



STANDING COMMITTEE ON PUBLIC ACCOUNTS

Review on Follow-Up Audit on the Management of the Land Reform Program



PARLIAMENT OF THE REPUBLIC OF FIJI
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CHAIRPERSON'S FOREWORD

I am pleased to present the **sixth (6)** report of the Public Accounts Committee. This report reviews the Follow-up Audit made on the Management of the Land Reform Program. The report summarizes the work of the Committee for this mentioned report. The Committee scrutinizes the information provided in the audit report in relation to the audit context which is the highlight of the audit.

The Parliament of the Republic of Fiji's authority pursuant to Standing Order (SO) 110 (1) (c) and as directed by the Speaker of the House for the Standing Committee on Public Accounts to examine and thereafter submit the findings to Parliament of the Follow-up Audit made on the Management of the Land Reform Program Report with recommendations.

The main objective of the Committee review on this follow-up audit report (Parliamentary Paper No. 134 of 2018) is to ascertain on how the Land Use Division (LUD/Division) of the Ministry of Lands and Mineral Resources have effectively implemented and actioned the recommendations of the initial audit report of the Auditor General Office (Parliamentary Paper No.6 of 2015).

The content of the Audit report was thoroughly examined by the Committee prior to the consultation conducted with the Ministry of Lands and Mineral Resources. The questions raised to the Ministry were focused on the 3 main audited areas, as outlined below:

1. Policies governing the administration of land reform program;
2. Systems and processes for land designation and allocation; and
3. Recording and monitoring of land bank activities.

The questions that were raised to the Ministry of Lands and Mineral Resources during the deliberation of this follow-up audit report were fully answered. The responses from the Ministry were exceptionally positive and the Committee had proposed few recommendations for the Ministry's takeaways in moving forward with the administration of the Land Reform Program and most important on audit reporting purposes.

On Monday 25th March 2019, the Ministry of Lands and Mineral Resources Permanent Secretary, Mr. Malakai Finau and his team appeared to the Committee and clarified the audit issues that were raised by the Members, especially on the main audit focused areas as listed above. The documents were compiled with additional information were requested and Members agreed to the review process undertaken.

The Committee commended the work of the Ministry of Lands and Mineral Resources and recommends that the Ministry positively takes on board the recommendations in relation to the audit issues that were highlighted in moving forward.

I wish to extend my appreciation to all the Honourable Members of the Committee who were part of the successful compilation of the bipartisan report namely the Hon. Joseph Nand, Hon. Vijendra Prakash, Hon. Aseri Radrodro, and Hon. Ratu Naiqama Lalabalavu. Further, pursuant to Standing Order 115 (5), Hon. Adi Litia Qionibaravi stood in as an alternate member to Hon. Ratu Naiqama Lalabalavu.

On behalf of the Committee I also extend my appreciation to the Secretariat Staff for their timely support on research, compilation and submission of this Report. With those few words, I now commend this report to the Parliament.


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Hon. Alvick Avhikrit Maharaj
Chairperson

LIST OF ACRONYMS

CAO	Customer Advocacy Officer
DL	Director Lands
DLU	Director Land Use
EO	Executive Officer
FIRC	Fiji Investment Registration Certificate
FPO	Fiji Procurement Office
FRCA	Fiji Revenue and Customs Authority
GIS	Geographic Information System
IF	Investment Fiji
ITC	Information Technology and Computing Services
iTLFC	iTaukei Lands and Fisheries Commission
ISSAI	International Standards of Supreme Audit Institutions
LOU	Land Owning Unit
LUD	Land Use Division (Division)
MLGUDHE	Ministry of Local Government, Urban Development, Housing & Environment
MLMR	Ministry of Lands & Mineral Resources
MOA	Memorandum of Agreement
MoE	Ministry of Economy
MOU	Memorandum of Understanding
OAG	Office of the Auditor General
PAC	Public Accounts Committee
PAM	Performance Audit Manual
PLU	Principal Land Use Officer
PSC	Public Service Commission
PSLMR	Permanent Secretary for Lands & Mineral Resources
SG	Solicitor-General
SOP	Standard Operating Procedures
SPA	Sales & Purchase Agreement
STO	Senior Technical Officer
TOR	Terms of Reference
VKB	Vola ni Kawa Bula

1.0 INTRODUCTION

The Follow-up Audit made on the Management of the Land Reform Program was tabled in Parliament during the November 2018 sitting and referred to the Standing Committee on Public Accounts, for its scrutiny.

Standing Orders 109(2) (d) allows Standing Committee on Public Accounts to examine the accounts of the Government of the Republic of Fiji in respect of each financial year and reports of the Auditor-General, and for any other matter relating to the expenditures of the Government of the Republic of Fiji or any related body or activity (whether directly or indirectly) that the committee sees fit to review.

