**PUBLIC ACCOUNTS COMMITTEE**

**[Verbatim Report of Meeting]**

**HELD IN THE**

**COMMITTEE ROOM (EAST WING)**

**ON**

**WEDNESDAY, 10TH MAY, 2017**

**VERBATIM NOTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD IN THE COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON WEDNESDAY 10TH MAY, 2017 AT 9.24 A.M.**

**Submittee: Ministry of Agriculture**

In Attendance:

1. Mr. Jitendra Singh - Permanent Secretary
2. Mr. Uraia Waibuta - Deputy Secretary Agriculture Development
3. Ms. Maca Tulakepa - Deputy Secretary Corporate Services & Planning
4. Mr. Tomasi Tunabuna - Director, Animal Health & Production
5. Mr. Vatimi Rayalu - Chief Economist
6. Ms. Mereseini Bou - Director Human Resources
7. Mr. Jone Sovalawa - A/Director Extension
8. Mr. Apaitia Macanawai - A/Director Research
9. Mr. Gabirieli Lewanavanua - Principal Agricultural Officer, LRPD
10. Mr. Mahendra Kumar - Principal Agricultural Officer, LWRM
11. Mr. Sikeli Baleisuva - A/Principal Accounts Officer

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MR. CHAIRMAN.- A very good morning to everyone present today. Honourable Members, thank you very much for attending today’s meeting and we are privileged to accommodate the Ministry of Agriculture Team headed by their Permanent Secretary, Mr. Jitendra Singh. The Ministry of Agriculture Team would appreciate that we are, in fact, doing an important task on behalf of the Government and Parliament and that is, to scrutinise respective Ministries and Departments in their expenditure as reported in the Auditor-General’s Report. For that purpose, today on your right we have the team from the Office of the Auditor-General (OAG) to assist us, and on your left we have the Ministry of Economy (MOE) Team who will be assisting us in this process.

We have two years of financial reports with us. We will be taking 2014 first, then we will adjourn for a short recess and then take 2015 which has a fewer issues. It might be prudent to note that the issues from 2014 have reduced quite significantly, but we still have some issues pending there.

Let me introduce the Honourable Members to you.

(Introduction of Honourable Members by Mr. Chairman)

With that, we will now request you for any opening remarks before we can go to the questions. We will take the questions as it is noted in the Report on paragraph basis.

MR. J. SINGH. - The Chairman and Honourable Members of the Standing Committee on Public Accounts, Officials from the OAG, a very good morning to you all.

The Ministry of Agriculture thanks the Standing Committee on Public Accounts for the opportunity to appear before the Committee this morning to provide the Ministry of Agriculture’s responses and any further clarification that may be required by the Committee.

Just as a way of introduction, I would like to introduce the roles of the Ministry of Agriculture for the benefit of the Honourable Members of this Committee. There are four major statutory functions that the Ministry of Agriculture is responsible for, and they are to:

1. Accelerate agricultural product diversification into crops and livestock products where competitive advantage has been identified;
2. Facilitate private sector development;
3. Promote food security; and
4. Ensure sustainable development in the non-sugar sector.

With these, we have certain programmes that are carried out by our implementing Divisions to ensure that we achieve the Ministry’s planned outputs mandated by the Government; we:

* + Maintain food security through the provision of Extension and Research Services for both, livestock and crops;
  + Support the growth of numerous small and medium sized enterprises through the implementation of our Demand Driven Approach (DDA), a flagship .programme of the Ministry which is more popularly known as the DDA Programme.
  + Assist in poverty alleviation by building capacity for our farmers to increase production;
  + Ensure sustainable management of natural resources through the Flood Protection Programme and other sustainable land management practices.
  + Implement the Rural and Outer Island Programme to meet their basic needs and improve the living standards through agriculture development in these remote areas; and
  + ensure equal access to women and youth in agriculture development.

There are basically four Technical Divisions directly reporting to the Deputy Secretary Agriculture Development and two other supporting Divisions under the strategic arm of the Ministry, under the Deputy Secretary Corporate Services and Planning.

The Ministry administers and is currently responsible for 28 different legislation. Given the nature of the Agriculture Industry, the Ministry is tasked to deal with the current reality such as, natural disasters; the effect of climate change such as, drought and flooding which directly affect our key stakeholders, while the agriculture sector endures to improve Fiji’s overall social and economic landscape for higher growth.

The Ministry has embarked on the road to modernising the agriculture sector. Since 2015, the Ministry has begun work on the strategic actions proposed in the 2020 Agriculture Sector Policy Agenda which has enlarged the horizon of the Ministry with models aimed at revitalising and modernising Fiji’s agriculture sector. This, however, calls to making more land available, connecting infrastructural support, as well as providing the market avenues and value chains for our produce locally and abroad.

The World Bank has recently prepared a report on a proposed reform for the Ministry of Agriculture. In the next few months, we will be embarking on this reform. One of the things that we are targeting is a further decentralisation that started a couple of years ago, but we would like to strengthen this work now and allow the different Divisions to take more responsibility for the work that they are doing rather than controlling all of them from a centralised headquarters location.

Our priority task is to translate our agricultural policies and strategies into actions which will not only come from the Ministry but from the result from our partnerships with the industry from the private sector, the NGOs and the civil society at large.

In terms of our financial administration, we are committed in our effort to reduce serious financial risks within the Ministry and lift the targeted level of compliance in order to reduce the audit risks. So in an effort to minimise these audit issues which we are here to clarify, the Ministry has now set up a Compliance Unit which has, in fact, been in place for some time, to follow up on these audit queries, monitor the effective implementation of audit solutions and do internal checks whenever they see it appropriate.

With those remarks, Honourable Chairman and Honourable Members of the Standing Committee, I thank you for receiving the 2014 and 2015 Audit responses, and we are prepared to receive any questions from the Honourable Members of the Public Accounts Committee. Thank you very much.

MR. CHAIRMAN. - Thank you very much Permanent Secretary for Agriculture for your brief introduction. The Ministry of Agriculture as we call it, is a very important component of governance. As you had highlighted from your programmes, it is one of those Ministries that is actually responsible for the food security of this country and it manages all agriculture, apart from sugar. That actually makes it a very responsible Ministry with very high stakes. Therefore, the Audit findings which resulted in a qualified Audit Report is a concern for the Committee, which means there are issues to be explained.

Starting from the top, if you look at Part A: Financial Statements. 29.1 - Audit Opinion, the first bullet point there is Trading and Manufacturing Account (TMA) Balance Sheets. The concern there is that, capital retained of $2.26 million and TMA surplus transferred to the Consolidated Fund of $220,629, the Ministry was not able to provide appropriate audit evidence to support the balances. As a result, the audit was not able to ascertain the accuracy and completeness of the TMA as at 31st December, 2014. Can there be some explanation on that, PS?

MR. S. BALEISUVA. - Thank you, Honourable Chairman. In regards to the variance in the capital retained or the TMA, we do acknowledge that there is a variance in the retainment. The basic reason why we have retainment was due to funding and mispostings that were done in previous years. This figure has been accumulated for years and the Ministry in an effort to clear this issue, we were directed by the then Acting Permanent Secretary in 2015 to start the reconciliation of the accounts. We did reconciliation of the accounts in consultation with the then Ministry of Finance and we managed to clear some of this as of 2016 financial year.

MR. CHAIRMAN. - This $2.26 million of capital retained, is that a result of misposting you say or human error?

MR. S. BALEISUVA. - Honourable Chairman, the Ministry had a few bank accounts that were operating. Basically, we had a TMA Bank Account, we had an Operating Bank Account where our normal budget is being paid from and we had a Trust Fund Account. We had only one cashier who was handling all these accounts and sometimes, instead of writing cheques from the TMA account, he would write it from the Trust Fund Account, even though the General Ledger posting goes through the Trust Account or the TMA Account in this case. Because of those mispostings and our failure to reconcile our accounts properly, that was the main cause of this variance.

MR. CHAIRMAN.- So what period are we looking at if this amount as you have said had accumulated over the years? How long did it take for you to recognise that there was misposting? Is it a five-year old account?

MR. S. BALEISUVA. - In 2015, we requested the assistance of the Asset Management Unit of the MOE for them to help us in reconciling the whole TMA operation. Actually, we requested them to look at the actual operation of the TMA and then also to reconcile and address the issues that had been raised by the Auditors with regards to the TMA from previous years. Some of these issues were recurring issues and we have been working with them from 2015 uptil now and we are still working with them to rectify all these issues.

MR. CHAIRMAN. – There is a requirement that there has to be a monthly reconciliation as we were advised by the Auditor-General earlier. Was this a practice at that time in the Ministry to do monthly reconciliations?

MR. S. BALEISUVA. - Sir, the monthly reconciliation was submitted at that time, but I will not be able to really say what happened at that time. However, from what I have seen, we do our reconciliation but proper follow-ups after the reconciliation were not done properly. That was why some of the issues were left pending from previous years and were not addressed.

MR. CHAIRMAN. - What is the situation now, are you doing monthly reconciliations now?

MR. S. BALEISUVA. - For reconciliation, we have now conducted inhouse training for our staff in terms of reconciliation, making sure that when they find variance in the TMA issues or any other issues when it comes to reconciliation we must address it there and then.

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

HON. A.M. RADRODRO.- Thank you, Honourable Chairman, and thank you PS for the comments that you made earlier. Just a question to the Ministry staff regarding the reconciliation, the audit has noted that evidence was provided during the audit. So when you do your reconciliations, did you manage to find your documents?

MR. S. BALEISUVA. -Thank you, Honourable Member. As part of our in-house training for our staff in terms of reconciling the account, that is one of the areas that we are addressing now when we do our reconciliation, trying to provide supporting documents in terms of the adjustments and all the transactions that are going through the GL account. We are now addressing that issue of reconciliation and the provision of supporting documents is one of the issues that we are now addressing.

HON. A.M. RADRODRO.– A particular instance, the $2.26 million, did you manage to find the evidence or did you write it off or how did you do the reconciliation?

MR. S. BALEISUVA.- For the amount that was requested for write-off, we did a reconciliation when we were instructed by the then Acting Permanent Secretary for Agriculture in 2015, to reconcile and make sure that the issues for TMA are addressed. We requested the then Ministry of Finance for help and we were tasked to reconcile the accounts backdated to 2010.

HON. A.M. RADRODRO. - 2010?

MR. S. BALEISUVA. -Yes, we provided a reconciliation from 2010 up to 2015 but after that, we still could not find the evidence for some of the figures.

MR. CHAIRMAN. - There has been an issue in some Ministries including yours, of supporting documents not being found that resulted in a lot of money being written-off. So you said that some documents were found and some documents, I understand, were not found. What were some of the reasons that these documents were not kept properly in a sequential manner?

MR. S. BALEISUVA. – Thank you, Mr. Chairman. On the issue of securing our documents in 2015, we managed to secure our own documents by locking or providing a safe area to lock our documents and access or permission to that room is to be given by the Principal Accountant. We had a register whereby documents that are taken out of that room are recorded and we made sure that the same documents are returned. We made sure that the supporting documents that are in that file when returned, are still there and we made sure that our filling systems are kept properly.

HON. RATU S.V. NANOVO. – Thank you, Honourable Chairman. Just a question to the Finance team of the Ministry; way back in 2014, were you able to fully advise your Permanent Secretary at the end of every month on how much cash you got under these two headings - TMA in any one month and Operating Account Were you able to tell him; “At the end of this month, this is how much cash we’ve got here”, were you able to do that?

MR. S. BALEISUVA.– We do provide monthly reconciliation and in that, the report states how much cash is there in the TMA that has to be brought forward. At the end of every year, we provide a financial statement for the TMA. There is a ceiling for the TMA which is ……….. Any money above that has to be returned to the MOE and we are actually providing those reports now and giving MOE the access.

HON. RATU S.V. NANOVO. – If that was the case then at the end of the year, you should have at least a balanced account with you. Why was this disparity?

MR. S. BALEISUVA. – I do agree with your comments, Sir, it is just that I really could not say anything about the past, but because of that directive that was given to us, the Ministry of Agriculture is now making sure that documents and whatever balances are there, when we say there is a balance or this amount of money is the balance, we are now providing supporting documents to say that, that amount is the true value of the balance of the TMA account.

MR. CHAIRMAN. – Thank you for the explanation. Moving on to the next bulletpoint, there is another issue of non-reconciliation which says, and I quote:

“There was an un-reconciled variance amounting to $238,582 between the FMIS general ledger and TMA bank reconciliation statement. Accordingly, the audit was unable to ascertain the accuracy and completeness of the TMA Cash at bank of $1.03 million as shown in the TMA Balance Sheet as at 31 December 2014”

Any explanation on that, Sir?

