in the Project Officers personal files.”

So there are numerous issues highlighted here, recruitment as well as the system and then the MQR. Is there any explanation on that?

SOCIAL WELFARE REP.- Thank you, Mr. Chairman. On the issue of the recruitment of the Executive Support Unit Officers, we did a virement request from MOE at that time to assist us. They had given us that virement of $307,110. Before we advertised the post, we had recruited some competent officers which we had done through performance assessment. They came into the system and then we had seen their performance and then we recruited them through advertising the position on the PSOC and *Fiji Times* in that year.

MR. CHAIRMAN.- Before you go further, you said that you employed them, monitored their work which was good and then you advertised.

SOCIAL WELFARE REP.- Yes, Sir.

MR. CHAIRMAN.- Did people respond to the advertisement or the same people were recruited on the same positions?

SOCIAL WELFARE REP.- No, only one officer came into the system. He was recruited as a temporary Admin. Officer for ESU. Due to his performance assessment from Executive Management, he was given the position through the advertised position. We had to advertise the position, then he applied and he got the position whereas for the other two, it was pending, until we found another officer who is the Senior Admin at that time. She came in and she was acting in that position. It was just an internal transfer or appointment at the Executive Support Unit.

MR. CHAIRMAN.- The other problem that says here is, “…qualification and work experience were not kept in the Project Officers personal files.” So OAG could not note whether they met the MQR or not.

SOCIAL WELFARE REP.- We cannot deny that, Sir. We had some problems on the filing system at that time but now, we have improved through internal monitoring of the updating of PF folders.

MR. CHAIRMAN.- It looks very suspicious if people are recruited without following the process and then suddenly, the files do not have their MQR. So if they are there, then anyone opening the file would say, “alright, even the post was not advertised, et cetera, people are qualified here because that is what the files says.” But then to complicate the matters further, the files do not have those information. Is this something you have under wraps now and you have a proper filing system?

SOCIAL WELFARE REP.- We have improved from what we had, from 2014 until now.

MR. CHAIRMAN.- Alright.

MR. J. KOROIVUETA.- Mr. Chairman, we had also done a complete review of all the existing Standard Operating Procedures of every Unit into place and we are now setting a new platform along the line of a quality management system, so certainly we have taken care of this. It is a completely new move, we want to make the change and certainly take care of the wastage, better performance and also delivery.

MR. CHAIRMAN.- So those four recommendations made by the OAG, I quote:

“The Permanent Secretary should ensure that:

* all new positions are approved by the Minister for Social Welfare, Women and Poverty Alleviation;
* approval from the Ministry of Finance for additional funds is obtained prior to any new appointment;
* proper recruitment procedures are followed for appointment of officers which include advertising the vacant positions…
* personal details of Officers recruited is maintained in their respective files.”

Are those things all taken of?

MR. J. KOROIVUETA.- Those things have been taken care of, Sir.

MR. CHAIRMAN.- It is 11 o’clock now, we can have our short tea break of 10 minutes to 15 minutes and then continue from Item 27.14.

Thank you, Honourable Members, let us have a 10 minutes adjournment.

The Committee Interview adjourned at 11.01 a.m.

The Committee Interview resumed at 11.23 a.m.

MR. CHAIRMAN.- Thank you, Honourable Members, and the team from the Ministry of Social Welfare, we can now start from where we left before the break, that is, from Item 27.14 - Anomalies in the Recruitment of Principal Administrative Secretary. What is noted there is that, I quote:

“The Ministry created the Project Enhancement Coordinator position so that the Principal Administrative Secretary position becomes vacant and to be filled by the Senior Administrative Officer’s appointment. The Ministry did not follow proper recruitment procedures while appointing the Senior Administrative Officer to the position of Principal Administrative Secretary.”

Can there be some explanation on that from the HR Department?

SOCIAL WELFARE REP.- Thank you, Mr. Chairman. For Item 27.14, we had gone through the process. Before she came into the system, she was employed by the Public Service Commission and was transferred to the Ministry. This is due to the functional review report that she had to come and assist in the upgrading of the processes and systems within the Ministry.

During that time the Senior Admin Officer was on leave and then she was given the opportunity to act as Principal Admin Secretary, thus the contract of the previous Senior Admin Officer had expired and this post was advertised. The officer who was acting was given the opportunity to apply and then she went through the recruitment and selection and was appointed as PAS Corporate.

MR. CHAIRMAN.- Any questions in that regards, Honourable Members?

(There were no questions)

27.15 - Anomalies in the Recruitment of Project Enhancing Coordinator; as noted there, and I quote:

“Vacant posts will normally be advertised in the Fiji Public Service Official Circular and the press. Certificate or availability of funds from the Ministry of Finance should be obtained before any substantively vacant posit is advertised.

The Principal Administrative Secretary was appointed in the Ministry since 23/4/11. The Ministry created Project Enhancement Coordinator’s position and transferred the Principal Administrative Secretary to this position on salary $42,524 for a period of one year effective from 1/4/14. The Ministry then appointed the Senior Administrative Officer as the Acting Principal Administrative Secretary for Corporate on salary $39,452 for a period of 3 months….

The audit noted that the Project Enhancement Coordinator’s position was not approved by the Minister for Social Welfare, Women and Poverty Alleviation.”

So this was the one that you were explaining a while ago, that someone was transferred, the position was vacant and then this person was brought in?

SOCIAL WELFARE REP.- In fact, the Officer who was holding the position of the Senior Admin Officer was on leave.

MR. CHAIRMAN.- Alright and then?

SOCIAL WELFARE REP.- Then they had to do a sideways transfer for the Senior Admin Officer from PSC, to assist in the progress of the processes and procedures of the Ministry at that time.

MR. CHAIRMAN.- Alright, so the notation there is that the approval of the Minister for Social Welfare was not sought? Are there any comments on that, like there is a constitutional requirement that the Permanent Secretary discuss with the Minister before appointment?

MR. J. KOROIVUETA.- Mr. Chairman, this movement was actually from the Minister but we did not have any written evidence. So the new creation of the position, in fact, the PAS coming in from PSC was more or less a sideways transfer and the transfer of the post holder, that time was basically of poor performance. That was the issue.

MR. CHAIRMAN.- Poor performance? He was sent on leave or sideways transfer?

MR. J. KOROIVUETA.- No, he was assigned to another area.

