

PUBLIC ACCOUNTS COMMITTEE

[Verbatim Report of Meeting]

HELD IN THE

COMMITTEE ROOM (EAST WING)

ON

FRIDAY, 27TH APRIL, 2018

VERBATIM NOTES OF MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS COMMITTEE HELD AT THE BIG COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON FRIDAY, 27TH APRIL, 2018 AT 9.42 A.M.

Submittee: Ministry of Rural, Maritime Development & Natural Disaster Management

In Attendance:

- | | | | |
|----|------------------------|---|--------------------------------|
| 1. | Mr. Meleti Bainimarama | - | Permanent Secretary |
| 2. | Mr. Manasa Tagicakibau | - | Commissioner Western Division |
| 3. | Mr. Luke Moroivalu | - | Commissioner Eastern Division |
| 4. | Mr. Joseva Vocea | - | Commissioner Northern Division |
| 5. | Mr. Setareki Tale | - | Commissioner Central Division |
| 6. | Ms. Amele Vukeiono | - | Acting Manager Finance |
| 7. | Ms. Losana Vesikula | - | Senior Accounts Officer |
| 8. | Ms. Ana Tora | - | Director Corporate Services |
| 9. | Ms. Arieta Dimuri | - | A/DDS |

Office of the Auditor-General

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| 1. | Mr. Moshin Ali | - | Director of Audit |
| 2. | Mr. Emosi Qiokacikaci | - | Senior Auditor |

Ministry of Economy – Internal Auditors

- | | | | |
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| 1. | Mr. Emosi Dovibua | - | Head of Internal Audit |
| 2. | Ms. Lanieta Senibulu | - | Principal Auditor |
| 3. | Mr. Mohammed Rahat | - | Principal Auditor |

DEPUTY CHAIRPERSON.- I welcome everyone to the meeting of Public Accounts Committee dated 27th April, 2018 and at this juncture, I would like to cordially welcome the Officials from the Ministry of Rural and Maritime Development and Natural Disaster Management.

We acknowledge the fact that in the past few weeks, the Ministry might have been extremely busy, especially considering the fact that we were hit by two cyclones and one major flood, and with the consolidated approach by the Government of the day, led by the Ministry where a lot of positive feedbacks have come in the way, post-disaster recovery work has been going on and we thank the Ministry on behalf of the nation for that.

Today, we are here to discuss the issues raised in the 2016 Auditor-General's Report. The Ministry is led by the, PS, Mr. Meleti Bainimarama. We also thank you for rescheduling your time as we had requested. We requested for a meeting today and your good self and your Ministry has been cordial enough to accept that, and we thank you on that note too.

So without further ado, I would like to invite you, Sir, to very briefly introduce your team and then from there, you can lead us through the written submissions that you have provided before the Committee. Thank you.

MR. M. BAINIMARAMA.- *Vinaka*, Deputy Chairperson. Thank you very much for those encouraging words delivered this morning on behalf of the work done by the Ministry on the two cyclones that have struck our country.

(Introduction of Officials by the PS)

DEPUTY CHAIRPERSON.- Sir, we take note that we have the three Divisional Commissioners and I acknowledge your attendance and presence in the meeting. Sir, I believe you have already submitted a written submission and part of it is from the 2016 Audit Report on the General Administration Sector.

Also, there is a supplementary report which covers one audit issue of your Ministry. So I would like to give you the opportunity, or your designated speaker to take us through the written submission. Thank you.

MR. M. BAINIMARAMA.-Thank you, Deputy Chairperson and Honourable Members. This morning, the Audit Findings is in two parts, we have the Part B Audit Findings for the Ministry in totality and we also have the TC Winston Report and that was the reason why the Divisional Commissioners were called in to this Committee because they are the best people to answer on matters of *TC Winston*.

Without sounding apologetic, Deputy Chairperson, first of all, let me say that the audit according to Corporate was done in June before the change in the financial year. And Corporate have just informed us that there was no exit meeting with the OAG regarding the Audit Report, but that is not to say that we cannot answer to the Audit findings.

The TC Winston Report, as I said, will be delivered by the Commissioners, who will answer the questions and I might add a few notes before they start. That very briefly is what we are going to talk about today. I suggest we go through the template that is before us.

Part B: Audit Findings. 18.5 –Double Posting of Revenue; this amount of \$32,254 was posted twice in the General Ledger (GL) by creating the general voucher twice.

The Audit recommendations are noted. The Ministry's response is that, the Audit comments are noted, that the Ministry should ensure that ledger balances are reconciled to the ledger reports and errors of allocation are adjusted accordingly. The Ministry has ensured that the Bank Lodgement clearance reconciliation is prepared on a monthly basis to detect any variances and adjustments made.

The Ministry has also ensured that the revenue general voucher details are verified and endorsed to ensure that the correct allocation is posted. The Ministry is maintaining a revenue journal voucher register to record all revenue postings. So those are the rectifications that the Accounts Section has been doing on the double posting of the revenue. Shall I proceed, Sir?

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

HON. A.M. RADRODRO.- A question regarding this double posting exercise, maybe for the OAG. You mentioned that the Accounts Officer did not reconcile the ledger, was that because there was only a limited number of Accounts Officers or one Accounts Officer? What was the process in existence at that time?

AUDIT REP.- Thank you, Honourable Member. I think the reason we mentioned about the Accounts Officer was because it is the responsibility of the Accounts Officer to make those reconciliations. So we try to highlight the causes of non-preparation and it falls under the ambit of the Accounts Officer. That is the reason why we mentioned it.

HON. A.M. RADRODRO.- Another supplementary question, PS. During the last time, there was discussions on this similar exercise and what the Ministry is going to undertake which is the setting up of an internal audit team or something like that. Has the Ministry conducted that exercise?

MR. M. BAINIMARAMA.- Through you, Deputy Chairperson, yes, the Ministry has conducted an internal audit. Information on the internal audit team will be given by the Director Corporate Services but it comprises of the Accounts Section from the Meteorological Services which is stationed with NDMO, and also with the Ministry.

MOE REP.- Yes, Sir. We have conducted audits for the Commissioner Northern and Commissioner Central. We intended to do one for Commissioner Eastern sometimes this year. Perhaps, to respond to your initial question on the capacity level, the MOE had informed all Ministries that if there is a need for additional staff because of new programmes or schemes or activities that are added on to their capabilities, then they will need to ensure that operating costs are also factored in into their budgets so that there is no shortage of resources. Thank you.

DEPUTY CHAIRPERSON.- Thank you. We can move on to the next issue, Sir.

MR. M. BAINIMARAMA.- Thank you, Deputy Chairperson.

18.6 - Incomplete Board of Survey; the Commissioner Eastern did not conduct a Board of Survey (BOS) in 2016. There was no BOS in 2015 for the whole Ministry and the BOS members, officers who are involved in procurement must not be members of the BOS.

The Audit comments says, and I quote:

“The Ministry should ensure that the Board of Survey for all Divisions are carried out annually in accordance with Section 49 of the Finance Instruction and Section 24 of the Procurement Regulations 2010.”

The Ministry has noted the Audit comments and conducted the BOS for Commissioner Eastern Division’s Office in 2017 and had submitted to MOE on 3rd May, 2017. The Ministry has also taken into account the Audit comments in the appointment of BOS members.

