

The Committee resumed at 11.10 a.m.

Submittee: Office of the Prime Minister & Department of Immigration

In Attendance

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| 1. Mr. Moape Rokosuka | - | Director Corporate Service |
| 2. Mr. Nemani Vuniwaqa | - | Director Immigration |
| 3. Ms. Litia Saumaka | - | Acting Director Immigration |
| 4. Mr. Akash Sharma | - | Principal Accountant |
| 5. Mr. Kanito Tugaga | - | Senior Accounts Officer |

DEPUTY CHAIRPERSON.- Honourable Members and representatives from Ministry of Economy and the Office of the Auditor-General. I acknowledge your continued presence once again to the second session for the day. On this note, I would like to welcome especially the officers and representatives from the Office of the Honourable Prime Minister and the Department of Immigration.

I welcome you all to the meeting of Public Accounts Committee. We are here to discuss the 2016 Audit Report of the General Administrative Sector. Certain questions were sent out and I believe there is a written response in the file that has been given to us and whilst we will go over the response, there will be some supplementary questions as well related to the audit issues that we will be highlighting and discussing and probably, some supplementary questions out of interest.

I would like to introduce my team. We have Honourable Samuel Vunivalu, the Government Member replacing the Honourable Chair who is out in Belgium for the ACP Conference, we have Honourable Radrodoro and Honourable Lalabalavu who are representing the Opposition and I, the Deputy Chairperson. On my far right, we have the Ministry of Economy officials and on my far left we have the representatives from the Office of the Auditor-General and our Secretariat staff of the Public Accounts Committee. We are also joined by members of the media. Without further ado, I would like to just give the opportunity to the designated speaker, whoever is in charge of the presentation today to just very briefly introduce the team and perhaps while you are making introductory remarks, we would just like to know about this major structural change, that is, the Immigration Department now falling under the Office of the Prime Minister, so what are the roles and responsibilities now? Does it remain the same and how the general administration is being carried out with these changes?

I believe we had a response from the Department of Immigration on Tuesday, but we would like to know more in detail if there are any current changes with the Ministry now falling under the banner of the Office of the Prime Minister. I would like to give the opportunity to the designated representative who is leading the team to just enhance us with this information.

MR. M. ROKOSUKA.- Thank you Honourable Chair of the Public Accounts Committee, Honourable Members of the Committee, our colleagues from the Ministry of Finance and also from the Office of the Auditor-General. Firstly, we thank the Committee for extending the invitation to be here before the Committee to clarify some of the audit

issues that has been arising out of the 2016 Auditor-General's report. Before I proceed further, firstly, I would like to extend the apology from the Permanent Secretary, Mr Yogesh Karan, who is not able to be with us today. He is currently overseas attending an official engagement. There is a young team here in front of you with the absence of some Deputy Secretaries as some are sick while others are engaged with some official engagement outside of Suva.

The team has been tasked this morning to appear before the Committee as scheduled, so that we do not have problems with your schedule as you have given us this morning to appear before the Committee. I will introduce the team to you, Sir, and the Committee. On my left, we have the team from the Immigration, the Senior Accountant and also the Assistant Director Immigration who is Litia and on this side we have the team from the Office of the Prime Minister, our Principal Accountant, Mr. Akash Sharma, my name is Moape Rokosuka currently looking after our Corporate Service Division.

As you enquire, Sir, regarding Immigration. This change came about in 2016, I think it was the change done by the Government in terms of moving the portfolio of Immigration to come under the Prime Minister's Office. That is why you see that Immigration is part of the Office of the Prime Minister portfolio. Our budget too has been put together under Head 2. That is why you will see that Immigration is part of the Office of the Prime Minister from 2016 to-date and also in 2018 – 2019 they are also still part of the Office of the Prime Minister. Thank you, Sir.

DEPUTY CHAIRPERSON.- Has there been any change in roles and responsibilities of the Immigration Department once it was absorbed under the Office of the Prime Minister or it still remains the same?