MR. S. BALEISUVA. – Thank you, Honourable Chairman. As I had mentioned in our reply earlier, the unreconciled variance between the GL balance and the Bank Statement balance is basically due to inter-funding whereby if there is a payment that has to be made, we process it through the GL and through the TMA account. But the time that they write the cheque they write it from the operating cheque account so reconciliation was supposed to be done. They were supposed to pick up these issues and these are the issues that we are now training our staff, to make sure that they pick up. The variance would basically because of that inter-funding that happened in the previous years.

MR. CHAIRMAN. – But surely, there should be some procedure to state if cheques are to be written, then which account they should be written from. If it is a trust account issue, that should be from a trust account and if it is from an operating account, it should come from the operating. Is there any policy like that in place now?

MR. S. BALEISUVA. – If a transaction is for a trust fund account, the cheque has to be written from a trust account to make sure that this does not happen. We are now training our staff to do reconciliation and also as the opening remarks from our Permanent Secretary, we now have a compliance team and part of their duty is to actually check again on the payments that were made during the day, to make sure that the payments are done in accordance with the Finance Instruction and Finance Regulation.

MR. CHAIRMAN. – What sort of moneys or funds are kept in this trust account?

(Inaudible)

MR. CHAIRMAN. – You can answer as well, if you so wish. The question basically is, we know the operating expenditure account, normal expenditure, bills, et cetera, are paid from that. But what sort of moneys are kept in there and for whose purpose? Who is the beneficiary of that trust account?

MR. S. BALEISUVA. – Sir, for trust account, that is where we keep our retention fund. When we do our construction work. we normally retain 10 percent of the payments from the contractor and this 10 percent is to be paid to them once we are satisfied that the work is completed and is in accordance with the requirements of the Engineers, only then we pay them lots of funds.

For TMA, it is to help us in the sale of drugs where we subsidise the cost of the drugs to our farmers and also some of the animal feed to our farmers.

MR. CHAIRMAN. – For instance, if cheques for operating expenditure are written from this account, the Ministry could end up with a serious problem if the contractor comes to take his retention amount and there is no money and those farmers on whose behalf you have deployment fund in this trust, is that not the case, there might be a problem for the Ministry if it is not monitored properly?

MR. S. BALEISUVA. – Honourable Chairman, we made sure that we have enough funds in this account before each transaction is being made. We keep separate ledgers for these accounts and we are now maintaining separate cash books.

One of the issues that was raised by the Auditors before and was the reason was why we have this problem with these accounts was because our cash books were not maintained properly. So now, we are maintaining manual cash books, making sure that balance is available in these accounts before we make any purchase or before we make any payment from this account.

HON. RATU S.V. NANOVO. – Still on that, Honourable Chairman, who monitors your monthly or towards the end of the month financial accounts? Who does the monitoring and who checks, to ensure that you’re compiling with all the requirements that you should be doing?

MR. S. BALEISUVA. – Sir, apart from the MOE Internal Audit we also have our Compliance Team now that actually follows up on all these issues.

HON. RATU S.V. NANOVO. – (Inaudible)

MR. S. BALEISUVA. – Sir, at that time of the report, we did not have our compliance team. As a way forward for the Ministry, we were instructed to address this issue and one of the things that the Ministry took as a step towards this is ensuring that we have our own Compliance Unit, apart from MOE Internal Audit Team.

Our Compliance Unit is to make sure that all these issues are addressed rather than waiting for the report from Internal Audit and the Auditor-General. We have our own team that can pick up the issues, address those with the management and then we can address it there and then rather than waiting for all these reports to come in where we address it with the MOE or OAG.

HON. RATU S.V. NANOVO. – So that was lacking at that time and the cause of all these. The capacity was lacking.

HON. A.M. RADRODRO. – Honourable Chairman, just a question to the MOE; did you do any internal audit check in 2014 and 2015?

MOE REP. – Thank you, Honourable Chairman. Honourable Member, we have a team based at Ministry of Agriculture, currently.

(Inaudible)

MOE REP.- There was a team there, yes.

(Inaudible)

MR. S. BALEISUVA. – Sir, we agree that there is a team from Internal Audit that is based at the Ministry of Agriculture full time, but their report goes through the MOE before it comes back to the Permanent Secretary for Agriculture for the issues to be addressed, and that is the very reason why we set up our Compliance Team. Our Compliance Team will have to pick up the issue and then highlight it with Management so that it can be addressed there and then. My understanding of the Internal Audit Team is to help Management in the managing of the Ministry’s finances, but if the report takes three months to come back to us, then I am not sure how best we can address those issues.

HON. RATU S.V. NANOVO. – Just a question to the MOE; why can a copy of that report not given to the Permanent Secretary for Agriculture so that they can act on their anomalies rather than waiting for those three months period?

MOE REP. – No, Sir, our report is such that it is conducted on a quarterly basis, so at the end of the three months it is submitted to the Permanent Secretary for Agriculture.

If I can just comment on the current status of the Ministry of Agriculture’s compliance levels, there has been an improvement. The Ministry conducts training, they have been conducting training (I think) on a monthly basis for weaknesses that they identify and our audit report still look at the recommendations that we make. So from that, they include that in their monthly training. Thank you.

MR. CHAIRMAN. – Thank you.

HON. RATU S.V. NANOVO. – We do appreciate that the training has not been conducted, but who monitors that within the Ministry to ensure that what they are doing now is correct? Do they monitor that on a three months basis?

MR. CHAIRMAN.– They had mentioned that there is an internal team now in place.

HON. RATU S.V. NANOVO. – No, I mean that is the way to ensure that after that they can go on their own rather than rely on an outside Ministry.

MR. J. SINGH. – Sir, the comments from the MOE is used in the training and improvements in the processes and as we monitor this process on an ongoing basis, we can monitor the performance of our own Compliance Team and identify whether there is any need to strengthen it. So if we find any shortcomings, for instance, we find on a consistent basis that some of the issues are recurring and they are being pointed out by the MOE on a regular basis, then that will basically identify the arrears of improvement in our Compliance Team and other SOPs.

MR. CHAIRMAN. – Thank you PS. The next bulletpoint is another issue of TMA, Closing Stock of Finished Goods of $1.01 million. It says, and I quote:

“The audit did not express an opinion the accuracy and completeness of Closing Stock of Finished Goods as the Ministry did not carry out an independent stock take for the year ended 31 December 2014.”

So because there was no stocktake taken, the audit team could not ascertain the correctness of that figure of $1.01 million. Can there be some explanation on why there was no stocktake taken?

MR. S. BALEISUVA. – Thank you Honourable Chairman. On the issue of stock take, we do acknowledge that we do our stocktake. For the year 2014, the Ministry did not appoint an independent member to be a member of the stocktake. For the year 2015, we had an officer from the MOE as an independent member and for the year 2016, we invited the officer from the OAG to be a member of the stocktake.

I believe the issue that was raised here was, whether the officer from the OAG was also needed to be included as the member of the stocktake when it was, and that was what we did in 2016.

HON. A.M. RADRODRO. – Honourable Chairman, just a supplementary question; with all these issues that you have highlighted, can you just explain to the Committee how does your TMA operate; whether it is centrally operated or it is operated from the respective officers, and how do you address this going forward?

MR. S. BALEISUVA. – Honourable Member, as a way forward to address TMA, we now appoint an Assistant Accounts Officer to actually monitor the financial operation of the TMA account. This was something that was not done in the Ministry before but as a way forward, we have an Assistant Accounts Officer who is also involved in checking all these issues.

HON. A.M. RADRODRO. – So the current practice is that, the sale is conducted from the respective location, for example, livestock in Vatuwaqa, how do you ensure that all these things are correctly recorded in your books or wherever the fertilisers are sold from? Are they all sold from the office or can they go to the divisional officers to do the sale, to take the products from there? And how do you try and improve that because if you do not improve, then this TMA operation will still come up?

MR. J. SINGH. – The account will operate from all the Divisions because some of these services and resources are in each of the Divisions so it is transacted from there. And further to what I had explained, we are now having a regular quarterly meeting and training sessions for all our Accounts Officers and Clerical Officers who are based in all the four Divisions. Just last week we had one such training session where we identified these issues and found out what are the problems and because sometimes when these reports are in the headquarters, they somehow probably do not reach the people who are actually doing the work in the Divisions. So we bring all these people on a quarterly basis, sharing with them the Audit findings and then identify the problems, conduct retraining and strengthening of the processes if this deem necessary.

HON. A.M. RADRODRO. – The record keeping at the respective offices, are they still manually recorded or is there a linkage with the use of technology?

MR. S. BALEISUVA. – We both keep manual records and we also try and keep the system record just for manual record so that when the system goes down we can rely on the manual records.

MR. CHAIRMAN. – Thank you very much.

The next bulletpoint says, and I quote:

“The Ministry was not able to provide appropriate audit evidence to reconcile and ascertain the accuracy and completeness of the Trust Fund Cash at Bank - Retention Fund (LWRM) balance of $877,651 and Trust Fund – Retention Fund balance of $269,813 as shown in the FMIS general ledger….

As a result, audit was not able to ascertain the accuracy and completeness of the Trust Account Statement of Receipts and payment (LWRM) for the year ended 31December 2014.”

This is another reconciliation issue, is that the same explanation? Some big amounts are there.

MR. S. BALEISUVA. – Thank you, Honourable Chairman. As with the case of the TMA account, the same issue happens with the Trust Fund Account as I had mentioned because of inter-funding, cheques being written from separate bank account instead from the right account. We have been working with the MOE FMIS Division in trying to rectify this problem and we managed to reconcile this issue in the 2016 financial year.

MR. CHAIRMAN. – What we heard earlier in our hearing is that, when documents are not kept properly, it does not reconcile with the cash at bank or cash on hand, which leaves room for misappropriation. It leaves room for abuse and corruption because the people there would know that there is no way they can substantiate that amount at the bank because the documents are not there. Do you agree with the risk that exist there if documents are not kept properly?

MR. S. BALEISUVA. – Thank you, Honourable Chairman, I believe the main issue here was how we reconcile our account. We did not take any action as soon as we identified the problem and this was sometimes (I believe) left to the last minute when they tried to adjust it and some of these issues could not be adjusted when the account is closed. That is why it is being brought forward.

Also, as has been mentioned by the Audit, record keeping at that time was not kept properly to substantiate these issues but as I had mentioned, we worked with the FMIS Division in the MOE in trying to track down all these transactions, tried to rectify it and that was done in the 2016 financial year.

HON. RATU S.V. NANOVO. – Just a question, Honourable Chairman, to the MOE; are the Ministries allowed to play around with the two accounts that they have? For example, if the cheque is to come from the TMA and there is no funding there, they will take it from the other account, are they allowed to do that?

MOE REP.– Honourable Member, normally no. Normally, inter-fund transactions are not allowed but, of course, it goes back to them on their postings. What was happening before, anyone who logs in into the system has access to all the funds, meaning Fund 1 TMA & Trust, so if they do not choose the correct allocations, of course, the posting will go into that account. Again, it goes back to the Ministry to check on the postings, one thing is to post, the other thing is to check where the posting is going, so again, it goes back to the reconciliation.

HON. RATU S.V. NANOVO. – So, on that, we have noted that;

1. They are not allowed to do that and yet they are doing it; and
2. If they had done that, the reconciliation should tie up where the money comes from and from which account.

If that was closely monitored, I think everything should be going on well rather than leaving it right to the end and trying to deduct what was the cause.

MR. S. BALEISUVA. – Thank you Honourable Member. The only answer that I could say here is, what we are currently doing now in the Ministry to make sure that this issue does not happen again or not to be repeated is, we do our in-house training with all the staff who are doing reconciliation, we showed them how the proper reconciliation is to be done and also, in keeping the records properly. The important thing is for them to make sure they adjust any variance that they find at the end of the month, so whatever variance that was found this month come next month, it should had been adjusted and as the Principal Accounts Officer, I make sure that adjustments are made in the following month.

MR. CHAIRMAN. – That is a good start and I hope it arrests the problem.

The next bulletpoint says, and I quote:

“The Ministry did not carry out a Board of Survey for 2014. In the absence of a Board of Survey Report, the losses of fixed assets, if any, that occurred during the year could not be substantiated. As a result, audit was not able to ascertain the accuracy and completeness of the Statement of Losses for the year ended 31 December 2014.”

Now, the issue of Board of Survey (BOS) is an important one. There should be a yearly Board of Survey by each Ministry to check and to ascertain what is there and what has been lost.

MS. M. BOU. – Thank you, Honourable Chairman. There was a BOS carried out in 2014, we had received the result of this BOS from the MOE. Before the BOS used to be done in Divisional Offices. It used to be initiated from there and submitted to MOE. That is why the Headquarters had no record of the results of the BOS. We have some documents but not all, in relation to that submission and the result of the BOS done.

Currently, we have established an Asset Division at the Ministry of Agriculture, who are the focal points for initiating BOS done, submitted to them and then these reports are submitted to MOE. Then once we receive the results from MOE, then we update our records. I think that was the reason why there was no Loss Report for the 2014 financial year because of the process that was followed at that time.