The Ministry’s resolution is that the BOS exercise for the whole Ministry is up to date now with approvals received from the MOE.

In 2016, the BOS was conducted for the three Divisional Commissioners with the exception of the Eastern Division and Headquarters, and approvals were obtained from the following:

- CND;
- MOE - Reference 11/8; and
- Headquarters MOE – Reference 44/5/2016

The Ministry's address in conducting the BOS in the third quarter rather than in the fourth; in 2016 and 2017 the BOS was conducted in the five Divisions and appropriate approvals were obtained from the MOE on the following:

- Commissioner Northern Division;
- Headquarters;
- Commissioner Western Division;
- Commissioner Central Division; and
- Commissioner Eastern Division.

The Ministry has ensured that the:

- BOS members are not directly looking after asset management;
- conducting of the BOS in the third quarter and not in the fourth quarter; and
- if you have any queries, our Manager Finance will be able to answer that.

Thank you, Deputy Chairperson.

HON. A.M. RADRODRO.- The last time we had sought clarification on the quarters, whether the institutional quarters or Government quarters that come under the umbrella of the Ministry to look after and whether that is also part of the Ministry's BOS?

MR. M. BAINIMARAMA.- Honourable Member, the quarters administratively are under the Divisional Commissioners but the financial upkeep and maintenance is with the MOE.

Administratively, Divisional Commissioners look after the quarters - the allocation of the quarters when an officer moves in, the classification of grade and the grade of the quarters that an officer moves to and all those are administered by the Divisional Commissioners right down to the District Officers. But financially, the upkeep and maintenance is maintained by the MOE.

(Inaudible)

MR. M. BAINIMARAMA.- No, Sir.

DEPUTY CHAIRPERSON.- We will move on to the next issue.

MR. M. BAINIMARAMA.- 18.7 - Unauthorised Journal Vouchers; those are JVs posted without Manager Finance's approval and lack of monitoring by the Manager Finance and Accounts Officer. They said that there would be a high risk of fraudulent or incorrect entries.

It says, and I quote: "The Manager Finance must ensure that only approved journal vouchers are posted into the general ledger."

Management comments says, and I quote:

- "The Ministry has noted the Audit comments and will ensure that all JVs were approved by MF.
- Job rotation has also been carried out within the Accounts Dept. and identified JVs have been updated onto the JV register."

The Ministry has ensured that the JV details are verified and endorsed to ensure that the correct allocation is posted and all journals are prepared by the officers and verified by their Senior Accounts Officer and Manager Finance before the processing of the JVs so as to ensure that it is always verified.

The Ministry is also maintaining a JV register to record all postings.

Deputy Chairperson and Honourable Members, the explanation for the JVs posted without the Manager Finance's approval was during *TC Winston* because the posting was done. There were about 12 to 15 postings in a day and they could not wait for the approval of the Manager Finance because of the enormity of the JVs that were being posted. They posted it and then the approval was given in the afternoon by the Manager Finance. Manager Finance can elaborate further on that.

DEPUTY CHAIRPERSON.- Yes, Sir, actually that is what I wanted to ask. What were some of the pertinent challenges, especially in terms of finance, when the whole *TC Winston* relief operations were going on? Manager Finance, if you could just provide us with some of the experiences in terms of financials during those times?

MS. A. VUKEIONO.- Thank you, Deputy Chairperson. Some of the challenges that were faced by the Finance Unit because the Divisions are located in isolated areas. Some are in the rural remote and it cannot be accessible, they have intermittent email and internet access, so to get the information across from the Divisions and during *TC Winston*, that was a challenge throughout the country, to receive documents on time.

On this particular instance on the unauthorised JVs, we were paying the revenues that were receipted from the District Offices, the PA Offices and the Commissioners' Offices, they were receipted and lodged in the bank. Headquarters will only post the JV once the receipt reaches Headquarters, so it was a challenge during *TC Winston* to receive those documents on time.

When it was sent, it was sent like weekly or fortnightly and Headquarters have to update all those JVs. When they are updated then the Manager Finance signs on the receipts on the JV. Those are just JVs for revenues but JVs that are prepared for adjustments or reversals, the Manager Finance also authorises those too before they are posted.

MR. M. BAINIMARAMA.- Deputy Chairperson and Honourable Members, the problem faced with our Accounts at Headquarters is because (as I had said the last time) most of our stations are in very remote areas. We have a station in Saqani which is without internet connection and we have also one in Tukavesi, all are in remote areas.

Their payins come from remote stations - Nadarivatu, Keyasi, it comes from this little remote stations back to their Headquarters, that is, the Western Division because of the process. If they have internet connection it is good but sometimes the internet connection goes down so all connection is lost. That is the reason for the delay that the Manager Finance is saying. Thank you, Deputy Chairperson.

DEPUTY CHAIRPERSON.- We can also take note that during those times, considering the damages, even the areas with access might be having the same problems. In cases like this during the state of emergency, OAG, how does the financials work or what is the advice given, is there a special provision or the process remains the same?

AUDIT REP.- Thank you, Honourable Deputy Chairperson. In case of natural disasters, there is provision in the Procurement Regulation on how to go about doing procurements. As far as the Finance Instructions or the financial rules are concerned, sometimes we do understand that circumstances do not allow a particular entity or Ministry to follow rules and regulations. In those cases, it is best to have a proper documentation on what transpired during those transactions.

Looking at the issue on the JV, it is close to \$32 million that we are looking at and that is again on a sample basis. So looking at the dollar amount, posting of \$32 million JV and if you look at the table, there are instances where dates were not incorrectly filled. So I guess those are indications that things were not done properly.

Also, the MOE would be consulted and they could advise Ministries in case of abnormal circumstances or in case of emergency, on what is the best way they can approach the situation, Deputy Chairperson.

DEPUTY CHAIRPERSON.- There has been a suggestion by OAG that perhaps, further advice can be given on this matter.

MOE REP.- Sir, if a substitute control needs to be created, the process is that the Ministry concerned is to liaise with the MOE to review internal controls and procedures that are in place and have those changes drawn up and approved by the competent authorities. It is usually the PS of the Ministry concerned with the consent of the PS MOE. Thank you, Sir.

AUDIT REP.- The suggestion that we can make is, given the fact we are prone to natural disasters and there usually happens in circumstances where emergency comes up, so based on the lessons learnt, I think it is best that the Ministry in consultation with the MOE, can draw up a separate standalone procedure.

In case of emergency, this is what you going to follow. It is common knowledge that we cannot follow what is there in our written Finance Instructions but in case of emergency, these are the things that we are going to follow - it gets approved, signed off, so from the Audit point of view we will know, 'Alright in cases of emergency, this is what the Ministry is going to follow.'

DEPUTY CHAIRPERSON.- Please, take note of that. It is a similar issue that we had with the Republic of the Military Forces.

HON. RATU N.T. LALABALAVU.- (Inaudible)...., that is, how best we can tackle this kind of problem, cutting across the bureaucracy and everything because you and your officers are people on the ground who get a lot of flak from us politicians and members of the public. But people do not account for the bad weather, the road that has been cut off through flooding, et cetera.

The question is kind of centred around what has just been stated by the OAG, when there is a declaration of disaster, there is a certain element of time attached to that as well, it covers 40 days. Should there not be a special SOP geared towards that to ensure that you write to the funds that is available and if there is any fund. After the 40 days period after returning from the survey, et cetera, you will you be able to concentrate on rebuilding. It is just on that initial period, given that the situation of 40 days is there. Is any special SOP there?

MR. M. BAINIMARAMA.- Deputy Chairperson and the Honourable Ratu Naiqama Lalabalavu, first of all, let me thank you, Sir, for the talk about the special circumstances arising

out of disasters. I want to thank, especially the comments by the OAG and also the MOE on the controls and changes between the Permanent Secretary for this Ministry and the MOE.

In regards to the Honourable Member's question, unfortunately during times of disaster, there is no change in the rules and regulations that had to be followed. It will come out very strongly when we go through the TC Winston Report, the rules and regulations and the legislation that is there for the proper disbursement of ration or funding remains the same, there is no change during disasters.

You would have noted that last month, there was an MOU signed between the International Red Cross with the National Disaster Management Office for the review of the National Disaster Management Act. This is something that needs to be inserted into the Act so that the National Controller can be given more powers to institute, not a different set of rules that will go against the instituted rules but something that will give more flexibility to the Ministry and to the Divisional Commissioners in their performance on the disbursement of ration and also the funding that goes in.

There were two cyclones and flooding that happened in the Western Division and the Commissioner Western has no funding. He has to apply for funding again, from us. So immediately if he wants something, he has to go against the rules and regulations.

He has to start purchasing without any approval for the sake of the people on the ground. He has to break all the rules in order to give the provision to the people on the ground. After the provision of that, we are now going through the process of cleaning up or tying up the loose ends so to speak, to clean his books and to clean our books. But with all honesty, Deputy Chairperson, nothing is going under the table between him and me. It is just because at that particular time and at that particular instance where we need to have that freedom. Thank you, Sir.

DEPUTY CHAIRPERSON.- So on that note, this will be a very strong recommendation from us as well that in terms of the financial controls, there should be more flexibility. Perhaps, if we can also have a copy of the Natural Disaster Act that you were mentioning, we can get more ideas from that.

Honourable Ratu Naiqama Lalabalavu?

HON. RATU N.T. LALABALAVU.- Deputy Chairperson, just to add on to what the Permanent Secretary had stated, perhaps as mentioned that will be one of our strong recommendations to the Government of the day.

In the past years, you were with the Office of the Prime Minister (OPM) for a very short time. There was a special fund sitting with the OPM that is accessible to you if there is a disaster.

That is the experience we had in the past, to cut across bureaucracy we need those kind of things but again, an SOP needs to be in place so as to ensure that we are able to track all the financial transactions, purchasing, et cetera. Do we still have rural funds in the OPM?

MR. M. BAINIMARAMA.- Through you, Deputy Chairperson, yes, Sir, we still have those funds, but as I said they take time because when there is a disaster in the Western or Central, we still have to go through the processes of getting that funding from OPM.

We have now requested and we have got the funds for the last two disasters and is in the Director of National Disaster Management Office. It has, sort of, eased the burden on getting the requirements through the OPM. The funding is still with the OPM but now, we have the leeway to use those funds and then do the approvals after. Thank you, Sir.

DEPUTY CHAIRPERSON.- I think we will have a more extensive insight discussion when we go to that special report on the *TC Winston* Audit. We can move on to the next point.

MR. M. BAINIMARAMA.- 18.8 – Revolving Fund Account not Properly Maintained; as we had mentioned in our last appearance to the Public Accounts Committee on the accountable advance for 31st July, 2016, the outstanding accountable advance was \$62,516. The Manager Finance has stated that it has dropped considerably because those were the rectifications that we mentioned at our last meeting, that we would put in special measures.

The special measures, Deputy Chairperson, was that the Ministry issues advance statement to officers to retire advances on time and those who do not comply and retire within the stipulated timeframe face penalties of salary deduction, plus 12 percent interest.

Registers have also been maintained and consistently updated and the Heads of Departments in Headquarters and the Divisional Commissioners are personally alerted of their staff who needed to retire advances.

DEPUTY CHAIRPERSON.- Thank you, we will move on to the next one.

MR. M. BAINIMARAMA.- 18.9 - Procurement Procedures Not Followed; this means that the procurement procedures were not followed which is:

- A minimum of three quotations not obtained;
- LPOs were not signed;
- Chief Accountant's approval not obtained for advance payment;
- Assets procured were not recorded;
- Fixed Asset Register for procurement done from incorrect allocation;
- Payment vouchers and supporting documents not stamped 'paid'; and
- Payment vouchers were not certified and authorised by the Manager Finance.

The Ministry's response, Deputy Chairperson, is that, the procurement internal controls are now more vigilantly observed and HODs are being advised and cautioned accordingly to ensure that these issues are addressed at Divisional levels.

As for Headquarters, the Director Corporate will be requiring monthly updates for which the PS will be regularly briefed on to ensure all officers concerned are continually reminded and ensure strict adherence to standing policies.

Management is adamant on penalising non-compliant officers by reflecting this on their performance assessment as they fall due. HODs and Divisional Commissioners have been briefed on this decision through a circular memorandum.

On the Ministry's update on the resolutions, all efforts have been undertaken to ensure that all procurement processes and requirements are followed.

The Ministry issued an Internal Circular Memorandum dated 6th November, 2017, subject, 'Procurement Regulations' which covers competitive procurement, issue of Purchase Orders and Tax Compliance Certificate and the breach of advance privileges.

Also Fixed Asset Record has been updated according to the MOE template and submitted to the Asset Management Unit.

DEPUTY CHAIRPERSON.- Thank you. We will move on to the next issue.

MR. M. BAINIMARAMA.- 18.10 - Non Compliance with Standard Operating Procedures for Non-Cane Access Roads and 18.11 - Non Compliance with Standard Operating Procedures for Self Help Projects; the Ministry's update on the resolutions, Deputy Chairperson, is that the Ministry is currently reviewing the SOP which will include the amendments in the MOU. A draft copy of the MOU has been prepared which we will be sending to the Solicitor General's Office for vetting. That is the response to both 18.10 and 18.11.

DEPUTY CHAIRPERSON.- Sir, just a question out of interest, the Non-Cane Access Roads, are those rural roads that we are talking about?

MR. M. BAINIMARAMA.- No, Sir. There are three classes of development roads. With due respect to the Divisional Commissioners, I think I will answer it for them.

The development roads are the new roads that are being constructed in the interior of Naitasiri for the Central Division, in Matokana for the Commissioner Western, for the Commissioner Northern and Commissioner Eastern. The new roads that are being constructed by FRA, those are development roads.

For the Divisional Commissioners and the Ministry, rural roads are roads that connect Waidina and Namosi that are supposed to be maintained by FRA. Then we have the Non-Cane Access Roads which are farm roads, to assist the farmers to access the main trunk route. So, if you have the farmer in the Lomaivuna area, there is a cluster of farmers there, and they try to get them to the main trunk route. These are the roads that are mentioned here.

DEPUTY CHAIRPERSON.- So the maintenance and everything of those roads fall under the responsibility of your Ministry?

MR. M. BAINIMARAMA.- Yes, Deputy Chairperson.

HON. A.M. RADRODRO.- A question to PS on the Audit Findings. The first bulletpoint was the MOU for defect liability period. The next one is the standard of roads and the monitoring.

I note that those roads may have been completed. With that, disasters have come and gone. What is the defect liability period for those Non-Cane Access Roads, especially the monitoring whether the Ministry has done the monitoring for the intended purpose that it was constructed?

MR. M. BAINIMARAMA.- Through you, Deputy Chairperson and Honourable Member, thank you for that question. That is something that the Ministry will need to improve on, the monitoring and evaluation of those projects.

We have the Monitoring Evaluation Unit but the capacity is not enough to really look after the monitoring and evaluation of Non-Cane Access Roads and the Self-Help Projects. As I have

said, we are reviewing the SOP, we are trying to develop the MOU so it covers all aspects that the Monitoring Team would need to improve on.

Again, I say thank you to Honourable Member for bringing this up because this is something that we will really need to improve on within the Ministry. The monitoring and evaluation of the roads as you said, Deputy Chairperson, the Ministry looks after the maintenance.

In most cases we have tried to improve on that, we have had the Senior Management Board Meetings with Divisional Commissioners to improve on the capacity and sustainability of those roads. To construct those farm roads and see that it is sustainable, to see that there is funding available not only to create more roads but to look after the roads that have been funded and maintained by the Commissioners.

HON. A.M. RADRODRO.- Deputy Chairperson, just an addition; for any application for Non-Cane Access Road, is there a certain criteria that should be met before approval is given by the Ministry?

MR. S. TALE.- Thank you, Honourable Member. Yes, there are a certain criteria that need to be observed in the allocation of farm roads. First, it must be a cluster of farmers. Secondly, some of them must be on the ground and that is the due diligence that we need to go through before we approve or otherwise, the application for a Non-Cane Access Road.

Additionally, for your information this programme has now been moved from our Ministry to the Ministry of Agriculture, so this programme now sits with them.

HON. A.M. RADRODRO.- With different criteria?

MR. S. TALE.- Possibly.

DEPUTY CHAIRPERSON.- Thank you, we move on to the next issue.

MR. M. BAINIMARAMA.- 18.12 - Significant Arrears of Revenue; overdue accounts must be properly followed up in accordance with the debt recovery procedures in the Finance Manual.

The Ministry's update on the resolution is that, it is in progress. Arrears of revenue submissions from the Divisional Offices have been incorrect for a good while.

As part of the Ministry's effort to resolve this exercise, an exercise was undertaken last year on the arrears of revenue reporting which resulted in the issuance of a circular from Headquarters, instructing all revenue collectors to follow the draft Business Licensing SOP and the e-register excel template which they are currently updating. Those are payment of business licences to pay legal licences, retail shops and the liquor licences that are collected for settlements and villages.

MS. A. VUKEIONO.- Deputy Chairperson, the revenue collectors are business that are located in the rural areas, like retail stores, hawkers licence and some of the contributing factors for the significant arrears of revenue is the new initiative of Government, like certain individuals have to have a licence or open a licence and to be given a grant of \$1,000. On the following year, they do not get the grant and then they do not pay their licence fees so that accumulates as arrears and the Ministry is being tasked to follow up on those arrears.

DEPUTY CHAIRPERSON.- That might be a very mammoth task.

MR. M. BAINIMARAMA.- Yes, Deputy Chairperson, I think I had mentioned that in the last Public Accounts Committee meeting.

DEPUTY CHAIRPERSON.- Yes.

MR. M. BAINIMARAMA.- Because of the lack of consultations between the other Ministries, when they institute programmes without proper consultation with this Ministry, especially with the Divisional Commissioners, they institute programmes and the criteria is to have a business licence, they might go for a loan to the Fiji Development Bank or for the \$1,000 grant and one of the criteria is to have a business licence. So they all come flocking to the Divisional Commissioners Office or the Provincial Administrators Office or the District Office to get a business licence because it is part of the criteria.

But if there are 1,000 applicants and they pick 10, the other 990 never come back to pay for those licences. The licences are just paid for that criteria so we are overloaded with all those overdue accounts. Perhaps, Deputy Chairperson, the onus is on the Permanent Secretaries, that we need to consult more when they initiate new programmes.

DEPUTY CHAIRPERSON.- So if we are to weigh this arrears of revenue, most of it, as per your Ministry, is involving people who are under this scheme.

MR. M. BAINIMARAMA.- Honestly speaking, Deputy Chairperson and Honourable Members, it is not just that the Ministry at this stage has no capacity to go out, but if you go to a normal District Office, there is a District Officer, Typist, Clerk and Driver. If they have business licences for an area covered, for example, Saqani where they have many villages to cover, there is no time for the Clerk to come out of the office to go out into the field and collect all those business licences because when they issue business licences, the onus is always on the person getting that business licence to come back at the end of the year to pay for the business licence.

Unfortunately in the rural areas, the District Officer has to go out looking for them to pay that business licence. So it comes in both parts, all those initiatives are coming because of the criteria and also because of the incapacity of the Divisional Commissioners and their officers to look after this.

There are some remedial actions being taken. I know that some of them are talking with the Police and other stakeholders when they go out as a composite team, this is the time when they collect business licences. If I may be able to narrate a story, when I was the Assistant District Officer in Ra, part of my work was to get dropped off in Nalawa which is the border between Ra and Naitasiri and walk my way down the villages and the District Officer would wait for me one week later at Yaqara.

I went through all the villages to get those licences but as I said, there have no capacity now. They do not have the staff, not because they cannot work in the interior but because there are a lot of new programmes coming into the office now that they need staff to be sitting there. Thank you, Deputy Chairperson.

HON. RATU N.T. LALABALAVU.- Thank you, Deputy Chairperson, through you, PS, I seek clarification.(Inaudible)..... Why they are building up after the expiry of one year?

MR. M. BAINIMARAMA.- Honourable Member, through you, Deputy Chairperson, as I have said, the onus is on the person who paid for the licence to come back at the end of every year

to renew that licence. But unfortunately, if they are reminded then they come and pay but the reminder has to go to stations, like Seaqaqa. You have to walk back into villages, like Nasuva in the interior to try to and get them to come and pay their licences.

But they are supposed to come back at the end of every year, it is renewed annually and they know that. If you pay \$44 for a retail shop licence, you are supposed to come back. If you pay in December this year, you come back in December next year to renew that licence but they never did. Unfortunately, that is the problem that we face with the rural areas.

DEPUTY CHAIRPERSON.- And sometimes the cost of recovery or reminder is way more than the actual revenue collected.

HON. A.M. RADRODRO.- A supplementary question in terms of compliance. Policing and penalties for those who do not come and renew, whose responsibility is that?

MR. M. BAINIMARAMA.- Deputy Chairperson and Honourable Member, this is ancillary duties. Unfortunately, we do not have the right to penalise them because we are performing these ancillary duties as part of other Ministries' work, for example, births, deaths and marriages. If you go to remote stations like Saqani or Tukavesi, you can register a child, you can register death and these are ancillary duties that the District Office performs for the Solicitor-General's Office. This is the work that they do for the Registrar General's Office which is not part of our core duties.

