



MINISTRY OF INDUSTRY, TRADE AND TOURISM

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5 April 2018

The Honourable Ashneel Sudhakar, MP
Chairman, Public Accounts Committee
Parliament of Fiji
PO Box 2353
Government Buildings
Suva

Dear Sir

Clarification of Issues – MITT Audit Report 2016

I acknowledge receipt of your letter dated 9 March 2018 and note that the Ministry is required to provide a written response on the status of the audit finding for 2016. I also take this opportunity to commend the work of the Public Accounts Committee.

In that regard, I am pleased to provide the response by the Ministry of Industry, Trade and Tourism to your request, outlined in **Annex 1 and Annex 2**.

Please contact the undersign on 330 5411 or email: shaheen.ali@govnet.gov.fj for any further clarification.

Shaheen Ali
Permanent Secretary for Industry, Trade and Tourism

Written Response

The Committee will note that the Ministry is always continuously strengthening its processes with regard to the administration of grants. In 2014, it introduced a new requirement, which is the submission of audited reports. It is pleasing to note that the majority of the Statutory Organisations and grant recipients are adhering to this requirement and are submitting these documents in a timely manner.

The two organisations mentioned in the 2016 Audit Report, namely Tourism Fiji and Textile Clothing and Footwear (TCF) Council have already completed their outstanding reports and are now up to date. The Ministry hereby provides its assurances that it will closely keep tabs on the organisations through regular issue of reminders and follow-ups on the timely submission of audited reports when the timeline draws near.

The Ministry will like to also inform the Committee that the “**backlog of audited accounts**” with respect to Tourism Fiji and TCF Council have been resolved.

Standing Committee on Public Accounts
Clarification of issues - 2016 Audit Report

34.4 Backlog of Audited Accounts

The audit noted that the following statutory authorities have not provided audited financial statement for the operating grants received from the Ministry. Refer to table 34.3 for details of grant assistance provided and the status of the audited financial statements.

Table 34.3: Details of Pending Audited Accounts

Grant Recipients	Pending Audited Accounts	Actual Grant \$
Tourism Fiji	2015	26,500,000
Textile Clothing and Footwear Council	2015	100,000
	2014	100,000
	2013	100,000
Total		26,800,000

In the absence of audited financial statements, the Ministry cannot substantiate whether grants were used for the authorized purpose.

Recommendation

The Ministry should ensure the grant recipients provide the audited financial statements in a timely manner as required in the grant agreement.

Management Comment

Table below shows the status of the pending audited accounts.

Grant Recipients	Pending Audited Accounts	Actual Grants (\$)	Remarks
Tourism Fiji	2015	26,500,000	2015 Annual Accounts handed over to OAG – audit will commence in May 2018 – Confirmed by OAG
Textile Clothing and Footwear Council	2015	100,000	The accounts for 2013, 2014 and 2015 were audited by Ernst & Young. The audited reports have been submitted to OAG.