MR. CHAIRMAN. – OAG, they were saying that the BOS was done for 2014.

AUDIT REP. – Thank you, Honourable Chairman. With regards to the BOS, the findings here is that the BOS was not carried out. I believe the reason could have been that the report was not provided to Audit.

MR. CHAIRMAN. – Is it possible that the survey was done but the report did not come to you at that time of writing this report?

AUDIT REP. – Yes, because this report was sent to the Ministry for comments and it was in the qualification of the financial statements.

MR. CHAIRMAN. – Yes, and it was in the capacity of the Ministry because the accounts close on 31stt December, three months after that the audit would have set, so if you had the report, it was open to you to submit to them. Can you confirm when that report was done or when did you receive the report of the BOS?

MS. M. BOU. – This was a report just for a Division, not for the whole Ministry, just a result of the BOS that they had done.

MR. CHAIRMAN. – So you are saying that the BOS was done for a department?

MS. M. BOU. – Yes, just a Division.

MR. CHAIRMAN. – It should be done for the whole Ministry.

MS. M. BOU.- No, not for the whole Ministry.

MR. CHAIRMAN.- That is the procedure, it should have been done.

MS. M. BOU.- Yes, it should have been done.

MR. CHAIRMAN.- OAG?

AUDIT REP. – Thank you, Honourable Chairman. I can confirm that because in 2015, the same issue was also raised and it was because only a Division carried out the BOS, not the whole Ministry.

HON. RATU S.V. NANOVO. – (Inaudible)

MS. M. BOU. – The Divisional Office in the Northern Division.

(Inaudible)

MS. M. BOU.- Honourable Member, the process is that every Division should have done their BOS at the end of the year but, some Divisions did not carry out their BOS, but some did.

HON. RATU S.V. NANOVO. –Are you monitoring that to ensure that all of them do it within the year whenever it is due? Who should be monitoring, is it the Permanent Secretary?

MR. J. SINGH. – Eventually, it would be the Permanent, but it comes under the Human Resources Finance and Information Technology Division which is HRFI which looks after the accounts and they should have been monitoring it. But eventually, yes, the Permanent Secretary would be answerable to that as well for that year.

HON. RATU S.V. NANOVO. – Another question, Honourable Chairman, the person who should be responsible for this, was any disciplinary action taken against him or her because of that laxity?

MS. M. BOU. – Honourable Member, there was no disciplinary action taken against the officer responsible.

MR. CHAIRMAN.– There should have been some recommendation, at least, because further into the report we will come to issues of expired drugs and damage to vehicles so rightfully, the person responsible should have been taken to task for not doing this. I mean, that was 2014 but can you comment on that?

MOE REP. – Thank you, Honourable Chairman, if I can just comment on that, the BOS issue has been a recurring one for Internal Audit.

MR. CHAIRMAN. – For which Ministry?

MOE REP. – For Ministry of Agriculture, in our Internal Audit Reports.

(Inaudible)

MS. S. KURUSIGA.– As of to date, the consolidated one is still not being submitted to Ministry to MOE. The misunderstanding here is that, I think it is the coordination bit because each Division thinks that they should just be doing their own. I think the Finance Manual states that it should come under the responsibility of Accounts whereas on the ground, it comes under HR. This is why they established their Assets Division in 2016 so that they can coordinate the BOS for the whole Ministry.

MR. CHAIRMAN. – We have the new PS now, so probably some direction can be given.

MS. M. BOU. – Honourable Chairman, just to update on the BOS that we are currently doing, we have completed the 2015-2016 BOS and we have received most of the responses from the MOE.

(Inaudible)

MS. M. BOU.- Yes, the whole Ministry. Now, that we have an Asset Management Division, they are the focal officers who are monitoring and ensuring that the BOS processes are carried out fully.

MR. CHAIRMAN. – That seems encouraging that now, you are doing the whole of the Ministry’s BOS because initially the MOE was saying that the Divisions think that they should be doing that. They should not think, there should be directives, a lot of money is involved there.

HON. A.M. RADRODRO. – Honourable Chairman, just a question to MOE and probably Audit regarding the conduct of the BOS; I know it is annual but when do you expect to complete the Board of Survey, is it after the end of the financial year or within the financial year? What is the procedure?

MOE REP. – The Instructions just says it should be done once, annually it is not specific on when exactly it should be done. Thank you.

HON. RATU S.V. NANOVO.– Quite a vague answer from you. Since you need that on annual basis, so annual basis it should be up until the end of the year or can it be carried forward to the next year?

MS. L. SENIBULU. – Sir, the Finance Instructions says that it should be done annually, it is not specific on when exactly it should be done.

AUDIT REP. – Thank you, Honourable Chairman, with regard to the TMA operations, we expect the Ministry to carry out the end of the year stocktake on all their stock. From 2016 we were liaising with the Ministry to inform us of the date of their stocktake which should be towards the end of the year which they had done. So in 2016 we were able to attend to their stocktake.

As for the BOS for unserviceable items and their losses, Ministries are submitting their monthly Loss Report for all the losses in their stock. However, as mentioned by the Ministry, the problem is that not all the Divisions are doing it, and not for the full year.

MR. CHAIRMAN. – We note that.

HON. A.D. O’CONNOR.– Just a question there, when he mentioned at the end of the year, is it at the end of the calendar year or is it at the end of your financial year?

MR. CHAIRMAN. – It should be financial year.

AUDIT REP. – Yes, at the end of the financial year.

MR. CHAIRMAN.– It was 31st December previously, it is now 31st July.

29.2 – Statements of Receipts and Expenditure; there are no audit issues noted but does any Member need clarification?

HON. A.M. RADRODRO. – On the reasons for the expenditure increase, the first bulletpoint there says, and I quote: “Increase in wages and salaries by $3.57 million or 23% was attributed to pay rise approved for civil servants…” Can the Ministry advise us, was there any certain percentage paid out on this particular pay rise and does it affect all the Ministry’s staff? Increase in expenses of was due to increase in salaries and wages attributed to pay rise for civil servants.

MR. CHAIRMAN. – It is mentioned in Volume 4, 2015.

MR. S. BALEISUVA. – Thank you, Honourable Member. For the increase in wages and salaries as mentioned in the report, there was a pay rise that was given by Government in 2015.

As for the overtime for capital projects, at times we need officers to work overtime in order to complete the capital projects, especially when we require our officers to travel out to remote areas in order to deliver the service. They need to be out in the field and sometimes they come back to the station around 8.00 p.m. or 9.00 p.m. after completing the service.

HON. A.M. RADRODRO. – This pay rise, is it standardised percentage increase across the board for the Ministry staff or is it a case by case basis?

(Inaudible)

MR. CHAIRMAN. – 29.3 - Appropriation Statement; any issues on that?

(There were no issues)

29.4 – Trading and Manufacturing Account?

(There were no issues)

Part B: Audit Findings. 29.6 – Dredging of Rivers; there were some issues highlighted here and your brief introduction was, and I quote:

“From 2010 to 2014, major dredging works, which cost over $29.7 million, were carried out in four major rivers including Rewa, Navua, Nadi and Ba. The dredging of the rivers was to reduce damages caused through flooding.”

This was noted, I quote:

“Tender was called for the dredging of the Rewa River in 2010, however, later waived including tenders for the subsequent dredging works for the Navua, Ba and Nadi rivers based on the following factors.”

There was a directive from the Prime Minister because of the urgency for the need to reduce flooding. The dredging was given to a company and the issue there was that, the company increased gradually for dredging assignment, there was a 147 percent increase from $5.12 per cubic metre, it rose to $12.65 for the Ba River Phase III.

We note your explanations there that there was some increase in cost because of the different quality of work that was done. The sand and the debris that was dredged, it varied so is there any further explanation on that and why it was allowed to increase gradually?

MR. U. WAIBUTA. – Thank you, Honourable Chairman and Honourable Members. As mentioned in the explanation, yes, it had been expected that the cost or the rates will vary according to the cost of what are beneath the river beds. Actually, in some of the estimates that are made preliminary, our Engineers think there will be a lot of sand that are there to be dredged but continuous changes in the sediments in the river beds do not allow the Engineers to make proper estimates. So that is why the cost varies because in some places we think it is sand but it has changed to gravel so that is the reason for the variation, Honourable Chairman.

MR. CHAIRMAN. – There is another issue arising from that, is that the material that is recovered from dredging - sand and sediments, you obtained legal advice that that belongs to the State. But those material are lying on the river banks not utilised or sold. The Audit also noted that a special rate of $4.00 per cubic metre was approved by Cabinet in 1997, .to sell that off, however the rate could be higher. Is there any action taken to sell those material - sand and sediments?

MR. U. WAIBUTA. – Actually, Honourable Chairman and Honourable Members, the right to sell is with the Ministry of Lands as stated, but we had attempted to have discussions with the Ministry of Lands because we really do not want to get involved into that particular exercise but for us to continue to be involved with our core activity. That did not really materialise, otherwise some of the sand that are there on the dump sites, are given out for free - for development purposes to some of the villages or communities for their own use in consultation with the Commissioners within Divisions.

MR. CHAIRMAN. – It is not an Audit issue yet, but what if there was flood and those sediments are washed back into the river?

MR. U. WAIBUTA. – Exactly, that is happening in a few of the dump sites, so that also warrants the fast-tracking of discussions, for Ministry of Lands just to come in and take over that particular exercise.

MR. CHAIRMAN. – Can the Secretary send a note to the Ministry of Lands on this issue, that they better remove it as quickly as possible, otherwise you will be incurring about $12.65 per cubic metre, again digging it out and putting on the banks again?

Any issues on that?

HON. A.M. RADRODRO. – Sir, just a question to the Ministry regarding this Audit issue, the wavering of the tender process. Why does the Ministry follow the wavering of the tender process?

MR. U. WAIBUTA. – Thank you, Honourable Chairman and Honourable Members. We fully understand that we had been discouraged to follow that particular process of waiver, but you may recall that the frequent floods that was happening in Fiji at that point in time had forced us to go back into dredging some of the areas that were not even programmed for certain activities. So that had allowed or forced us to take that particular option in requesting for waiver.

MR. CHAIRMAN. – As a matter of urgency?

MR. U. WAIBUTA. – Yes.

HON. A.M. RADRODRO. – And would the OAG be able to advise us as to which company is this?

MR. CHAIRMAN. – China Railway, I think it is noted there in their written submission. On page 1 of their submission, an example is that Ba River Dredging Works which recommends an assessment of the unit cost by China Railway First Group.

AUDIT REP. – Thank you, Honourable Chairman. Can we provide you with confirmation?

MR. CHAIRMAN. – Yes, so we can ask the Ministry whether China Railway was responsible for all the four Rivers.

MR. U. WAIBUTA. – Yes, Honourable Chairman, China Railway was the major contractor.

MR. CHAIRMAN. – Thank you.

29.7 – Land Resettlement States; it says, and I quote:

Land at Raiwaqa Stages I and II in Navua have successfully been resettled.”

There is no problem there. But the Navovo Resettlement states there, I quote:

“Detailed supporting documents for the development costs of $2.3 million incurred by the Ministry were not available or maintained in the files provided for audit review.”

There was some development taking place in the Navovo Resettlement Programme but that amount, the development cost of $2.3 million was not kept properly. Can there be some explanation on that please?

MR. U. WAIBUTA. – Thank you, Honourable Chairman. As briefly highlighted in the explanation, the changes that was taking place between who should be responsible for this particularly programme was the main cause of some of the loss of records within the two different Ministries. We were directed to pass over the Programme to the Ministry of Rural Development, together with all the papers and that was done, but through that particular process we were not able to re-track some of the records of the necessary because of the movements happening at that point in time.

MR. CHAIRMAN. – From your reports, I understand that these re-settlement ventures were to resettle ex-ALTA leased farmers, who were evicted from the ALTA land. How many of these projects were undertaken?

MR. U. WAIBUTA. – Thank you, Honourable Chairman. Actually, those three estates were identified and the negotiations with the farmers to move into the identified areas were done by the Ministry staff. Again, some of the farmers did not really want to move because of the quality of the land that exist within the two estates. Navovo was not really a good fertile land and that discouraged some of the farmers moving in, which led us to making the decision of not only restricting to the ALTA farmers but opening it up to other interested farmers, who want to come in but, at least, occupy the vacant blocks that exist within the estates.

MR. CHAIRMAN. – I just noted here, and I quote:

Although Navovo has 51 fully developed lots, only 4 farmers have utilised their allotted lots. As of April 2014, the Ministry has incurred $109,474 as administrative fees and lease rental to I Taukei Affairs Board. The audit could not confirm whether the Ministry has taken actions to identify other potential farmers to be resettled at the proposed site.”

Other farmers have been re-settled in addition to those four?