MR. M. ROKOSUKA.- It still remains the same, Sir.

DEPUTY CHAIRPERSON.- The Permanent Secretary to the Prime Minister's Office remains the Permanent Secretary for Immigration as well?

MR. M. ROKOSUKA.- Yes, Sir.

DEPUTY CHAIRPERSON.- - I believe we can start with the written response.

MR. M. ROKOSUKA.- Thank you, Sir for the questions raised to the office. What guarantee can you provide the Committee with respect to the following control issues not being repeated in future and advice whether the following issues has been resolved, if not, why not?

The first issue there is regarding advance payment that was paid to Water Authority of Fiji (WAF) due to some projects undertaken by WAF for Natutale Primary School and Wawosi Nursing Station.

The question - has these two projects completed? If so, has WAF submitted their completion report of the project and financial acquittal? For the information of the Committee Sir, WAF has completed the Natutale Primary School and Wawosi Nursing Station projects on 20th December, 2017. A completion report on the project have been

submitted from WAF together with the financial acquittal report. That is, Sir, for question number one.

DEPUTY CHAIRPERSON.- Honourable Members, any questions on that?

I was just interested to know why certain projects such as the establishment and the construction of schools falls under the Honourable Prime Minister's Office and not under the CIU Department, Ministry of Economy. What is the underlying reason behind that? Perhaps we can take a response both from the Ministry of Economy and the Office of the Prime Minister.

MR. M. ROKOSUKA.- Thank you, Deputy Chair, for the projects that are funded from the Office of the Prime Minister these are project requests that came directly to the Honourable Prime Minister. As you may be aware the Honourable Prime Minister have a grant at the Office of the Prime Minister called the Small Grant. So, they request this grant through the Honourable Prime Minister so funding was sourced from the Office of the Prime Minister. We engaged Water Authority of Fiji to carry out those projects.

DEPUTY CHAIRPERSON.- Ministry of Economy?

MOE REP.- Deputy Chair, the Ministry of Economy does not have a say in grants that are dished out by the Office of the Prime Minister. They do their own supervision work and only if the assistance of the CIU is required then they can all request for that particular assistance, for example for work such as designing or architectural works.

DEPUTY CHAIRPERSON.- So, these projects that we are talking about, does it also depend on the scope of work as well? Like for example, let us say there is a bigger need for fund allocation. Is there any limit that is set aside from this special grant?

MR. M. ROKOSUKA.- Thank you, Sir. There is no limit.

DEPUTY CHAIRPERSON.- There is no limit.

MR. M. ROKOSUKA.- The approval of the grant depends on the Honourable Prime Minister, whatever amount he agrees to, that will be pursued to implement the projects.

DEPUTY CHAIRPERSON.- My next question is, why was WAF involved in this project?

Perhaps this has to do with the nature of the work so as far as VC it should be the ministry which specifically looks after the construction work but why the engagement of WAF?

MR. M. ROKOSUKA.- I believe the project involves some water projects. That is why the WAF was roped in into the projects at Natutale Primary School and Wawosi Nursing Station. They required some water projects to be implemented, that was WAF was engaged.

DEPUTY CHAIRPERSON.- Honourable Members, any question?

HON. A.M. RADRODRO.- Terms of the engagement of specific projects like this, the audit have noted that the project commenced at a later date. Even during the date of audit which is five months after the issuance of the cheque, what is the strategy that the OPM has put in place to ensure that there is no repeat of this project that has been paid out from the OPM; delayed project implementation?

MR. M. ROKOSUKA.- Thank you, Sir. What we have put in place to eradicate some of these gaps is the Memorandum of Agreement to be signed by both the contractors and the office with a specific timeline on payments and project implementations schedule. That was an improvement that was done way back starting from last year where we try to improve this delay that has been done by our project implementer. As I mentioned, we have put up an MOA with the contractors to ensure that project implemented as per the timeline agreed in the memorandum.

HON. S.B. VUNIVALU.- Is Natutale Primary School from Wawosi; in the same area?

