

24 May 2018

By Hand Delivery

Hon. Ashneel Sudhakar
Chairman – Public Accounts Committee
Parliament Complex
Government Buildings
Suva.

Dear Hon. Sudhakar,

**RE: Clarification of issues – 2015 Audit Report on State Owned Entities &
Statutory Authorities**

Further to your letter of 16 May 2018 the following is FRA's response to the queries raised:

Section 6.4.5 Discrepancies in accounting of fixed assets

A Tender was called for the ERP system and submitted to the FRA Board for review. During this time FRA's Principal Consultant MWH left without notice, all processes performed by the MWH was brought in-house. The process has significantly changed.

The scope that was proposed in the ERP has changed therefore the tender was cancelled. The organization underwent a restructured.

There was no need to call for a tender without having a full process mapped out as there would be a lot of variation.

Currently FRA is in its first phase of organisation change and mapping the processes for each department.

We plan by end of third quarter of 18/19 financial year to call a tender for ERP system with proper processes being mapped out. ERP system is very expensive and would require experience staff in this field to implement this project.

Yours sincerely,



Jonathan Moore

Chief Executive Officer