MR. U. WAIBUTA. – Despite the directive to move the administration of that particular Programme, we continue to look into trying to resettle farmers but again, the same still occur.

MR. CHAIRMAN. – The quality of the land is not good?

MR. S. BALEISUVA. – Yes, the land is just not suitable for quality reasons, even the basic crops so we are thinking of other options of what needs to be done.

MR. CHAIRMAN.– Where exactly are these located? Central Division - Raiwaqa I and II? That is in Navua, I think? Navovo is where?

MR. U. WAIBUTA. – Navovo is in Sigatoka,

MR. CHAIRMAN. – Northern - Navudi I, II and III. Vunicibicibi, where is that?

MR. U. WAIBUTA. – That is in the North, Honourable Chairman.

MR. CHAIRMAN. – Is it further up from Labasa?

HON. RATU S.V. NANOVO. – Still on that, Honourable Chairman, I noted that in Navovo only 51 fully developed lots were made available and only four were interested. Yet, the Ministry had incurred a total of $109,474 in trying to develop that. Why was not all these tests or studies done initially before this amount was used, to ensure that once it is developed, farmers will be attracted to that estate? Why was that not done properly?

MR. U. WAIBUTA. – Thank you, Honourable Chairman and Honourable Member. This particular estate was planted with cane initially, so it is a cane growing area. But because of the changes in certain policies within the Sigatoka area, people moving out of cane so people could not go back to any other crop. But the whole idea behind that was for farmers to plant cane when they come in but that particular interest did not really augur well with the farmers because they did not want to move into cane but to other alternative crops which was not suitable for this particular area. Otherwise, the initial crop identified was sugarcane.

HON. A.M. RADRODRO. –I just wanted to ask the Ministry on the first issue on Navovo, the Ministry paid $465,761 as premium, whether the Ministry still continues to incur that sort of expenditures todate?

MR. U. WAIBUTA. – No, Honourable Member, we no longer…

MR. CHAIRMAN. – The programme has stopped, I believe.

MR. U. WAIBUTA. – We are not really sure with what is happening because there is no fund allocated for the Farming Assistance Scheme at this point in time be it Agriculture or Regional, but we have our staff who are located within these estates. We have quarters within the estates and we have some administrative role to play in managing the estates so the cost would not be as high as such but, at least, we are still incurring a little amount of money in that particular exercise.

HON. A.M. RADRODRO. – (Inaudible)…paying annual lease on the land?

MR. U. WAIBUTA. – Yes.

HON. A.M. RADRODRO. – Not paying anything?

MR. U. WAIBUTA. – Yes.

(Inaudible)

MR. U. WAIBUTA. – Thank you, Honourable Chairman. Honourable Member, as alluded to earlier, the particular crop is sugarcane but when farmers were not interested to move into sugarcane, we then had to opt for the diversification programme. One of the crops that we are wanting to plant was coconut which is suitable for this particular area but the interest of the farmers to plant this particular crop, awaiting three or four years to reach maturity, that again discouraged certain farmers despite the lucrativeness of the market for the coconut juice market for the tourism industry in the West. That was the targeted area where we thought if coconut can move in, in order to address the demand for fresh coconut juice for the tourism market in the coastal areas and in the Western Division. Honourable Chairman and Honourable Member, we are trying to introduce this into this particular area.

HON. RATU S.V. NANOVO. – Navovo Estate, Honourable Chairman, if I could recall clearly, I think a few months back there was a complaint from a sitting tenant that the water supply or something like that was not really forthcoming as planned. He was complaining and he was in the papers. Is the Ministry aware of that?

MR. U. WAIBUTA. – As part of the administrative role that we play, this is something that we manage, the water system that exists within the estate. We fully understand this but sometimes the water source gets dried up and the reservoir also gets empty, so this is when farmers started complaining but definitely, we had addressed the issue.

HON. A.D. O’CONNOR. – Honourable Chairman, still on Navovo, with the non-utilisation of that land mass, has the Ministry considered growing the so-called plant that is now required for the new biomass plant in Navutu, Sigatoka?

MR. U. WAIBUTA. –As alluded to earlier, it will depend on the individual farmers who exist and also some of the incoming tenants who are interested to move in. The experience that we had, the current farmers whom we have at this point in time desperately need quick return on crops so introducing them to certain long-term crops will be a second and third option. However, it will depend on the farmers themselves if they are interested, then we can align them to those company that is involved.

MR. CHAIRMAN. – That is not an Audit issue anyway, it is just a bit of background.

HON. A.M. RADRODRO. – Honourable Chairman, just a supplementary question; the development of Navovo Settlement, is the infrastructural development been done, for example, electricity, water and proper roading?

MR. CHAIRMAN. – There is a note there at the bottom of page 8 that says, and I quote:

“During this period, the following improvements were made: grade 4 government quarters, borehole catchment, 4 large installed water tank sites, water reticulation pipe lines and electricity power poles.”

I think that was done.

(Inaudible)

MR. CHAIRMAN. – I think the answer there is that the land is not suitable for that crop so people do not want to go and plant there.

MR. U. WAIBUTA. – Honourable Chairman, if I can just add to that, one of the major issues too that we have with this particular area is water. We may introduce certain crops that can grow but to irrigate during the dry season, that is when the problem will arise so over the water situation also discourages.

MR. CHAIRMAN. – Can you do Table 29.12 – Unutilised Funds Retained in FDB Suspense Account which is on page 9?

I believe that a farmer who opted to resettle on this land was, in those days, given $10,000 grant. Some actually took it, while $70,000 still remains unutilised in the FDB Suspense Account. Has any attempt been made to withdraw this money from Suspense Account? That would be the Ministry’s money, if it not utilised.

According to confirmation received from FDB on 19th March 2015, a sum of $70,000 was unutilised and still maintained at FDB Suspense Account.

MR. U. WAIBUTA. – Honourable Chairman, maybe we can seek clarification from the MOE on the particular process.

MR. CHAIRMAN. – Yes, please, MOE, what happened in that case? $150,000 was allocated to 15 farmers, $70,000 remains with the FDB Suspense Account.

MOE REP. – Thank you, Honourable Chairman and Honourable Members. Just for the information for the Committee, if any particular money is sitting in the Suspense Account, is the prerogative of the respective Ministry to write to wherever the money is lying, so the MOE does not have any responsibility for that.

(Inaudible)

MOE REP. – It is in FDB’s account but that money belongs to the Ministry of Agriculture so if it follows the due diligence in the process, definitely FDB will refund that money to the Ministry of Agriculture.

MR. CHAIRMAN. – Yes.

HON. RATU S.V. NANOVO. – Honourable Chairman, I think FDB will surely refund that, provided they take away their costing, it will refund the rest.

MR. CHAIRMAN. – Probably, some attempts should be made to see if it is viable to get a refund or probably some other farmers do intend to turn up and take the land and they be given $10,000 each.

HON. A.M. RADRODRO. – Just a question to the Ministry, does the Ministry monitors the progress of this project, from inception to the date it has been highlighted by the auditors, especially when we noted there are only four farmers that have utilised? What about the other four, out of the eight?

MR. U. WAIBUTA. – Thank you, Honourable Chairman and Honourable Members. Yes, when the fund was within the Ministry, detailed monitoring was done on those activities. That was supposed to be carried out, according to the funds released and activities to be done. However, as of now, since funding has stopped, our Extension Division continues to visit the farms and provide certain level of assistance around the estates, yet they are still our farmers and we assist them in whatever way we can.

HON. RATU S.V. NANOVO. - The Government quarters in there, are they still occupied?

MR. U. WAIBUTA. – Occupied, Honourable Member.

HON. A.M. RADRODRO. – Just another issue regarding that Table, the comments noted is that, “Sold to another individual.” Is this the piece of lot that is allotted to the original title?

MR. U. WAIBUTA. – Yes, Honourable Member.

HON. A.M. RADRODRO. – What is the Ministry doing to address this? They could be making money out of that. So how does the Ministry ensure that those things do not happen?

MR. U. WAIBUTA. – As I mentioned earlier, the passing around of the responsibility within the two Ministries had allowed us to actually stop and really did not monitor. But according to the criteria, this is one of the criteria that is inbuilt, that no one is opposed to because all the farmers that are supposed to move in are properly identified and they carry out farming activities accordingly. But it is just unfortunate that that particular….

HON. A.M. RADRODRO. – (Inaudible)

MR. CHAIRMAN. – The next one is Navudi Estates. It says and I quote:

“Navudi estate is located in the Seaqaqa area with a total land area of 435.4 hectares divided in 60 farm lots. Stage I has 18 lots fully surveyed and registered, while stages 2 and 3 have 42 lots on scheme plan.

Detailed supporting documents for the development costs of $3.2 million incurred by the Ministry were not available or maintained in the files provided for audit review.”

There is another issue of $3.2 million, money that was utilised but no proper records kept. Would you want to give us some explanation on that?

It looks like the project is still ongoing because they are saying it is on a scheme plan so at some stage, it will be completed and surveyed. As at 31st December, only one farmer was occupying.

MR. U. WAIBUTA. – Actually Honourable Chairman and Honourable Members, the same situation that is happening in Navovo also happens in Vunicibicibi, the initial case of identification of proper agricultural land because the need at that time, we were a little bit desperate in trying to accommodate the outgoing farmers and non-availability of good agricultural land was an issue. So we thought of just identifying certain good land to move in people but that really did not work out well, despite improved technologies that can be introduced by the Ministry of Agriculture for them to go back, definitely was not taken in well. Most of the farmers coming out that we thought would move into Vunicibicibi were rice farmers and we could not plant rice in Vunicibicibi because of the nature of the soil and it is a bit too dry. So farmers really did not want to move into Vunicibicibi, but opt for Tabia but we could not identify any land in Tabia for them.

HON. RATU S.V. NANOVO. – (Inaudible)

MR. CHAIRMAN. – We will come to Vunicibicibi in a while, the $3.2 million on top – Navudi Estates, the detailed supporting documents for that $3.2 million, where are those documents?

MR. U. WAIBUTA. – Honourable Chairman and Honourable Members, we really cannot provide a concrete answer to this, but just assuming that maybe through the process of transfers and movement of documents, we have misplaced some of these important documents.

MR. CHAIRMAN. – It is a big amount.

(Inaudible)

MR. U. WAIBUTA. – Actually, it was a Unit by itself. When it started off, another Ministry was established - a new Ministry, Ministry of Land and Re-settlement Unit. The Permanent Secretary was appointed, then over time that particular responsibility changed in Government. It was passed back to the Ministry of Agriculture so that changes the process. Then from us to Ministry of Rural Development, most of the documents were really misplaced but otherwise, there was a Permanent Secretary appointed who was responsible for this when it initially started.

MR. CHAIRMAN. –Noting from your comments, most of these famers were either sugarcane or rice farmers or they were put on these land that were not suitable for either sugarcane or rice. There were millions of dollars used in these areas and there were very few takers for those very reasons, that there was no water, they cannot plant rice and the land is not suitable for sugarcane. The project from the start was doomed, it did not have the foresight, due diligence was not done properly at that time in 2004 and 2005, I think. Can you comment on that?

MR. U. WAIBUTA. - As I had stated earlier, Honourable Chairman, the Government was also desperate at that time and landowners were not willing to provide good agricultural land for this particular purpose. So those were the land available where Government can move into and provide this particular development, despite fully understanding what had been mentioned but again, hoping that the farmers will move because of the need for them to vacate after the expiry of leases to move into other areas. Again, they became selective also so that was the biggest challenge that we had at that point in time. But if we had identified good land, desperately we all wanted to do that but no good agricultural land was identified in the Northern and in the Western Division.

MR. CHAIRMAN. – Just a general question in that respect, a similar project used to be undertaken currently, it is not an Audit issue because more leases expired in the past year.

MR. S. BALEISUVA. – Because, Honourable Chairman, the policy at that time, non-extension of leases was an issue so the ALTA farmers were really suffering. But now with the extension of leases, it is not really an issue after expiry, the farmers just apply and get extension, or move into another lease area.

HON. RATU S.V. NANOVO. – Just going back to the Navudi Estate, Honourable Chairman, when the scheme was transferred to the Ministry of Agriculture, was there formal handing-over done to ensure that all documents from whatever Ministry was handed to you?

MR. U. WAIBUTA. – That was supposed to be the process and that was supposed to happen, but I am not really sure because I was not really involved at that time at a certain level.

HON. RATU S.V. NANOVO. – If that is the case, issues like this where we have $3.2 million just disappear like that, how will you handle that MOE? What is your advice, do you accept that?

MR. CHAIRMAN. – There is a correction, it may not have disappeared, it was just that works were done and records were not kept.

MOE REP. – Honourable Chairman, we cannot really comment on that. I am not aware if this includes our audit scope in the 2014 financial year.

MR. CHAIRMAN. – It was not there.