If someone does not pay the licence, we get overdue accounts but the Ministry that is responsible for that does not face any penalty but, Honourable Member, we cannot institute any penalty because we have no powers. Those are ancillary duties that we do for other Ministries. Sir, we cannot cancel the licence too.

HON. A.M. RADRODRO.- MOE?

MR. M. BAINIMARAMA.- If they are not paying we cannot cancel the licence because we have no powers to cancel a licence. As I have said, these (ancillary duties) are things that we are slowly trying to work with other Ministries, whether they can fund the capacity to go out to procure the funding to pay for this extra work that the Ministry does.

HON. RATU N.T. LALABALAVU.- Perhaps, to add on to what Honourable Radrodro has stated,(inaudible)...

MOE REP.- Sir, if there is duty that is mandatory and needs to be done as per a regulation, then it needs to be carried out. If there is a need to address issues, then it is the responsibility of the Ministry facing the challenge to raise the matter up with the appropriate Ministries, so that alternatives can be identified. And if there is a need to review the framework and review issues, like legislative authorities or processes, there are procedures in place.

That is our view, Sir.

HON. RATU N.T. LALABALAVU.- MOE, if, for example, someone wants to set up his poultry farm under the \$1,000 assistance, an annual licence is given straightaway to him. In that licence, the period of the licence from when to when. The \$1,000 needs to be repaid in three years, that is someone else's...(inaudible)...

What about the licence itself? Once it has expired, that is expired. Why do arrears have to be built up again?

They do the running around for the renewal because the onus is on them, that is, if they want to renew but otherwise, they will still be held against that \$1,000 loan. It is just the segregation of functions and duties here.

MOE REP.- Thank you. If business is in existence, it needs a licence as per the law. For the Ministry concerned to build or issue an invoice to someone to pay a licence or to recognise it as arrears, it needs to first verify that the operation is in existence and is continuing so that they can say that that person owes arrears. In this case, arrears have been added on by the Ministry itself.

DEPUTY CHAIRPERSON.- Honourable Members, we will very quickly look at the last issue (18.14) because the next one is in relation to the BOS which I believe has been explained quite well earlier. Very quickly, if we can move on governance issues before we go for tea break and afterwards, we will discuss the TC Winston Report.

MR. M. BAINIMARAMA.- 18.14 – Governance Issues; Accounting Head must provide a signed and dated report to the Permanent Secretary on the following issues:

- reconciliations and checks required in the Agency's Financial Manual have been carried out; and
- the current status of any unresolved issue - external or internal audit issue.

The Audit Recommendation is that, and I quote:

“The Permanent Secretary must ensure that all the monthly reports and reconciliations are prepared in a timely manner as required by the Finance Manual 2013 and Finance Instructions 2010.”

Management Comments says, and I quote:

“Monthly update on reconciliations and any unresolved issues will be provided to the DS and the PS on a weekly basis (which is being done) and with any other report he may require.”

The Ministry, at the moment, is providing monthly reports on the status of reconciliation.

DEPUTY CHAIRPERSON.- Can we get a confirmation on that?

AUDIT REP.- Yes, the subsequent audits that we have done, we have seen that reconciliations are being prepared monthly and submitted to the Permanent Secretary.

DEPUTY CHAIRPERSON.- Honourable Members, on this note, we will break for tea and we will begin our discussions on the Special Audit - TC Winston at 11 o'clock. Thank you.

The Committee adjourned to 11.00 a.m.

The Committee resumed at 11.10 a.m.

DEPUTY CHAIRPERSON.- Honourable Members, we are now moving on to one of the most important part of the submission today and that is the Special Audit on *TC Winston*. Before we start the discussion on that, I know audit issues have been raised but on the outset I was just having a conversation with PS and it was particularly amazing, it was pleasing and it was a very positive reform.

The measures that were took post-*TC Winston*, so far we have been thanking the Government but I believe the real team is here, who actually carried out that work. On behalf of the Committee, I would like to thank the Ministry for the efforts they have made. Obviously, there will be some ups and downs but nonetheless the efforts that were made is commendable and I, on behalf of the Committee, thank your good self and your team for such a marvellous work done in terms of post-*TC Winston* recovery.

How will we be doing this, PS, will the individual Commissioners be discussing the audit issues?

MR. M. BAINIMARAMA.- Thank you, Deputy Chairperson. The individual Commissioners will be talking. I will give a very brief overall statement and then we will start with Commissioner Northern Division, who is first on this.

First of all, Deputy Chairperson and Honourable Members, I will not go into the ferocity and the damage done by *TC Winston*, we all know that. As I had said this morning when we were going through the first part of the Audit Findings, because of the catastrophe that hit us during *TC Winston*, the Divisional Commissioners who are the operational managers on the ground had to make very quick decisions in the disbursement of ration and also the rehabilitation of the people, the rural population who suffered during *TC Winston*. They had to make, as I have said, very quick decisions that went against the rules and regulations at that point in time to have a quick delivery and to save people's lives.

I will leave the explanation to them but that is something that we need to keep in mind, as I have said, those rules were not broken purposely, they were done at that time during those circumstances. Since then, we have tried to clean up the books and put everything right again.

With those few comments, Deputy Chairperson and Honourable Members, I will now hand over to Commissioner Northern to explain on the Audit Findings and queries for the Northern Division. *Vinaka*.

MR. J. VOCEA.- Deputy Chairperson and Honourable Members of this Committee, I have nine issues to explain about the audit queries of the *TC Winston* Operation. If you study these issues properly, most of them are just generic issues that were encountered during that height of the operation and maybe, with your permission, Deputy Chairperson, let me properly explain the issues that took place and the raising out of the findings that are here from the Audit.

During the height of *TC Winston*, all purchasing of ration and distribution were done here in Suva and we were on the receiving end in Vanualevu. As you look at the issues that had been picked up by the Audit, were all issues of handling a little bit of miscommunication issues that would have been avoided if we were to purchase food ration through the approved contractors there in the Northern Division and it would be beneficial to the economy in the Northern Division too.

But that has been rectified in the recent cyclones with *TC Josie* and *TC Keni* through the Permanent Secretary, who has given the authority for us to do our own purchasing in the Northern Division and that avoided all the issues that are now being covered here in this Report.

Deputy Chairperson, would you like me to go through all the nine issues in particular or I just pick up the three that maybe were not attributable to the issue that I had earlier explained, had it been purchased from the Northern Division.

DEPUTY CHAIRPERSON.- Yes, I was also having a brief reading of the report and yes, I do agree with you, most of it are generic issues. Something was being overloaded and unloaded and few cartons went missing here and there, not necessarily severe cases of fraud, et cetera, so yes, you can discuss further only on the pertinent audit issues.

MR. J. VOCEA.- I have just singled out three.

DEPUTY CHAIRPERSON.- Three, yes, there are nine issues altogether.

MR. J. VOCEA.- Nine altogether, Deputy Chairperson, three are on 18.15.4 – the Insufficient Food Rations for Distribution. That was the issue with the Provincial Administrator (PA) Bua when he was holding on to the ration and did not distribute, for the simple fact that it was not enough to be distributed to all the affected communities in Bua.

