

# PUBLIC ACCOUNTS COMMITTEE

## SUPPLEMENTARY RESPONSE

### QUESTION:

Following the Committee's deliberation on your submission, the Committee would like to request for responses from your organization on the following issues:

#### **2.9 Anomalies noted in Mahogany Industry Council Trust Fund Account (MICFA)**

Audit review of the MICFA revealed the following anomalies:

- The OPM does not have Standard Operating Procedures on the use of the trust funds; and
- The rates used by the FHCL to levy licence fee to Licensee is not gazetted or formalised by the Mahogany Industry Council.

Provide an update on whether these issues have been resolved and give reasons if they have not been rectified.

### RESPONSE:

#### **1. Issue 1 : The OPM does not have Standard Operating Procedures on the use of the trust funds;**

##### OPM Response

The SOP will be developed and tabled for approval to the next available meeting of the Mahogany Industry Council that is targeted for May or June 2018 incorporating the suggestions from OAG, Ministry of Economy's Internal Audit Division and Fiji Hardwood Corporation Ltd that were discussed since December 2016.

#### **2. Issue 2: The rates used by the FHCL to levy licence fee to Licensee is not gazetted or formalised by the Mahogany Industry Council.**

##### OPM Response

The Mahogany Industry Council approved the new Licensing terms and conditions at its deliberations in January, April and July 2017 and these were the mandate Fiji Hardwood Corporation Ltd adopted for the issuance of new license fees

Subject:	<b>Clarification of Issue-Audit Report on General Administration Sector 2016</b>
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Sent:	Wednesday, April 11, 2018 4:01 PM