MR. M. ROKOSUKA.- Yes, Sir.

DEPUTY CHAIRPERSON.- Now we can move on to the next issue.

MR. M. ROKOSUKA.- The next issue - Anomalies in Operating Trust Account mainly sporting, trust fund and the miscellaneous trust fund account, “*The Three Legged Stool*” and “*Ratu Sukuna Biography*”. Our respond to the supporting trust fund, the office has requested the Ministry of Economy to open up a trust fund account as per the audit recommendation. The Ministry of Economy is currently working on our request. In addition, the office has also, in consultation with the Ministry of Youth of Sports, developed a draft policy to guide the operation of this trust account.

In the meantime, we are still awaiting approval to open this trust account by the Ministry of Economy.

Secondly, the Miscellaneous Trust Account in terms of “*The Three Legged Stool*” and “*Ratu Sukuna Biography*”. The office has requested National Archives of Fiji to receipt the sale of the above books since the books are currently kept by them. The current proceeds are with us and will be handed over to the National Archives of Fiji.

What usually happens, Sir, the books are currently with the National Archives of Fiji and Office of the Prime Minister collects the revenue from the sale of these books. So, we are trying to put our books in order and request the National Archives if they could handle all the issues regards the sale of this book. Sale and also the proceeds that was received from the selling of the books. We have written to them and they have agreed to take over this role from this year.

DEPUTY CHAIRPERSON.- So, now if anyone wants to purchase these books, they go directly to National Archives.

MR. M. ROKOSUKA.- Yes, Sir.

DEPUTY CHAIRPERSON.- Now, we can move on to the next one. I think that is precisely explained.

MR. M. ROKOSUKA.- Thirdly, Visa Card, for Prime Minister. Visa Card expenses not acquitted. Evidence from the bank stating that the un-acquitted of \$3,368 was a result of a credit card scam and Cheque No. 881324 for the un-acquitted amount of \$2,699.41.

Our response, Sir, with regards to the Cheque No. 82785, the one that was involved in a scam. This one we are still following up with ANZ. The un-acquitted amount, for the information of the Honourable Members, it has been acquitted by the Honourable Prime Minister and the team.

Currently, what we have put in place to address this issue, especially for the scam issue, is that whenever the PM leaves the country, we activate the card. Once he returns, we deactivate the card at the same time to address this issue of scam that has been involved regarding the visa card. So, in the meantime we are also doing reconciliation on a monthly basis, but as of to-date the issue of the scam card regarding to Cheque No. 82785, ANZ is still trying to verify the figures that we have reported to them.

DEPUTY CHAIRPERSON.- So, this matter has been in existence since 2015?

MR. M. ROKOSUKA.- Regarding the scam?

DEPUTY CHAIRPERSON.- To-date is still unresolved?

MR. M. ROKOSUKA.- Those were the amounts that we were not able to verify and we gave those figures to ANZ for them to verify and they have noted that it was a scam.

DEPUTY CHAIRPERSON.- Any questions, Honourable Members? That is understandable it is becoming a very common crime this visa card scams and all that. The position of the Office of the Auditor-General in regards to scams, will you still note it as expenses not acquitted or you will note it as a scam as of now. What is the position of the office on that?

AUDIT REP.- Thank you, Deputy Chair. I think when we carry out any audit and at the moment we see that there are some charges appearing which has not been subsequently cleared. Sir, the responsibility is on the respective Ministry or on this case the Office of the Prime Minister to investigate what are those charges. If it has been confirmed that it is a scam then their responsibility is to liaise with the bank, sought it out and get those charges cleared from their credit card account. So for us to decide at the outset whether it is an expense or some expense coming through some scam then we will decide once it is confirmed. Because if it is confirmed that it is a scam then it is the responsibility of the bank to act on them.

DEPUTY CHAIRPERSON.- We can move onto the next issue.