There was a reason behind that, Deputy Chairperson. If you only issue to a few households and you do not distribute it to all, it will create commotion, people will complain. So the strategy there was to receive them all and then distribute them all at once.

But that was picked up by the Audit, that people were still there and the ration was there in stock, but it was not a complete ration that was in stock. There were only a few items and we were waiting for the shipment to come and when we had the full capacity, we will then distribute them all at once, for the very simple reason to avoid commotion and the people who are not going to be given with the few that we had in stock will create that commotion..

DEPUTY CHAIRPERSON.- Sir, if I can just very quickly draw your attention to the previous issue, 18.15.3 - Considerable Delay in Shipment of Rations to the Northern Division.

I understand that out of all the Divisions, the Northern Division must have faced the most challenges because of the location. You need to take things from Suva on the boat. Why was there delay in the booking of the ship, was it not available or there was a delay in Suva?

MR. J. VOCEA.- Yes, Deputy Chairperson, not only in the Northern Division was affected, the Eastern Division was the worst affected. I think the concentration of the relief effort went first to the Eastern Division.

DEPUTY CHAIRPERSON.- Alright.

MR. J. VOCEA.- That is why we were waiting for that to finish and then come over to the Northern Division.

DEPUTY CHAIRPERSON.- Before, in cases like that, all the buying used to happen in the Divisions but in *TC Winston*, all the buying happened here in Suva which is also a reason for that.

MR. J. VOCEA.- Yes, Sir, but that has been rectified in the recent *TC Josie* and *TC Keni*. We were given the approval to get it out from the outlets that are in the Northern Division, and that avoided all those issues that were being picked up here.

DEPUTY CHAIRPERSON.- So, what allocation is that? Is there a special fund within your ...
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MR. J. VOCEA.- Yes, that was the one that is with the OPM, and it is now with NDMO.

HON. RATU N.T. LALABALAVU.- Deputy Chairperson, through you, is it within the period of 40 days?

MR. J. VOCEA.- Yes, Sir, in the period after 40 days.

HON. RATU N.T. LALABALAVU.- I am raising that because of the needs for the Committee to have a stronger recommendation.....(inaudible)..... in comparison to this one here, *TC Winston*. There is still a need for SOPs to be made to cater for that period.

HON. A.M. RADRODRO.- A question to the MOE, now that the Commissioner Northern has mentioned there is now a change in the approval point, how does the Ministry ensure that it does not become an audit issue again subject to formulation of the SOPs?

MOE REP.- Sir, powers goes with responsibilities. If powers is to bestowed on the Ministry to undertake something, then they have a duty of due diligence to ensure that adequate internal controls and processes are put in place so that funds are not misused.

HON. A.M. RADRODRO.- The approval process, initially we have been advised there is no specific policies or regulations in place to allow for such. Is that right, PS?

Now, after the cyclone, things have changed. Approval process has now been given to the respective Commissioners which was probably not there before.

MOE REP.- If powers have been transferred to them, then that is it. They have the powers to ensure that items are purchased in an orderly fashion and for the most economical source. Also, they have that responsibility, as I had alluded to before, they should ensure when internal controls, processes or policies need to be created, they are duty-bound to ensure that that is in place and an internal control report will need to be written up by their Accounts Section and submitted to the PS.

HON. A.M. RADRODRO.- ...(Inaudible)...is it a delegation of authority?

MOE REP.- Yes, the PS has the power, Sir.

DEPUTY CHAIRPERSON.- So all the buying was happening here in Suva, none of the purchasing was done in the Divisions, PS?

MR. M. BAINIMARAMA.- Deputy Chairperson and Honourable Members, you will now notice that the Commissioners are saying that for the two cyclones, we have started delegating the powers to the Commissioners, to do purchasing at the Divisional level.

We learnt a lot from *TC Winston*, in the sense that when there was no delegated authority and if the authority rests here and the operation was happening somewhere out there, we could not

make decisions here because the person sitting in the office here did not see what was really happening on the ground. So that is why we have decided at the last Senior Management Board Meeting after *TC Winston* that should there be another cyclone or disaster, we were going to delegate authority.

I was going to give them the funding, we had sought that out with the MOE and OPM, but we needed to get funds out quickly to the Commissioners so that they could do their work in the field.

And also in *TC Winston*, it was the purchasing that was done in Suva. Honourable Members would know that formally prior to *TC Winston* purchasing was also done in the North but only for *TC Winston* because of external factors beyond our control, purchasing was all done in Suva.

Prior to *TC Winston* all disasters that happen in the Northern Division, purchasing was done in the North and that has exacerbated the problems that we faced during *TC Winston* because all, if not most of it, was purchased from Suva. Thank you, Deputy Chairperson, .

HON. RATU N.T. LALABALAVU.- Through you, Honourable Deputy Chairperson, operational-wise they have taken those actions now, the delegation of authority.....(inaudible)... There are procedures in place, especially on the auditing period to cover all that. Thank you.

DEPUTY CHAIRPERSON.- Thank you.

MR. J. VOCEA.- Deputy Chairperson, through you, I guess the decision to purchase from Suva only during *TC Winston* there was one particular reason, and that was because the amount of aid that was coming through. The intension was to ensure that we utilise the aid donations that were coming from various Governments that came through.

A lot of it came only through Suva, in fact, those were the only ports that were receiving - Suva and Lautoka, and that was probably the reason or the decision was made to ensure that there was purchases made in Suva, so that we better utilise resources that was available to us then, rather than having the Divisions do their own purchase when there were goods coming in through donations from other countries through Suva and Lautoka. Thank you.

DEPUTY CHAIRPERSON.- Thank you Commissioner Northern, I would like you to continue with your presentation.

MR. J. VOCEA.- Chair the last two items 18.15.8 – Records of Stock In/Out at the Bulk not Standardised and 18.15.9 – Reconciliation of Ration Distribution in Taveuni have been picked out in the audit. Also the reconciliation of ration distribution, as you note in our action, the management will ensure that officers engaged in the DISMAC operation need to be trained on how to manage and account for stores, to ensure that a proper standard of records is issued for every item procured, and to ensure that a tally card is maintained for every item procured. That is also in line with what PS had just alluded to in the reviewing of our SOP, that these are some of the things that we will really stress and train our staff out there in the field when they hand out stores, like food ration in future operations. Thank you, Sir.

DEPUTY CHAIRPERSON.- We can move on to the last point.

MR. J. VOCEA.- Deputy Chairperson, those are my last two issues.

DEPUTY CHAIRPERSON.- Thank you. Honourable Members, are there any questions?

HON. RATU N.T. LALABALAVU.- Just an observation, Honourable Deputy Chairperson, through you and the Permanent Secretary, during our tea break we were talking about that. There is always a very, very important issue where decisions are being made, especially to the Honourable Prime Minister himself. He will be the first one to visit those affected areas and at times, he barks out instructions that will not sink in well with the Ministry because it will be against the very thing that they have to adhere to, come OAG's visit.

I would strongly recommend here for the writing or formulation of a special SOP for this 40 day period, even from the Honourable Prime Minister himself when he barks out orders, that that is well within some guideline of decision-making rather than after all that has been said and done.