Standing Orders 110(1)(c) authorizes the Standing Committee to *scrutinize the government departments with responsibility within the committee's subject area, including by investigating, inquiring into, and making recommendations relating to any aspect of such a department's administration, legislation or proposed legislative program, budget, rationalisation, restructuring, functioning, organisation, structure and policy formulation.*

1.1 COMMITTEE PROCEDURE

The Committee had consulted the Ministry of Lands and Mineral Resources on 25th of March, 2019 to conduct a review of the Follow-up Audit made on the Management of the Land Reform Program. The Ministry of Lands and Mineral Resources which was represented by the following officials:

- Mr. Malakai Finau, Permanent Secretary, Ministry of Lands and Mineral Resources
- Mr. Timoci Samisoni, Manager Finance
- Ms. Leba Vuataki, Senior Geospatial Officer
- Ms. Atelini Bole, Senior Geospatial Officer
- Mr. Bale Kuruwale, Executive Officer

1.2 COMMITTEE MEMBERS

The substantive members of the Standing Committee on Public Accounts are:

1. Hon. Alvick Avhikrit Maharaj (Chairperson)
2. Hon. Joseph Nitya Nand (Deputy Chairperson)
3. Hon. Vijendra Prakash (Member)
4. Hon. Aseri Radrodro (Member)
5. Hon. Ratu Naiqama Lalabalavu (Member)

During a Committee meeting, the following membership arose pursuant to Standing Order 115(5):

1. Hon. Adi Litia Qionibaravi (Alternate Member for Hon. Ratu Naiqama Lalabalavu)

CHAPTER ONE - BACKGROUND

The Follow-up Audit made on the Management of the Land Reform Program was the follow-up audit that Auditor General conducted to examine whether the Land Use Division (LUD/Division) has effectively implemented the recommendations which were made in *Management of the Land Reform Program* (Audit Report on Performance Audit Volume II of December 2014, Parliamentary Paper No. 6 of 2015). The auditors also assessed whether the actions taken have addressed the underlying issues that led to the Auditors recommendations on that initial report.

The audit report provides the details of the review and analysis done on the LUD in addressing the original audit recommendations under the following key audit areas:

(i) **Policies governing the administration of land reform**

The first chapter of the audit report seeks to establish whether the LUD has addressed the issues raised in the 2014 General Report with regards to the existence and effectiveness of policies and procedures governing the management of land bank activities.

(ii) **Systems and processes for land designation and allocation**

The second chapter of the audit report seeks to determine whether the LUD has taken the necessary actions towards issues raised in the 2014 General Report with regards to the existence and effectiveness of arrangements in place for designation and allocation of iTaukei and designated state land. The 2014 audit report focused on the examination of systems and processes that the LUD uses to establish plan and manage activities related to the management of the land bank for the achievement of its objective.

(iii) **Recording and monitoring of land bank activities to ensure Governments' objectives are appropriately met with due regard for economy.**

The last chapter seeks to establish whether the LUD has addressed the issues raised in the 2014 General Report with regards to the effectiveness and efficiency of the recording and monitoring arrangements in place within the LUD.

The stated follow-up 2014 Auditor General's Report covered from the period of 2015 to 2017.

Follow-Up on the Management of the Land Reform Program

COMMITTEE RECOMMENDATION

The Standing Committee on Public Accounts has conducted a review of the Follow-up Audit Report on the Management of the Land Reform Program and has few recommendations to bring to the attention of the House before Parliament take note of its report.

The three (3) main areas that were audited are as follows with the Committee's recommendation:

A. Policies Governing the administration of land reforms

Recommendation 1

The Committee notes the recommendation by OAG and the timeframe provided by Ministry of Lands to OAG that policies shall be developed in six (6) months' time from the time of the follow-up audit. The six (6) months timeframe expires on 30th April, 2019. Therefore, the Committee expects the Land Use Division SOP/policies had been released on 30th April, 2019.

Note: The policy on the Land Buy Back Scheme is for State Freehold Land

B. Systems and processes for land designation and allocation

Recommendation 1

The PAC notes the Ministry's Land Use Division's progress on its monitoring and conducting of its outreach program; and further recommends that the LUD strengthens its evaluation on the outreach program.

Recommendation 2

The PAC recommends that the Ministry should conduct appropriate Land studies on Land deposited under the Land Bank to ensure there can be investment carried out on that land and have fair economic returns to landowners.

C. Recording and monitoring of land bank activities

Recommendation 1

The Committee notes the work is in progress for the development of database. Further to that, the Committee recommends that this process can be expedited and once fully operational the information to be accessible to other relevant agencies dealing with lands.

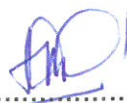
Recommendation 2

The Committee recommends that the Land Use Division should develop a monitoring procedure which should be incorporated into the Division's SOP. The procedures should clearly outline areas/activities to be monitored, responsibilities for monitoring and suitable timelines for carrying out the monitoring work.

We, the Members of the Standing Committee on Public Accounts agree with the contents of this report:



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Hon. Alvick Avikirit Maharaj
(Chairperson)



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Hon. Joseph Nitya Nand
(Deputy Chairperson)



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Hon. Vijendra Prakash
(Member)



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Hon. Aseri Radrodro
(Member)



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Hon. Ratu Naiqama Lalabalavu
(Member)

APPENDICES

APPENDIX 1: PUBLIC ACCOUNTS COMMITTEE QUESTIONS

**APPENDIX 2:
MINISTRY OF LANDS & MINERAL RESOURCES WRITTEN
RESPONSE**