HON. A.M. RADRODRO.- Just a question regarding the existence of this un-acquitted amount. How did this amount come about? How was the card allowed to be recording this amount as a result of a scam? Was there no security put in place to ensure that

the card does not go through this process of scam? How does this scam come about especially the office that is involved?

MR. M. ROKOSUKA.- We identify those scams when we do our reconciliation. When we verify whatever the acquittals have been submitted by the Honourable Prime Minister and the team, we check with what is there on the bank statement and that was where we managed to pick up those figures. We have noted some of these charges came in when the Honourable Prime Minister was in the country. Most of the cases that we found out, he was in the country and those figures are appearing on the statement. That was how we managed to find out about the scam. That is why we put in a control measure that whenever the Honourable Prime Minister arrives into the country, we inform ANZ to deactivate the card the same time. Once he flies out from Nadi, at the same time we tell ANZ to activate the card. Those are some of the control measures that we have put in place and we have seen there were some improvements in terms of the scam.

For the information of the team, the scam amount that we have reported to ANZ a few dollars have been refunded back to us, they have confirmed and they have refunded back to the office. The one that is being highlighted here, that is the most recent one that is still pending with ANZ for them to refund us once they confirm it is a scam amount.

We managed to find out those scam amounts when we do the verification on our reconciliation in terms of verifying the acquittals submitted by the team and whatever has been charged on the account. We managed to pick those scam figures and we noted that the card was used when the Honourable Prime Minister was in the country in most cases. *Vinaka saka.*

HON. A.M. RADRODRO.- Deputy Chair, just a query. This is an ANZ Visa Card, in terms of the strategy and plans you can also get visa cards from other banks. That is part of your plan to ensure that there is no repeat otherwise ANZ will continue this kind of scam.

MR. M. ROKOSUKA.- Thank you, Sir. We have discussed that with Honourable Prime Minister if he could change banks. In the meantime we implement what we have been doing to deactivate the card whilst he is in but he also advised us to explore in terms of service provide by the other banks, in terms of interest and other things. But he is willing to move into other banks because right now the ANZ card that we are using gives some reasonable service in terms of interest rates and all other services provided in terms of visa card. But we have that in mind in terms of trying to explore other banks in providing that service to us, Sir.

HON. S.B. VUNIVALU.- Deputy Chair, the OPM's response, I think for Cheque No. 82785, maybe you forgot to write the amount.

DEPUTY CHAIRPERSON.- You are referring to Table 2.3?

HON. S.B. VUNIVALU.- The cheque, is that the one?

DEPUTY CHAIRPERSON.- I think the amount is there. It is in the Audit Report.

MR. M. ROKOSUKA.- Sir, the scam amount is \$3,368.57.

(Inaudible)

MR. M. ROKOSUKA.- Yes. Apologies, Sir.

DEPUTY CHAIRMAN.- If we can move onto 2.8 that is the Capital Projects.

MR. M. ROKOSUKA.- Thank you, Sir. Capital Projects undertaken by RFMF under the Small Grants Scheme (SGS). Advised whether RFMF has submitted their financial acquittal for completed projects listed in Table 2.4 in the Report and for the three ongoing projects with RFMF have submitted their Monthly Progress Report of the projects together with the financial acquittals at the end of the project. Also advise why there was not any MOA and/or contract signed before the commencement of the project compared to WAF. This was also highlighted in the 2015 Audit Accounts.

Our response for the 11 projects listed in Table 2.4, the RFMF have submitted all the completion certificates and the financial acquittals for the projects. Note all MOA's were signed before the two parties before the commencement of the project. The OPM financial processes ensure that OPM Accounts Unit facilitate processing of the project payment once the signed MOU is received for the release of the Local Purchase Order and payments to the RFMF. OPM has reviewed and strengthened an effective monitoring measure in the contact agreement with the clear timelines on the following:

- Joint site visit inspection on the progressive construction work;
- Monthly reports; and
- Completion report and certificate.

DEPUTY CHAIRPERSON.- Any questions? No?