PS, I think you and your officials are very tough body armour, you get shot left, right and centre when there is delay or or chaos, et cetera, everything because we do not segregate the 40 day period and the rehabilitation period. The initial one is the 40 day period and that is where we have already identified, Honourable Deputy Chairperson, there is a need for SOPs. Thank you.

DEPUTY CHAIRPERSON.- Yes, that is why we had earlier stated that in special cases like this, there should be some leeway in terms of the financial procedures we follow, especially in times of natural disasters.

We will move on to the next issue.

HON. RATU N.T. LALABALAVU.- I forgot to mention Honourable Deputy Chairperson, that you were also a victim in the last recent flooding. We have tonnes of experience on this side as well, PS.

DEPUTY CHAIRPERSON.- Unfortunately, I do not qualify for any assistance.

(Laughter)

Thank you. I was discussing the rate at which assistance has been ongoing, it was very good to note. So we will move on to the next Division – Eastern, and requesting the Commissioner Eastern to take us through the written submission. Thank you.

MR. L. MOROIVALU.- Thank you, Honourable Deputy Chairperson.

18.6 – Excessive/Unauthorised Supply of Food Rations; may I inform this Committee that the strategy of the Eastern Division, given the situation at that time and as you know, the most badly affected areas in Fiji from the Eastern Division was the island of Koro. After the cyclone and storm surge, people were without anything, not even clothes. Their food were all washed away by the sea and storm, as well as their eating utensils, tools, their houses and there was nothing left so the directive from the Government (I still remember) immediately that night was to load food ration on the available Government boat and send them to Koro.

Sir, the experience was when I tried to strategise, first, I was only given one Government boat- *Iloilovatu* and was also given a purchase order. I admit that I loaded in access because with one Government vessel to service the whole Eastern Division, Lomaiviti and Lau, I have to

strategise. I have to load all the food materials onto the *Iloilovatu* and go to Koro, complete Lomaiviti then move on to Lau because it would take time and cost to go and return. That was the strategy.

We happened to reach Koro on time and we unloaded the food in Koro and fed them. Whilst we were in Koro with the food ration for the whole of Lomaiviti and Lau, Patterson Shipping came in with an offer for Government to use their vessel, and also the *Lomaiviti Princess* offered their boat. We had to supply food to the others because of the time factor so we did load the food on those two vessels to complement the *Iloilovatu* and quickly supply the food rations. Those were the strategies at that point in time.

When the *Iloilovatu* returned from Koro because of the other islands had been taken care of by those two vessels, all the food was brought back, accounted for and at the same time, Commissioner Northern was crying for food for the people in Taveuni who were also affected. So the *Iloilovatu* which was loaded with food was sent directly to Taveuni to feed the people of Taveuni.

The process of coming back, changing the purchase order to meet the financial regulations, Sir, did not work at that time. We had to use common sense so that our people who are suffering on the ground are fed and then move on with their lives.

Secondly Sir, if I can take you to the next issue of 18.16.3 – Absence of Reconciliation of Food Ration Distribution; purchase order was given but the Audit found out that instead of canned mutton and canned beef, we had supplied tinned fish and other items.

During the process, Sir, the supplier ran out of canned mutton and canned beef. We could not come back and change the order, we had to complement that with tinned fish and other food items there so that we could meet the requirement on the ground. Those were the decisions given at that time.

Sir, all the food rations that were brought back were used according to the requirements with the other Divisions. We had the assistance of the Military and NGOs that had assisted the Government team at that time. Sir, it was an abnormal period. If it was normal, all those regulations would have been followed.

Sir, in general, that is the summary to the queries regarding the Eastern Division.

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

Yes, I do take note of the experience that you have just shared with us. The shipping companies coming in to assist, just to speed up the process. Obviously in situations like that, you do not go for tender process, et cetera, you go for the needs basis.

Yes, we are noting very interesting ideas and definitely, this is one of the very strong recommendations we will be making, to have some special consideration in times of natural disasters. We will move on to the next Division.

HON. A.M. RADRODRO.- A question regarding the supply, is there only one specific supplier that the Ministry bought rations from?

MR. L. MOROIVALU.- We use tendered companies but we had few companies who were in and they were also not prepared, they did not have the stock with them.

DEPUTY CHAIRPERSON.- So, we will move on to the Central Division and requesting Commissioner Central.

MR. S. TALE.- Deputy Chairperson, Sir, we have only one issue from the Central Division.

18.17.1 – Reconciliation; this is about verifying whether what came out of the warehouse was received at the community level. To undertake these processes as in audit would have been a huge task so what we did was, we tried to ensure that things were done properly in the first place.

We had the Military Officers and our staff conducting the delivery and in every delivery, we had Police Officers to verify what was taken off the warehouse was delivered and the Police Officers signed off that the deliveries were handed over and the Turaga ni Koros signed off as well.

In any case, the point raised by the Audit is noted and we will ensure that we improve on this in the future. Thank you, Deputy Chairperson.

DEPUTY CHAIRPERSON.- I just have a small question on this, would you know the amount in dispute for this issue?

MR. S. TALE.- The amount, Deputy Chairperson, is not disputed here, it is the process. It is just an improvement to the process that is being recommended here.

DEPUTY CHAIRPERSON.- So there is no dispute on the amount.

Finally, we will move on to the last one which is the Western Division and it would be interesting to hear from you, Sir, about the Western Division.

MR. M. TAGICAKIBAU.- Deputy Chairperson and Honourable Members of the Public Accounts Committee, the issues from the Western Division lie along the same line with the issues that have been raised by my colleagues from the other three Divisions.

I have eight issues that were picked out by the Auditors and I will give an overview of the operation that was conducted for *TC Winston* and probably highlight two or three points that we would like to tease out from the OAG's Report that we have rectified and have worked on which I see as some of the major issues that will enhance the performance of the Division during disaster response.

Firstly, I must note and thank the OAG for coming in to conduct audit but a point to note is the timing of this audit. They were doing the audit at the height of the operation, at the time where there was a lot of movement of goods, documents, transport and the whole operation was occurring.

I had a session with the Auditor who came in and I explained to him if he could, at that time, guide us on some of the issues that we will need to understand and a real need to address the needs of the affected population on time as there were a lot of suffering on the ground in the aftermath of *TC Winston*.

18.8.3 – Population Figures; one of the issues that was raised was in regards to the excessive ordering of food rations. This was also a strategy that was done at the Divisional level by my team.

In the aftermath of *TC Winston*, all accessibility to most of those remote areas were cut off, so what we did at that time was, we got population census figures from Bureau of Statistics to tell us the population of those who reside in those affected areas. We also had a map of the cyclone path which denotes the areas that was severely and extremely affected.

With that, given that we do not need to go out and do another assessment because of the intensity of the Category 5 Tropical Cyclone, the aerial reconnaissance also tells us that most of those areas were ground zero, meaning that there was nothing left.

The strategy that we then adopted was to get those figures, purchase the ration and as we build up we created a composite team. That composite team was made up of a Clearing Team from the Army Engineers, the Assessment Team, together with the Relief Team. In the normal process, we would have gone out and do an immediate assessment first. When those assessment records come back to us, we then put together the relief items and pushed it out to the affected population but in this instance, we did not do that. We did the purchase according to the figures given to us by Bureau of Statistics in those affected areas.

