

VERBATIM NOTES OF MEETING OF THE PUBLIC ACCOUNTS COMMITTEE, HELD IN THE COMMITTEE ROOM, (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON WEDNESDAY, 21ST JUNE, 2017 AT 9.30 A.M.

Submittee: Fiji Police Force

In Attendance:

1. Mr. Isikeli Ligairi – Deputy Commissioner of Police (DPC)
 2. Mr. Krishna Chand – Force Accountant (FA)
 3. Ms. Manaini Mills – Deputy Force Accountant (DFA)
 4. Ms. Ashma Devi – Assistant Accounts Officer (AAO)
 5. Mr. Amitesh Prasad – Manager Procurement and Project (MPP)
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DEPUTY CHAIRPERSON.- A very good morning to you all. On behalf of the Public Accounts Committee (PAC), I wish to convey my sincere appreciation and gratitude for the presence of very senior and experienced resource personnel from the Fiji Police Force (FPF).

We are very sorry for the slight delay, and as you can see, big road works are going on and even on my way here, roads blocks are still underway.

Nonetheless, I welcome you all once again and for the benefit of everyone who are present here, I am Mohammed Dean, the Deputy Chair of the Committee. The other two Government Members are the Honourable Chair, who is in Malta for a conference, and the Honourable Assistant Minister for Health, who is engaged in his ministerial responsibilities. On my near left, we have Honourable Nanovo and Honourable Radrodro who is a very experienced banker and accountant, representing the Opposition side.

On my far right, we have officials from the Ministry of Economy (MOE), and on my far left, we have officials from the office of the Auditor-General. They are always here during our meetings, to give us useful advice and clarification on issues, should we require any.

Without further ado, I welcome you, DCP, and your officials to our Committee meeting, and I request you to give a brief introduction of senior officials who are here, and if you can then designate one of your officials to take us through the Audit Report of 2015. Thank you.

MR. I. LIGAIRI.- Thank you. Deputy Chair, Honourable Mohammed Dean; Honourable Members of the Public Accounts Committee; colleagues from the Ministry of Economy; and the Auditor General's Office: ladies and gentlemen.

Firstly, Sir, thank you for welcoming us this morning. At the outset, I want to extend the Commissioner's apology, as he is accompanying the Honourable Prime Minister on tour in the North, and is unable to be here.

I will introduce the team who are here with me. On my right is Mr. Amitesh Prasad, Manager Procurement and Project for the organisation. On my immediate left is the Deputy Force Accountant, Ms Manaini Mills and she will be leading our presentation. Next to her is the Force Accountant, Mr. Krishna Chand, who has been with the organisation for long and on the far left is Ms. Ashma Devi, the Assistant Accounts Ledger.

So, Sir, basically that is the makeup of the team this morning. Before I handover the floor to our Deputy Force Accountant for her to present our submission on the 2015 Auditor General's Report, there are a few opening remarks that I want to make for the organisation.

We have progressively made improvements. In our Annual Report for 2015, you will note that we have improved a lot because there was a reduction in the overall crimes reported. Although there were increases in some of the offences categories, but not in the overall crime rate.

In addition, there was a decrease in the number of complaints against the organisation. This is a result of good financial management of the organisation. As the Committee is already aware, the audit of the 2015 Accounts for the FPF resulted in the issuance of an unqualified audit report.

Sir, the operating expenditures will be explained in detail by the Deputy Force Accountant. I would like to report that we made some savings as well under the public operating expenditure for the capital projects.

You have seen that some of the projects were not undertaken and I want to make it clear this morning that almost all the issues were beyond our control. We had planned but we just could not implement some of the capital projects. That will be covered by the Manager Procurement in his presentation. The Deputy Force Accountant will cover the operating funds and our Manager Procurement will cover the capital expenditures. So, basically, Sir, that is what we want to share with you before we go into the details of our presentation this morning. I shall hand over the floor now, with your approval, to the Deputy Force Accountant, Ms Manaini Mills. Thank you, Sir.

MS. M. MILLS.- Thank you. Good morning, Deputy Chair and Honourable Members, ladies and gentlemen. I will take you through our responses for the financial year, 2015. Reference is made to

HON. A.M. RADRODRO.- Sir, just a question. We have taken note of your presentation. Peacekeeping Mission Head 49; does the Police also look after that particular section? We have also asked the same question to the Military and they said that the transaction is looked after by the Fiji Police Force under Head 49 - Peacekeeping Mission?

MS. M. MILLS.- Yes, Sir. Reference is made to your memorandum referenced Parl 3-1, dated 24th May, 2017, and addressed to the Commissioner of Police. We are pleased to provide responses as follows:

a) Financial Statement on 20.1, Audit opinion.

The independent auditor gave an unqualified opinion to the Fiji Police Force 2015 Financial Report. It means the financial records provided by the Force were free from any misrepresentation and that the financial records have been maintained in accordance with Government's accounting standards, stipulated under the Financial Act 2004, Financial Instructions, FPF Finance Manual, Procurement Regulations, Fiji Police Act and et cetera.

20.2 - Statement of Receipts and Expenditure

The Fiji Police Force concurs with the statement of Receipts and Expenditure.

b) Revenue

In 2015, the FPF collected revenue amounting to \$2,552,320.00; an increase of 8.5 percent or \$199,167 when compared to financial year 2014. The increase is due to an increase in commission and an increase in the number of applications processed for the police clearance and licences. Also, recoveries were made from overpayment of salaries and allowances made to police officers.

HON. RATU. S.V. NANOVO.- Deputy Chair, just a clarification under revenue; you have got police clearance fees, licence fees and other agency revenue. Can you just clarify what constitutes police clearance fees and what fees come under other agency revenue?

MS. M. MILLS.- The other agency revenue is in general revenue.

HON. RATU S.V. NANOVO.- Like

MS. M. MILLS.- The overpayment recovery and commission.

HON. RATU S.V. NANOVO.- Can you give an example?

MS. M. MILLS - The commission, it is a percentage of what was deducted from institutions like Wesram, Handy Finance and Carpenters.

DEPUTY CHAIRPERSON.- And the licences, which licences are these?

MS. M. MILLS.- The licences are the gun license, hotels.

HON. RATU S.V. NANOVO.- Police clearance fees?

MS. M. MILLS.- Liquor licence.

DEPUTY CHAIREPRSON.- I think the Honourable Member wants a more precise information on the Police Clearance fees. It says there that it has increased. Is it the normal fee that we are referring to?

MS. M. MILLS.- Yes, Sir.

DEPUTY CHAIRPERSON.- Is there only one standard fees, police clearance?

HON. RATU S.V. NANOVO.- Police clearance, when we request for that, we have to pay, so that comes under that?

DEPUTY CHAIRPERSON.- So, it is a standard amount?

MR. A. PRASAD.- Yes it is a standard amount.

DEPUTY CHAIRPERSON.- All right.

MR. A. PRASAD.- (Inaudible)

DEPUTY CHAIRPERSON.- Licences include liquor licence and what else?

MR. A. PRASAD.- These licences are most likely for liquor licence that we collect but mostly for firearms and guns.

(Inaudible)

HON. RATU S.V NANOVO.- Can we just seek clarification from OAG regarding the other agencies revenue?