HON. A.M. RADRODRO. – Just a question to the PS on the unutilised funds retained at FDB in assistance that were given to the 15 farmers that were proved to be relocated, on the overall scheme project as a whole, was this the only assistance given or was there also some cash payout? If you are aware, you can advise, otherwise we can ask that to another Ministry or Department.

MR. U. WAIBUTA. – Thank you, Honourable Chairman and Honourable Members, for any assistance provided by Government, no cash is handed out so it is in the form of material or any other farm inputs or whatever activities that had been identified but otherwise, no cash payment.

HON. A.M. RADRODRO. – OAG, do you have any comments on the assistance given to those resettlement projects? I think in your Report, there were some highlights of $28,000 payout to some farmers?

AUDIT REP. – Thank you, Honourable Chairman. The Auditor-General would like to get back to you and confirm on that one.

MR. CHAIRMAN. – A similar issue arises for Vunicibicibi Estate, again, supporting documents for the $1.9 million incurred by the Ministry were not available and maintained. Is it the same explanation for that as well?

MR. U. WAIBUTA. – The same explanation, Honourable Chairman.

HON. RATU S.V. NANOVO. – Still on this unutilised funds, Honourable Chairman, I think the grant that was given by the Ministry will only assist the applicant to get that further loan from FDB in order to develop these lots, the $10,000 grant.MR. CHAIRMAN. – That was the FDB policy?

HON. RATU S.V. NANOVO. – I think that was the intention.

HON. A.M. RADRODRO. – Just a supplementary question on this land resettlement issue, is this issue going to be looked after by the Ministry going forward, since it is not given any funding? Is the Ministry still going to be responsible for the administration of these resettlement projects?

MR. U. WAIBUTA. – Thank you Honourable Chairman. Definitely when there is no funding, then the Ministry will not be able to move in, but as part of its maybe social responsibility to manage some of the existing tenants within the estates, this is what is happening at this point in time. We will manage from our operating cost but since our staff are in the estates, we take it as part of our responsibility to provide advisory services within the existing tenants but otherwise, in terms of infrastructural development, this is something that needs to be further considered.

MR. CHAIRMAN. – 29.8 - Dairy Farm Inspections; it has been noted that the Ministry did not always conduct routine inspection of dairy farms/facilities to check for proper dairy farm management, control and sanitary conditions and ensure compliance with the requirements of the law. There is potential risk for dairy safety violation if the inspection is not routinely carried out. Your comment, please?

MR. T. TUNABUNA. – Honourable Chairman, the Ministry has formulated a Standard Operating Procedure and there were continuous inspections on dairy farms. We have all the records of inspections being done and they are kept at the Dairy Inspectors Office in Koronivia. They also kept with them matrix that has got reports of all the inspections that had been done and they had also coordinated their work with the Extension Officers who were located in districts and provinces.

MR. CHAIRMAN. – So currently, you are saying that all dairy farms were inspected?

MR. T. TUNABUNA. – We had all the dairy farms inspected, unfortunately we are trying to reconcile on the number of dairy farms that are here in the report of 529 because we had recorded a number that is less than 529. The 307 plus dairy farmers had continuous inspections that were carried out.

MR. CHAIRMAN. – Do these dairy farms need to be registered with the Ministry? If they open up a dairy farm, they need to register with you?

MR. T. TUNABUNA. – All dairy farms that are required to sell milk need to have their dairy shed registered and that is the process that the Ministry carried out.

MR. CHAIRMAN. – So if your number is less than the ones audited here, that means that some farms were probably closed?

MR. T. TUNABUNA. – Most of the farms had recently been closed, especially because of the low cost of the buying price for milk so some were forced to close when we had a lot of cattle been removed for the diseases we currently have.

MR. CHAIRMAN. – How regular are these inspections?

MR. T. TUNABUNA. – All dairy farms are required to be registered annually but the inspections are carried out on very routine intervals. Our BTEC Team, who normally carries out very frequent testing on farms are also being trained to carry our dairy inspections and they do that while they are also doing TB testing.

MR. CHAIRMAN. – Any questions in that regard or we can move to the next issue?

HON. A.M. RADRODRO. – A supplementary question; I am just looking through the Table and probably declare my interest because some of the farm numbers there I am well aware of.

MR. CHAIRMAN. – Are those your farms?

HON. A.M. RADRODRO. – Yes, 3391, 3397 and 3075. Just a question on proper farm management as part of the inspection routine that was conducted; can you just elaborate on the proper dairy farm management as mentioned here, by the work that was carried out? I have my supplementary question coming after this.

MR. T. TUNABUNA. – Honourable Chairman and Honourable Member, thank you very much for the supplementary question. There is a Dairies Act and it highlights all the required inspections that need to be done on a farm. When our inspectors carry out those inspections as requirements that the farms need to have for registration, they are required to carry out advisory roles as well, and that will include advice on technical issues relating to the management of dairy farms - management of dairy farms and milking, with the inclusion of what requires to be on a dairy farm as required by the Act and also the other activities that are required to be carried out on the farm.

HON. RATU S.V. NANOVO. – Honourable Chairman, based on the inspection details from records provided in here, many of the farms are just being inspected once and the others, there were no inspections at all. What should be the frequency of inspection in any one time?

MR. T. TUNABUNA. – Honourable Chairman, inspections are not only done by the dairy inspector who is based at Koronivia, but the other Livestock Officers in localities are also required to be doing dairy inspections. But as far as licensing or registration of the dairy, it is required to be done on an annual basis from the start of the year but the inspections are normally done on a quarterly basis or in most cases, on half-yearly basis, depending on the availability of resources.

HON. RATU S.V. NANOVO. – (Inaudible)……a record of other livestock farmers per station, do they submit it to Headquarters?

MR. T. TUNABUNA. – All the reports of dairy inspections are kept at the Koronivia Research Station. Their reports are presented on a quarterly basis through the Ministry. We have copies which will be presented, together with our response and that was from 2014, just an example of the frequencies of the inspections.

HON. RATU S.V. NANOVO. – Just a side question to the OAG, are you aware of that? Why was that information not recorded in here?

AUDIT REP. – Thank you, Honourable Chairman. I believe this is the process that they are taking now but during the audit, these reports were not filed with the Ministry when we carried out the audit.

HON. A.M. RADRODRO. – Honourable Chairman, just a supplementary question to the Ministry on the dairy farm management. I note that in some areas, there were no inspections and then one inspection carried out but particularly in the province of Naitasiri in Serea .specifically, there are so many dairy farmers there that have now done away with dairy farming and gone into dalo farming and some are doing both. What is the Ministry going to do about those particular situations, does it encourage it?

MR. T. TUNABUNA. – Honourable Chairman and Honourable Member, thank you very much for the question. I think some of the decisions that are made by the farmers are basically made to address the issues that they face there and then. One that we normally support and it is part of our management programme, is when we want to eradicate, like in Navua where we recommend that they put in a crop, taro for example, and in the process, they will be able to get rid of Navua before they come back and crop the area with a ….

In other instances where there has been some decrease in the number of cattle, we recommend that they carry out a cropping rotation programme so that they can, at least, get income to buy extra stock and increase their number of stock. In some of instances, there are also issues where we intend to address costing problems and that is when we recommend dual enterprise, like dairy and a cropping system. Thank you.

HON. A.M. RADRODRO. – Honourable Chairman, a supplementary question, most of the people who are now venturing into other due to other high cost of feed, stagnant milk price, gate milking price and the also the grading system that is being undertaken by Rewa Dairy. Is there any way that the Ministry can assist in this particular area, where it encourages farmers to continue their dairy farming business rather than, “this is not a good venture, we just go into dalo which is much more lucrative at the moment”?

MR. T. TUNABUNA. – Honourable Chairman, currently the industry is working with the New Zealand Aid Programme that is assisting the dairy sector. We would intend to bring in efficiency into milk production. There is quite a heavy investment in the infrastructure. I think the establishment of a training school at the Koronivia Research Station which is also part of the Programme, will help assist in addressing some of the problems we currently have in the dairy sector.

We would like to see how people can still be encouraged to carry out dairy farming and that will be based on how they can perform well in the sector. There is quite a lot of old farmers who are now changing hands with the young farmers and there are a lot of training programmes planned for our dairy farmers here in the sector. Currently we are working on dairy strategy and that is going to address a lot of the problems we currently have within the dairy sector.

MR. CHAIRMAN. – Thank you for the explanation.

HON. A.M. RADRODRO. – Honourable Chairman, just a last one, is there intention to increase the gate price milking .price?

MR. CHAIRMAN. – This is not an Audit issue but you may choose to answer.

MR. T. TUNABUNA. –I think the process of confirming the gate price if now also in progress. There are continuous meetings between the milk buyer and the producer or the FCDCL and FDL and I think the dairy initiative which is a New Zealand Aid funded programme is planning to have something by the end of August and we look forward to having that Milk Gate Agreement.

MR. CHAIRMAN. – Thank you very much for that. We are on 29.9, we will take a short tea break now so that everyone can refresh for about 10 to 15 minutes. We will reconvene at 11.20 a.m. and then we can take it from there. There are 20 pages of the Report so there is quite a bit of work left. Thank you very much.

The Committee adjourned at 11.03 a.m.

The Committee resumed at 11.32 a.m.

MR. CHAIRMAN. – Thank you very much, Honourable Members, the team from the Ministry of Agriculture and the secretariat. Let us now continue from where we left off.

29.9 – Unutilised Agro Inputs at the Lakena Stations; what has been noted there, PS, is that the storekeeper is responsible to see the movement of stock. It has been noted that a number of things that had been there, for example, NPK fertiliser, Glyphosate, weedicide, et cetera, had been staying in their storeroom and yet to be distributed.

We note some comments from your Ministry that there was spillage of some chemical and that is why it could not be done in a timely manner. Also, there were some procedural delays. Can we have some brief explanation on that as well?

MR. J. SOVALAWA. – Thank you, Honourable Chairman. At the time of audit, we noted that there was no storekeeper at that time so we addressed that by recruiting a storeman now at Lakena and checks are more routine .as I speak.

On some of the items that are highlighted in Table 29.16, all those have now been moved but the Cocoa Programme, I think the reason for the late movement of those stock was that there was a change in the locality officers. I think the incoming officer was not really fully aware of the stock that was in Lakena and we finally moved those stock as well as the Vanilla Programme there were some land issues on Beqa Island which have now been resolved and all those had been noted.

We now have regular checks on a monthly basis where we check our stock card with what’s actually on the storage facilities. It continues to be an issue in regards to the capacity of our storage house in Lakena because it stores all agro inputs for all our Programmes. We are weary of supplying direct to our outer stations if they do not have proper storage facility. So that is why most are always in Lakena and there is this one-third two-thirds facility that is also housed in Lakena. The movement of those stock is dependent on the farmers demanding because they have to pay the one-third before we actually move the stock up. Thank you.

MR. CHAIRMAN. – Any issues on that?

HON. RATU S.V. NANOVO. – Still on that, Honourable Chairman, we noted that a good number of stock provided by the Food and Agriculture Organisation (FAO) is also part of that stock and it was not distributed as planned. Can we be given an explanation as to why that has happened?

MR. J. SOVALAWA. – Thank you, Honourable Chairman and Honourable Member. The FAO stock that was in Lakena, we just could not move it without the green light from FAO because it was something that was negotiated between us and the FAO based in Samoa and the buyers in New Zealand. There were some issues in regards to the packaging materials and I think because FAO wanted those packaging materials which differs from our recommendation, I think that was one of the reasons of spillage. It was not really fit for the kind of condition in our storage house and I think when the spillage happened, it caused further delay in our distribution of those stocks that was given by FAO.

HON. RATU S.V. NANOVO. – Can you also advise of what has happened to their stock?

MR. S. BALEISUVA. – Honourable Chairman, yes, FAO is fully aware of what transpired and they were also part of the team that recommended the authorities that actually went and cleaned up the place.

MR. CHAIRMAN. – Thank you.

29.10 - Expired Drugs at the Veterinary Drugs Store; it has been noted that there were certain drugs that were kept at the Vatuwaqa Drugs Store of the Ministry and they expired. A physical stocktake carried out on 3rd March, 2015 showed that about $13,627 worth of drugs were still awaiting disposal. Can you explain what is the procedure and how come these drugs were allowedto expire without being utilised?

MR. T. TUNABUNA. – Honourable Chairman, to explain on how we have expired drugs that were not being utilised, drugs were used upon request from farmers, depending on the requests that come from them. If we cannot sell out all the drugs, then we will have expired drugs.

Unfortunately, with the volume that is imported we only import the amount that we expect to use overtime but when we cannot use them all, some will be expired. But the process of having to remove the expired drugs, we normally follow recommendation after BOS is carried out. Unfortunately, we have not had a BOS conducted for all the expired drugs which were distributed to the other four Divisions. Unfortunately, there has not been any BOS to recommend the removal of the expired drugs.