MR. CHAIRMAN.- When the Minister probably requests, some written memorandum would suffice to save your position. In case some questions arise, then you can always have a memorandum for future reference. Any questions or comments on that?

HON. RATU S.V. NANOVO.- On the question on hand, Mr. Chairman, the post holder who was on leave, how long was he on leave for?

MR. J. KOROIVUETA.- He was on leave for one month.

HON. RATU S.V. NANOVO.- Why was the rush to appoint the other officer into that position?

MR. J. KOROIVUETA.- Mr. Chairman, certainly there was a need to make an appointment because the Ministry was under review at that time and we had to fast-track the functional review by the Public Service Commission. The person who came into the Ministry was actually the one who did the functional review of the Ministry and under the functional review, there were three categories of recommendations:

1. Immediate;
2. Mid-term; and
3. Long- term.

So we would be penalised, if we did not implement the immediate recommendations.

MR. CHAIRMAN.- 27.16 - Anomalies in the Appointment of Temporary Relieving Clerical Officers; which says, I quote:

“The audit also noted that the Ministry did not interview the attaché’s before appointing them as TRCO’s. In addition Police and Medical Clearance were also not obtained….”

So it is a normal procedure before appointing relieving Clerical Officers for them to be interviewed?

SOCIAL WELFARE REP.- Thank you, Mr. Chairman. During that time PSC had given all their appointments to the Permanent Secretaries under the 2013 Constitution. As for the Ministry, we had to gain our appointments through the National Employment Centre (NEC) and there was an internal interview done for those NEC attachées. Once we know that they are alright, then we recruit them temporarily because there were posts that were vacant and they had to fill in those posts in order for our services to be effectively delivered to our customers and to our clients as well.

MR. CHAIRMAN.- You say internal interview was conducted but OAG noted that the interview was not conducted. So OAG, are there any comments on that?

SOCIAL WELFARE REP.- In fact, we had to call in the NEC attachés, they were a batch of five USP graduates and they came in. We did interviews for them, we had the matrix and then we have to notify them that they have been appointed as TRCOs.

MR. CHAIRMAN.- Whilst I appreciate the point you raised that under the 2013 Constitution, the Permanent Secretaries were given the power for making appointments, that is true. However, it is also noted that, and I quote:

“The Equal Employment Opportunity Policy (which is also part of the Ministry) is intended to provide all Public Service officers with a guide to fairness and equity in employment decisions in the areas of recruitment, promotion, transfer….”

Once the power rests with the PSs, and the few words here is, “equal employment opportunity” so a proper interview process would solve that. But as you mentioned that internal interview is by contracted of those five people from NEC. Are there any questions in that regard?

HON. RATU S.V. NANOVO.- Mr. Chairman, based on that, the organisation that I work for before retiring, Clerical Officers are the ones who do the filling of the payment vouchers and the reconciliations. Were these the same group who were given these tasks to perform in your Ministry?

SOCIAL WELFARE REP.- Yes, Sir. Most of the Clerical Officers are Field Clerical Officers or given the task to do voucher give-outs to their clients or recipients. What we are talking about is TRCOs within the Corporate HR Section. There was a shortage of HR so we had to recruit applicants as NEC attachés from NEC in order for them to facilitate the services within the Corporate and Admin Section.

MR. CHAIRMAN.- What about Table 27.14 - Details of NEC Attachés appointed to TRCO position. The comment was that:

* The position did not exist in the Ministry.
* No details in the personal file to substantiate that the officer meets the MQR.
* Police and Medical Clearance not obtained.

Again, the same for the other three positions. The next one:

* According to the Curriculum Vitae, the Officer holds a Bachelor of Commerce from the Ministry of Delhi, however, to date of audit, copy of the Degree was not obtained from Officer.
* The audit could not substantiate the qualification of the officer.
* Again, the position did not exist.

So how do we reconcile that those positions, 1 to 6, did not exist and then one of those persons there said that he/she had a Degree from Delhi University, but no attempts was made to obtain a copy of that qualification?

SOCIAL WELFARE REP.- Thank you, Mr. Chairman. For the TRCOs, there was a need within Corporate and HR Section as there was shortage of HR Officers. Thus, we had tried to create Clerical Officers positions to assist senior officers because there was a gap between Clerical Officers and Executive Officers. But then in between the Executive Officer, there is a Senior Admin and there is only one Admin Officer and due to the massive work that we have to do, we had to put in this.

We had to request the Ministry of Finance then or MOE to assist us on this. At the end of the day, they did not agree with our request to appoint TRCOs, but then we had asked our PS and Madam Minister at that time if they could be placed under project.

MR. CHAIRMAN.- Are there any further questions in that regard?

HON. A.M. RADRODRO.- This is regarding the arrangement of NEC candidates. There used to be an arrangement whereby the employer pays $30 and agencies pay $30. Is it the same arrangement that was done?

SOCIAL WELFARE REP.- Yes, Sir.

MR. CHAIRMAN.- Again, that question arises. Copies of documents not in the file, MQR, and the question of the Degree from New Delhi University and attempts made to obtain the copy of the Degree from the fifth candidate - TRCO 5.

SOCIAL WELFARE REP.- Thank you, Mr. Chairman. This was the officer who came in through NEC as well. He was appointed to act as our EO. He is a Degree holder from New Delhi University, we had his Certificates with us but then during that time, the filing was not up to-date but now it is up to-date.

MR. CHAIRMAN.- The file that you maintained, is it an electronic file or is paper file with that little punch hole in the corner and tied with the string?

SOCIAL WELFARE REP.- Electronically and tied with the string.

MR. CHAIRMAN.- I remembered those files from my court days, papers fall off from those files, do they not?

SOCIAL WELFARE REP.- But then we had a numbering system.

MR. CHAIRMAN.- That is probably the reason PS explained that the filing system has improved now. So if there is no further comments, we can….

HON. RATU S.V. NANOVO.- That filing system was not available in 2014.

MR. CHAIRMAN.- 27.17 - Anomalies in Acting Appointments. What was noted, and I quote:

“The Ministry appointed 3 Clerical Officers on Acting Assistant Accounts Officer positions for 7 months even though there were no vacant positions for Assistant Accounts Officer. The Acting appointments were made by the Permanent Secretary.”

So the issue here is that, there was no position but then the appointments were made. Can there be some explanation on that?