AUDIT REP.- Thank you, Deputy Chair. For other agency revenue, the major accounts that constitute this one is miscellaneous revenue, as they have explained. It is a commission received for staff deduction from those agencies, for example, LICI insurance. Those are the miscellaneous revenue that is included in other agency revenue.

HON. A.M. RADRODRO.- What is the total? What is the average commission percentage or the amount that is usually collected from staff? It is quite a big amount - from \$122,000 to \$271,000. The standard percentage that is levied or standard amount?

MR. A. PRASAD.- (Inaudible)

MOE REP.- Thank you, Deputy Chair. These are payroll deductions, it is like a commission user-pay. When lending institutions like Wesram Finance and insurance companies use the government payroll, they get levied a certain commission that ranges from three to five percent of the total amount that has been deducted.

HON. A.M. RADRODRO.- That is quite a big increase.

MR. A. PRASAD.- (Inaudible)

HON. A.M. RADRODRO.- And how much would that be?

MR. A. PRASAD.- We have recovered a lot of deductions from the JE payout. I am sorry we do not have the figures here but the bulk of the amounts were for the recovery for payment of salaries.

(Inaudible)

HON. A.M. RADRODRO.- Deputy Chair, can we just request the Fiji Police Force to provide us with the amount of recovery?

On that particular table 20.1, the Auditor General had put a note there that funds provided from Head 50 miscellaneous expenditure budget of \$25,466,191 is not included in this total. Is there any reason why this was not included in your table?

MR. A. PRASAD.- (Inaudible)

HON. A.M. RADRODRO.- Is that the correct accounting process, Ministry of Economy? It was paid to the Fiji Police Force but it is not recorded as part of their receipts and expenditures.

MOE REP.- Thank you, Deputy Chair, as far as this fund is concerned, I will need to get some clarification on this \$25 million.

DEPUTY CHAIRPERSON.- It is \$25,466,191.00.

HON. RATU S.V. NANOVO.- Apart from that Deputy Chair, can you highlight what should be the normal procedure, when a situation like this arises in any ministry?

MOE REP.- Thank you, Deputy Chair. I think on this particular issue, this table reflects their budgeted funds that they received and the expenditure from their Head 20. This \$25 million was provided in addition to their normal budget.

HON. A.M. RADRODRO.- So roughly, they did not record it in their books.

MOE REP.- This would have been put into their liability account as and when they use it; they would have to send acquittals and any unused funds are returned to the Ministry of Economy.

DEPUTY CHAIRPERSON.- Alright.

HON. A.M. RADRODRO.- And this does not answer the question as to how should they be accounted in their books. Should they be represented, because as it is, we can clearly say that their operating expenditure for the year is understated by \$25 million?

MOE REP.- Thank you, Deputy Chair. Yes, all funds that are released from Head 50 will be recorded under the Head 50 of the Ministry of Economy's books. Head 50 is meant for miscellaneous expenditures, to which funds are not provided in the ministry's budget.

HON. A.M. RADRODRO.- Who makes the payment of this \$25 million payout to the staff? Is it Head 50 payout or the Fiji Police Force?

MOE REP.- The Ministry of Economy will give the money to the Police Force, who would then make the payout to the Force, to those who are entitled to receive funds.

HON. A.M. RADRODRO.- And we will see that there is under statement on their part if they make the payout from their own payout and pay their consolidated - whatever that is called - where the ministries and departments do their payouts from. Is not that an understatement of expenditures that was made from your own account?

MR. I. LIGAIRI.- But probably we will forward for clarification. The fund that is reflected in the table is the budgeted fund for Head

Any fund that comes and it is not part of that activity, it will not be reflected in our books, but it will be reflected in the ministry responsible for that fund. So, in this case, when it is given to the Police, we acquit. After our payment, we acquit. There were funds left over, we transmit or revert it to the Ministry of Economy and then it will be reflected in their books. So, that is how we handle our accounts.

HON. A.M. RADRODRO.- Deputy Chair, we acknowledge that finance is given but the issue here is that the Fiji Police Force is making payout from this respective amount on their own departmental cheques; is that correct? So how do you record those departmental cheques in your books?

MR. A. PRASAD.- (inaudible)

HON. A.M. RADRODRO.- Yes, we understand the explanation given but the issue here is that the payout is made by the Fiji Police Force and not from Ministry of Economy to their respective offices concerned. That is the issue here. How do you record, you make up the payout - from which account?

MR. A. PRASAD.- Use the Police Bank Account.

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

MR. A. PRASAD.- Savings for the operating Head 20 account and this is the same account, and that account is raised under the suspense account within the organisation.

DEPUTY CHAIRPERSON.- Ministry of Economy; you mentioned that some finance companies which dealt with borrowings and lending, they deduct direct from the Government payroll; is that allowed?

MOE REP.- Yes, Deputy Chair.

DEPUTY CHAIRPERSON.- So they make agreements with the Government ministries?

MOE REP.- Yes, Sir, we do.

HON. RATU S.V. NANOVO.- Still on that Deputy Chair, can we just ask the OAG so that the exercise they have explained to us this morning is all right with the Ministry of Economy?

MOE REP.- Thank you, Deputy Chair. The Fiji Police Force reporting for Government is such that currently the reporting structure, they are only able to reports on what is allocated to them through Head 20.

We agree that they will be allocated some funds from Head 50 but this fund will be recorded as expenditure from Head 50, Ministry of Economy. What is required for them is to record the expenditure that they were allocated through Head 20, Head 50, it will be recorded under Ministry of Economy but we agree that it is an understatement that they have paid it from Fiji Police Force as well.

So, going forward, I think that is the way forward but it is such that the Government report, which is given out to the ministries, they are only allowed to report on what is allocated to them.

HON. RATU S.V. NANOVO.- So, that procedure is in year end, this year is alright.

MOE REP.- It is all right, Deputy Chair. They have acquitted this amount with the Ministry of Economy and it will be reflected under Head 50.

HON. A.M. RADRODRO.- It is technical in nature. Where I am coming from currently is using cheques under the Fiji Police Force. If there is any un-presented in all these things, who will be responsible?

DEPUTY CHAIRPERSON.- Just coming back to my question. These finance companies; some of these are not major commercial banks. These finance companies deal with money lending. So these money lending institutions are allowed to directly cut from the government payroll.

MOE REP.- Yes.

DEPUTY CHAIRPERSON.- Do you not think that encourages poor financial management because with money lending, the interest rates are so high, and if they are given access to government payroll, this problem will keep on escalating. So, when they are having arrangements as such, what are some of the criteria or guidelines the Ministry of Economy gives to these finance institutions?

MOE REP.- Thank you, Deputy Chair. Let me first submit, for lending institutions to use the government payroll to recover money lent to members, we press on them that they should also abide by the ERE, where 50 percent of deductions should not exceed their pay ...

DEPUTY CHAIRPERSON.- Exceed

MOE REP.- The user-pay, instead of them giving money and pay every week to the lenders, the members, because these are non-payroll, it charges the user-pay levy.

DEPUTY CHAIRPERSON.- So, how about the interest rate? Is it more than unsecured loan because money lending must be having a transaction in regards to money lending - must be having higher interest rates?

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

MOE REP.- They have their own interest rates.