HON. A.M. RADRODRO.- My question will be totally unrelated to these projects that are listed here. The Solar project. Does the Office of the Prime Minister still getting involved in the solar projects? I have one or two villages that needs updates after two years of it being submitted to the OPM which is Koroma Village in Nabobuco, Naitasiri.

MR. M. ROKOSUKA.- Yes, Sir. We also funded solar projects. Apologies as there is no one from division is here to update the team on the status of the request that is with the team. We will take note of the villages that have pending requests and we will send it across to the division to see the status of their requests with them.

DEPUTY CHAIRPERSON.- Thank you. Next.

MR. M. ROKOSUKA.- Sir, may I just add on there is a question there regarding gender, if the office considers gender in terms of its project implementation. Just for the Committee to note Sir, a project undertaken especially for the two projects that are mentioned above by the RFMF and the Water Authority of Fiji, those projects are community based projects for the rural and the disadvantaged groups. All genders have equal opportunity to access better education facilities, community resources centre, foot bridges, these are the projects that are partly funded from the OPM.

One of the requirements under the Small Grant Scheme application is for the Divisional Office to provide the number of people and household staff that will benefit from the assistance/ project. So, community develop projects enables the women to access resource centre, clean and safe water supply, better health services, better education facilities, electricity, catering facilities and income generating projects. These are projects funded by OPM. , It covers everyone as I mentioned above, that projects such as school, water supply, better health, even the women resource centre; those are some of the projects that are being funded from the Office of the PM. Thank you, Sir.

DEPUTY CHAIRPERSON.- These projects benefits everyone and I think that is very well covered. We will now move on to issue 5 and that is on the Mahogany Industry Council Trust Fund Account.

MR. M. ROKOSUKA.- Thank you Sir, there are few explanations there on the Mahogany Industry Council Fund. The monthly bank reconciliation have been facilitated by OPM since August 2015 when the bank account for the Mahogany Industry Council Trust Fund was established at the Home Finance Bank.

The detailed reconciliation on the MIC Trust Fund Account for the period 2011 to August 2017 was facilitated jointly by Fiji Hardwood Corporation, OPM, Ministry of Economy and the Ministry of Public Enterprises during the period December 2016 to January 2018.

This also coincided with the termination of the first batch of Mahogany Industry Log Supply Licenses on 31st August 2017 that were first issued in June 2011, April 2013 and April 2014. Those are the numbers that has been issued, the reconciliation findings including the arrears has been determined and will be tabled at the next MIC meeting (either in April or May) for the endorsement before consultations are made with the respective companies. Upon the clearance of the MIC, a summary of the reconciliation finding will also be submitted as information to the Parliament Standing Committee on Public Accounts.

Going forward future reconciliation of the mahogany licence will be facilitated by the board of FHCL on behalf of MIC on a quarterly basis. This was an improvement mechanism adopted for the second batch of mahogany licence that were issued in September 2017. Since then, two quarterly reports were received from FHCL for the quarter ending 30th November, 2017 and 28th February, 2018. Thank you, Sir.

DEPUTY CHAIRPERSON.- Honourable Members any questions?

HON. S.B. VUNIVALU.- Mr. Deputy Chairperson, I go back to the Prime Minister's Projects; are certain ministries notified of the work which are supposed to be done by them but are being carried out by the Office of the Prime Minister, like better education facilities, electricity et cetera. Now, we know that the Honourable Prime Minister receives calls from everywhere. Thank you.

MR. M. ROKOSUKA.- Thank you, Sir. As I have mentioned that before the projects were implemented, there is wide consultations done between the OPM, the Commissioners and also the village concerned. At the same time most of the projects that are funded by OPM usually on education, we always have frequent meetings with the Ministry of Education

in terms of the projects that they have with them and the ones that we have with us and we see that there is no double-dipping done by any school in terms of what they have requested. Consultation is ongoing in terms of this project because we found out that some communities, some villages were double-dipping in terms of their requests to Commissioner's office and to OPM.