The problem there is that, I quote:

“Acting Appointments can only be made when the substantive holder of the post will be absent for more than a month. Acting allowance will paid at a rate of 95 percent of the difference between the substantive salary and the minimum salary of the higher office.”

SOCIAL WELFARE REP.- Thank you, Mr. Chairman.

On 27.17, this refers to the shortage of human resource that we have in the Accounts Section as well. We did appoint one Assistant Accounts Officer but paid under project, to look after the Department of Women’s financial accounts. She has been paid 95 percent for that acting position appointment.

MR. CHAIRMAN.- The money for this was diverted again from the Care and Protection Allowance, Welfare Graduation Programme and Expanded Food Voucher Programme. Was that officer responsible for overseeing these particular projects?

SOCIAL WELFARE REP.- No, she was overseeing the Department of Women’s Accounts.

MR. CHAIRMAN.- Rightfully, the funds used to pay for her wages should have been from the Department of Women, not from these specific projects, is it not?

SOCIAL WELFARE REP.- Yes.

MR. CHAIRMAN.- It says here, I quote:

“The audit further noted that the Ministry ceased the acting appointments from 1/1/15 on the directive of Ministry of Finance as there were no funds available in SEG 1 of the Ministry’s budget.

The findings indicate that the Ministry did not follow the proper procedures for the acting appointment. As a result the acting appointments were unauthorised which resulted in over expenditure…”

So these positions you were saying is necessary for that job to be completed?

SOCIAL WELFARE REP.- Yes, Mr. Chairman.

MR. CHAIRMAN.- Because the Ministry of Finance did not give you those funds, so you have to divert funds from those particular accounts?

SOCIAL WELFARE REP.- Yes.

MR. CHAIRMAN.- Is this problem still existing with the Ministry or can the PS explain, is it now being resolved?

SOCIAL WELFARE REP.- We have resolved the problem now through the new SOPs and the process through the guidance of the MOE.

MR. CHAIRMAN.- Are there any further questions?

HON. RATU S.V. NANOVO.- Based on the recommendation given by the OAG, bulletpoint 2, “surcharge the Permanent Secretary for the acting allowance paid…”, was that done?

SOCIAL WELARE REP.- No, Sir, because of the need within the Accounts Section that we needed an Assistant Accounts Officer to work and to assist the Department of Women’s financial issues on a daily basis, thus we had recruited her for that time in 2014 until now, but she is paid under project.

HON. RATU S.V. NANOVO.- Did you advise the relevant Ministry again regarding your argument?

SOCIAL WELFARE REP.- Yes, our Executive Management knows about this issue.

MR. CHAIRMAN.- When you are required to divert funds from these specific project portfolios, for example, Care and Protection Welfare, do you have to seek the MOE’s approval?

SOCIAL WELARE REP.- Yes, Sir. We had sought the Ministry of Finance’s approval.

MR. CHAIRMAN.- So it would mean that for the acting appointment - $15,412.89, that money would have been approved in essence by Ministry of Finance?

SOCIAL WELFARE REP.- Yes, Sir.

MR. CHAIRMAN.- MOE, if there is a request by a Ministry for a diversion of funds and that happens, would the question of surcharge arise? The Ministry of Finance would definitely look at some paper works or some document need for that post, is it not? This is for the Committee’s knowledge, I cannot make a comment whether it should be surcharge or not but if the MOE had authorised diversion of funds to be paid for that, would a question of surcharge arise?

MOE REP.- Thank you, Mr. Chairman. When we want to vire funds, then again we just refer to the FI which gives the power to the Permanent Secretaries both, Permanent Secretary for the respective Ministry and the Permanent Secretary for Economy. So when they authorise funds it is only if they have identified the savings and it is authorised, then there is no matter of surcharge that comes in. MR. CHAIRMAN.- So both PSs have to agree on that?

MOE REP.- Yes, normally it depends on the authority. As advised earlier, when want to move funds into SEG 1 then, of course, this comes to the MOE for approval.

MR. CHAIRMAN.- So there had been no authorisation by MOE and still that fund was used, then the question of surcharge will arise. I think that answers the human resource question that was posed.

HON. A.M. RADRODRO.- Mr. Chairman, just a clarification to the OAG on this particular recommendation; I note that we had encountered previous audit issues on similar instances in terms of making appointments without proper procedures being followed but in this particular one, I would just like to ask the OAG the intent of this recommendation. Why this particular case as compared to others before that? Whether you included this surcharge against PS as compared to the previous audit issues and anomalies? Is there an area where you can refer back your audit issues against their recommendations? How do you determine your recommendations compared to this one?

AUDIT REP.- Thank you, Mr. Chairman. Recommendations are there for disciplinary purposes. I note there is a comparison with other issues and recommendations as raised by the Honourable Member, may be Sir, can I come back to the Committee on this?

HON. A.M. RADRODRO.- Also to the MOE, did you come across this audit issue during your audit when you identified the first issue that had been highlighted and what did you do if you have come across that?

MOE REP.- Thank you, Mr. Chairman. We also came across a similar issue in our audit of 2014 financial year and we recommended that the Ministry stay within its budgeted payroll allocation.

MR. CHAIRMAN.- Thank you.

27.18 - Lack of Supporting Documents in Case Files; this is a serious matter. The beneficiaries of the Ministry’s Poverty Benefit Scheme (PBS), there is a requirement to have those documents, for example, birth certificates and the number of people in the household to be on the file to determine the eligibility of those people receiving Government assistance. However, it was noted that files were not reviewed by Welfare Officers to ensure that adequate records are maintained.

In case of the deceased recipients’ case files, the Ministry did not obtain these documents, even though the documents were necessary to assess application eligibility for Government assistance. So just for a brief background for a person to be approved on Government assistance poverty benefit, this is not a disability one it is poverty, what sort of documents are needed and why were they not obtained? Why were they kept in the case file?

MR. R. FATIAKI.-Thank you, Mr. Chairman. The relevant document required for this assistance or the primary document is the birth certificate. Any applicant who wishes to apply for any Social Protection Programmes must provide the primary document, so the Poverty Benefit Scheme will only generate if there is a number on the birth certificate which is the primary key that is used.

MR. CHAIRMAN.- The primary documents?

MR. R. FATIAKI.- That is the primary document, apart from that we would require, for example, in a household, we would require a birth certificate of other members of the family, bank details, if required.

In many cases, we have come across when applicants would provide their birth certificate but for secondary documents, for example, birth certificate of children, they do not provide that. To make up for that, there is home visits which is one of the criteria for our programmes.

MR. CHAIRMAN.- Home visit?

MR. R. FATIAKI.- Yes, the home visit would verify whether the children are there. We would proceed with the process and they are reminded to provide those documents. Unfortunately many times, they do not provide those documents and sometimes we come across cases where they said, “No, the children are not registered.” That is where the difficulty is and sometimes when we do not get those documents.

But like I said, the provision of the documents would be dependent on the applicants. In case if they do not provide because of the needs, when we verify with the home visit, then we see the children and whether there is a need, then we proceed with that, waiting for them to provide the secondary document. As long as they provide us with the primary document which is the birth certificate, we can proceed and process those applications.

The other issue that we encountered, especially with documentation is the number of documents that come through our offices. At the moment, we have about 53,000 files, all Social Protection Programmes. Yes, I can understand that in the process of a day to day, some of the documents are misplaced or lost and this time, we had to ask them to provide us with copies of the documents.

MR. CHAIRMAN.- How often do you review those files?

MR. R. FATIAKI.- The review, we do with our Social Protection Programmes because of the number of cases, at the moment with the PBS, we have 24,452, for FA 3,984 and for SPS, we have 25,212. That is the total number of recipients under our Social Protection Programmes.

We do an annual review, meaning that we put down all our tools and other work and do the review. So normally what we do is that every five years, we do an annual review which means you have to bring in Project Officers to do the review. The last time we did it was in 2013 when we moved from FA to PBS, the next review should be due next year, but within that time officers do conduct reviews as they process applications.

So these reviews are factored in our annual business plan for officers. We capture that every year, meaning as they go and do the review and we have a number of reviews that were done, it is not like a project where we do a whole thing and review all, it is a progressive review on cases and what we have encouraged our officers is to go back as far as they can. Some have been there for 20 years, we start from there and we come to the next five years and that is how systematic we are trying to review cases and that is the process that we do.

MR. CHAIRMAN.- A question that arises from there which was noted by OAG is that the primary documents are not provided. You said that if the primary document, like birth certificate is not provided, then accounts are not generated?

MR. FATIAKI.- Yes, Sir.

MR. CHAIRMAN.- So they will not be receiving any ….

MR. R. FATIAKI.- For PBS, unless you provide because it is automated in the system, it is not manual. PBS is automated which means one of the key factors in the system is the number in the birth certificate. So if the primary applicant does not provide the birth certificate, the system will not process.

MR. CHAIRMAN.- If the child is not registered as you mentioned, probably in some settlements you go and they said the child is mine but it is not registered. It is a crime not register a child anyway but how can you be certain that these children are not the neighbours, probably just got into the household for inspection purposes?

MR. R. FATIAKI.- Yes, Sir. What happens in the home visit is the interview. The interview is conducted with the primary, likewise neighbours in the community.

MR. CHAIRMAN.- Neighbours, that is the one, unless they are good friends with the primary applicant they will reveal the truth.

The other problem is that, if for some reasons, some good fortune or the circumstances of the family changes, maybe they get employment outside and their position improves, they will not be entitled to benefits anymore. How do you capture that case?

MR. R. FATIAKI.- That is part of the progressive reviews that we conduct. So in case we come across someone who has progressed, the children are now working so these cases are terminated and they give the reason why we have closed the cases. The understanding is that this temporary assistance is not a permanent assistance, that is what we are trying to let people know.

MR. CHAIRMAN.- Like for pensions, whether it is Government’s pension or FNPF pension, every six months you have to sign the declaration form that you are still entitled. Is there any system with you?

MR. R. FATIAKI.- Yes, we started that what is called a certification. In the voucher we attach this form where they will sign and send it back to us saying, “I am still alive”. So when they send this form, then we certify that. But the challenge in the pension social scheme is, some of the elderly people do not sign these forms. In trying to verify this and we have worked with the Ex-Servicemen funds, we have signed an MOU with FNPF and likewise, we are trying to work together with BDM to allow us to be able to access their systems so that we will be able to update ourselves on those kind of cases. At the moment, I think because of the demand, we are still on the waiting list for them to allow us to access these listing.

MR. CHAIRMAN.- Are there any questions on that before we go to 27.19? There were some recommendations made there as well.

HON. A.M. RADRODRO.- Mr. Chairman, Sir, can you just repeat the statistics that you just gave regarding PBS and the other one? What is the statistics, 44,000?

MR. R. FATIAKI.- It is 24,452 as of last month, that is for PBS, CMP is 3,984 and SPS is 25,212, with a total of 53,640 for the case files.

MR. CHAIRMAN.- There is 53,000 people on Social Protection? They gave an example of benefits. Almost one-eighth of the population.

MR. J. KOROIVUETA.- Just a correction, Sir, for the PBS, it is household-based. So for every beneficiary, you have to multiply by four or five because that is the mean per household.

MR. CHAIRMAN.- As per household. Is it for all of these or just PBS?

MR. J. KOROIVUETA.- Just PBS.

MR. CHAIRMAN.- Just a bigger number there. There were some recommendations made there, and I quote:

The Ministry should:

* + ensure adequate supervision is provided to subordinate officers;
  + obtain necessary documents from the recipients such as birth certificate, bank details and recipients relationship with other persons living in the same house and maintain copies in the case files;
  + review and update case files periodically; and
  + investigate this matter further and take appropriate disciplinary action against those responsible for processing application for PBS application allowance without necessary supporting documents.

Are those recommendations implemented?

MR. R. FATIAKI.- Yes, Sir. We have continuously reminded our officers, not only through communication and written communications but also meetings with the senior management we continue to remind them of the importance of documentation. Likewise, we have tried our best to procure the proper equipment for them to be able to keep their case files. Like I said, we are in need of office space because keeping those number of files in an office takes a lot of space and if you visit our office, you will notice how our office is situated, all files are all over the place, file cabinets are full and that is the situation that we are in at the moment.

MR. CHAIRMAN.- These applications are processed here at the Headquarters in Suva or is it done at district level?

MR. R. FATIAKI.- At the moment, we have 15 Welfare Officers and there are Divisional Offices, for example, there are five Divisions in the North/West, that is, Rakiraki, Ba and Tavua and the Divisional Offices in Ba. All these applications are processed where it is, approval is done by the Senior Manager at Divisional Offices which means, if someone is applying for assistance in Rakiraki, recommendations of this case is done by the office in Rakiraki. Approval is done by the Senior Welfare Officer who is situated in the Ba Office, likewise for the other Divisions. In cases where there is appeal or difficulties, then they are referred to …

MR. CHAIRMAN.- This periodic review, how often do you review the files periodically?