MR. CHAIRMAN. – Just a matter of interest; for instance if a request for a particular veterinary drug is made at stations, like in Ba or Tavua, the request made at the office there, how long does it take for that request to reach your head office here in Vatuwaqa and for that drug to be dispatched to that particular station where it is needed?

MR. T. TUNABUNA. – That can be facilitated within days but I am talking about the actual importation of drugs from overseas. We import through indent and they are normally done quarterly or on a six monthly basis. Now, because the volume of drugs that we import is very small compared to other important countries, we tend to receive drugs after a lot of requests made to drug companies, the drugs are almost nearing expiry dates. So we normally want to reduce our importation within three months so that we get drugs that might be expiring in those three months.

MR. CHAIRMAN. – Because that is almost a similar issue we had with the Ministry of Health in terms of drugs for humans. If you import it way early or too early, then it expires on the shelf. If you wait for a period to order that, then it will not reach in time, so you said three months is the time? You ordered three months prior to….

MR. T. TUNABUNA. – Yes, we schedule our indent within three months so that we might get the drugs here and we can use within the time before the expiry.

We tried to master this in the last few years but have been successful with some of the drugs, unfortunately with the other drugs we still have a lot of expired drugs and as I have said, depending on situations some drugs may be used more in a year, it may not be used more for the next year, so we still have issues with expiry drugs. When we work out the economics of it, it is rather quite costly if we do not have drugs in time because we will have a lot of losses through deaths of animals. We would rather have losses to expired drugs than having losses to both, animal and also income for the farmers.

MR. CHAIRMAN. – How do you dispose all those drugs when they expire, is there any procedure you undertake?

MR. S. BALEISUVA. – We normally follow the pharmaceutical procedure way, it is normally taken back to the pharmaceutical board.

MR. CHAIRMAN. – Any question in that regard?

(No issues was raised)

Recurring Audit Findings: 29.11 - Trading and Manufacturing Accounts. 29.11.1 - Anomalies noted in Trading and Manufacturing Account; it says, and I quote:

“Each agency operating a trading and manufacturing activity must prepare:

1. Quarterly profit and loss statement….”

I think this is also reflected in the earlier questions that we were asking. Is the quarterly profit and loss now been done and a balance sheet on an annual basis done by the Ministry?

MR. S. BALEISUVA. – Thank you, Honourable Chairman. The quarterly profit and loss statement and the balance sheet for the annual basis, the Ministry had been providing this. We are now trying to provide it in a manner that is acceptable by the auditors.

As I had mentioned earlier in my opening remarks for the TMA account, because of the way reconciliations were done and because of the way the documents were kept, the Ministry were finding it hard to provide quarterly financial statements and this is something that we are now trying to address with the help of the Assets Unit of the MOE.

MR. CHAIRMAN. – These quarterly reports are prepared here at the headquarters in Suva – the profit and loss, statement of accounts, et cetera, are prepared here at the head office in Suva. So you have to get your information from all your Divisional Offices, outer islands, et cetera, here in Suva?

MR. S. BALEISUVA. – That is correct, Sir. With the location of our stations is also something that we are trying to find a way forward in addressing this because as you understand in the Ministry of Agriculture, most of our stations are located in rural areas and we have difficulties in terms of communication sometimes, especially when it comes to the revenue that is been collected for TMA. It takes time for them to send it from their station to head office and then we manage to try and post it in the GL account.

MR. CHAIRMAN. – Because in the rural areas, most of these transactions must be cash-based transaction. Farmers would come and give cash to you, so to tally that with the books, whether the tally is done in the station office or is done here in the head office, the reconciliation, et cetera, for cash?

MR. S. BALEISUVA. – The reconciliation of the TMA is being centralised at the moment. It is just that we are now trying to clear up the account, that is why we are centralising it at the moment. For the time being, reconciliations are done at headquarters.

MR. CHAIRMAN. – Honourable Members, all the issues in Item 29.11, including TMA and Board of Survey was asked earlier and had been clarified.

29.11.2 - Discrepancy in TMA Cash at Bank Reconciliation; I think those were also answered, unless you have any further questions.

(No questions raised)

29.12 - LWRM Trust Fund Account; what has been noted here is the significant variance of $607,838. It says, and I quote:

“The receipt and payment of trust money must be recorded in a separate cashbook or set of ledger accounts. Each month, the trust account must be balanced and reconciled with the trust bank account. The names and balances of each account must be listed and the reconciliation shall be signed by the responsible officer. Un-reconciled items must be investigated and resolved promptly.

* The audit was only able to substantiate the details of retention fund balance amounting to $241,903. The remaining balance could not be substantiated.
* Retention Fund ALTA Lease (Account – 9-30101-30075 895013) had a balance of $2,529.71. There was no documentary evidence to support this balance. In addition, the account was not reflected in the Ministry’s Financial Statements.
* Three accounts related to the Ministry of Fisheries and Forestry was still shown under Head 30 – Ministry of Agriculture ad have not been regularised since 2010.”

Can we have some comments from the Principal Accounts Officer?

MR. S. BALEISUVA. – Honourable Chairman and Honourable Members, the whole purpose of creating this particular trust account was the retention of 10 per cent for any civil work that is being carried out by contractors. And after the completion of work, this particular 10 per cent is being claimed by the contractors and the account should all be empty by then.

Again, it goes back to what had been mentioned by our Principal Accountant, the posting of some other accounts into this particular trust fund which is happening with this particular trust fund, leading up to those amounts coming in.

MR. CHAIRMAN. – Any questions on that?

HON. A.M. RADRODRO. – Honourable Chairman, probably for inquiry into the operations of LWRM, PS, we noted that the Drainage Board for the respective Divisions, are they part of the LWRM operations or are they looked after by LWRM? Is there any way that this Department oversees the operations of these Drainage Boards?

MR. M. KUMAR. – The Drainage Board is separate from the LWRM functions of the Ministry. The Drainage Board is appointed by the Honourable Minister for Agriculture. The Ministry provides the Board Secretary and an Engineer to assist the Drainage Board in its work.

HON. A.M. RADRODRO. – I am inquiring about Drainage Boards in other Divisions. There was a Western Drainage Board which we had, but we are inquiring about the existence of the Northern and Central Drainage Boards, do they exist today?

MR. M. KUMAR. – Yes.

HON. A.M. RADRODRO. – And which particular area do they look after?

MR. M. KUMAR. – They look after our drainage network, I believe outside the cane belt areas, outside the sugarcane farms, so this would be non-cane irrigation network. Basically, they are provided grants from the Ministry for their operations and they mostly outsource their work.

MR. CHAIRMAN. – We can move on to 29.13 – Management of Fixed Assets; this is again a question of the annual Board of Survey, part of that was answered. Any issues arising out of that?

(There were no issues raised)

Table 29.26 - Summary of Livestock Losses for 2014, sheep, cattle, goat, chicken, totalling $18,761. It is noted there that ineffective control on the management of fixed assets increases the risk of misappropriation. These losses are directed to the Ministry or to the individual farms?

Bullet point three on that page states, and I quote:

“The Statement of Losses only reflected the losses to livestock, recorded at government rate. As a result, the accuracy and completeness of the Statement of Losses for the year ended 31 December 2014 could not be ascertained. Refer to Table 29.26.”

The livestock losses, whose losses are those?

MR. T. TUNABUNA. – Honourable Chairman, if I may explain on some of the returns that are sent from the stations that run Government flock, we submit monthly returns of the stock losses and they are valued at Government rate, and I might want to look more into number that is used here or communicate with the auditors because we submit monthly stock losses and its normally the PS that submits to MOE the stock losses that we have from Government stations. These include livestock species that we have in Table 29.26. They are normally valued at Government rates.

MR. CHAIRMAN. – For 2014, if you say, sheep worth $10,661 livestock losses, how would that be lost – theft or death?

MR. T. TUNABUNA. – Honourable Chairman, these are deaths that occur on stations. Wherever we have livestock there will be death in stock and because we have a lot of sheep in our Government livestock stations, we have mortality that can account up to that amount.

MR. CHAIRMAN. – What would be the approximate price of one sheep?

MR. T. TUNABUNA. – At Government rate, they will be around $100 to $120 an adult and the younger, less.

MR. CHAIRMAN. – So $100 there and $10,000 loss, that means 1,000 sheep was lost.

MR. T. TUNABUNA. – 100, Honourable Chairman.

MR. CHAIRMAN. – Yes, 100 was lost.

MR. T. TUNABUNA. – Honourable Chairman, currently we have 2,000 sheep on the station and depending on the year, there could be a lot of losses if we have high rainfall and some areas that get affected with the drought, that is when we have high losses. But I can report back on the actual number that we had for 2014.

MR. CHAIRMAN. – Thank you.

HON. A.M. RADRODRO. – Honourable Chairman, just a supplementary question on these losses, where about are these losses occurring - sheep, pig, cattle, goat and chicken?

MR. T. TUNABUNA. – For chicken, we have a poultry farm in the Sigatoka Research Station and this is breeding for rural farmers. For sheep, we have four stations that currently run sheep - Nawaicoba in Vitilevu and there are two in Vanualevu and one in Taveuni. For pigs, we have Koronivia Research Station and cattle, we have Nacocolevu in Sigatoka and Koronivia Research Station. We have goats in our Sigatoka Research Station.

MR. CHAIRMAN. – 29.14 - Variance in Drawings Account Balance - Operating Account; there is an issue of un-presented cheques here with a variance of $15,482.97. There was a recommendation that the Principal Accounts Officer shall appoint three officers in a BOS to conduct surveys to see the unpresented cheques. Any comments on those? Are those un-presented cheques now being cancelled or being cashed?

MR. S. BALEISUVA. – Thank you, Honourable Chairman. As for the variance in the Drawings Account as mentioned in the Audit Report, we mentioned earlier the issues regarding TMA inter-funding. That inter-funding issue also affects our Drawings Account which is the Operating Bank Account. So these issues are related because some of the cheques that were supposed to be written from TMA are written from…….that is why there is a variance. And we have been working with the MOE in trying to rectify this in 2015 onwards and this issue has been rectified in 2016 with the help of MOE FMIS Unit.

MR. CHAIRMAN. – Is the Ministry using Electronic Fund Transfer (EFT) for payments? For Ministry of Foreign Affairs, I think they use it.

MR. S. BALEISUVA. – As part our on the job training, we are doing training for Drawings Account and also the MOE helps us in…………In the EFT, some payments that were in the Drawings Account could not be identified because of the documents that were supposed to be issued but we have now managed to get those issues done.

(Inaudible)

MR. S. BALEISUVA. – Yes, we are using the EFT mode of payment.

MR. CHAIRMAN. – What has been noted here, and I quote:

“In addition, there were unidentified balances namely foreign cheque, foreign EFT payments and direct debits in the Bank Statement which could not be substantiated.”

They were direct debits made to the Ministry’s accounts but it could not substantiated. What were they paid for?

MR. S. BALEISUVA. – Thank you, Honourable Chairman. Just on those unidentified balances, those balances were the result of having poor reconciliation system that were employed at that time, but the Ministry has taken corrective measures in training the staff, to make sure that this does not happen in the future.

MR. CHAIRMAN. – The comment noted was; “The above anomalies imply ineffective controls and lack of supervisory cheques in the Accounts Section” has put some measures to train staff.

MR. S. BALEISUVA. – Honourable Chairman, as part of the supervisory checks for Drawings reconciliation, it is now being submitted to the Principal Accountant for verification before it is submitted to the PS for his endorsement, before it is submitted to MOE.

MR. CHAIRMAN. – 29.15 - TMA Warehouse - Commercial Undertaking Livestock; what is noted there, and I quote:

“Our review of stores records for Trading and Manufacturing Accounts at the Animal Health & Protection Division (AH&P) in Vatuwaqa revealed internal control weaknesses in inventory management as follows:

* During the site visit for stocktake on 03/02/15, audit noted that inventories (pine posts) were not properly stored and safeguarded.
* The inflow and outflow of inventories have not been accurately reported and accounted as the balances recorded in the stock-cards did not match the physical accounts.”

There are some photographs of pine logs lying around there.

Also, a mention of pine posts, goat fence, so the stock cards do not correspond with the actual number of items on the field in stock, which can actually leave room for mismanagement or probably theft. Has that been curbed or is it under control now?

MR. T. TUNABUNA. – Honourable Chairman, we had tried to address this issue. We still have some limitations through the space that we have and we are still trying to progress with having to build a shed to store all the pine posts and this is because of the priority of building, actually focussing on areas where we will need to construct buildings, but we are already advancing on how we are actually addressing the issues raised by the Auditor-General.

MR. CHAIRMAN. – In the last bulletpoint under Table 29.30, it says, and I quote:

“Inventories valued at $35,419 have not been delivered as at the date of audit, although full payments have been made to suppliers in 2014.”

So this is incoming stock, is it?

You have paid the suppliers but they have not delivered it to you or is it delivery outward? I think you have paid the suppliers but they have not delivered it to you, so what is the situation there?