So, before any project is implemented there is a very thorough consultation done with the line ministry and also with Divisional office especially the Commissioner's office and also at the village level with the *turaga ni koro* and we are always consulted in terms of the project that they have requested.

HON. S.B. VUNIVALU.- Still on that question, how do you prioritise because of the fact that the *Roko* and the District Officer is there. The communities and villages do follow the proper channel from the *turaga ni koro* or Advisory Council and one thing I have seen is that people visit the Prime Minister overlooking the Commissioners, *Roko* and the Dos. So, how do you prioritise these projects?

MR. M. ROKOSUKA.- Thank you, Sir. The disbursement of this fund is solely the prerogative of the Prime Minister so in some of the projects, he would say that we need to fund so we fund it, but most of the projects that we have funded, we usually consult. Whenever we receive a request in our office we send it back to the Commissioner to verify that request and the DO, *Roko* and the PA are also involved in those and they re-submit it to us saying, "that is fine, you can proceed" - they recommend that project. Those are mechanisms we follow on requests that come directly to the Honourable Prime Minister. He always forwards it to the division to do the assessment first before we re-submit back to him for recommendation. However, if he just directs to be funded, we have no other option but to fund the project immediately.

HON. S. B. VUNIVALU.- Do you refer some of these projects back to the Commissioner for them to look into it?

MR. M. ROKOSUKA.- Thank you, Sir. The division that looks after projects has a very good profile or database of all villages that usually come in for request. As I have already mentioned when the Prime Minister receives a particular request, he submits it to the team to verify the request whether it is really a need for that particular community. So whenever that request goes back, it goes back with a very thorough analysis to him on the village itself; how many requests we have received from that village before; what were the requests that came from the other line ministries?

So he is well briefed for every particular request that need this funding from the small grant. I believe that is how we managed to advise him on every request that came in because he does not go straight and say yes. He always puts it to the officers to go do the assessment and consultations. We have the Divisional Commissioner and the line Ministry, if it is regarding an education project. So whenever we re-submit back to him for his final decision, a very thorough analysis was done for him to make up his mind whether to fund it or not. *Vinaka saka.*

DEPUTY CHAIRPERSON.- I think the two points to note here is, first of all the Honourable Prime Minister tries to fulfil his social responsibilities in terms of this request.

But then the second part of the process is actually looking into this request whether there is any other Ministry or Department or any resource personnel who has already been informed about the projects or certain assistance which the people of the nation want. But the important thing to note is that there is a team in the Office of the Prime Minister, they do their assessment, they get on board all the requests that comes from the Honourable Prime Minister and after their assessments, and then they try to prioritise which assistance or projects in actually to carry out or not. Honourable Vunivalu, you have any other question in regards to that?

HON. S. B. VUNIVALU.- No.

DEPUTY CHAIRPERSON.- So we were on the Mahogany Council and one point I noted from your response was, that is point two, if I can refer you to the second sentence it says here, that for the period of June 2011 to August 2017 it was facilitated jointly by Fiji Hardwood Corporation Limited, the Office of the Prime Minister, the Ministry of Economy and the Ministry of Public Enterprises and this will continue from 2016 until this year. What is this joint effort that we are talking about here?

MR. M. ROKOSUKA.- Thank you, Sir. This is regarding the reconciliation of the accounts of the Mahogany Industry Council. We at OPM, since the Prime Minister is just the Chair of the Council, are just part of the Secretariat. In terms of the accounts of the Committee, we are not much involved in that, so we requested the line ministries assistance in terms of the reconciling of the accounts including the Ministry for Economy and those that are listed in paragraph two. Because it was a pending issue, it was raised during the audit that the accounts had not reconciled. It has been picked up by audit so to assist OPM since we are Secretariat to this Committee, we request the line Ministry for their assistance for us to reconcile the accounts of the Mahogany Industry Council. That is why those ministries are listed there on paragraph two.

DEPUTY CHAIRPERSON.- Ministry of Economy, we believe that this particular trust fund is under the Office of the Honourable Prime Minister but when it comes to reconciliation, assistance is provided by the Ministry for Economy. That is the point that we want to be cleared for us.