DEPUTY CHAIRPERSON.- Is it higher or lower? Any idea? No, because if it is higher, I do not think the Ministry of Economy should be encouraging because money lending is like a vicious cycle. Once employees get into it, you know it is like a never ending cycle.

MOE REP.- Deputy Chair, we want to encourage financial literacy to those things.

DEPUTY CHAIRPERSON.- All right, thank you.

HON. A.M. RADRODRO.- Deputy Chair, just a question to the Ministry of Economy, this payout is only for the Police, the \$25 million, why is it from Head 50 and not putting it as part of their budget? What is the working of Head 50 when compared to the operating budgets of the respective departments?

DEPUTY CHAIRPERSON.- It is a bit technical in nature. We are not questioning the policy here, I think Honourable Radrodoro is more so driving on the workings.

HON. A.M. RADRODRO.- Yes.

DEPUTY CHAIRPERSON.- So, if there can be any explanation on that?

MOE REP.- Thank you, Honourable Deputy Chair. The payments from Head 50 is for the first special expenditure.

DEPUTY CHAIRPERSON.- Special expenditures.

HON. A.M. RADRODRO.- This is like miscellaneous (*na veika eso*).

MR. I. LIGAIRI.- The \$25 million was for the payment of arrears obtained - that was the job when it was discussed

DEPUTY CHAIRPERSON.- All right.

MR. I. LIGAIRI.- Which was pending from 2004. So there was a requisition to the Government and the Government agreed to pay outer islands, so that was for the interest paid from that.

HON. A.M. RADRODRO.- Deputy Chair, just a supplementary question on the workings of this \$25 million. For some instances, where JER allowances for polices, are they all paid for the period that is owed to them? All the police officers, is there an indication whether some are still outstanding, 2012 to 2013? Also, for Special Constable Allowances, whether they were all paid from 2006 to 2010, from this particular fund.

DEPUTY CHAIRPERSON.- Yes, that question requires data and it is statistical in nature, perhaps the Force can come back to us on that.

HON. A.M. RADRODRO.- Because when issues were raised, some were still not paid from Totogo and Samabula Police Station, to name a few, especially for the SC allowances.

DEPUTY CHAIRPERSON.- 20.3.

HON. A.M. RADRODRO.- Can you again just quickly give us some indication, Force Accountant?

MR. A. SINGH.- Thank you, Deputy Chair. The SC allowance, we are still doing payment for that. We have not completed it, we have not done it.

HON. A.M. RADRODRO.- Any timeline?

MR. A. SINGH.- Perhaps within a month because we have difficulties in getting their bank details and whereabouts. So, we will have to maintain it a bit longer for those who are no longer employed in the Force. For those who are in the Force, we will get their details.

HON. A.M. RADRODRO.- That is for the SC allowances.

MR. A. SINGH.- It is not an allowance, Sir, it is the overtime or their work during the number of working hours and that extra hours to be paid.

HON. A.M. RADRODRO.- And for JE, are they paid as well?

MR. A. SINGH.- Yes, for the established officers, we have paid all

HON. A.M. RADRODRO.- So, if they have an issue, they have to bring it to close accounts.

MR. A. SINGH.- To see that they have been paid. We have brought some cheques, we have them declined specially to those who left the organisation. So, if they do come, we will verify and we have the repayments we do this way.

DEPUTY CHAIRPERSON.- I do hope those who have claimed would see the TV today and get an idea that there are cheques already there.

I think that basically answers that supplementary question, so we will not require additional information but we can just wait for one month then see how things proceed on this matter.

MS. M. MILLS.- Thank you, Mr. Chair.

20.3 - Appropriation Statement

The FPF agrees as reported.

The Force has incurred an expenditure of \$109,046,124 on the revised budget of \$120,499,901, resulting in surplus/savings of 9.5 percent or \$11,453,778.

In operating, the major savings was in SEG 1 due to unfilled vacancies. New recruits and filling of vacancies is on-going now. In addition, in accordance with the delegated powers of the Commissioner of Police and within the approved provision, virements were made into critical allocations that were not fully utilized.

For Capital Expenditure, savings resulted from unutilized funds, where a few projects were not implemented. These are as follows:

- SEG 8 – Construction of a new Valelevu Police Station tender recalled and was re-advertised due to increase in labour cost as a result of substantial increase in the bid price in reference to the National Minimum Wage increase. Now, construction is in progress.

- SEG 8 – Construction of Beqa Police Post and quarters. Work did not eventuate due to the landowners refusal to give consent.
- SEG 9 – Forensic Science Project was due to the closure of the RIE the purchase of a generator could not be accomplished, which is valued to \$209,000.
- SEG 9 – Upgrade of Criminal Records Information System the tender was called by ITC, however it could not be implemented due to technical reasons.

PART B AUDIT FINDINGS

20.4. Anomalies in Underline Accounts

DEPUTY CHAIRPERSON.- Can I just ask some questions on that, 20.3, Madam, on capital projects? That is all right, the figures are given there. Another reason for savings is the unfilled vacancies. Would you have any data on that? How much (in millions) or how many vacant vacancies does this constitute on? Perhaps later, Sir?

MR. A. SINGH.- Yes.

DEPUTY CHAIRPERSON.- Thank you. What went wrong with the Beqa Police Post? If I believe there was an allocation, probably there would have been some plans to do that project. Did the landowner suddenly refuse?

MR. A. PRASAD.- Deputy Chairperson, the issue with the Beqa Police Post was because the *mataqali* was not able to give consent for the Fiji Police Force to go ahead as planned, and that was the whole reason why this project could not move forward.

DEPUTY CHAIRPERSON.- What I am asking is that, before this plan was made, the Force must have made a plan that they will build a police post in the allocated area and they might have had some negotiations. But after the allocation, after the plans, they just cancelled; that is the concern.

MR. A. PRASAD.- Sir, the background of this position is that the Honourable Prime Minister had visited Beqa, where the landowners and the headman verbally spoke to donate that piece of land to the Fiji Police Force, and as such that was given to Ministry of Defence, then it was given to the Fiji Police Force. So, we did not have any proper planning done on that.

DEPUTY CHAIRPERSON.- All right.

MR. A. SINGH.- That is the reason why the four sites that were allocated for us did not eventuate.

DEPUTY CHAIRPERSON.- So, informally the consent was given but when things were formalised, they failed to give their consent. Honourable Nanovo, do you have a question?

HON. RATU S.V. NANOVO.- Still on that, Deputy Chair, all these land acquisition should have been done in the preliminary stages, to ensure that the project can go ahead. You have done that in the initial stage, you will not waste your time on this project.

DEPUTY CHAIRPERSON.- They will take note of that and I am sure that in future cases, the Force will try to improve on that.

HON. A.M. RADRODRO.- Deputy Chair, just a question on the provision of Beqa Police Post. What was the reason of having a police post in Beqa?

MR. A. SINGH.- The reason for having the police post was on the request of the people in Beqa. So, that was their request which they had allocated and was mentioned verbally to the Honourable Prime Minister, and that was the whole reason for that.

DEPUTY CHAIRPERSON.- They requested and they cancelled.

HON. A.M. RADRODRO.- The provision of a police post is for public purpose?

