

**MINISTRY OF RURAL & MARITIME DEVELOPMENT AND NATIONAL DISASTER MANAGEMENT -
RESPONSES TO THE AUDIT QUERIES FOR THE FINANCIAL PERIOD 1ST JAN TO 31ST JULY 2016**

SPECIAL AUDIT TROPICAL CYCLONE WINSTON- NORTHERN DIVISION

NO.	FINDINGS/QUERIES	AUDIT RECOMMENDATIONS	MINISTRY'S RESPONSE	ACTIONS TAKEN /IMPLEMENTED/IMPROVEMENTS
18.15.1 Page 21	<p>Losses Incurred Due to Condemned Goods</p> <ul style="list-style-type: none"> A huge quantity of condemned goods at the bulk storage in Nabouwalu, Savusavu and Taveuni amounts to \$19,410, The items have been damaged during the loading/unloading process due to improper handling of goods and during shipment from Suva to sea. 	<p>The Divisional EOC Coordinator should ensure that measures are put in place that rations are properly handled to avoid damage and wastage of taxpayers' monies. That all future procurements for food rations are facilitated from the approved suppliers in the North instead of Suva.</p>	<ul style="list-style-type: none"> Yes we fully agree with the recommendations made by the auditors. The Divisional EOC had made a request that the rations for the North be loaded on trucks via Roll on Roll off through Nabouwalu and Savusavu to minimise unnecessary handlings and at the same time minimise damage and wastage. We agree with the comments that procurement of stores should be done in the North and POs to be placed with the approved suppliers. 	<ul style="list-style-type: none"> Most rations were delivered on a government barge which did not have any proper cover or storage facilities for safe keeping of perishable items. It is recommended that for future operations a roll on roll off vessel is used to transport relief items to Vanua Levu and maritime islands for proper storage of relief items.
18.15.2 Page 22	<p>Diversion of Rations Procured for Northern Division</p> <ul style="list-style-type: none"> Audit noted that a large quantity of food rations purchased by NDMO future operation were temporarily stored at Mechanical, FPO and Nausori Airport hangar bulk were diverted to the Central and Eastern division. 	<p>The Ministry should:</p> <ul style="list-style-type: none"> instigate disciplinary actions against the officers responsible for diverting rations, Ration distribution should be improved in future. 	<ul style="list-style-type: none"> Yes, we fully agree with the comments, if food were delivered by trucks to the North this can avoid diversion after long hours of storage at the bulk. 	<ul style="list-style-type: none"> The Division will ensure that ration procured for the North is delivered to the North and not diverted to other Divisions. It was during the State of Emergency and rations had to be distributed immediately to the nearby areas since the stock was in Suva.

NO.	FINDINGS/QUERIES	AUDIT RECOMMENDATIONS	MINISTRY'S RESPONSE	ACTIONS TAKEN /IMPLEMENTED/IMPROVEMENTS
	<ul style="list-style-type: none"> This denotes poor logistics planning to ensure that all rations procured for the particular Division are delivered in full on a timely basis. 			
18.15.3 Page 23	Considerable Delay in Shipment of Rations to the Northern Division <ul style="list-style-type: none"> The balance of 1 month food rations for North and physical stock count done at the Mechanical and FPO bulk on 24/3/16 showed that some of the items were damaged or dented hence escalating costs of wastage due to damaged goods. 	<p>The Management should ensure that the rations are shipped to the Northern Division at the earliest date to avoid further loss of taxpayers' funds to damaged goods.</p> <p>The NDMO should consult Government Shipping Services on the dates scheduled for the Northern Division then proceed with the procurement of relief rations.</p>	<ul style="list-style-type: none"> Yes we fully agree to the comments we are accessible by Roll On Roll Off boats that berths in Nabouwalu and Savusavu.. 	<p>To consider procurement to be done with the suppliers in the Northern Division.</p>
18.15.4 Page 24	Insufficient Food Rations for Distribution <ul style="list-style-type: none"> The food rations procured were not distributed to some areas as at Audit date 31/3/16 due to the shortage of supply in stock to cater for the population in those areas. The non-distribution of food rations is a result of the diversion of Northern Rations 	<p>The Management should ensure that diversion of food rations procured for a Division is ceased with immediate effect.</p> <ul style="list-style-type: none"> Disciplinary actions should be instigated against the officers responsible for the diversion of the above food rations. 	<ul style="list-style-type: none"> Yes we fully agree with the comments. We had sent our recommended ration schedules with population listings with villages/settlements. This did not eventuate because purchases done by FPO were based on 2007 population Census figure causing lot of discrepancies on our deliveries. 	<p>The decision by PA Bua at the time was based on the anxiety that might be created amongst the people when rations were not delivered on time.</p>

NO.	FINDINGS/QUERIES	AUDIT RECOMMENDATIONS	MINISTRY'S RESPONSE	ACTIONS TAKEN /IMPLEMENTED/IMPROVEMENTS
	to the Eastern and Central Division.	-NDMO should ensure that Rations procured for Northern Division is not diverted to other areas to ensure that the distribution of rations is accounted for its purpose.		
18.15.5 Page 25	Unaccounted Rations <ul style="list-style-type: none"> Audit noted that 1,000 cartons of corned beef were in the assignment as released from the stores and loaded on board Govt Shipping Services and only 991 cartons were received by PA Bua(491 carton) and PA Cakaudrove(500 cartons) A way bill document was prepared for the consignment but was not signed by the relevant officers releasing the items from the stores, transporting officer and receiving officer. 	<p>The Ministry should investigate the unaccounted rations and refer to relevant authorities if required.</p> <ul style="list-style-type: none"> DISMAC officers should accompany all goods being shipped to outer islands and sign off all way bills. 	<ul style="list-style-type: none"> Yes we agree to the comments, to our understanding there should be a SUPER CARGO CLERK in every deliveries, who shall be responsible to see that the consignment are delivered in good care to its destination. 	<ul style="list-style-type: none"> The Management will ensure that a super cargo clerk is available to travel on board on every shipment of rations and be responsible for maintaining consignments and that goods are delivered in a good condition and also bill of landing is verified and signed.
18.15.6 Page 26	Weaknesses in Procurement Process <ul style="list-style-type: none"> Audit noted anomalies in the records of item description, quantity and unit price of goods supplied as per supplier's invoices and 	The Divisional EOC Coordinator should ensure that a detailed reconciliation of all quantity of rations ordered and actual quantity delivered and unit price invoiced by the suppliers	<ul style="list-style-type: none"> Yes we fully agree to the comments, NDMO and FPO to conduct training on issues regarding procurement and other aspects of stock control and stock movements in any EOC bulk. Most officers engaged in the 	<ul style="list-style-type: none"> The Management will ensure that officers are assigned to reconcile and update all rations purchased and ensure that delivery and relevant documents is signed for verification. The Management recommends the

NO.	FINDINGS/QUERIES	AUDIT RECOMMENDATIONS	MINISTRY'S RESPONSE	ACTIONS TAKEN /IMPLEMENTED/IMPROVEMENTS
	<p>delivery dockets which denotes weaknesses in the procurement processes and the failure to address the above may result in overpayment.</p>	<p>before payments are made.</p> <ul style="list-style-type: none"> Only authorised officers should be assigned to receive the goods and signing the invoices/delivery dockets after verification of the purchase orders. 	<p>exercise had never had experience in this process before. FPO to introduce Stores Regulation.</p>	<p>recruitment of a Storeman to oversee the safekeeping and movements of stores as well as overall procurement.</p>
<p>18.15.7 Page 27</p>	<p>Improper Storage of Goods</p> <ul style="list-style-type: none"> Audit site visit to Naqere Ration Distribution Centre in Savusavu on 14/3/16 noted that sacks of ration supplies including flour, rice, sugar and split peas were temporarily stored on the roadside and covered by taupalins exposing goods to adverse weather conditions. A high risk of rations being infested due to its perishable nature and increase health risks to the members of the public. 	<p>The Divisional EOC Coordinator should ensure that:</p> <ul style="list-style-type: none"> All goods are properly stored in a safe storage area at all times. That proper storage area are identified for any future disaster operations. 	<ul style="list-style-type: none"> Yes we fully agree with the comments that the North really needs storage facilities, which is why most rations we stacked outside along the road side in Savusavu as our bulk was full. 	<ul style="list-style-type: none"> The Northern EOC will ensure that all rations stored in the bulk to be distributed to the affected communities before the next load of rations is requested. To have bigger storage facilities in the main centres.
<p>18.15.8 Page 28</p>	<p>Records of Stock In/Out at the Bulk not Standardized – DO Taveuni</p> <ul style="list-style-type: none"> The Stock/tally records of quantity of stock in/out maintained by DO Taveuni were not standardised e.g. the quantities of tin fish was recorded and when issue the 	<ul style="list-style-type: none"> The EOC Coordinator should ensure: Quantity of goods distributed matched against the delivery dockets and the total distributed is reconciled against the total quantity of goods received and 	<ul style="list-style-type: none"> Yes we agree with the comments. We need to train officers how to run stores. NDMO and FPO to conduct training. 	<ul style="list-style-type: none"> The Management will ensure that officers engaged in the DISMAC Operation to be trained on how to manage and account for stores. To ensure that proper standard of records is used for every item when procured. To ensure that a tally card is maintained to every item procured.

NO.	FINDINGS/QUERIES	AUDIT RECOMMENDATIONS	MINISTRY'S RESPONSE	ACTIONS TAKEN /IMPLEMENTED/IMPROVEMENTS
	<p>number of cartons was recorded thus not properly reconciled.</p>	<p>balance in stock;</p> <ul style="list-style-type: none"> Any discrepancies noted should be investigated and disciplinary action taken against responsible officers where necessary. 		
<p>18.15.9 Page 29</p>	<p>Reconciliation of Ration Distribution in Taveuni</p> <ul style="list-style-type: none"> Records in DO Taveuni revealed that food ration distribution details as per the delivery notes/distribution did not tally with the stock issued and delivered. In the absence of proper reconciliations being carried out, there is a high risk of loss of goods through the pilferage of supplies. 	<ul style="list-style-type: none"> The EOC coordinator should ensure that: Quantity of goods are matched against the delivery dockets and the total distributed reconciled against the total quantity of good received and balance in stock, Any discrepancies noted be further investigated and disciplinary action considered where necessary. 	<ul style="list-style-type: none"> Yes we fully agree to the comments. We recommend that in future qualified store man should run EOC stores to look after taking stock on charge and stock movement. At the same time they are able to do stock take at the end of every movement to determine surplus and deficits or pilferage within the physical stock count to tally up with the tally cards. 	<ul style="list-style-type: none"> The Taveuni EOC will ensure that officers are engaged are well versed with reconciliation processes to assist in the record keeping of stores of rations.