MOE REP.- Sir, the accounts were initially handled by the Ministry of Finance then and then it went to the Ministry of Public Enterprises to handle when they were responsible for the Secretariat role. And then the Secretariat role went to the Office of the Prime Minister, somehow the functions of reconciling accounts went to them. Now it seems that it will be coming back to the Ministry of Economy sometime in the future. I am not sure whether it has happened now or not yet, however, before it comes to our Ministry, the accounts needs to be reconciled and according to the statements from OPM, the reconciliation has been completed and it is intended to be tabled to the Mahogany Industry Council so that they can look into the details of how much money is owed and then I believe according to their response, they will inform your Committee, Sir, later on.

DEPUTY CHAIRPERSON.- So, the main reconciliation work was done by the Ministry of Economy?

MOE REP.- It was a joint effort. The records are with us, we reconciled, those with Public Enterprise they reconciled it themselves, those with the Fiji Hardwood they reconciled themselves, those with the Office of the Prime Minister they reconciled their own records and then we all came together and put it all into one single worksheet so we can see a holistic view of how much money is actually being owed to the Council or the Council owes to the licensees.

DEPUTY CHAIRPERSON.-Honourable Members any questions on that?

HON. RATU N.T. LALABALAVU.- Deputy Chairperson, two questions to the Office of the Prime Minister. The role that you play now and the findings of the Office of Auditor-General, the first one is that you have outstanding operating procedures now and secondly, it is to do with the formalisation of the levies or the license? Has that been completed as well – the gazetting of fees levied? Thank you.

MR. M. ROKOSUKA.-Thank you, Sir. I request the Committee, we take note of your question. We can come back to the Committee in writing regarding the questions that you have raised since I am not in a very good position to answer you well on your question. Our officer who is Secretariat to this is currently overseas and he will be returning next week. I can reassure the Committee to come back through writing in regards to the question raised by the Honourable Member.

DEPUTY CHAIRPERSON.- Honourable Members, any other questions?

HON. S.B. VUNIVALU.- Still on mahogany, because I know that Fiji Hardwood Corporation Limited comes under the portfolio of the Ministry of Public Enterprises. Where does the Ministry of Economy come in?

DEPUTY CHAIRPERSON.- I think this relates to the earlier question I asked, the confusion is, what are the different roles and responsibilities of all these ministries that are there?

MOE REP.- The exact role, Sir is not specifically ironed out anywhere. We are involved because we perhaps have the capacity to do the financials. That is why our Ministry is involved to look into the financials only as to how the administration and the operation of the mahogany itself; that is not our jurisdiction. The Fiji Hardwood Corporation does its own work and they report to this Council. The Council, the OPM is a Secretariat to it.

DEPUTY CHAIRPERSON.- I believe we have the Director of Immigration with us. I welcome you, Sir, and we will be moving on to the audit issues of the Immigration Department now. I will be requesting yourself to lead us from there.

MR. N. VUNIWAQA.- Good afternoon Honourable Members and also the Office of the Auditor-General and likewise the Ministry of Economy. The response from the Department of Immigration with regards to the question that has been asked, before I go on to the response, I would like to introduce members of the department that are here. On my left, is Mr. Kanito Tugaga - Senior Accounts Officer and likewise for Ms. Litia Saumaka, the Acting Deputy Director for the department.

In terms of the issue that has been reported as recurring on the FMIS and IBMS findings of both not gelling together, I would advise the Committee that the reasons were because of the manual receipts that were received from our Foreign Missions and the Trade Commissioner's Office, that is, our missions based overseas - all the immigration processes that they facilitate at the respective missions. What is in the FMIS would be the ones that are received here locally but I have got, like I have stated the Senior Accounts Officer to add on to the response that I have stated this morning. Thank you, Honourable Chair.

