



---

## STANDING COMMITTEE ON PUBLIC ACCOUNTS

### Review on the Follow-Up of Selected 2016 Auditor-General's Reports for Various Sectors



PARLIAMENT OF THE REPUBLIC OF FIJI  
Parliamentary Paper No. 109 of 2019

November, 2019

---

*Published and printed by the Department of Legislature, Parliament House, Suva*

## TABLE OF CONTENTS

CHAIRPERSON'S FOREWORD .....	2
COMMITTEE MEMBERS .....	4
LIST OF ACRONYMS.....	5
INTRODUCTION .....	6
COMMITTEE PROCEDURE.....	7
BACKGROUND .....	9
FINDINGS OF THE PAC ON THE MINISTRIES WHICH FAILED TO IMPLEMENT THE RECOMMENDATIONS OF THE OAG.....	11
MINISTRY OF LOCAL GOVERNMENT, HOUSING AND ENVIRONMENT .....	11
HIGHLIGHTS .....	11
CHALLENGES.....	11
MINISTRY OF FISHERIES.....	11
HIGHLIGHTS .....	11
CHALLENGES.....	11
MINISTRY OF FORESTS.....	12
HIGHLIGHTS.....	12
CHALLENGES.....	12
GENDER ANALYSIS .....	13
COMMITTEE RECOMMENDATIONS .....	14
CONCLUSION .....	15
APPENDICES.....	16
APPENDIX 1: WRITTEN RESPONSE.....	17
APPENDIX 2: VERBATIM NOTES .....	18

## CHAIRPERSON'S FOREWORD



I am pleased to present the Public Accounts Committee review report on the Follow-Up of Selected 2016 Auditor-General's Reports for various sectors. This report covers the following audit report that was tabled in Parliament in 2017:

1. Audit Report on General Administration Sector 2016, Parliamentary Paper No.100 of 2017;
2. Audit Report on Social Services Sector 2016, Parliamentary Paper No.101 of 2017; and
3. Audit Report on Economic & Infrastructure Sector 2016, Parliamentary Paper No.102 of 2017.

ISSAI 10 enforces the significance of follow up mechanism for Supreme Audit Institutions. SAIs are required to have their own internal follow up system to ensure that the audited entities properly address their observations and recommendations as well as those made by the Legislature, one of its commissions or the auditees governing board as appropriate. SAI's are also required to submit their follow up reports to the Legislature. The Office of the Auditor General has carried out this follow up audit to ascertain whether appropriate and timely corrective action has been taken to implement management's action plans and to advise Parliament on the progress of these issues.

During audit of the 2017 Agency Financial Statements, recommendations made in audit reports of selected ministries and departments in each budget sector were followed up. The findings of the audit indicate that one agency had fully implemented all the recommendations, three agencies were yet to implement any of the recommendations, 48 percent of total recommendations were fully implemented, 28 percent of recommendations had been partially implemented and 24 percent of recommendations were not implemented at all. Following committee deliberations, the Committee resolved to hear submissions from the Ministry of Local Government, Ministry of Fisheries and Ministry of Forests. The findings of the submission are detailed in this Report.

The Committee commends the work of the various Ministries and Departments in terms of implementing the various Auditor-General's recommendation highlighted in the audit report however; necessary actions should be taken to fully implement these recommendations. Strengthening public financial management in the civil service is important and this is consistent with the objectives of the Supreme Audit Institutions as well as creating an effective oversight function of the Public Accounts Committee.

I wish to extend my appreciation to all Honourable Members of the Committee who were part of the successful compilation of the bipartisan report namely Hon. Joseph Nand, Hon. Vijendra Prakash, Hon. Aseri Radrodro and Hon. Ratu Naiqama Lalabalavu.

On behalf of the Committee, I also extend my appreciation to the Secretariat Staff for their timely technical assistance and compilation of this report.

I now commend this report to Parliament.