Most of the regions in the Western Division from Rakiraki, Tavua, Ba and part of Lautoka were severely and extremely affected areas, likewise the maritime zone of Yasawa. So the composite team went out clearing the access and also moving in with relief items, relief ration, temporary shelters and food ration.

We note it here because it was pointed out by the Auditors that the figures did not match. Of course, we are working from the Bureau of Statistics figures at that point in time. When we are able to access those places, then we found out that there were more on the ground then what was given to us by the Bureau of Statistics. So, we have to again do the purchase for other families that were affected that were not in our numbers. But with those, we have to do in quick time together, working in coordination with MOE, suppliers and our team.

Secondly, the decision to move from ration scale that use to be used, to family packs, that was also a decision made on the ground in Rakiraki. The Honourable Prime Minister, together with the officials were watching the movement of those ration. We were moving 20 kilogramme flour and rice bags. They were asking, 'how is this going to be distributed to the people?'

The work then was given to the turaga ni koros and the advisory councillors. They will have in their village or the advisory councillors' houses another scale. They have a ration scale on the issuance of those items, for example, how many grammes of flour to a person per day. That will be issued out to them and it is a long and tedious process. Most of the time it creates a lot of arguments and scuffle at distribution points, so the decision to reorganise the ration scale came about during *TC Winston*. I believe the paperwork for the new family packs is with the MOE and family pack was also used for *TC Josie* and *TC Keni*.

Deputy Chairperson, also there was an issue pointed out on the movement of my officers, like the Nadarivatu District Officer, who was not in the station during this time. This was again my decision to move my officers around where their strength lies to better utilise them. He was not absent from Nadarivatu, Nadarivatu was taken care of by the Roko Tui Colo and the doctor in Nadarivatu, together with the Government Officials at Nadarivatu who looked after the Nadarivatu region.

Another point that was pointed out was the number of POs that were done in Nadarivatu over the three days. As I have stated, the first PO was taken out and we were using the figures from Bureau of Statistics and as we were accessing those places, request, demands and figures keep rising, thus the writing of other POs to meet the demand on the ground.

18.18.7 – Poor Maintenance of accounting Records; during *TC Winston* in the Western Division, we had this old warehouse that was run down in Lautoka. It was leaking, damp, no lights, dark and we were trying to organise the ration, moving in together with the items that were coming in from donors and from other countries into the warehouse.

I adopted the logistics concept of trying to do the adjustment on time, together with the push demand instead of the pull demand. We were not waiting for our District Offices to give us the demand then we push, we have the figures with us. We know the intensity of the damages that was done, so when we were receiving those items, we were immediately pushing it out to the districts to continue to push out to the affected population.

That also contributed to the speed in how we were doing things on the ground during *TC Winston*. Those were some of the strategies that we were doing because we did not have an office space and the warehouse that we had did not provide the platform to allow us to do proper documentation.

We were doing proper documentation but it was not housed where it was supposed to be housed. For example, for the tally cards, we did not have tally cards, the tally cards that we are talking about here are the tally cards in stationery stores that were already there prior to *TC Winston*. The one with FPO and the stores, that we had with us but during the operation itself, there was no time, no space and no area to be doing tally cards on these fast moving item issues.

We were fortunate to have had the services of the Military and they came in with their documents. I have stated here in one of the responses that they had this Certificate of Receipt Voucher (CRV) they used to call it and the Certificate of Issue Voucher. Those documents were used during *TC Winston*. I believe this was not sighted by the auditors, that is why they picked up the absence of tally card.

All the items that we received were recorded in those two documents, the receipt and issue but over the last two years, we had rebuilt the new warehouse in Lautoka.

DEPUTY CHAIRPERSON.- I was just going to ask if you can provide us the update of the warehouse.

MR. M. TAGICAKIBAU.- Yes, that was through the financial assistance from the New Zealand Government. We have now a new warehouse which will provide us with the platform, and this Warehouse we were using it for those two cyclones - *TC Josie* and *TC Keni*.

DEPUTY CHAIRPERSON.- I apologise for the interruption but before I forget, will this warehouse cater for all the districts in the West?

MR. M. TAGICAKIBAU.- The whole of the Western Divisions.

DEPUTY CHAIRPERSON.- So it is like one point of collection?

MR. M. TAGICAKIBAU.- One big distribution point.

DEPUTY CHAIRPERSON.- Thank you. I have donated my ration items.

MR. M. TAGICAKIBAU.- And that warehouse comes together with an office line. So we have that platform now to be able to house this type of documentations for safekeeping.

DEPUTY CHAIRPERSON.- Another issue which has been continuously highlighted, especially by the OAG is in terms of transportation, procurement and all that. We know that natural disasters come and they come at any time and one important thing that is needed is transport. Are there companies which are already contracted with the Ministry that will be used straightaway in cases like this, or you will go through the tender process again?

MR. M. TAGICAKIBAU.- No, we do not go through the tender processes but there are some contracted transport service providers with the MOE that we use.

DEPUTY CHAIRPERSON.- Thank you. I believe Commissioner has completed his submission?

HON. A.M. RADRODRO.- The distribution of ration from bulk to family packs, can you just advise the Committee on the sustainability of the family pack and what sort of feedback? Does it take care of this assistance during the time of disaster?

MR. M. TAGICAKIBAU.- Thank you, Honourable Member, through you Honourable Deputy Chairperson, yes, the family pack comes in a bag and in that bag are the grocery items. Grocery items was designed for one bag to cater for a family of five for two weeks. With a family of six and above, they qualify for two bags; family of nine and above qualify for three bags for two weeks. So over the 40 day period, we will supply them twice the number of packs that they need.

DEPUTY CHAIRPERSON.- Honourable Members, any questions?

(There were no questions)

I would like to take this opportunity to thank you, PS, for the issues that you have addressed; the audit issues that we have sent, together with the responses on the supplementary questions we have asked. You came in with a very strong team and a very large team and it was good to note that certain areas of explanation, you have brought in the right resource personnel from your Ministry to address those.

It is also worth noting to note that whilst discussions about the cyclone experiences were in place, we did took note and learnt about the challenges in cases like that and what the Ministry has to go through. Pen and paper are things not as simple as it looks when you are actually experiencing the real situation.

On that note, I would like to thank all the Commissioners for your continuous work, a very good effort, I have seen it myself in my area and was very, very pleased at the response that came and very good feedback. We only have words of appreciation and words of best wishes for your Ministry in future.

With those words, I would like to thank you for your presence and I would like to request, PS, if you have some concluding words before we end our submission and session. Thank you.

MR. M. BAINIMARAMA.- Thank you, Deputy Chairperson and Honourable Members. I also take this time to thank you, Sir, for listening to our deliberations, listening to the explanations, validating our responses to the Audit queries set before us this morning.

First of all, we want to thank you for the opportunity to put into light most of the dark areas that happened because of the decisions of the Ministry to forego legislated rules and regulations in times of disaster. I think it has come out very strongly in the Public Accounts Committee presentation this morning and I want to thank you for the opportunity given to the Ministry.

I thank the questions from the Honourable Members because it brought to light most of the issues that we find are constraints during the delivery of services during disasters.

With those few words, Sir, I thank you and the Honourable Members for this opportunity to be here with the Divisional Commissioners.

The Committee adjourned at 12.01 p.m.