MR. R. FATIAKI.- Like I said, this is an annual activity in the workplan. Every year when we derivable work plans one of the activities for them is to review and they provide monthly statistics of cases that they have reviewed, the number of applications that have been approved, the number of cases that have been declined and all information is captured monthly.

MR. CHAIRMAN.-You review all the 55,000 files?

MR. R. FATIAKI.- No, that is impossible.

MR. CHAIRMAN. – Random?

MR. R. FATIAKI.- Normally, five years we do a big project, we have to recruit and then we have to go and ask for additional resources. Five years is the time that we give, at least, to do a total review of all the cases but within those five years, officers are required to do systematic reviews of the cases and it is factored in their workplan.

MR. CHAIRMAN.- If someone lodges a complaint that some person is getting benefit that…

MR. R. FATIAKI.- It is reviewed immediately.

MR. CHAIRMAN.- Immediately reviewed? Then you have to go for an interview again. It is a mammoth task to go to remote places in the West to go and interview a family, it will take a whole day affair probably.

MR. R. FATIAKI.- Normally, the review again is done by the case officers in the field. For example, a case report is done from Bukuya, one of the inland villages. The officer should not only just look at one case but whether the pending cases available in that area, not only in Bukuya but in Nadroga with all those villages and then it goes and does it. It does not just do one but …

MR. CHAIRMAN.- So there is a system in place?

MR. R. FATIAKI.- There is a system in place.

MR. CHAIRMAN.- Are there any further questions?

HON. RATU S.V. NANOVO.- Mr. Chairman, the officer who goes out to do the review is the same officer who did the initial assessment?

MR. R. FATIAKI.- Normally, we have officers who are assigned to certain areas, for example, in Ba, they have certain districts. Yes, the same officers normally do the review when he has reported them, but it is based on the information that is provided to us.

MR. CHAIRMAN.- There is a question of professionalism whether they are honest enough to review only if they are caught then?

MR. R. FATIAKI.- In the reviews also is the interview from the members of the community, for example, the *Turaga-ni-Koro*, likewise documentation is required as part of the assessment for reviews.

MR. CHAIRMAN.- Just an hour left we should probably…

HON. A.M. RADRODRO.- Mr. Chairman, just a question regarding the monthly allowances in Table 27.10. I note there is quite variances in terms of monthly allowances that are here; some are getting paid $60 and some are paid $120. Can you just elaborate on the variances in allowance payment?

MR. R. FATIAKI.- I think that issue, we had highlighted with the Auditor-General. In fact, it was a mistake, the allowance is in different amounts. The infant is $25, primary students is $30, secondary student is $40, disabled child is $60 and those children staying in institutions is $100, that is the different amounts that are paid to different children. We made that correction with the Auditor-General about the different amounts that we have to pay to sickly residents.

HON. A.M. RADRODRO.- The point is with the increasing number of reliance in the scheme. It is noted, over 53,000. Is there any plan by the Ministry to digitise or if you have, change the system from manual to digitisation?

MR. R. FATIAKI.- Sir, I think that is one of the challenges that we face, the increasing number of people in the system. We are trying our best to automate the system. I think at the moment, we have three systems - the family assistance, the e-welfare which was the first assistance which was introduced and started in the Department and then we had the e-gov system and recently, we are working with ITC on the automated system that is now in progress.

Yes, I would say we would encourage that now if you can go to a system where it is fully automated, whereas applications are processed through the electronic system but then again, we have challenges, in fact, in the area of connectivity, especially in our rural and maritime islands because the system will only depend on the connectivity. So if you do not have that connectivity, it is going to be impossible for us to have them in the system. Likewise, even if it is there and it is slow, it would be very hard for us.

Even right now, we have recipients, especially from the maritime islands who are still on the manual system where we print the vouchers every now and again. Yes, the idea of trying to reduce the numbers, we are trying to do our best in reviewing cases and again with income-generating programmes, we are trying to exit recipients to do some small income generating programmes so that we can graduate them from the system because as we see, it is always increasing.

MR. CHAIRMAN.- 27.20 - No Independent Verification of Other Sources of Income for the Recipients; this has been highlighted by the OAG, and I quote:

“The finding shows that Officers responsible for processing the applications for Care and Protection Allowance and the Social Pension Scheme did not perform their duties properly. There is a high risk that the recipients of Care and Protection allowance and the Social Pension Scheme may have other source of income or government assistance while also receiving Care and Protection allowance.”

There could be a case of double dipping if the officers do their job properly. Any comments on that?

MR. R. FATIAKI.- Yes, Sir. This was an issue when we started, however, as I mentioned earlier, we have been working with the Ex-Servicemen Fund and if they could provide us with the list of their beneficiaries and they able to provide us with that.

Likewise, we have signed an MOU with FNPF to help us in trying to identify those especially old people who are superannuation beneficiaries. Those are the items that they have tried to address that issue and again in the form there is the statutory declaration where it says “before I sign it, I am telling you the truth” and we take that example because in some cases where we have old people from the islands, they mostly send us their applications so we do not have that face to face interview with them. So it depends on the declaration forms that they send to us which is endorsed by a significant person in the community, like the *Turaga-ni-Koro* and any Government civil servant in the community who could verify to us. Based on that, we process the applications. I admit even today, we still have a challenge with people under free assistance.

MR. CHAIRMAN.- Do you assign a file number to a particular person when they are making an application?

MR. R. FATIAKI.- Yes, there is always a file number for each case.

MR. CHAIRMAN.- The reason I asked that question is because if someone is benefiting from PBS and they have also asked for Social Pension Scheme, they are entitled to only one . So the file number would indicate that he already has an existing file. That makes it probably easy to verify.

MR. R. FATIAKI.- As I mentioned earlier, Sir, the primary document is the birth certificate, so the name in the birth certificate is the same name that will be in the system. Previously, we have someone named Johns staying in the community but he is referred to as Bill but in the birth certificate, they will tell us the name of that particular person. So whether it is SPS, PBS or CMP when we do our reconciliation, the system will be able to pick up those same names that are there in the system.

MR. CHAIRMAN.- And the birth certificate number is the key? The name and the spelling could be verified from this.

27.21 - Care and Protection Allowance paid to Children at Different Rates; it was a question that was raised earlier, so it is resolved.

27.22 - Anomalies in Social Pension Scheme; it was noted that, and I quote:

“The Ministry was allocated a total of $4,175,933 for Social Pension Scheme in its 2014 budget. Out of the total allocation of $4,175,933 the Ministry used $4,175,495 or 99.9%...” of the total.

The four Divisions namely Western, Northern, Central and Eastern are responsible for the Social Pension Scheme and each maintain their own records of recipient’s details. The audit of Social Pension Scheme revealed the following anomalies:

* The Ministry must carry out timely reviews to evaluate the status of the recipients of the Social Pension to ensure that allowance is paid to the deserving recipients only.

The Ministry did not carry out any reviews of the status of the recipients of the Social Pension allowance.

There is a risk that the Ministry may be providing Social Pension allowance to people who do not deserve government assistance.

* The applicants for Social Pension Scheme must submit a completed application form…

The Senior Welfare Officers on several instances did not provide their recommendations in the application forms. However, the applications were approved by the Director of Social Welfare, without the recommendations of the Senior Welfare Officers.

Documents such as birth certificate and passport size photos need to be certified correct by a Justice of Peace or District Officers or Head of Clan for those who reside in remote areas.

However on several instances the supporting documents such as applicant’s passport size photos and copies of birth certificates were not certified correct by the Justice of Peace, District Officers...”

So there are numerous issues; some documents are not provided and while others are provided, they are not certified properly but still the Director approved these benefits without consulting the District Social Welfare Officers. How is that problem now?

MR. R. FATIAKI.- For the cases that are approved by the Director, as I mentioned earlier, most of the cases come from the maritime islands which are through the District Officers Office, so it is addressed to the Director of Social Welfare. In the format of application form, it does not ask for the recommendation of the Senior Welfare Officer, it asks for the recommendation of the Welfare Officer but the Senior Welfare Officer approves. In the case where an application comes through to my office, I look at the documents and it is certified.

In the maritime islands, it is very hard to find a JP but a District Officer or doctor or whoever is there should be able to verify and when those applications come to my office, because of the need, I do not send it back to the relevant officers. I used my discretion to make the approval there and then because of the need but before I do that I give it to one of my Welfare officers to make the recommendations, looking at the documentations and the form. If they are happy and satisfied with all the documentation, they will forward it to me there and then. I make my discretions to make the approval instead of sending it back. For example, it has to go back to Kadavu and it will take how many months to go back to our office in Kadavu to get a verification, so that is an example that we use.

MR. CHAIRMAN.- You rely on the recommendation of the Medical Officer there on that island or the District Officer?

MR. R. FATIAKI.- Yes, we do rely on civil servants who are in the community to make verifications in the absence of the Justice of Peace.

MR. CHAIRMAN.- What about when the documents are missing, like passport photos not given or the birth certificate itself is not…

MR. R. FATIAKI.- Especially, we are talking about maritime islands. It is hard for them to process passport sized photos and again, we go on the verification and the statutory declaration stated in the form because it is very hard for them to provide us with the passport photo for this is normally for their ID so that when they go and cash their vouchers and use them. That is one of the requirements but not in all cases, in certain cases we have to go without it. I used my discretion to proceed with the case.

MR. CHAIRMAN.- But to know of with some certainty that a particular person exists there and he is entitled to Government benefit. You have to have the benefit of looking at some document and what document would there be.

MR. R. FATIAKI.- The birth certificate is possible. In some cases, especially the old people in the communities, in the maritime islands who are not registered again, we have those cases but they have registration for the *Vola- Ni- Kawa-Bula*. We take that and again, the importance of our civil servant colleagues in those communities to make those recommendations to us, that suffice.

MR. CHAIRMAN.- We do appreciate the challenges that people living in the outer islands have, I mean, about passport sized photos and birth certificate of people who have not registered, how do you verify them? The Civil Service officers probably are the only eyes and ears that you have here at the headquarters, so if they act honestly, that solves your problem.

Let us move to 27.23 - No Annual Review of the Schemes; just a while ago you had mentioned that you now doing annual reviews but it was noted here that all those Schemes - Social Pension, Poverty Benefit, there had been no annual reviews at that time. It says; “The finding indicates laxity of the Senior Officers to ensure annual reviews of the recipients is carried out.” Any comments on that, Sir?

MR. R. FATIAKI.- Thank you, Mr. Chairman. I have alluded to it earlier, this is part of our activities annually that officers capture that in their workplan that they are to conduct interviews.

MR. CHAIRMAN.- So it is a five year plan?

MR. R. FATIAKI.- The five year plan that I am talking about is a total review of all the cases which means, like I said, we will have to hire additional people to do the review for us. We did that two times already and so that is a different total annual review of all the Programmes. By the normal reviews which is supposed to be systematic reviews, those are done by officers annually, but it does not cover the whole number of recipients who are in the system. We tend to look back at how long they have been in the system so we go back and review those cases that have been in there in the system for some time and then we gradually move to the nearest date that we have. That is the process that we follow.

MR. CHAIRMAN.- Just a general question, how do you pay those people who are recipients in the outer islands or remote areas, by cheques or…

MR. R. FATIAKI.- Thank you, Sir. There are three modes of payments. For those who have access to the banking facilities, we would require them to open a bank account once they apply. So once their bank account is provided we pay them through their accounts. That is for those who are accessible to the banking facilities.

For those who are not accessible to the banking facilities, for example, like people in remote areas, we print them vouchers and these vouchers are something similar to a cheque book. It is printed six monthly so from January to June, we give them their vouchers for those particular months so every month they go to the post office and redeem those vouchers. They give their vouchers and we have an agreement with Post Fiji whereby they redeem those vouchers and they get their cash.

On certain occasions where they have no accessibility to the bank and they do not have accessibility to the post office, in those cases we send our officers and pay cash which is very seldom. I think there are only two locations where we send our officers to pay cash and that is right at Udu Point, Tawake side because there is no post office and Vatulele where they used to have postal agencies but because of some issues that happened to those postal agencies we used before, have closed down. So people have no options so we go to those places and pay them on cash. We pay them three months. Before we did that, we discussed with them the best option so we pay them saying, “is it alright with you that we pay you on three months basis?” and they are happy with that so we followed that process.

MR. CHAIRMAN.- Must be a very tedious task in remote areas to send some officers there and the expenses of sending those people there and return might be more than what you are actually paying out to those recipients?

MR. R. FATIAKI.- Yes, Sir, several times where expenses is more than what is required to pay but because of the service that we provide we have to do that sacrifice but we are also accompanied by police officers.

MR. CHAIRMAN.- There are some islands which are very remote like, off-Yasawa where there is hardly anyone but if there is one village, you have to send a boat right there?

MR. R. FATIAKI.- I think with our people in Yasawa, fortunately because of the hotels they are able to access banking facilities in those areas. So it is easier for them to come to their island to those areas where the banking facilities are in hotels to access the service. We have noted that sometimes they come down to Lautoka but we have not had real issues and complaints from our people in Yasawa.

MR. CHAIRMAN.- Thank you.

27.24 - Poor Record Keeping for Grants to Non-Government Organisations; what is noted here, and I quote:

“Each file for Voluntary organisation should have the project proposal, applications for grants…

The audit noted that the minutes of the NGO committee, signed appointment letter of the NGO, committee members, previous quarter acquittals and completion certificate for the construction of the beggars home were not kept in the files for Church of Nazarene, Homes of Hope, Veilomani Methodist Home, Empower Pacific and St. Christopher’s Home.

The finding indicates the Secretary to the NGO committee did not perform her duties properly. In the absence of these documents the Ministry did not have adequate information…”

So the Secretary of the NGOs committee did not do her job properly and the records of these NGOs were not kept properly and not being paid. Is that situation rectified?

MR. R. FATIAKI.- Sir, for your information, yes. I think when the audit was done, the Good Samaritan Inn which is the first home that we have for beggars was in its process, but to inform this forum, Sir, we had provided all information that was required by the Audit on all the NGO grants that we provided for the NGOs that we work with. All that information was provided to them.

MR. CHAIRMAN.- But is the Secretary of the NGO Committees now doing her part right? Is the Secretary a Ministry employee?

MR. R. FATIAKI.- Yes, Sir. She is part of the Unit that looks after the NGO grants.

MR. CHAIRMAN.- So at that time, it was noted that she is not collecting the information properly, is that now under wraps?

MR. R. FATIAKI.- That has been addressed, Sir. All files are up to-date.

MR. CHAIRMAN.- Thank you.

27.25 - Grant Acquittals not Submitted to the Ministry by NGOs; again, this is probably an issue that NGOs is not providing acquittals for the funds given to them.

MR. R. FATIAKI.- Mr. Chairman, for the NGO grants we were provided with the $200,000 grant annually and these are for NGOs that complement the work of the Ministry and this is the children’s homes and all those NGOs. The issue with non-acquittal, in fact, it is non-acquittal, it is acquitted after the financial year because there is a long process that we take. Although the grants come to us, we will have to apply - RIE.

The RIE is a requirement that every agreement that we have with any NGO whether they have been ongoing NGOs, the process is that annually, we will have to go to SG’s Office to be vetted. That is another process that takes some time. When these MOUs come back, it has taken almost sometimes half of the financial year, so that is only when we are ready to be able to distribute the funds.

The funds if it is more than $20,000 we do not release the total funds, it is on phases. For example, if it comes at the end of the last six months, we can only release $10,000. The balance of $10,000 is only given when they acquit the $10,000 and sometimes it carries forward to the next financial year and that is why the anomalies were highlighted there, but to assure this forum we do not release any funds until all has been acquitted.

MR. CHAIRMAN.- Thank you, that probably is put on the system. If they do not acquit the previous fund, they will not be getting the next allocation.

27.26 - Anomalies in Welfare Graduation Programme; what exactly is this Programme?

MR. R. FATIAKI.- Welfare Graduation Programme, Sir, the National Centre for Small and Micro-Enterprise for Development NCSMED gave $0.5 million last year. This Programme is implemented by the very same officers. It is to help identify those recipients under the Care and Protection Allowance and those in the Poverty Benefit Scheme Allowance, to encourage them to take up some small income-generating programmes so that we can graduate them from the system. This is in partnership with NCSMED.

There is an agreement with NCSMED whereby we provide the funding, we work together, we identify the recipients and they conduct training and the training is on budget, how to do proposals, acquitting, et cetera. So we work together with NCSMED to fund these programmes and then the evaluation and monitoring is done by NCSMED, likewise our own people.

In each Division we have different number of candidates that we identify, we work together and train them. It is quite a long process because it is not like giving them money and expecting them to do well. In many cases, we have to hold them by the hand and take them through the processes and it is quite a challenging process. It is quite slow in progress but that is how it is done. We work together with NCSMED and NCSMED does the monitoring for us.

MR. CHAIRMAN.- This is a grant or a loan?

MR. R. FATIAKI.- It is a grant.

MR. CHAIRMAN.- So the monitoring part is done by NCSMED?

MR. R. FATIAKI.- With our officers also.

MR. CHAIRMAN.- So the Audit noting, “A case file (hard copy) must be opened…”, is that procedure now applied, do you have hard copies of files?

MR. R. FATIAKI.- Sir, for your information we have done our SOP on that and all cases have files at the moment, and my officers are on the field trying to monitor those cases.

MR. CHAIRMAN.- Thank you.

Those people who are entitled to the Welfare Graduation Programme, they should not be listed in any other benefits or they can be?

MR. R. FATIAKI.- These recipients are the ones who are in our system.

MR. CHAIRMAN.- They are already there?

MR. R. FATIAKI.- Of the Poverty Benefit Scheme and the Care and Protection Allowance, not with the Social Pension Scheme. If they want, they can but it is for those who are already in the system.

MR. CHAIRMAN.- So the micro-enterprises grant of $1,000 will not apply to them if they are in receipt of these?

MR. R. FATIAKI.- No, we have been informed that they cannot apply for that $1,000 microfinance because it is coming from the same purse.

MR. CHAIRMAN.- Because they have already got the $2,000?

MR. R. FATIAKI.- Yes.

HON. RATU S.V. NANOVO.- What is your success rate so far on this Scheme?

MR. R. FATIAKI.- Honestly Sir, I will not be able to give the percentage but it is slow, as I mentioned. I think the challenge that we faced is trying to assure the recipients that what they will be getting out of these projects is more than what we are giving them because they are receiving about $50, the maximum they can get but if they can do these projects well it will be like, more than in a month and that is the challenge that we are facing. Yes, we have a lot of success stories but yes, we also have our failures.

MR. CHAIRMAN.- This NCSMED which Ministry does it come under?

MR. R. FATIAKI.- I think it comes under the Ministry of Trade.

MR. CHAIRMAN.- So they are the ones who would probably have the data of how many people were given and how many people are actually monitoring it, probably.

HON. RATU S.V. NANOVO.- For that, the data will also be given to this people because they have the office.

MR. R. FATIAKI.- For our recipients, Sir, they do provide us that information on the number of recipients that we have funded. So they always provide us with their progressive report on the dissemination of the funds. It is not totally given at one time, they take term so they apply and say, “I want to buy certain things”, so they are given that amount. They come back and say, “Alright, this is what I have bought”, so they are given that on phases, not on one-off.

MR. CHAIRMAN.- They will not get their $2,000 lump sum?

MR. R. FATIAKI.- No, not on a one-off process.

MR. CHAIRMAN.- And this money is given to them on their hands or given to supplier?

MR. R. FATIAKI.- No, it is given to the supplier.

MR. CHAIRMAN.- Alright, that is probably a better way to monitor it then. Unless the supplier also gets corrupted and does the deal with them under the table.

HON. RATU S.V. NANOVO.- What is the total number who have been assisted so far under this Scheme, any rough idea?

MR. R. FATIAKI.- Mr. Chairman, it is about more than 500 at the moment.

HON. RATU S.V. NANOVO.- What is the minimum or maximum amount that you normally give out to them?

MR. R. FATIAKI.- $2,000 is the maximum that we give.

MR. CHAIRMAN.- Alright, is there any other questions we have on that?

They had basically stated there that NCSMED did not maintain a separate bank account, this is for them to answer but probably you also to follow-up. The recommendations that were made by the OAG at that instance was, and I quote:

“The Ministry has to ensure that:

* + a dollar amount is stated in the contract with the number of recipients to be assisted in the contract;
  + a mandatory training on the Welfare Graduation Programme Standard Operating Procedures is provided to all Welfare Officers so that recipients’ case files are properly maintained for all the divisions;
  + the Welfare Graduation Programme Standard Operating Procedures include a record management template;
  + a review of the Welfare Graduation Programme is conducted annually;
  + a clause is incorporated in the agreement with NCSMED for NCSMED to have a separate bank account to administer the Welfare Graduation Programme funds;
  + NCSMED submits a periodic (such as quarterly) report on the Welfare Graduation Programme;
  + the funds provided under the budget are used for the intended purpose only; and
  + appropriate disciplinary action is taken against responsible officers for poor management of Welfare Graduation Programme.”

So NCSMED is giving you periodic review reports?

MR. R. FATIAKI.- Sir, they continue to give us those reports. In fact, those issues that have been highlighted, we have addressed them.

HON. A.M. RADRODRO.- Sir, just on the Audit findings regarding the last bulletpoint which says, and I quote:

“The Ministry used a total of $16,000 from the Welfare Graduation Programme to make payments to the recipients of the Fire Victim Relief Programme.”

Can you just elaborate on that?

MR. R. FATIAKI.- Sir, we have another programme which is the Fire Victim Programme. Every year there is an annual budget of $150,000 and in that particular year, we exhausted that funding for fire victims. We had more than 150 fire victims, so because we had exhausted we had to vire for additional funding to accommodate those fire victims so we followed the normal process. We went to the MOE and said, “This is the situation that they were in”, we identified the budget allocation where it is to come from, so once they gave the approval, we released that money from that particular budget allocation.

HON. A.M. RADRODRO.- Thank you. Can you just advise what is the minimum and maximum that you can provide for a fire victim?

MR. R. FATIAKI.- It is a $1,000, Sir.

HON. A.M. RADRODRO.- So it is more than 150 fire victims?

MR. R. FATIAKI.- Yes, it is more than 150 fire victims in that particular year and in this year also.

HON. A.M. RADRODRO.- Per family?

MR. R. FATIAKI.- So we had to vire again for the same programme this year.

You will notice in the news the number of fires that had occurred, so that is what we are doing now. We had already asked MOE if we could vire from the same programme, to accommodate the Fire Victims’ allocation.

MR. CHAIRMAN.- 27.27 - Accountable Advance not Cleared on Time; here the issue is that, when an officer is given money for travels, et cetera, they must retire that fund within seven days. If they are not, then deduction to be made. A particular officer did not retire the funds and there was an outstanding amount, then she was later terminated for misconduct. As a result, $1,397.40 is still outstanding, so a loss of public fund. What is the explanation there and is there any way to curtail this problem?

SOCIAL WELFARE REP.- Thank you, Mr. Chairman. All the accountable advances that have been listed here had been cleared at the end of 2014 but I would say that is was delayed because some of the reasons that we came across and we have taken that on board in improving the system. From 2015 until now, we have been imposing salary deductions for those who have not been acquitting, at least, within seven days.

MR. CHAIRMAN.- So this particular fund is lost - $1,397.40 but now, there are procedures in place to recoup that kind of money? All your staff have been advised that within seven days they must retire the funds?

SOCIAL WELFARE REP.- Yes, the officer was terminated.

MR. CHAIRMAN.- Yes, this one was terminated. For this particular offence or was it for something else?

SOCIAL WELFARE REP.- There were particular fraud cases that occurred.

MR. CHAIRMAN.- There was a continuing offence.

Honourable Members, that brings us to the end of 2014 Accounts. We have some issues on 2015 as well. The PS informed me that they have to travel to the West to assist in the Help for Home Initiative, so do you wish that we take 2015 on another day, a day which is free for you, PS?

There are some numerous issues there in 2015 and I do not think we will be able to complete in the half-an-hour we have got, so I invite suggestions from you, do you wish to take an adjournment and then review the 2015 on another day?

MR. J. KOROIVUETA.- Can we do it on another day if be our request, Mr. Chairman?

MR. CHAIRMAN.- Yes, I think that is what we are thinking. Probably, we do not have enough time today for that and you have to travel down to the West to assist in the Help for Home Initiative. Honourable Members, we can release the team from the Ministry of Social Welfare and then we have to look at the Minutes after that.

The Secretariat will advise you for a future day, PS.

The Committee Interview adjourned at 12.30 p.m.