.....  
**Hon. Alvić Maharaj**  
**Chairperson**

## **COMMITTEE MEMBERS**

The substantive members of the Standing Committee on Public Accounts are as follow:



**Hon. Alvick Avikirit Maharaj  
(Chairperson)  
Assistant Minister - Employment Productivity, Industrial Relation, Youth & Sports**



**Hon. Joseph Nitya Nand  
(Deputy Chairperson)**



**Hon. Aseri Masivou Radrodoro  
(Opposition Member)**



**Hon. Ratu Naiqama Lalabalavu  
(Opposition Member)**



**Hon. Vijendra Prakash  
(Government Member)**

## **LIST OF ACRONYMS**

OAG Office of the Auditor-General

PAC Public Accounts Committee

SO Standing Orders of the Parliament of the Republic of Fiji

## INTRODUCTION

The Audit Act 1969 requires the Auditor-General to issue an audit memorandum to the responsible authority for each entity that is subject to an audit.

Although the Auditor-General's reports to Parliament with recommendation to improve performance or enhance accountability of public sector entities, the Auditor-General is not responsible nor does it have the powers to enforce the implementation of these recommendations.

As a matter of Good Governance, all public sector entities should have systems and process to consider and implement recommendations of the Auditor-General.

In view of the above, the Standing Committee on Public Accounts plays a key role in reviewing the findings and recommendations of the Auditor-General's report to Parliament. The follow-up auditing conducted by OAG is not restricted to the implementation of the recommendations. It however, it focuses on whether the audited entity has adequately addressed the problems raised in the audit report, and the underlying situation after a reasonable period of time.

The OAG shall report to Parliament on the progress in implementing the recommendations at least once annually. Assuming the risk of not taking corrective action by those charged with governance, the head should be informed of the decision on all significant engagement and recommendations for which management accepts the risk of not correcting the reported situation.

The Committee scrutinized 4 agencies as it was a concern that none of the OAG Recommendations were implemented. On a positive note, out of the 17 agencies for which audit recommendations were followed up for implementation, only one agency had fully implemented all the recommendations which were the Fiji Corrections Services.

## **COMMITTEE PROCEDURE**

The Committee on 3<sup>rd</sup> and 6<sup>th</sup> June had conducted its consultation with the following Ministries to ascertain the progress of implementation for the OAG recommendation on the Audit Report of the Follow-up of Selected 2016 Auditor-General's Reports for various Sectors. We heard evidences from the following Ministry officials:

### Ministry of Local Government and Housing

1. Ms Dimity Fifer – Permanent Secretary
2. Mr. Azam Khan – Director of Local Government
3. Mr. Navin Chandra – Manager Finance
4. Mr. Nilesh Naidu – Manager Human Resources
5. Mr. Alipate Mataivilia – Senior Accountants
6. Ms. Rosy Rashmin – Acting Senior Accounts Officer

### Ministry of Fisheries

1. Mr. Craig William Strong – Permanent Secretary
2. Mr. Taniela Naulu – Manager Finance
3. Ms. Lanietta Gadolo – Manager Human Resources

### Ministry of Forest

1. Mr. Pene Nonu Baleinabuli – Permanent Secretary
2. Mr. Ilaisa Tulele – Business Manager
3. Mr. Shaneel Prasad – Principal Accounts Officer
4. Mr. Maciu Waqa – Manager Finance
5. Ms. Sanjana Lal – Conservator of Forest
6. Ms. Laite Cavu – Director Corporate Services
7. Ms. Shanti Devi – Senior Accounts Officer

### **Committee Membership**

The substantive Members of the Standing Committees on Public Accounts were:

1. Hon. Alvick Maharaj, Chairperson;
2. Hon. Joseph Nand, Deputy Chairperson;
3. Hon. Vijendra Prakash, Member;
4. Hon. Aseri Radrodro, Member; and
5. Hon. Ratu Naiqama Lalabalavu, Member



**Alternate Members:**

Pursuant to SO 115 (5), the following Members of Parliament were part of the Public Account Committee during the deliberation:

1. Hon. Adi Litia Qionibaravi (alternate member for Hon. Ratu Naiqama Lalabalavu)

**Selection of Public Submission:**

The Committee had requested written responses from the following Government Departments in order to scrutinize the abovementioned audit report tabled in Parliament subsequently were then referred to the PAC.

1. Ministry of Civil Services
2. Judiciary Department
3. Ministry of Agriculture
4. Fiji Corrections Services
5. Ministry of Foreign Affairs
6. Ministry of Defence and National Security
7. Ministry of Women, Children & Poverty Alleviation
8. Ministry of Infrastructure, Transport, Disaster Management & Meteorological Services
9. Ministry of Lands & Mineral Resources
10. Ministry of Local Government
11. Ministry of Housing & Community Development
12. Ministry of Health & Medical Services
13. Ministry of Fisheries
14. Ministry of Forests

Whilst scrutinizing the above written responses, the Committee was satisfied with the responses received in relation to the implementation of the recommendations made by the Auditor-General except for three agencies: **Ministry of Local Government, Housing & Environment, Ministry of Fisheries and the Ministry of Forests.**

## BACKGROUND

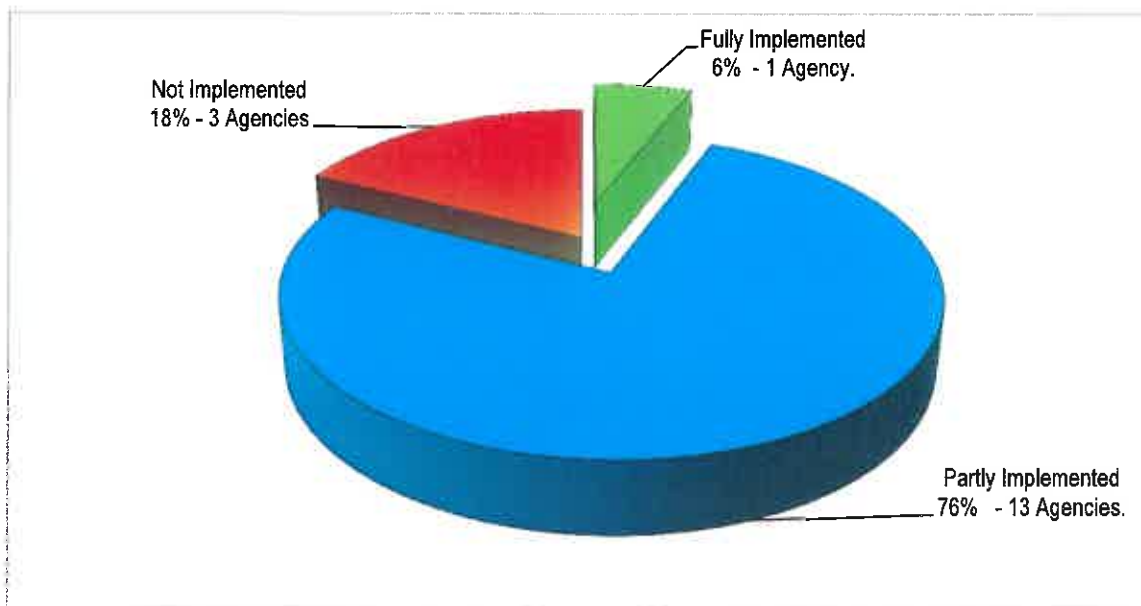
Recommendations that were made in the audit reports of selected Ministries and Departments that was tabled in Parliament in 2017 was the result of the financial audits carried out for the year ended 31 July, 2016.

Tabulated below are the follow-up audits carried out by OAG in 2017 for each Ministry and Departments:

Report	PP No	Agency
General Administration Sector	100 of 2017	Office of the Prime Minister, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Defence, National Security and Immigration, Ministry of Civil Service, Judiciary, Fiji Corrections Services.
Social Services Sector	101 of 2017	Ministry of Youth & Sports, Ministry of Women, Children and Poverty Alleviation, Ministry of Health & Medical Services, Ministry of Education, Heritage and Arts, Department of Housing.
Economic and Infrastructure Sector	102 of 2017	Ministry of Lands & Mineral Resources, Ministry of Agriculture, Ministry of Local Government, Town & Country Planning & Environment, Ministry of Infrastructure & Transport.

The report examines the extent of which the recommendations were implemented and it is important to note that 76% or 13 Ministries and Departments are in the process of implementing the OAG Recommendation which ideally reflects positively on the agencies.

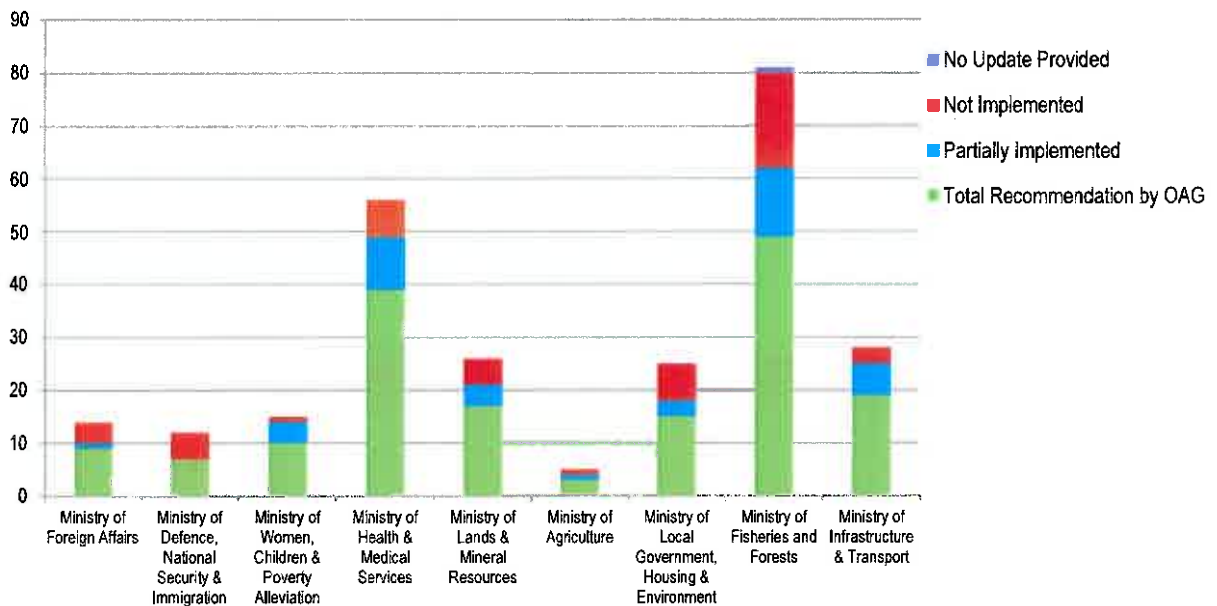
**Figure 1: Chart Below shows the % of Recommendations Implemented by Ministries and Departments for the year ended 31 July 2016.**



The follow-up audit provides an opportunity for the recommendations made in the audit reports which was tabled in Parliament, recommendations are tracked and reported for implementation. It should be of the view that control and other deficiencies identified during audits can be best resolved by addressing recommendations made in the audit reports.

Those charged with Good Governance must ensure that recommendations highlighted by the Auditors are indeed implemented. The Committee noted that whilst the Auditors have identified some audit queries with some agencies, some of which are control issues needs to be addressed through the implementation of the audit recommendations.

At the outset, the number of recommendations made in the audit report will decrease overtime which will indicate value-adding through the audit process should recommendations be implemented in a timely manner.



## **FINDINGS OF THE PAC ON THE MINISTRIES WHICH FAILED TO IMPLEMENT THE RECOMMENDATIONS OF THE OAG**

### **1. MINISTRY OF LOCAL GOVERNMENT, HOUSING AND ENVIRONMENT**

#### **HIGHLIGHTS**

- The Committee was informed that Salary and Wages reconciliation were not conducted on a timely basis because the responsible staff were disciplined, sent home and were not replaced.
- There was poor human resources management. There were no proper and effective internal controls in place. There was no proper and effective succession planning to replace the staff who were suspended.

#### **CHALLENGES**

- The high turnover of staff showed the lack of succession planning in the Ministry;
- The recruitment process failed to identify and recruit qualified personnel to handle Accounts, Human Resources and functional Sections/Departments of the Ministry; and
- There was no policy guidelines/manuals for finance and human resources that addresses the staffing issues (Staff Discipline, Grievances/Complaints), Open Door Policy for Heads of Departments and the Permanent Secretary, Staff Training, Staff Welfare.

### **2. MINISTRY OF FISHERIES**

#### **HIGHLIGHTS**

- The Ministry of Fisheries was separated in 2017 from the Ministry of Forest because of their different functions;
- There is no regular evaluation of internal controls that are in place and corrective actions taken to address the weaknesses identified;
- Lack of policies to address Human resources and Finance issues; and
- The Fixed Asset Register was not updated.

#### **CHALLENGES**

- The need to develop relevant policies to address finance and human resources issues;

- To be provided with adequate resources; and
- Promptly put into place a system to properly record assets in the Ministry.

***With the 32 Service Centre located nationwide, the Ministry needs to be properly technologically equipped and connected in order to effectively meet its SDGs target.***

### **3. MINISTRY OF FORESTS**

#### **HIGHLIGHTS**

- The Ministry of Forest was separated in 2017 from the Ministry of Fisheries;
- There is no regular evaluation of internal controls that are in place and corrective actions taken to address the weaknesses identified;
- Lack of policies to address Human resources and Finance issues;
- The Fixed Asset Register was not updated.
- There is lack of internal control within the Trading Manufacturing Account (TMA).

#### **CHALLENGES**

- The need to develop relevant policies to address finance and human resources issues;
- To be provided with adequate resources; and
- Promptly put into place a system to properly record assets in the Ministry.

## **GENDER ANALYSIS**

Gender mainstreaming is a critical dimension to parliamentary scrutiny. Pursuant to SO 110 (2) where a committee conducts an activity listed in clause (1), the committee shall ensure that full consideration will be given to the principles of gender equality to ensure all matters are considered with regard to the impact and benefit of both men and women equally.

## COMMITTEE RECOMMENDATIONS

1. The Head of the Agency or Permanent Secretary must ensure that the recommendation(s) highlighted by OAG are implemented. Any outstanding audit issues are included in the agenda in all of its monthly meetings, discussed and must ensure that it is resolved.
2. The Permanent Secretary, as the Head of the Agency who are charged with Good Governance must ensure that the implementation highlighted by the Auditor-General are continuously implemented to avoid repeated errors in the audit findings.
3. Permanent Secretaries must receive timely monthly updates on audit recommendations provided by the Accounting Heads as mandated by Finance Instruction Section 60 (1).
4. The Permanent Secretary, as the Chief Accounting Officer of the Agency charged with Good Governance of the entity, must ensure that relevant controls and processes are in place based on the auditors Assessment of Government Finances.
5. Key Performance Indicators for accounting personnel are clearly outlined to ensure the timely implementation of the audit recommendations.
6. Government Ministries and Departments should benchmark with Fiji Corrections Services practice in terms of the timely implementation of the OAG recommendations.

## **CONCLUSION**

The Standing Committee on Public Accounts noted that the purpose of the Follow-Up of Selected 2016 Auditor-General's Report for various sectors is to promote Good Governance to all public sector entities and have the appropriate systems and processes to implement the Auditor-General's recommendation.

The Committee noted that the recommendations made in the 2016 financial audit reports for different agencies were yet to be fully implemented at the time of the follow-up audit. However, it is encouraging to note that 76% or 13 Ministries and Departments have implemented the recommendations and reflects positively on these agencies. However, necessary actions should be seriously taken by the remaining Ministries/Departments to fully implement the OAG recommendations.



# APPENDICES

# APPENDIX 1:

# WRITTEN RESPONSE

1. Ministry of Civil Service
2. Judiciary
3. Ministry of Agriculture
4. Fiji Corrections Services
5. Ministry of Foreign Affairs
6. Ministry of Defence, National Security & