

MINISTRY OF FOREIGN AFFAIRS - AUDIT QUERY REPORT AND ACTIONS TAKEN FOR PERIOD ENDING 31ST JULY 2016

#	AUDIT REPORT FINDINGS	COMMENTS/RESPONSE	ACTIONS TAKEN
1	Unreconciled Variance in Overseas Mission Bank Reconciliation	<ul style="list-style-type: none"> The Ministry is currently undertaking new measures in the Missions acquittal postings as well as format of Mission's Cash Account [Seg51] reconciliations whereby transactions are individually reflected in appropriate accounts and gain and loss are accounted monthly. The new posting introduced reflects all funds received from Mission into Ministry's revenue account in GL whereas in previous practice, they are reflected in Trust Fund allocations. For expenses incurred in Missions are all accounted in respective Mission's expenditure account whereas in previous practice, RBC account was used to debit respective expenses. The Ministry wishes to assure of the required GL adjustments to be made with regards to the Fiji Consulate General Sydney. 	<ul style="list-style-type: none"> New method of posting being adopted by the Ministry in mid- 2016 Ongoing discussion with Ministry of Economy and ITC on extending of the Financial Management Information System (FMIS) into the Mission – as a way forward to effectively address these variances
2	Revenues Collected by Overseas Missions	<ul style="list-style-type: none"> The Ministry is currently accounting revenue by debiting Mission's cash [Seg 51] and crediting Ministry's miscellaneous revenue and other agencies account [Immigration, Justice]. The cash evolved within the whole of government cash system With the current arrangement, Immigration Department is recognizing credit send from Ministry of Foreign Affairs through BLC journals within. It is to be noted that either of the system can be used and NOT both. It's either directly crediting other agency accounts (Immigration & Justice) as per access given to us by Finance; or not to pass credit at all but issue cheque instead directly to these agencies. To deposit actual cash in CFA [Seg 52] will require us to make prior consultations with MOE, Missions and other government agencies in terms of processes and procedures that need to be implemented. 	<ul style="list-style-type: none"> The method of posting that the Ministry is currently using reflects other Agencies revenue collected from the Missions into their respective Revenue account

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3	Significant Amount of Unretired Accountable Advance	<ul style="list-style-type: none"> Accountable advance has been retired but not updated into the system. Majority of the advances for 2016 were retired and updated in the System as per attached listing For other years, we are currently working on adjusting and rectifying these outstanding advances. <p>Refer to <u>Annex 1</u> – Standard Operating Procedures on Accountable Advance</p>	<ul style="list-style-type: none"> An exercise was undertaken internally to clear all outstanding accountable advances for 2016 including recovery via salary deductions and cash payment from former staff of the Ministry. This follows on from the memo forwarded to Officers Strict monitoring of accountable advances with a clear SOP is in place to guide the Finance Division Staff in its internal monitoring
4	Variance in Ministry's Reconciliation and FMIS Balance	<ul style="list-style-type: none"> The Ministry scheduled RBC report and prepared reconciliations when processing period for July 2016 was still open and clearance was still being carried out hence, the amount of \$1,801,080.94 not been cleared from the RBC account reconciliations. The amount was cleared and amended recon submitted. This query was removed following exit interview. 	<ul style="list-style-type: none"> This issue/query has been cleared and addressed with OAG resulting in its clearance following the exit meeting.
5	Anomalies Noted For Overseas Travel	<ul style="list-style-type: none"> Ministry's response to each anomalies raised is captured in Appendix 7.2 <p>Refer to <u>Annex 2</u> – Template on Head of Missions Overseas Travel</p>	<ul style="list-style-type: none"> A template is now introduced for HOM to complete prior to trips taken detailing itinerary details, cost, rate used, personnel involved, and timeframe. This new template enables Headquarters to closely monitor and control any anomalies associated with travel, particularly in the Mission.

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6	No Bonding Policy	<ul style="list-style-type: none"> The Ministry is currently working on a draft Training and Bonding policy and will be strictly adhering to all bond requirements. The Ministry believes in capacity building opportunities for all staff and does not discriminate between permanent and temporary staff in accordance with Section 26 of 2013 Constitution. 	<ul style="list-style-type: none"> The Ministry has a Training and Bonding Policy together with a Strategic Workforce Plan in place now to provide proper guidance and monitoring mechanism. <p>Refer to Annex 3 – Training and Bonding Policy</p>
7	Capital Purchase Expenditure Allocation Understated	<ul style="list-style-type: none"> The Ministry admits that it is an overlook on our part as we were trying to post all the Missions expenditures into the GL system prior to the closing of accounts in July 2016 and the beginning of the financial year from August 2016. We intend to address the understated transaction of \$23,294.48 during the Audit Adjustment period through virement and posting to GL System. 	<ul style="list-style-type: none"> The Ministry's Finance Division has taken an initiative to closely monitor Capital Expenditure transactions particularly in adhering to all the requirements by MOE as stipulated in its Checklist - tender approvals, quotations and waiver approval if applicable.
8	Anomalies noted in Foreign Missions monthly Acquittal Reports	<ul style="list-style-type: none"> The Ministry has developed a checklist for a list of things to be verified upon receiving acquittals from Missions. Any anomalies identified is communicated back to the Mission as part of our feedback and this is addressed immediately. The Ministry is committed to conduct postings on a monthly basis into the GL. This, has been regularly highlighted to all stakeholders –HQ and Missions 	<ul style="list-style-type: none"> A Feed Back Report has now been introduced by the Ministry's Finance Division of the Ministry. This report captures full assessment of Mission's acquittals/transactions and highlights anomalies (if any). The Feedback Report is send out to Head of Missions for their explanation on queries raised or any anomaly noted from the assessment of their Missions acquittals. <p>Refer to Annex 4 – Acquittals Feedback Report Template</p>

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9	Absence of Supporting Documents to verify Payment of Post Allowances	<ul style="list-style-type: none"> The Ministry admit problems encountered in its internal filing system and is embarking on generally improving its overall filling system through adequate staffing and internal SOPs for filing. The Ministry's Corporate Service Division is collating all due supporting documents to update personal records and ensures that Personal Files will have all the required information in future, particularly for those in the Mission 	<ul style="list-style-type: none"> Ministry's Corporate Service Division has introduced new system of communications, updated filing system together with new staffing recruited to uplift standard of the registry Section. The Ministry's 2018-2019 budget Submission to MOE includes a request for a new Database System that captures soft copy filing system and achieving.
10	Inconsistent Rates used to calculate Travel Allowances	<ul style="list-style-type: none"> For any travel by Officers based in HQ, the per diem rate is obtained from MoE – which is the UN per diem Rate. However, as for Missions, our advice to them is to use the same UN Per diem rate for any payment on travel per diems. The mode of paying per diem allowance for diplomats visiting Fiji is expected to be addressed in the draft FOSR as well as the draft Mission's Finance Guidelines Agree for stricter controls and checks at Missions and HQ. Internal Circular issued by PS. 	<ul style="list-style-type: none"> A template is now introduced for HOM to complete prior to trips taken detailing itinerary details, cost, rate used, personnel involved, and timeframe. This new template enables Headquarters to closely monitor and control any anomalies associated with travel, particularly in the Mission.