The suppliers are receiving payments. That is obviously Government money and they are not supplying stock to you. Have you taken any action against the suppliers?

MR. T. TUNABUNA. – Honourable Chairman, the Internal Investigation Team was assigned for this duty and they had made some recommendations which was put forward to the Senior Management. But in terms of actually auditing all the items that had been provided after they were paid for, I still have to the correct number of items that had been delivered to our office in Vatuwaqa and this was due to the change in officers after the investigation and what we are now currently having.

MR. CHAIRMAN. – I hope some officer did not take the delivery to his private residence. But has there been some disciplinary measures taken against these officers?

MS. M. BOU. – Honourable Chairman, yes, we have taken action and issued warning letters to the three officers who were involved in this case.

MR. CHAIRMAN. – Any questions arising from that Honourable Members?

HON. RATU S.V. NANOVO. – Was that their first action? Was it the first time for them not to follow instructions and that is why the warning letters were delivered to them?

MS. M. BOU. – For one of the officers who was responsible, the clerk, that was the second warning given whereas the other two technical officers who were there was first in disciplinary.

MR. CHAIRMAN. – So how many warnings are usually given before they are sent home, two or three?

MS. M. BOU. – In most cases, the two warnings and then followed by a final warning before suspension but it depends on the gravity of the indiscipline, Honourable Chairman.

MR. CHAIRMAN. – If you look at the Table there, it says:

“Full payment for 200 pine post was made but only 100 were delivered.

Full payment for 1,000 pine post was made but actual stock delivered as at the date of audit was 857 post hence balance of 143 post remained…”

It follows on. This, I believe, is to assist farmers. It is bought by the Ministry to give out to the farmers for their assistance. If this is not delivered and money had been paid, that means the Government would be incurring interest on their finance. However, this was not delivered for the purpose it was purchased for that actually then slows our sales delivery aspect. Is there any check and balance system currently in place that ensures that payments are only made when the delivery is complete? The purchase orders, invoice, receipts, et cetera, are processed.

MR. T. TUNABUNA. – Honourable Chairman, that had been addressed now, but some of the pine posts were purchased and sold from Vatuwaqa and also other outlets. However, those that are for projects are normally delivered to farms and are not held in store at Vatuwaqa. The pine posts that are mentioned here were those that were supposed to be sold from the CUT outlets.

MR. CHAIRMAN. – Because the comment by OAG is that, and I quote:

“There is a potential risk of loss of public funds/resources through misappropriation and mismanagement when inventory movements are not properly accounted for and when items purchased and paid for are not delivered.

Similar concerns were raised in the previous years’ audit reports but the Ministry has yet to take constructive actions to implement audit recommendations.”

So this is a recurring issue, I hope we do not see this in the 2015 and 2016 Reports.

HON. RATU S.V. NANOVO. – Still on that, Honourable Chairman, when was this short delivery of stock noted? Were they all delivered to the side or after a lapse of time?

MR. T. TUNABUNA. – Honourable Chairman, normally when we provide purchase orders to intended companies, they will deliver first the amount that they have in store, and then they will deliver later the balances of the request that is made. Unfortunately, this was the practice before this Audit query.

Now, we have tried to manage by actually providing payments after all the deliveries were done and when they produce their delivery dockets, we then proceed with payments. I also note that in few of the running of the CUT (Commercial Undertaking Livestock) in the past, it used to be handled more by technical officers, who spend other time carrying our other technical activities but this has been streamlined for the operations to be handled by the TMA team which is now under the Principal Accountant.

MR. CHAIRMAN. –29.16 - Motor Vehicle Accidents; this is an area of concern to the Committee. To be honest, I have never seen a Ministry of Agriculture vehicle that is in a very neat condition, there is always dent somewhere. It is probably because of the farm visits, et cetera.

However, the issue here is that, the auditors noted that after an accident within the 24 hours, the driver must give a report to the police. At the time of the report there were 11 vehicles involved in accidents and that is for the .2014 period and this a sample. It revealed these anomalies, and I quote:

* “Police reports and assessment of estimated cost of repair were not attached to the Accident Reports and in some instances, Accident Reports were not provided for audit.
* Accident Reports were at times submitted late to the Office of the Solicitor-General or not submitted at all.
* In one incident, the Office of the Solicitor-General had already resolved to surcharge the driver the cost of repairing the vehicle, however, the Ministry has not taken any action.
* Vehicle GN 520 was involved in accident in 2013 whilst driven by an Agricultural Officer, who has now retired from the service. The actual cost of repairing the vehicle was $16,145 and funded from the TMA. There was no evidence to indicate that an Accident Report was submitted to the Office of the Solicitor-General. In addition, the audit was not provided with the Accident Report despite numerous requests and follow-up….”

Can we have some comments on this, please, the drivers are not reporting the accidents on time, the cost of repairs, police reports are not attached?

MS. M. BOU. – Honourable Chairman, we have received Accident Reports but not to the required timeline that is required for the reports to be submitted. This is due to the locations of our stations.

The process is similar to the submission of BOS reports where a Division submits their report directly to the central agencies - MOE and SG’s Office. Now that we have established an Asset Management Unit, all these reports will be submitted to this Unit at headquarters. They receive, they vet and then they submit to the central agency responsible. They await the decision to be taken and follow up on the implementation of these decisions that are given.

MR. CHAIRMAN. – So this particular officer who was recommended to be surcharged by the Solicitor-General’s Office, has the driver been surcharged?

Bullet Point 3 on page 28. There are two bulletpoints - 3 and 4 and bulletpoint 4 is vehicle GN 520, is that the same vehicle?

HON. A.M. RADRODRO. – Yes, $16,145.

MR. CHAIRMAN. – So has he retired?

(Inaudible)

MR. CHAIRMAN. – He retired so probably, that is why they did not take any action. But for those who have not retired, probably some actions must be taken.

HON. A.M. RADRODRO. – Honourable Chairman, just a question to the PS, with the current arrangement some of the vehicles are titled leased vehicles and some has no mention, so probably they are not leased. What is the current arrangement with leased vehicles in situations where they are involved in accidents, does the Ministry still holds the responsibility or the supplier of the leased vehicle?

In Appendix 29.1, there is a listing of all vehicles highlighted by the Auditor-General and the causes of the accidents are highlighted there. One vehicle which is HRF&I that is the Human Resource GP356 leased vehicle?

MS. M. BOU. - Honourable Member, the process remains, it has to go through SG’s Office and the MOE for surcharge, then we will inform. Whatever decision has been made, we will implement that decision, whether the driver is at fault and surcharge the decision will be made by them and we will hand that down to the driver concerned.

HON. A.M. RADRODRO. – What is the current arrangement with the leased vehicles, is it a similar arrangement with the Ministry-owned vehicles or who is taking the responsibility when lease vehicles are caught in accidents?

MS. M. BOU. – It is the same process, Honourable Member.

MOE REP. – Honourable Member, just for the information of the Committee, under the new Leasing Agreement, the lessor which in this case either the Vision Motors or Asco, with the respective Ministry is willing to pay through ……to the MOE and then we will pay to the lessor, either it be Asco Motors or Vision Motors or Nivis Motors. So under the Leasing Agreement, MOE has to pay and if it is the Ministry’s own vehicle, then the respective Ministry is to incur the expenses.

MR. CHAIRMAN. – Just on that point, when a driver causes an accident and then he comes up to you and gives an explanation, do you verify that explanation? Is that how the accident happens or probably there were some other causes?

MS. M. BOU. – We will verify the information given and submit it to SG’s Office and MOE for their decision.

MR. CHAIRMAN. – Point of interest was Vehicle GN 842. In Table 29.1, it says, I quote: Accident caused due to driver hitting a sheep at Yalalevu Ba. Quotations not attached.” I have never seen a sheep in Yalalevu, Ba, it is more in Yaqara and the Raviravi side, not in Yalalevu. When the police investigates, do you get a report on these things?

MS. M. BOU. – Yes.

MR. M. KUMAR. – The investigation is conducted by the police. The matter is supposed to be reported to the police and they conduct the investigation but the driver is given an opportunity to provide his defence for that, including also I believe the Solicitor-General’s Office provides them a certain number of days to respond to their claim.

HON. RATU S.V. NANOVO. – The version that is reported over here is from the driver, not from the police.

HON. A.M. RADRODRO. – There is a reason, the cause of accident.

HON. RATU S.V. NANOVO. –Is it from the police or from the driver? I think it is from the driver, the way it has been put. The cause of accident highlighted here, is it from the police report or from the driver himself when he was requested to put what was the cause of the accident?

MS. M. BOU. – Honourable Member, we receive both, the report from the police and the driver himself.

MR. M. KUMAR. – I presume this would be the final report of the police because when the driver fronts up to the police, he will provide his explanation and the police will determine eventually, whose fault it is so I would think that this would be the police report.

HON. RATU S.V. NANOVO. – If the police report is familiar with Ba area, there is no sheep in Yalalevu, Ba.

MR. M. KUMAR. – Unfortunately, that was the last one…

MR. CHAIRMAN. - Over the years, it is now extinct because of the accident.

(Laughter)

MR. CHAIRMAN. – Just a matter of concern, for vehicle number GN 526, GP 283 and GN 520 the last three vehicles in the Table, there was no cause of accident provided. The Accident Report was not provided to the Audit Office. So is the report not provided to you or it was not given to Audit? The columns are blank, no one explained.

AUDIT REP. – If I may clarify that last column, it was the Accident Report that was not provided and for the ones that are in the Table, the cause of accident was taken from the Accident Report prepared by the Ministry after the police which includes the police report as well.

MR. CHAIRMAN. – When you say that the Accident Report was not provided, the report was not provided to you but the Ministry might have it?

AUDIT REP.- If they had it, they would have provided it.

MR. CHAIRMAN. – So, Ministry - 2013 GN 520, $16,000 was expanded from TMA account but there was no explanation for that accident.

MR. T. TUNABUNA. – Honourable Chairman, if I may answer to the case for GN 520, the officer was reemployed during this term. The accident occurred when he had driven his car into a missing culvert. This was during the flood damage in Nadi and his term expired very shortly after this accident. We could not get the Accident Report, thus we could not obtain the cause of the accident, but when all the repair work was conducted, that was the total amount - $16,000. It may have included some other damages that were not from the actual accident but the actual work was done, to carry out the survey of the research station which had TMA activities carried out.

MR. CHAIRMAN. – The issue was that the driver ran into a culvert or something and the explanation was not provided to the OAG?

MR. T. TUNABUNA. – Yes, that accident happened in Nadi.

MR. CHAIRMAN. - It is an indication to the Ministry that they should look into cases where vehicles had been damaged and recommendations had been made SG’s Office to implement those because this is essential equipment to reach out to the remote areas. Any further questions in that area?

HON. A.D. O’CONNOR. – Just a pertinent question to the Ministry; do you have a standalone fleet supervisor or superintendent that looks after every vehicle within the Ministry?

MS. M. BOU. – Yes, there is a Transport Officer at headquarters who looks after all the records of vehicles in the Ministry but for the supervisions of vehicles, we have decentralised our admin officers in all the Divisions which is headed by our Principal Agriculture Officer. The Transport Officer is also responsible in each Division for looking after the vehicles and the records of all vehicles. Reports of all the vehicles in each Division are submitted to headquarters at the end of the each month.

HON. A.D. O’CONNOR. – Moving on from that, does the Ministry or each Division have their own mechanical repair workshop?

MS. M. BOU. – Only some Divisions have.

MR. CHAIRMAN. – The leased vehicles would not be repaired, I think.

MS. M. BOU. – Yes, but for leased vehicles we have to take it to the dealer.

HON. A.D. O’CONNOR. – I know the leased vehicles have to go back to the lessor or the provider, I am talking about the Ministry-owned vehicles?

MR. U. WAIBUTA. – Thank you, Honourable Chairman and Honourable Members. When we used to have a lot of State-owned vehicles, garages were established in identified stations and some of those garages and mechanics still exist, despite all leased vehicles are taken to whoever is providing for repairs and maintenance, but we continue to repair our State-owned vehicles and other machines by Divisions.

HON. A.M. RADRODRO. – My earlier question regarding the arrangement of leasing vehicles, the MOE pays the full amount of the damage and the Ministry pays the MOE?

MOE REP. – Thank you, Honourable Chairman. The current agreement is as such because accidents are accidents so under the new agreement, like all the Government-leased vehicles are being insured, the driver will only be surcharged the amount of access. Suppose the damage here is $20,000 t and the access for that vehicle is $500, the driver will only be surcharged $500 because the vehicles are insured.

What I was indicating by SLG transfer of funds to GL284, that is an inter-fund transfer. Suppose it is the Ministry of Agriculture vehicle and because the payment will be done by MOE through Government Fleet Management Unit, the funds will be transferred from the Ministry of Agriculture to MOE.

HON. A.M. RADRODRO. – This particular case, for example, GP356 the cost of the repair is $17,745.86. That amount will be paid by the Ministry at the time or what is the new arrangement? You said the new arrangement….

MOE REP. – Sir, I suppose the Audit Report that we are looking at is the 2014 Report and at that time this agreement was not in place so because this is the new agreement from late 2016 till now, all leased vehicles needs to be insured.

HON. A.M. RADRODRO. – The second vehicle GM794, the remarks was that the driver was to be surcharged of that amount but that still has not been made as of the date of the audit. Has there been any action?

MS. M. BOU. – Honourable Member, this is the 2014 Audit Report, some of these cases must have been resolved by now.

(Inaudible)

AUDIT REP. – Thank you. The Audit Office would like to get back to you on this one.

MR. CHAIRMAN. – Let us move on to the next one, otherwise we will run out of time.

29.17 - Leave Management; General Orders indicate that it cannot carry forward 10 working days of leave for a year, but we have cases where people carry forward leave for 62 days, 66 days and 77 days. How has the Ministry monitored leave entitlements and whether the officers or employees are told to take their required leave and not to be carried forward?

MS. M. BOU. – Honourable Members, we have issued another circular on effective leave administration. According to this report, there was only one circular that had been issued but looking at the records of annual leave entitlement in the Ministry there was a need to issue another circular on this. According to our records, right now, the leave entitlements of officers as recorded in the Auditor-General’s Report had reduced, most according to the General Orders entitlement, that is, only 10 days carried forward to the next leave year.

MR. CHAIRMAN. – So someone has not taken 10 days leave in this particular year and is carried forward, then he can have 20 working days in the following year, that is all. He cannot carry it forward or it just wiped off?

MS. M. BOU. – If an officer’s leave year has expired and he has leave of a balance of 10 days, only 10 days can be carried forward to the next leave year.

MR. CHAIRMAN. – I am just thinking out loud, usually civil servants long for leave, even for rugby sevens win, why would they not be taking leave? Why do they want to work so hard? It is probably because they want to accumulate to go for an overseas trip, et cetera. What is the maximum they can accumulate?

MS. M. BOU. – 10 days.

MR. CHAIRMAN. – So if I have not taken my 10 days this year, it is wiped out? Can you forward that to the next year?

MS. M. BOU. – 10 days in your leave entitlement for the next leave year.

MR. CHAIRMAN. – So it will be what, a total of 20days?

MS. M. BOU. – Yes, if you have 21days in this current year and your leave year expires, you will just carry forward 10 days in addition to your 21days.

MR. CHAIRMAN. – 29.18 - Non-Submission of Acquittal Reports and Audited Accounts; what is noted there is that, and I quote:

“The Fiji Co-operative and Dairy Company Limited (FCDCL) at the end of every quarter must submit the following reports detailing the utilisation of the grant to the Permanent Secretary for Agriculture:

* Acquittal Reports;
* Quarterly Project Progress Reports;
* A comprehensive report on the services delivered from the period specified; and
* . Annual Reports for 2013.

Navuso Agriculture & Vocational School is required to provide a comprehensive report to the Ministry on the services delivered in accordance with the following, Quarterly Targets together with the Annual Reports and Audit Reports.

The Ministry provides assistance …

As at 30/06/15, the Ministry disbursed grant amounting to $198,000 to the Navuso Agriculture Training School although the school have not properly acquit and provided audited financial statements for grants….”

So grants had been given to this school without acquittals being provided. Is this school providing acquittals now or what was the reason they were not providing acquittals?

HON. A.M. RADRODRO. – Honourable Chairman, maybe in addition to your question, how does the Ministry monitor that there is value for money in this grant that it issues out to those two institutions - FCDCL and Navuso Agriculture School?

MR. S. BALEISUVA. – Thank you, Honourable Chairman. As for the acquittals for the grants, before we submit additional grants, it is a requirement that they must acquit or give acquittals to the funds that were given to them, before we actually give them the fund that they requested. They are submitting their acquittals to us on a quarterly basis when they request their quarterly grants.

MR. CHAIRMAN. – That is under control now?

MR. S. BALEISUVA.- Yes.

MR. CHAIRMAN.- Alright.

HON. A.M. RADRODRO. – The question that I asked earlier; how do you ensure that there is value for money in the way they spend the money that had been given by the Ministry?

MR. J. SINGH. – Sir, in terms of the operations of these institutions, we have been pretty much monitoring them at our arm’s length so far, but from this year what we are doing is we are requesting quarterly presentations on their activities to be presented to Senior Management. So we are arranging these presentations whereby all grant receiving institutions, including other agencies like Agricultural Marketing Authority will come and present their activities for the past quarter on a quarterly basis so we can monitor and see what sort of activities they are doing and if there is a possible duplication of efforts anywhere, so that we can better organise their activities and their funding.

HON. RATU S.V. NANOVO. – Are they both complying up to now - Navuso and FCDCL?

MR. J. SINGH. – In terms of the financial acquittals, yes, and we have not had that first presentation. That is being arranged and we will be requesting all those agencies to present to us on a quarterly basis, to monitor what they are doing.

HON. RATU S.V. NANOVO. – Were you aware that the Head of Navuso Agricultural School has passed away and their report is still coming?

MR. U. WAIBUTA. – Yes, Honourable Chairman, we are aware of that. We have discussions with the Head of the Methodist Church in Fiji and there is a temporary appointment being made at this point in time, who is carrying out that particular role.

MR. T. TUNABUNA. – Honourable Chairman, if I may also add to the FCDCL, they have a Board and they meet very regularly. The Permanent Secretary is a member of the Board and that is where they also address and table the usage of funding and in the absence of the Permanent Secretary, he might appoint his representative in that Board Meeting which is very frequently carried out.

MR. CHAIRMAN. – Thank you.

HON. A.M. RADRODRO. – Honourable Chairman, just a supplementary question to that; the grants by the Ministry to FCDCL, has it stopped or is it continuing todate?

MR. J. SINGH. – It is continuing and it is provided to FCDCL to assist in the collection of milk.

HON. A.M. RADRODRO. – Hoping that the milk gate price will also improve, especially the Rewa Dairy butter now has increased threefold, as compared to the last 10 years, I think.

MR. M. KUMAR. – At this stage, it is not a price support facility and so far the prices were determined simply by supply and demand factors and mostly because most of these milk products are imported so it is pretty much also determined by the import cost. Basically these farmers are really competing with that imported cost and the issues that we have really identified in the industry is the productivity that we want to address. So in terms of the New Zealand Aid Programme that we are undertaking, we want to rightfully address the productivity so that we can see an increase in milk production but also an increase in per unit milk production from the cows.

HON. A.M. RADRODRO. – Just a side question on the FCDCL, the cows that were brought in to replace the TB-infected cows, what happened to the TB-infected cows, how were they taken away from the farms?

MR. T. TUNABUNA. – Honourable Chairman and Honourable Members, as normally done to other TB reactors, they are normally removed from cows, slaughtered and sold for human consumption, I mean, inspected and sold for human consumption. But there are various programmes now been conducted by the Ministry to address the increase in the number of reactors. Unfortunately when we brought cattle from New Zealand, there were farms that were still infected with TB and we had to supply those farms which still had TB cattle with free TB cattle from New Zealand and then some of them were infected with TB.

HON. A.M. RADRODRO. – A supplementary question to that, when the farms with TB-infected cows were slaughtered and sold, were there any monies given back to the farm owners?

MR. T. TUNABUNA. – Honourable Chairman, we compensated animals that were removed if they were infected, otherwise we pay them the full market price for animals that were removed.

MR. CHAIRMAN. –29.19 - Missing Payment Vouchers; it is noted there, and I quote:

“The need to improve record management in all agencies is vital for promoting Good Governance, Transparency and Accountability in the public sector. It is the responsibility of all staff hierarchy levels in each agency to integrate proper record management upkeep.

Payment vouchers have been misplaced as they were not made available for audit. In addition, payment vouchers and supporting documents were not securely stored and easily accessible to unauthorised personnel.”

There were a lot of payment vouchers that had gone missing. Similar concerns had been raised in previous years. There is a trend of payment vouchers going missing, any comments on that?

MR. S. BALEISUVA. – Thank you, Honourable Chairman. As for the accounting records, the Accounts Section of the Ministry of Agriculture has managed to secure a room where we store all our payment vouchers and our accounting records. Also, we have put in place a system whereby access to the room is limited to only one person who is authorised by the Principal Accounts Officer to access the room and take out the payment vouchers which are needed, and also we keep a record of the outflows and inflows of documents from that room. Thank you.

MR. CHAIRMAN. – If the payment vouchers and payment records go missing, it should indicate to some sort of unscrupulous activity that those documents are going missing. It does not show a good picture, maybe someone is trying to cause this losses. According to records, was anyone disciplined for missing records and papers? Perhaps, the HR Team could address that.

There were two instances where we noted that your Ministry’s payment vouchers or payment records had gone missing and you should get a strong room to store these. Was any staff or officer disciplined for missing papers or missing records, or acting of deliberateness found by your Office?

MS. M. BOU. – The strong room at the Ministry Agriculture’s headquarters is under the Principal Accountant.

MR. CHAIRMAN. – Yes, we know that. It has gone missing previously so now you have got a strong room, but from the records has anyone been disciplined for the missing records?

MS. M. BOU. – No, Honourable Chairman.

MR. CHAIRMAN. – But the strong room, is that now under the control of the Principal Accounts Officer or probably it will not happen, but let us hope it does not reoccur in the future reports. Any questions in that regard, Honourable Members?

HON. A.M. RADRODRO. – A supplementary question; in what instances were these vouchers misplaced or how can they be missing from the office?

MS. M. BOU. – Honourable Chairman and Honourable Members, the setting up of the strong room was done in 2014 when the Principal Accountant had the initiative to put all the records together. Before, the records were not properly placed as it should be but now he has put everything in place.

Also when the Ministry of Agriculture and the Ministry of Fisheries and Forests were together which was Ministry of Primary Industries then, all the records were put together in one strong room. So when they went, they took some of the documents with them. It covers all the Ministries records - Ministry of Agriculture and Ministry of Fisheries and Forests. So the Principal Accounts Officer is trying to get very document in place to avoid such incidents as such.

HON. RATU S.V. NANOVO. – When compiling a payment voucher in a bank situation, normally there are few copies, two or three copies of payment vouchers and they are filed separately into different files. Is that the case with you people?

MR. S. BALEISUVA. – Our payment vouchers are recorded on a daily basis and we file it monthly.

HON. RATU S.V. NANOVO. – When you sign payment vouchers, it goes down….

MR. S. BALESIUVA. – We keep copies for our own office, in terms of audit. The auditors will rely on the original documents, they do not normally rely on the copies for auditing. That is why we are trying to secure our original documents.

HON. RATU S.V. NANOVO. – (Inaudible)

MR. S. BALEISUVA. – We do provide copies but as I had mentioned, for auditors the Auditor-General will be able to comment on this, they only verify the original document of the payment voucher.

HON. RATU S.V. NANOVO. – (Inaudible)

AUDIT REP. – Yes, but in this case, there was just none, they were missing.

(Inaudible)

AUDIT REP. – I cannot say missing but it was not provided, it was just not available for our verification.

HON. RATU S.V. NANOVO. – In addition to that, normally a report will be compiled in the file requesting for that amount to be made. That can also act as evidence or source document for them, was that available to them?

MR. CHAIRMAN. – So we will have to make some recommendations in that area.

That brings us to the end of the 2014 Report. The 2015 Report is pending and because of time constraints, what we intend to do PS is we will adjourn the proceedings and my Secretary will liaise with you for another date in future weeks to go through the 2015 Report. There are about 15 pages there, will that be alright if we can reschedule this meeting a date that is suitable to you in the following week.

MR. J. SINGH. – Yes, Honourable Chairman.

MR. CHAIRMAN. – With that Honourable Members, I would like to thank the team from the Ministry Agriculture, headed by the Permanent Secretary, Mr. Jitendra Singh, for your appearance this morning and afternoon before this Committee. Your submissions have been fruitful and your answers have been frank, which will help us in our report and in our deliberations. We will definitely look through your written and oral submissions while compiling our 2014 Report. As I said earlier, for 2015, we will liaise with your Office for a suitable time.

We are also thanking the MOE and OAG for your presence. We will now excuse your presence and we will take the hearing on another day.

Any final comments on this, PS?

MR. J. SINGH. – Honourable Chairman and Honourable Members of the Public Accounts Committee, thank you very much for the opportunity for us to come and present those clarifications. And in addition to what the MOE is doing and with the comments from the OAG, this forum has also provided us additional comments to streamline and strengthen our work in terms of achieving compliance for financial conduct in the Ministry of Agriculture. So we are thankful to your Committee for this opportunity. Thank you very much.

The Committee adjourned at 12.45 p.m.