



**OFFICE OF THE PRIME MINISTER RESPONSE TO
PARLIAMENT STANDING COMMITTEE ON PUBLIC
ACCOUNTS**



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QUESTION:

What guarantee can you provide the Committee with respect to the following control issues not being repeated in future and advise whether the following issues has been resolved. If not, why not?

1. Advance Payment - (WAF undertook a re-assessment of the project in September 2016 for Natutale Primary School and Wausosi Nursing Station) has these 2 projects completed? If so, has WAF submitted their completion report of the projects and the Financial acquittal report?

OPM Response

The Water Authority of Fiji (WAF) completed the Natutale Primary School and Wausosi Nursing Station project on 20 December 2017. A completion report on the project had been submitted from WAF together with the financial acquittal report.

2. *Anomalies in Operating Trust Account mainly – Sporting Trust Fund and Miscellaneous Trust Account- “The Three Legged Stool” and “Ratu Sukuna Biography”*

OPM Response

Sporting Trust Fund

The Office has requested Ministry of Economy to open up a Trust Fund Account as per the audit recommendations. Ministry of Economy is currently working on the request.

The Policy Division at OPM in consultation with Ministry of Youth and Sports has developed a draft policy to guide the operation of the Trust Account

Miscellaneous Trust Account – “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 of sales from the books will be handed over to National Archives of Fiji.

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3. *Visa Card Expenses not Acquitted – Evidence from the Bank stating that the un-acquitted amount of \$3,368.57 was result of a credit card scam (cheque No. 82785) and Cheque No. 83132 for the unaquitted amount of \$2,699.41*

OPM Response

With regards to Cheque No. 82785 – the Office is still following up with ANZ to resolve this issue.

The un- acquitted amount as per Cheque no.83132 amounted to \$2699.41 have been acquitted.

Currently, as a way forward to address these issues, the Visa Card is only activated when the Hon. PM is out of the Country and deactivated once the Hon. PM return. Also any unrelated charges without supporting documents are immediately referred to ANZ.

In addition, monthly reconciliation of the Visa Card is conducted.

4. *Capital Projects Undertaken by RFMF under the Small Grants Scheme.(Advise whether RFMF has submitted their financial acquittals for all completed projects listed in table 2.4) and for the 3 on-going projects whether RFMF has submitted their monthly progress report of the projects together with the Financial Acquittals at the end of the project.*

Also, please advise why there wasn't any MOA and/or contract signed before the commencement of the project compared to WAF as this issue was also highlighted in the 2015 Audit Accounts?

OPM Response

For the 11 projects listed in table 2.4, the RFMF had submitted all the completion certificate and the financial acquittals for the projects.

Note all MOUs were signed between the two parties (OPM & RFMF) before commencement of the project. The OPM financial process ensures that OPM Accounts Unit facilitate processing of the project payments once the signed MOU is received for the release of the Local Purchase Order (Suppliers) and payments (¹Operation Cost) to the RFMF.

OPM has reviewed and strengthen effective monitoring measures in the Contract Agreement with clear timelines on the followings:

1. joint site inspection on the progressive construction work ;

¹ Operation cost - Admin ; Ration & 10% contingency cost)

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2. monthly reports ; and
3. Completion reports and certificate.

Standing Order 110 (2)

1. **Gender Analysis:** In summary, did the various projects undertaken by WAF and RFMF have any gender impact in the communities. Did the Ministry take into account how these projects will affect men, women, boys and girls? What ways has it contributed to the Fiji National Gender Policy?

Projects undertaken by WAF and RFMF are community based development projects for the rural and the disadvantage groups. All genders have equal opportunities to access better education facilities; community resources centers; foot bridges etc.

One of the requirements under the Small Grant Scheme application form is for the Divisional offices to provide the number of people and households that will benefit from the assistance/ project.

Community development projects enables the women to access resources centers ; clean and safe water supply; better health services ; better educational facilities ; electricity ; catering facilities; and income generating projects etc.

5. Anomalies noted in Mahogany Industry Council Trust Fund Account

OPM Response

- i. The monthly Bank Reconciliations have been facilitated by OPM since August 2015, when the Bank account for the Mahogany Industry Council (MIC) Trust Fund Account was established at the Home Finance Bank;
- ii. The detailed Reconciliation on the MIC Trust Fund Account for the period June 2011 to August 2017 was facilitated jointly by Fiji Hardwood Corporation Ltd ('FHCL'), OPM, Ministry of Economy and the Ministry of Public Enterprises during the period December 2016 to January 2018;
- iii. This also coincided with the termination of the 1st batch (10) of Mahogany Industry Log Supply Licenses on 31st August 2017 that were first issued in June 2011 (1), April 2013 (8) and April 2014 (1);
- iv. The Reconciliation findings including the arrears have been determined and will be tabled at the next MIC Meeting (either in April or May) for their endorsement before

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consultations are made with the respective companies. Upon the clearance of the MIC, a summary of the reconciliation findings will also be submitted as information to the Parliament Standing Committee on Public Accounts;

- v. Going forward, future reconciliations of the Mahogany Licenses will be facilitated by the Board of FHCL on behalf of the MIC on a quarterly basis. This was an improvement mechanism adopted for the second batch of Mahogany Licenses (13) 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;

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