MR. A. SINGH.- Yes, Sir, then there is no police station out there in Beqa?

HON. RATU S.V. NANOVO.- They will not rely on Navua Police Station?

MR. A. SINGH.- Yes, Sir which is far away.

HON. A.M. RADRODRO.- You mean the police was not aware of the relevant sections of the Constitution for the public because of the use of land.

MR. A. SINGH.- We must....

HON. A.M. RADRODRO.- Are the Police aware of that?

MR. A. SINGH.- Yes.

HON. A.M. RADRODRO.- So why can you not

DEPUTY CHAIRPERSON.- Since it is very clearly reflected here, they had wanted the project; why did they back out from that, if they had requested it themselves? Did they give any reason why?

MR. A. PRASAD.- Sir, we had made three sites and we all looked at that.

HON. A.M. RADRODRO.- To exercise

MR. A. PRASAD.- That is to do with Fiji Police Force to undertake. So, the first one was in the show and it was cancelled. We moved up to the hills, that was cancelled again and then near to the public, that was there, then it was cancelled again. The issue or the reason behind it was a misunderstanding between the *mataqali* of having the nominated percentage in the signatures through the *Vola ni Kawa Bula*. So that was the issue. So, we were not able to get that and that is the whole reason why the acquisition cannot go through.

HON. A.M. RADRODRO.- Could we say that your reason here is only half way because the Police should also access its power? It is not duly entitled to the landowners. Police should now enforce that because as you stated, it is for public purpose, so why did the Police not do

DEPUTY CHAIRPERSON.- Did you see the PA for any future plans there to have a police post, or it will remain as it is?

MR. A. SINGH.- Sir, that one is still in place.

DEPUTY CHAIRPERSON.- All right.

MS. M. MILLS.- Thank you, Deputy Chair.

20.4 Anomalies in Underline Accounts

As per the auditor's recommendations, FPF has thoroughly scrutinized all the RFA Trust Fund Drawings, BLC and IDC account reconciliations with the FMIS General Ledger.

1) Drawings Account

The auditors has audited the Drawings Reconciliation Statement; the variance of \$2,765,529.81 has been rectified and adjusted by NOE in the month of December 2015 reconciliation. The variances consist of the following:

- Bank fees;
- Foreign Cheques (mismatched cheques);
- Slow sweep of charges by the bank;
- Void cheques; and
- Reversal due to incorrect bank accounts.

There is no misappropriation.

2) IDC

The Police IDC reconciled with FMIS General Ledger and there was no variance as stated by the auditors. The minute attached was for January reconciliation instead of February reconciliation statement.

3) BLC Account

The variance of \$131,270.05 as stated by the auditors is in correct. We have the BLC Reconciliation variance of \$1,034.05, which was cancelled from FMIS after the submission of the BLC reconciliation statement to Ministry of Economy.

DEPUTY CHAIRPERSON.- Office of the Auditor General; they are clearly stating there that it is incorrect.

AUDIT REP.- Thank you, Deputy Chair.

We are reading this comment now. They have stated that they will be anticipating approval in future submission of reconciliations. A carry forward balance has been written off. Maybe they have repaired the new reconciliation that we requested to submit to us again to verify because they have totally submitted a different comment when we highlight this issue to them.

DEPUTY CHAIRPERSON.- We will take note of that.

HON. A.M. RADRODRO.- Deputy Chair, just a question of clarification. The responses on the \$2.7 million has been rectified and adjusted by MOE. How this was rectified and adjusted? Is it through write offs. Ministry of Economy and Fiji Police Force; how was this \$2.7 million rectified and adjusted by MOE?

MOE REP.- Thank you. Deputy Chair and Honourable Members. According to this, there was no mention of write offs in their response, so I doubt it that this is not a write off. Perhaps the Fiji Police Force should respond to this, please.

HON. A.M. RADRODRO.- How was this rectification and adjustment made?

MS. M. MILLS.- The drawings reconciliation was done by FMIS and they did the reconciliation, together with our reconciliation clerk.

HON. A.M. RADRODRO.- All right. How was it adjusted?

MS. M. MILLS.- Sir, we have to come back to the Committee.

HON. A.M. RADRODRO.- Come back to us. Ministry of Economy; you are not aware of this process that was undertaken? This is part of your audit work.

MOE REP.- Thank you Honourable Member. We are aware that there were some write-offs for the Fiji Police Force in 2014 but that was held back in the 2015 accounts but we can get back to secretariat on that.

DEPUTY CHAIRPERSON.- Thank you. You can continue.

MS. M. MILLS.- Thank you, Deputy Chair.

Revolving Fund Account (RFA)

The reason for the increase in 2015 when compared to the 2014 balances was because in 2014, the Ministry of Economy had initiated the book clean-up processes whereby \$697,909 was written off to clear the advance account. The accountable advances issued in 2015 had been acquitted and cleared.

From 2016, the Force have had strict monitoring system, whereby officers who fail to acquit accountable advances within seven days, a 12 percent interest is charged on late submission of acquittals and the balance of the amount is recovered from the officers' salaries.

HON. A.M. RADRODRO.- Just a question on these steps undertaken; is it according to the finance policies and procedures of Government?

MOE REP.- Honourable Member, this is clearly stated in the Financial Instructions on the recovery from the respective officer's pay.

HON. A.M. RADRODRO.- And the percentage that is levied.

MOE REP.- 12 percent has been revised after that.

HON. A.M. RADRODRO.- That is according to policies.

MOE REP.- Yes

DEPUTY CHAIRPERSON.- Ministry of Economy, is that the average percentage for other departments as well?

MOE REP.- This thing is the same across.

DEPUTY CHAIRPERSON.- It is across all over for a scenario like this.

HON. A.M. RADRODRO.- And the collection, how many pay periods they are expected to clear out?

MS. A. DEVI.- It is six fortnights.

HON. A.M. RADRODRO.- So, what happens in situations, knowing the work of the Police, they usually go out all the time, and what happens in situations where they are expected to come back and clear but they are still out in training?

MS. A. DEVI.- Sir, at certain times, the officer in charge normally liaises with us, we give them some extra time so that they can come back and update. For example, if they are out to Moala or to island court sittings, then first, we just leave them and for the time being, we do not deduct their pay, let them come then we do all that.

HON. A.M. RADRODRO.- What happens in situations where they do not have the necessary supporting documents because of the distance they travel and the matter of their job?

MS. A. DEVI.- Sir, on that ground, we have not encountered too many problems with that.

HON. A.M. RADRODRO.- Ministry of Economy; what happens in situations where supporting documents are lost in the process of travelling expenses? How does the policy remittance account that? Does the policy allow, accommodate those situations?

MOE REP.- Thank you Deputy Chairman, the responsibility is the statutory of receipts and invoices but in situations where receipts and invoices are lost, they can make a declaration and then forward it to the Accounts Section.

DEPUTY CHAIRPERSON.- All right.

MR. I. LIGAIRI- Deputy Chairman, I would like to correct that. In the Force we do not entertain the correction, we normally penalise the officers.

HON. A.M. RADRODRO.- How many officers have been under that process so far?

MR. I. LIGAIRI.- Maybe, not even one per one month because they know that it will take one.....

HON. A.M. RADRODRO.- It is a good record.