MR. K. TUGAGA.- Thank you, Honourable Chair and Honourable Members of Parliament. The IBMS is based at the department, FMIS is based at the Ministry of Economy. They record everything, the financials of whole of Government. The receipts that we generate because our systems are not linked to each other, we have to reflect it in FMIS through raising journal vouchers.

The journal vouchers that we raise, we post it into FMIS. FMIS and IBMS will not be able to show the same amount of receipts is because we have receipts coming from overseas, from the embassies. It comes to Ministry of Foreign Affairs and they deposit it directly into the consolidated fund account for Government. For a receipt to be raised, there has to be a corresponding application input entered into the system and we cannot enter funds that is not programmed in IBMS. That is the main reason why the FMIS system and IBMS system will not be able to tally.

Thank you, Mr. Deputy Chairman.

HON. RATU N.T. LALABALAVU.- Honourable Deputy Chair, just some clarifications from the Director of Immigration. How long has this been happening, where one system does not quickly read the other system because of funds being collected abroad in our foreign offices?

MR. N. VUNIWAQA.- Thank you Honourable Member. The Integrated Board & Management System (IBMS) was launched in 2013. It is a system that integrated all the respective processes in the department. However, in implementing the system, there were some modules that were not included or not integrated and that is basically the receipting of visa.

But over the years, with discussions with the consultants, that is, Informatics Company based in Sri Lanka, we also have an officer who is with the department and has extended over the years who looks into all the issues that may arise. With the recommendations from the Office of the Auditor- General, we need to integrate all the respective modules that are still outstanding and they have worked on it.

To answer your question, it has been happening over the respective years since the launching in 2013 until now. But work has been done to integrate all the modules especially so that we can work together on a system; IBMS and FMIS.

HON. S.B. VUNIVALU.- Honourable Chair. Thank you Director for that information. My question is in regards to the Integrated Border Management System. Can you elaborate on not having the same report – FMIS and IBMS?

MR. N. VUNIWAQA.- Thank you, Honourable Member. The response to that question has been shared a while ago. The explanation from our Senior Accounts Officer – FMIS is with the Ministry of Economy and IBMS is with the Department of Immigration. As alluded to from the report that they were not tallying up. So, work has been done to create these modules within IBMS so that it can tally up with what is there with the Ministry of Economy. I hope that answers your question.

DEPUTY CHAIRPERSON.- Yes, we did receive an extensive explanation on that on Tuesday and this also takes into account the border control records and all that. It was explained quite well and I believe the next issue is all right - Part II. All the reconciliations are up to-date. If we can move on to the third issue -Correct Payment of VAT.

MR. K. TUGAGA.- Thank you, Deputy Chair. The correct payment of VAT came about at the initial stages when the VAT was reduced from 12.5 percent to 9 percent. In the first few months we overlooked the calculation when we paid out to FRCS and we overpaid them. However we have liaised with them and they will be refunding this money to us shortly.

DEPUTY CHAIRPERSON.- I am sorry, Sir, is it 12.5 percent or from 15 percent to 9 percent?

MR. K. TUGAGA.- I am sorry, from 15 percent to 9 percent.

DEPUTY CHAIRPERSON.- Alright, thank you. Honourable Members, any questions on that? It says that the refund will be there shortly.

I would like to thank the officers from the Office of the Honourable Prime Minister and also the Director of Immigration and his team for addressing the issues and we await supplementary responses which will come in the form of a written response. We would like to thank both teams for their continuous effort in improving the issues and we hope that there will be more improvements in the near future. On this note I would like to also thank all those officials and officers who are here from other Ministries who have assisted us with this submission. Without further ado, I would just like to request some final comments from you, Sir.

MR. N. VUNIWAQA.- Thank you, Deputy Chair. No further comments. I would like to thank the Committee and the respective offices of the OAG and Ministry of Economy for the findings and the recommendations. We will continue to work together with the relevant offices in terms of the recommendations and the findings that have come.

We thank the Committee for the invitation to come and appear before you.

DEPUTY CHAIRPERSON.- Thank you.

The Committee adjourned at 12:16 p.m.

