



## MINISTRY OF CIVIL SERVICE

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**To:** Hon Ashneel Sudhakar  
Chairperson  
Public Accounts Committee

**Date:** 21/03/18

**From:** Permanent Secretary for Civil Service

**Subject:** CLARIFICATION OF ISSUES – AUDIT REPORT ON GENERAL ADMINISTRATION SECTOR 2016

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The Ministry of Civil Service presents the following in response to the matters raised in your letter Ref No: PARL 3-1 of 17 March 2018.

### **Ministry of Civil Service – Head 17**

'Please provide reasons why the 2016 Audited Accounts for your Ministry has been issued with a qualified audit report.'

The Committee has noted your comments highlighted in the Auditor-General's Report on each audit findings and that your Ministry is closely liaising with the Ministry of Economy.

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

1. Challenges for establishing Ministry of Civil Service
  - a. Management of fixed assets
  - b. Lack of documentary records for inherited account balances
  - c. Anomalies in Operating Trust Account
  - d. Anomalies in maintenance of payroll accounts'

Response:

### **Management of Fixed Assets**

The Ministry of Civil Service has a fixed assets register, managed by the Business Manager who has undergone fixed assets training with the Ministry of Economy. All fixed assets are recorded as they are received.

### **Lack of documentary records for inherited account balances**

The Ministry had 'inherited' Head 17 from the former PSC, but had not inherited all of the PSC responsibilities, which had moved through machinery of government changes to a range of agencies. We had been in discussions regarding reverting this revenue account to the Ministry of Economy as this related to repayment of PSC scholarships, which this Ministry had not been given responsibility for. The revenue collected from

this related to former students that were issued with PSC scholarships for tertiary studies.

Ministry accounts for FY 2016 were issued with a qualified audit report due to the fact that Budget Head 17 recorded Miscellaneous Revenue of \$1,002,443 and the figure was unsubstantiated as the Ministry was not able to provide audit evidence to support the balances. And as a result, the auditors were not able to ascertain the accuracy and completeness of the Miscellaneous Revenue.

This balance has now been cleared and this should not be an issue with the latest audited financial statements.

### **Anomalies in Operating Trust Account**

The anomalies raised related to former PSC responsibilities that had moved to other agencies. This Ministry has been working with the Ministry of Economy to get these matters cleared, inactive accounts closed and/or matters transferred, as appropriate.

These matters should not be an issue with the latest financial statements.

Regular reconciliations are now occurring.

### **Anomalies in maintenance of payroll accounts**

Payroll reconciliations are now completed in a more timely manner and are checked by both accounts and HR staff.

Purchase requisitions now have a field to be completed by the requesting officer for the account code (expense account) to debit, which will mitigate the risk of non-payroll expenditure being posted to SEG 1 and 2.

Records are retained by the accounts team.

### **Public Service Commission – Head 13**

What guarantee can you provide the Committee with respect to following audit issue not being repeated in future and advise whether the following issues have been resolved.'

### **Expenditure Classification**

Purchase requisitions now have a field to be completed by the requesting officer for the account code (expense account) to debit.

The Ministry of Civil Service looks forward to expanding on these responses on 22 March 2018 when we appear before the Committee.



Bernadette Welch PSM

**Permanent Secretary for Civil Service**