DEPUTY CHAIRPERSON.- I think that is a very good measure even though it is stringent in nature, but I believe people rely on judiciary like the Fiji Police Force to set examples, and it is very good to note that the Force is very stringent and strict on this. Can we continue, please?

MS. M. MILLS.- On the RFA allocation, there are 12 allocations that have been eliminated. FMIS reconciliation has been prepared, certified and being forwarded to Ministry of Economy. As at 31st December 2015, provisional tax accounted has remained debit balance. It has been noted that provisional tax allocation was overdrawn by \$11,391.06. This was due to the payments of provisional tax for the month of December, 2014 which was paid in January 2015. This allocation was written off, in the amount of \$101,755.78.

Trust Fund Account

The majority of the balance carried forward for the payment of reduction made from salaries and wages payroll for the month of December 2014, they were payable in January 2015. For example, FNFP contribution for the month of December 2014 was paid in January 2015.

In 20.5 - Raising of Journal Vouchers, the findings have been noted and recommendations of the auditors had been implemented. Furthermore, the instructions had been given to the Accounts staff - no postings to be done to the FMIS without journals being approved.

20.6 - Absence without Leave, this case is registered as SDHQ Caps 97 SO 2014, The file is currently perused by the legal officer before a decision is made on relevant charges.

DEPUTY CHAIRPERSON.- Just on raising of journal vouchers, the amounts there as per Table 20.7, it is \$6.6 million and \$2.5 million and \$588 million that is of serious concern. Can we know who are the officers responsible for this?

HON. RATU S.V. NANOVO.- As stated during the recommendation Deputy Chairman, the Force Accountant and the Deputy Force Accountant.

DEPUTY CHAIRPERSON.- I mean, who were responsible? Those who raised this without approval? So, who does the approval and who were the ones who raised this? Was it your clerk or junior accountant?

MS. M. MILLS.- Thank you, Sir. This was raised by our clerk.

DEPUTY CHAIRPERSON.- Clerk.

HON. RATU S.V. NANOVO.- On that, Deputy Chairman, it is clearly stated in here that the journal can only be approved by the Force Accountant and the Deputy Force Accountant, even though the Clerical Officer had raised this journal, you two should have checked it.

DEPUTY CHAIRPERSON.- Such a big amount, without approval by a clerk.

HON. RATU S.V. NANOVO.- So, what is the story here?

MS. M. MILLS.- Sir, I refer to Appendix 7 which is on the journals that were raised.

DEPUTY CHAIRPERSON.- Appendix 7

HON. RATU S.V. NANOVO.- Before moving on to Appendix 7, can we be advised why was this not put in here? Why was the journal not been checked by the Deputy Force Accountant or the Force Accountant?

DEPUTY CHAIRPERSON.- Considering that the amount is so huge, and there are no authorization and as a matter of fact, we were surprised that the clerk had the powers to

There should be a limitation in terms of transactions. We cannot expect millions of dollars transaction handling without authorization. On that note, was there any disciplinary measure taken against the officer?

MR. K. CHAND.- Sir, first of all, these adjustments were made for the missed allocations and that was an agreed exercise by them and the Deputy Force Accountant and then Madam Principal had agreed for the adjustments to be made.

DEPUTY CHAIRPERSON.- Who agreed?

MR. K. CHAND.- It was a joint exercise which the Consumer Council created and then the Deputy Force Accountant and the Clerical Officer witnessed and the staff were working on this. The Principal Accountant had agreed for adjustments to be made. The only thing was, it was not being signed at that particular time.

DEPUTY CHAIRPERSON.- All right, thank you.

HON. RATU S.V. NANOVO.- For this one, Deputy Chairman, I think the buck should stop with the Force Accountant. You should also be aware of what is happening below your rank, if you are not aware of what is happening, then tell us why should you not be disciplined as recommended? Tell us why should you not be disciplined in this area?

DEPUTY CHAIRPERSON.- That is...

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

MR. K. CHAND.- Sirs, as I have said earlier, we had agreed to these misallocation adjustments, only the document was not signed. It was then brought to us for citation but we requested and we agreed,

HON. RATU S.V. NANOVO.- Especially big amounts like this, you should clear it at the end of the day. It is your responsibility.

DEPUTY CHAIRPERSON.- So, most of these constitute what kind of transactions?

HON. RATU S.V. NANOVO.- Still on that, can we ask the Deputy Commissioner of what action has been taken with regards to the recommendation?

MR. I. LIGAIRI.- Thank you, Deputy Chairman, as has been mentioned, the clerk responsible has been transferred.

HON. RATU S.V. NANOVO.- Transferred. Any disciplinary action taken or just transferred?

MR. I. LIGAIRI.- He was transferred. Sir, we will come back to the Committee on actions taken. Thank you.

DEPUTY CHAIRPERSON.- With you permission, Sir, DCP, will it be all right that we take a small tea break and continue afterwards. We will resume submission in after 15 minutes. Thank you.

The Committee Interview adjourned at 12.42 p.m.

The Committee Interview resumed at 1.04 p.m.

DEPUTY CHAIRPERSON.- Honourable Members we will continue from 20.6 – Absence without leave.

MS. M. MILLS.- Thank you, Deputy Chairman, This case is registered as SDHQ Case 97/14. The file is currently perused by our legal officer before a decision is made on the relevant charges.

20.7 - Sir, I shall invite Manager Procurement and Projects to take us through.

MR. A. PRASAD.- Deputy Chairman, for the delayed projects, the first one is the Valelevu Police Station. We want to refer to the statement that the project was not thoroughly assessed at the preliminary stages and it was not due to improper planning. Please allow us to explain the process.

Sir. In order to call a tender, the engineer's assessment needs to be obtained from the Ministry of Works (now MOIT) and the Director, Government Buildings and Architects, who upon verifying the architects should draw in and provide an estimated engineers cost for tender calling purposes.

Also, for the urgency to confirm the availability of funds prior to undertaking this project as such, upon receiving the bids, the proper engineers estimates is then provided by the Director Government Buildings and Architects (DGBA).

You may now turn to Table 20.8. The first one is the renovation of the Nadi Police Station. Sir, after discussions with the PS for Works, the Fiji Police Force had sourced all of its renovation works of major Police institutions and quarters to the Ministry of Works.

Secondly, to strengthen the inter-agency relationship. However, given the waiver of tender process been declined by the Honourable Minister of Economy, there was insufficient time for us to complete the tender process to utilise that funds within that financial period, and it had been rolled over to the next financial year.

2. Renovation of Band Barracks A & B: After discussions with the then PS, MOIT, FPF had intended to outsource all its renovation works of major Police institutions and quarters to MOIT, to strengthen the interagency relationship. However, given the waiver of tender process been declined by the Honourable Minister of Economy, there was insufficient time for us to complete the tender process to utilize the funds within that financial period and it had been rolled over to the next financial year. For your information, the Fiji Police Force was following the same process whereby the present office had engaged the Ministry of Works to build exactly the same barracks at the President's compound which amounted to \$254,644.00.

3. Renovation of Kadavu Police Quarters: In order to fund Band Barracks A & B, this project was put on hold as there was insufficient fund to undertake that project.

4. Refurbishment of Lautoka Police Station – West Wing – for budget processing, an engineers' estimate of \$130,000 was provided. When the actual scoping was undertaken by the Ministry of Works, the cost increased to \$193,828. As such, MOIT carried the renovation works.

After 40 percent of the work being completed, they discovered that the structural enforcement rod had gone over. The works were stopped and this was referred to CID. MOIT transferred the leftover funds to MOE. This project has been rolled over to financial year 2017 and 2018 whereby a tier one plus police station will be constructed.

DEPUTY CHAIRPERSON.- Just on the refurbishment of Lautoka Police Station, Manager Procurement, we note that the operations of Lautoka Police Station is currently instituted and based where the Ba Provincial Council Holding building is. Is it a temporary measure?

MR. A. PRASAD.- Yes.

DEPUTY CHAIRPERSON.- So, is that a temporary measure?

MR. A. PRASAD.- It is a temporary measure at the moment, Sir.

DEPUTY CHAIRPERSON.- And whilst they are operating from there, are there plans to refurbish the old site?

MR. A. PRASAD.- Sir, the old site, in the financial years 2017 and 2018, we anticipate \$1 million to be given on that, which is for the demolishing of the whole station.

DEPUTY CHAIRPERSON.- You will demolish the station.

MR. A. PRASAD.- The reason being, Sir, during *TC Winston*, the roofs were blown away (the old enforcement lodge inside), the structural condition of the building is not appropriate, as such we will be demolishing everything. We will be making the new south-west, which is an urgency requirement. We need to have 7 cells, as such, we will be making a gear 1 plus, which will be the biggest station for Fiji Police Force.

DEPUTY CHAIRPERSON.- So, this Ba Provincial Holding Building, where the Lautoka Police Station is currently operating from, this operation will go up until 2017 and 2018 until this new site is erected.

MR. A. PRASAD.- Sir, it will be until the Lautoka Police Station is completed.

DEPUTY CHAIRPERSON.- And you are looking at next year, for the completion?

MR. A. PRASAD.- Sir, this year is phase 1, which is the demolition and preliminary works to the station. On that, we will be engaging a contractor in the financial year 2018- 2019, we will be looking for the full funds for the construction

DEPUTY CHAIRPERSON.- And Beqa, as we had alluded earlier, that is the scenario, the landowners had not given consent on that. Any questions, Honourable Members on the capital projects?

HON. A.M. RADRODRO.- Deputy Chairman, just a question to the Fiji Police Force No. 4 – Lautoka Police Station, West Wing. In your response, you mentioned the work was stopped and

referred to CIU and MOE for the way forward. Can you just enlighten us on what do you mean by that particular statement?

MR. A. PRASAD.- Sir, that renovation was ongoing as we had anticipated. There was a test done to the building and it was not suitable for occupancy. As such, the way forward for this was to demolish the whole building so that CIU was established in 2015. We had gone to CIU for the way forward. Now the way forward for them is to phase out the project for years 2017 and 2018 for phases 1 and 2 construction period for 2018 and 2019.

HON. A.M. RADRODRO.- My question based here was referring to CIU - that is the Construction Implementation Unit (CIU), so it also looks after capital projects for the police – this apartment?.

MR. A. PRASAD.- I believe this unit has been established to look after all agencies.

HON. A.M. RADRODRO.- So, this means that the decision to continue the work or increase the work, scoping et cetera, will be done by CIU on behalf of the Fiji Police Force.

MR. A. PRASAD.- Yes, Sir.

DEPUTY CHAIRPERSON.- That is above \$50,000. The Ministry of Economy looks after projects above \$50,000.

HON. A.M. RADRODRO.- Who was making the decision for Fiji Police Force capital project before the setting up of CIU?

MR. A. PRASAD.- Sir, Fiji Police Force.

HON. A.M. RADRODRO.- Fiji Police Force itself.

DEPUTY CHAIRPERSON.- Ministry of Economy, the CIU looks after capital projects above \$50,000 or?

MOE REP.- All.

DEPUTY CHAIRPERSON.- All.

MOE REP.- Sir, we will come back to the secretariat to confirm, if it is really above \$50,000.

DEPUTY CHAIRPERSON.- All right. Thank you.

HON. A.M. RADRODRO.- This really is in operation but you will come and confirm if it is above \$50,000 or below \$50,000.

MOE REP.- Sir, we will get the confirmation from the CIU.

HON. RATU S.V. NANOVO.- Still on capital projects, as for Kadavu, the allocation given is \$124,000 while the actual that was required is \$509,000. My question is, when doing the preliminary

survey for Kadavu, did the people really go out there to inspect what is required to be done before they come up with that \$124,000 or they just sit in the office and the land that this is going to be like this? Can there be an explanation?

MR. A. PRASAD.- Deputy Chairman, the issue of not completing the works or not, looking at the scoping of the Kadavu Police quarters was because the band barracks A and B will chew about \$509,000 to \$188,000, which is the \$500,000 VEP that had been given for this capital project, and as such, there was only one project that would only touch was the band barracks A and B. So, that is the whole reason why we had to go and forego the Kadavu Police quarters.

The Kadavu Police quarters; all scoping works prior to us requesting for capital funds is undertaken by the Ministry of Works. So, for them to get the estimates to request for a budgetary allocation, this is how we have to work. We have to request them first for our estimate and we put up our budgetary allocations and then we wait for that budget to come it. When we receive bids, then the estimates is again compared to the initial engineer's estimate that was provided for them to concur with, and that is the reason for us to forego under our budget.

HON. RATU S.V. NANOVO.- My question was, did they go out to really inspect the scope of work before coming up with the amount that you put forward, because the amount was too far out of the market - \$24,000 as compared to \$509,000?

HON. A.M. RADRODRO.- Was the scoping done by CIU?

MR. A. PRASAD.- No, Sir. The scoping works was done by Ministry of Works. They go out and do all the scoping works for us.

HON. A.M. RADRODRO.- And the final one?

MR. A. PRASAD.- The final scoping ...

HON. A.M. RADRODRO.- Final costing

MR. A. PRASAD.- Final costing, for example, if I would take band barracks A and B. First of all, they will look into the scoping work, architectural drawing, they will provide the engineers estimate and they go again, or when they receive the bids, they will look at what the bidders have bid for, and they will do their own scoping. They will provide the real estimate engineers estimate which is then for comparison purpose to the bids that we have received, and as such, we have to provide that in the tech meetings and this is the way forward in that.

HON. RATU S.V. NANOVO.- Where did you get this \$124,000 initially from?

MR. A. PRASAD.- That is the engineers estimates, Sir.

HON. RATU S.V. NANOVO.- Without visiting the site?

MR. A. PRASAD.- With visiting the site, and that is only for the renovation of Kadavu Police quarters, Sir, the amount that is given there is \$124,082, it is sufficient enough to do renovation works, this is not a fully new construction Sir, just renovation works to the quarters.

HON. RATU S.V. NANOVO.- If that was the amount required to do that renovation, why did you not go ahead with that \$124,000?

MR. A. PRASAD.- Sir, the reason for us not going or touching the Kadavu Police quarters is that band barracks A and B will chew \$509,288.00 as complete demolition and construction of 2 band barracks A and B 1x6.

DEPUTY CHAIRPERSON.- So, this has nothing to do with the amount allocated for \$124,082.00.

MR. A. PRASAD.- Sir, \$500,000 was allocated under that whole allocation which included renovation of band barracks A and B, included renovation under the police quarters.

HON. RATU S.V. NANOVO.- What I am driving at, your initial plan was just to renovate?

DEPUTY CHAIRPERSON.- Police quarters.

HON. RATU S.V. NANOVO.- That was for the quarters.

MR. A. PRASAD.- Sir, for band barracks A and B, after we had asked for that much fund, then upon the engineers visit again, they looked into the building structure itself and they said it is not good to do a renovation on that, and there was a OHS report on that, and as such, they say it is better to do a demolition then to do a renovation.

HON. A.M. RADRODRO.- The engineer is a private one or?

MR. A. PRASAD.- Sir, that is Ministry of Works engineer.

HON. A.M. RADRODRO.- Ministry of Works

MR. A. PRASAD.- Yes

HON. A.M. RADRODRO.- All right

HON. RATU S.V. NANOVO.- So, the \$124,000 was renovation of those two blocks. When they finally visited the site, again the cost was off the mark and that is where there was an error.

MR. A. PRASAD.- Sir, the \$500,000 allocation there were two projects in it Sir. The first one was for band barracks A and B which is demolition and construction is \$509,000. The second one which chews the whole budgetary of \$500,000. That is the whole reason why we could not go and do the renovations for the Kadavu quarters. So, the reason being is that, when we requested it got rejected and we have no other option but to wait for the rollover of funds on that, Sir.

DEPUTY CHAIRPERSON.- So, initially when the funds were allocated based on whatever survey they did, I think it was not done right by Ministry of Works. They should have informed earlier before allocating \$124,000 - that it is better not to have renovation.

HON. RATU S.V. NANOVO.- I think this is the same case that we hear from the Ministry of Health, \$20,000 allocation throughout the centres in Fiji, the same case in here. Just sitting in the office and they are just estimating from there without visiting the site.

DEPUTY CHAIRPERSON.- And they just come up with the amount. What the Committee is driving at is initially before allocating \$124,082, they should have told that it is no use, they just have to demolish. I mean initially, the amount should have been \$509,000 instead of \$124,000.

MR. A. PRASAD.- There are two projects that have been taken, one in Kadavu and the other in Nasese. The insufficient funds for the band barracks A and B which is at Nasese, the project for Kadavu has been on hold so that fund was intended to be used in that band barracks A and B. Sir, it could have gone through renovations but because of insufficient funds for projects A and B, which is at Nasese, we have integrated the funds. We tend to use this fund for that project because out of that \$500,000 we had 2 different sites.

HON. RATU S.V. NANOVO.- So, that has given us some relief, at least we know what has happened.

MR. A. PRASAD.- So, what we have done is put on hold the Kadavu project.

DEPUTY CHAIRPERSON.- There are 2 projects.

MR. A. PRASAD.- Yes, Sir, which is the renovation of band barracks A and B and also the renovation of Kadavu Police quarters.

DEPUTY CHAIRPERSON.- So, the name of the project should have also mentioned renovation of Kadavu Police quarters and Nasese band barrack quarters.

MR. A. PRASAD.- Sir, it is under the upgraded replacement of living quarters. So, that is the capital construction, the name of that, and as such in that \$500,000 being allocated in that, it has been broken down into 2 projects, one is for the Kadavu one and the other, the Nasese one.

HON. RATU S.V. NANOVO.- If you had mentioned that, it would be clear.

DEPUTY CHAIRPERSON.- Yes it is not clear. It is not precise.

HON. RATU S.V. NANOVO.- The way you put it there, you are going off the mark.

DEPUTY CHAIRPERSON.- Because we are going through the information, that it is the renovation for Kadavu quarters only, that is what is mentioned here and we did not know that it is for the Nasese quarters as well.

HON. A.M. RADRODRO.- Deputy Chairperson, thank you for the explanation. Just a question regarding renovation works that was intended for the Kadavu quarters, I believe the current occupancy of the quarters, so what will happen to the renovation at the quarters as initiated there?

MR. A. PRASAD.- Sir, the way forward on this is that, we have done up a site visit and that all these quarters and institutions that have been mentioned, we have “band aid” solutions for the time being, to renovate a portion of it but for the long-term purpose on that is that we will be asking for rollover of this project. All our budgets are now been given for scanning and consideration and also for the Ministry of Economy for the capital budgetary funding, and as such, we will be looking forward to whatever funding that they will provide to us in the capital budget.

HON. A.M. RADRODRO.- I am just curious that this funding does not adopt the ‘out of mind approach’, where you attend to plans A and B, whereas in Suva and about the Kadavu one which was initially planned. In terms of the OHS standard; the Kadavu quarters complying with the OHS standard?

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

MR. A. PRASAD.- Thank you. The Kadavu quarters is operational.

HON. A.M. RADRODRO.- OHS compliance?

MR. A. PRASAD.- It is operating at the moment.

HON. A.M. RADRODRO.- I am not talking about operation...

MR. A. PRASAD.- Sir, for that, I would have to come back to you on OHS compliance. For bank barracks A and B, it is not OHS compliance, so no one is occupying...

HON. A.M. RADRODRO.- They have already mapped it in your hand because that was already initially planned for renovation. So, is it OHS compliance? That is where we are coming from?

MR. A. PRASAD.- Sir, we would have to get back to your Committee on the OHS compliance.

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

MR. A. PRASAD.- Sir, from my point of view, it is still operating. With a bit of minor works, that has been done before we took the operations.

HON. A.M. RADRODRO.- Is it a healthy operation? Are people living there, and do they have healthy children?

DEPUTY CHAIRPERSON.- That would be an OHS issue.

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

MR. A. PRASAD.- You can find it on

HON. A.M. RADRODRO.- You also should push through CIU

DEPUTY CHAIRPERSON.- Sir, Deputy Commissioner, I believe some photos have been - this is specifically in regards to Valelevu Police Station only, this is still under construction. If you do not mind me asking again, when is the completion time aimed at?

MR. A. PRASAD.- Valelevu commenced at the beginning of this financial year. The construction started at the beginning of the year because the demolition of Valelevu Police Station and the construction up to year 1 Police Station.

DEPUTY CHAIRPERSON.- So, these are photos of phase 1.

MR. A. PRASAD.- Sir, the project was intended to be completed by mid- July but given the cement issue, we are facing a bit of difficulty in the completion of the Valelevu project. We anticipate to be completed, all the payments would be done in the next financial year.

DEPUTY CHAIRPERSON.- Cement issue has to do with the shortage of cement, because of TC Winston.

MR. A. PRASAD.- Yes.

DEPUTY CHAIRPERSON.- So, this project got delayed because of that reasons, solely for that reason only?

MR. A. PRASAD.- Yes.

DEPUTY CHAIRPERSON.- All right.

HON. A.M. RADRODRO.- Where is it currently operating from, when the renovation is taking place?

MR. A. PRASAD.- Thank you Sir. It is operating within that same compound, it is on the other side of the road, Sir.

DEPUTY CHAIRPERSON.- So, what is the timeline now for the completion of this project? What is the timeline of completion now that the Force is looking at in regards to this project; end of the year?

MR. A. PRASAD.- It would be in the first quarter, probably into the beginning of the second quarter of the next financial year.

DEPUTY CHAIRPERSON.- Next financial year, end of 2017.

HON. A.M. RADRODRO.- Who was the contractor?

MR. A. PRASAD.- Coke Construction, Sir.

HON. A.M. RADRODRO.- Coke Construction.

MR. A. PRASAD.- Yes

DEPUTY CHAIRPERSON.- Yes we can proceed to 20.8.

HON. A.M. RADRODRO.- We need to understand that the Fiji Police Force, say in your particular project, gives intended requirements for the particular building and the drawings and specifications are done by the CIU and the Police Force reviews and makes approval.

The monitoring issue upon the contractor, who monitors the projects, the same like for Valelevu.

MR. A. PRASAD.- Thank you Sir. The project one has the Fiji Police Force, the Ministry of Works, the CIU, they are project monitors, so the three....

HON. A.M. RADRODRO.- And who takes responsibility if the project is completed or not?

MR. A. PRASAD.- All will take responsibilities in the project if the project is not completed on time.

HON. A.M. RADRODRO.- Is that the case, Ministry of Economy?

MOE REP.- Thank you Honourable Members, as we have alluded to, we will have to get back on the role responsibility of the CIU, which is the new unit and provide that information to the secretariat.

MS. M. MILLS.- Thank you. On 20.8 Payment of Retention, the recommendation is noted and in future, a new retention of monies for contractual payment will be transferred to the Ministry of Economy's Operating Trust Fund Account.

20.9 Underline Accounts – The auditor's recommendations have been noted. The timely monthly reconciliations carried out and the variances are rectified and corrected. The date of submission of reconciliation to Ministry of Economy is on the 15th of the following month. There were delays in submission in trust reconciliations and we will ensure that future reconciliations are with Ministry of Economy on the due dates. The FPF has carried out the reconciliation and verified the balances stated in the Statement of VAT and PAYE, which has a difference of \$2,725,793. This is the PAYE deductions being deducted from the arrears of JE for various police officers and payments made to FRCA VAT.

Sir, that brings us to the end of our submission.

DEPUTY CHAIRPERSON.- Any questions?

HON. RATU S.V. NANOVO.- Deputy Chairperson, can we just go back to 20.8 on the payment of retention. In that regard, most of the ministries have been going through this, whereby capital projects have been undertaken by them. One of the necessary adjustments that have begun on the project cost is the reduction of that 10 percent retention money to be kept by the ministry. Why was this an oversight on the part of the organization? We noted that the project cost is below \$50,000, why was that an oversight?

MR. A. PRASAD.- Thank you for that. At the time of payment, it was not very clear. We had discussions with the Ministry of Economy then and it was not clear whether to pass the retention money towards the trust account. We had sorted it out with one of the accountant's forum that it was supposed to be kept in a trust account.

Mr. Chairman, we now have a policy here to transfer all the debt retention to the operating trust fund.

HON. RATU S.V. NANOVO.- Deputy Chairperson, still on that, while the task has been given to the ministry or the Ministry of Economy, were they explained of what to do when dealing with cases such as this? Ministry of Economy?

MOE REP.- Thank you. Deputy Chairperson, for any project, it is within the guidelines that for any agency that undertakes projects up-to 10 tenders, all Ministries are to retain 10 percent. That is the understanding that MOE and all ministries kept - they are to retain 10 percent.

HON. RATU S.V. NANOVO.- Based on the explanation given by the Force Accountant, where do you stand?

MOE REP.- Thank you,. Deputy Chairperson, as alluded to by the Force Accountant, while this was not retained by them at that time, they are now in consultation with our office because with the projects, they would normally take out 10 percent and put it aside in trust in the bank account. Since they did not have a separate bank account for that matter, now we have told them that "you can use our bank account" that is the understanding that we have -"10 percent in project, give it to us, we keep in our bank account and when it is due, let us know and we will pay you."

HON. A.M. RADRODRO.- I think there is a difference in the interpretation regarding the retention of funds. Some ministries, they pay out from new budget allocations. That means in the New Year, but in this particular case, I thought you have highlighted this, which particular Financial Instruction does this, say on the 10 percent retention?

MOE REP.- Deputy Chairperson, I believe this is the agreement that they have with the contractor and as far as the findings in here, yes you are correct, it should be paid out within the same financial year but because sometimes our projects are holding on to the next financial year, other preferences is that those monies are still up aside into separate account.

HON. A.M. RADRODRO.- That is exactly where we have encountered, where the previous ministries do not keep the retention money in the trust. They make applications in the new financial year to pay this, I think it is similar in this case, the retention money is paid out in the new financial year. Can you do each one also as this?

MR. A. PRASAD.- We have received that information as part of the contractual agreement with the Solicitor-General that the contracts are being vetted and they have the clauses for the percentage of retention.

HON. A.M. RADRODRO.- OAG; do you have the supporting Financial Instruction with you?

AUDIT REP.- Thank you Mr. Chairman, normally it is always stipulated in the agreement between the agency and the contractor.

HON. A.M. RADRODRO.- If there is no agreement?

AUDIT REP.- Deputy Chairperson, there is always a contractual agreement because after six months from the completion of projects, if there are no defects, the funds will be reimbursed to the contractor.

HON. A.M. RADRODRO.- So, I take it this particular project, they all had agreements. Yes? No?

MR. A. PRASAD.- Yes, we have contracts as we have done. Any contractors of course were given contracts to sign before issuing local purchase order.

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

HON. RATU S.V. NANOVO.- That has been ongoing for some time, I mean contractors engaging ministries.

MR. A. PRASAD.- Sir, previously, it was done by the Ministry of Works. We decided to utilize the funds on the critical areas and we outsourced to our vendors where this came into the picture as we had to pay them and the 10 percent.

HON. A.M. RADRODRO.- Can we request the Auditor-General to advise on this particular project, where they did not have an agreement?

AUDIT REP.- Thank you Mr. Deputy Chairman, thank you very much we will advise in a formal response.

DEPUTY CHAIRPERSON.- Thank you Members, I believe there are no more questions, so we will conclude our submission for today, and on this note I wish to convey my appreciation to the team from the Fiji Police Force, led by the Deputy Commissioner himself. I thank you once again, Sir, for your presence and I also thank all your officials who have taken part in the submission, you have sort of cleared the air on certain issues that were raised. There are some requests that were made and supplementary questions were being asked for which we will require further explanations. So please try to facilitate us with those information, all those information where the Force said that they will come back to us later.

So, we would perhaps would like to get a response within seven days if the department can. On this note, I wish to thank you once again and any final words from the Deputy Commissioner before we conclude.

MR. I. LIGAIRI.- Thank you, Deputy Chairperson, and thank you once again, Sir, for the words of wisdom this morning. We want to thank you for your leadership and the Members of the Committee for their questions. It has challenged us especially our Accounts staff to prepare well in the next round of consultations.

On that note, once again thank you, Sir, and I also want to thank the Ministry of Economy for their contributions.

DEPUTY CHAIRPERSON.- Thank you.

The Committee Interview adjourned at 1.42 p.m.