

**Public Accounts Committee
COP23 Presidency Trust Fund 2nd Semi Annual Report
1 November 2017 to 30 April 2018**

PAC Questions and responses for 4 February 2019 PAC appearance of John Connor, Executive Director and Letila Tuiyalani, Finance Manager

1. Does the Ministry of Economy conduct internal audit for the COP23 Secretariat? If not, why not?

The COP23 Secretariat is an entity within the Ministry of Economy and the Permanent Secretary approves all payments and signs off on quarterly reports as well as these Semi-Annual Reports.

In line with the Financial Guideline, the Permanent Secretary for Economy may conduct internal audits of the COP23 Secretariat if he or she deems it necessary.

To date, an internal audit has not been conducted because an external audit has been performed as is required by the donors and the COP23 Presidency Trust Fund Act 2017. As noted the audit for 2017-18 is now underway.

2. The Committee noted that the Secretariat has a Financial Policy Guideline for the Fund that is consistent with the Financial Management Act (FMA) 2014 and the Finance instructions (F1) 2010. Please advise who approved such policies and advise whether the Government Financial Process are adhered to such as the Tendering process, acquiring of 3 quotations, etc

The Financial Policy guideline was approved by the Permanent Secretary for Economy in early 2017. As required under the Policy Guideline, the Secretariat abides by the relevant procurement regulations regarding tenders, waivers and the requirements for 3 quotations for expenses.

3. Could the Secretariat provide the breakdown of the Fijian team member that was posted in Bonn as UNFCCC liaison officer as stated in subsection 3.4?

The payment for the UNFCCC liaison officer was to provide per diems for the duration of the officer's stay in Bonn from 10 August to 30 November 2017. Relevant UN rates were used as a guide consistent with Fijian Government policy.

4. Under 4.1 (x) *Progressing numerous legacy projects for Fiji and the Pacific*, Please provide an update on these legacy projects listed from (a) to (d) and how has this significantly impacted Fiji's position.

As at the time of the conclusion of the relevant period:

- (a) a focus on renewable energy innovation and the establishment of the Fijian Rural Electrification Fund as a Charitable Trust, with initial support from the Leonardo Di Caprio Foundation;

At end of April 2018 the Trust had just been established and site selection process had identified the community at Vio as the pilot site.

- (b) increasing regional implementation of the Paris Agreement through the development and launch of a regional Pacific Nationally Determined Contribution Implementation Hub, conceived of at the July 2017 CAPP Conference;

At end of April 2018 governance arrangements were being finalised with a view to their completion at the Climate Action Pacific Partnership Conference in July.

- (c) the launch and work of the Climate Finance and Insurance "Drua" Incubator developing or supporting renewable energy and climate insurance concepts capable of application to Fiji and the Pacific.

At end of April 2018 officers representing the Incubator had received ADB resourcing support and begun work reviewing climate finance and insurance initiatives and consulting on options

- (d) The listing of the Fijian Sovereign Green Bond, launched at PreCOP in October, on the London Stock Exchange. The Bond raised FJ\$100 million for strengthening Fijian resilience and emission reduction projects and inspired similar initiatives in the developing world.

The Green Bond was listed on the Stock Exchange in April 2018 and was fully subscribed

5. Please provide an update on the progress and the monitoring of the expenses and project implementation listed from (i) to (viii)? What are the latest updates on all these initiatives

A number of the initiatives mentioned are the subject of UNFCCC management not COP23 (e.g I to v especially) with others external partnerships or coalitions in which we play leadership or coordination roles. All were subject to regular discussions amongst the Fijian leadership.

It is public knowledge that COP24 has now concluded successfully agreeing enough of the implementation guidelines to ensure that the Paris Agreement in 2020. The Talanoa Dialogue also concluded with a strongly worded Talanoa Call for Action but further updates on these initiatives will be provided under relevant reports.

- 6. The Committee noted that for the period of 20 Dec 2016 – 31 October 2017 there was a donation from ‘Others’ with the sum of FJD \$4 372,455. Please provide the breakdown of this contribution from ‘Others’. It was also noted that for the period 1 Nov 2017 – 30 Apr 2018, it was Nil. Please explain**

This relates to two contributions one of which was from a source which asked to remain anonymous. The other was part payment from the European Climate Foundation amounting to \$32 372. The balance was received in 2018 as identified in the report. For the period 1 Nov 2017 – 30 Apr 2018, no such donations were received by the Trust Fund.

- 7. Annexure 1, Note 6 – Could the Secretariat elaborate on what were the reasons for the increase in Secretariat team costs from FJ\$108,148 to FJD\$229,677?**

The Secretariat was being established during the period of the first report. In the second period a fuller staff complement was achieved and had higher operational costs as a result. Staff engaged in the second period not fully engaged in the first included the Finance Manager, Special Adviser Oceans Pathway and Manager Events and Communication.

- 8. PWC Audit Report “Annexure 2” - Could the Secretariat provide the breakdown of all other donations amounting to \$4 340 073?**

I refer to response to question 6, this amounted to a single contribution to this value.

- 9. PWC Note 2 (b) – Could the Secretariat inform the Committee on how payments are paid directly by donors and who records all these direct payments on behalf of the Secretariat?**

This donor support is described in sections 3.2 to 3.4 of the report.

10. The Committee noted that PWC conducted its audit in accordance with International Standards on Auditing (ISAs). Could the Secretariat enlighten the Committee on why the reporting is done on ISAs and not in IFRS standard of reporting?

I am advised that this is the appropriate standard for auditing. IFRS refers to the accounting standards which are applied in preparing a set of financial statements whereas the auditing standards are those applied in carrying out an audit.

11. Please explain why the PWC Audit Report has the disclaimer - Restriction on Use?

This relates to a standard clause in the terms of an auditing agreement in this instance between PWC and the Ministry of Economy. PWC is aware that the document will be made public, tabled in Parliament and posted on the website but wishes to be advised of any direct sharing, especially with donor nations, so it can be informed and protect PWC's interests with such parties.

12. Could the Secretariat provide the breakdown of liabilities owed with the sum of FJD\$11,837,450 categorised as donor funds?

This amounts to the total amount of unexpended donor funds within the Trust Fund. There are a variety of reporting or expenditure preferences within the various donor agreements which are the subject of engagement between the Fijian government and those donors. These are reviewed as part of the external audit process as noted in point 6.1 of the report.

John Connor
Executive Director
COP23 Presidency Secretariat

4 February 2019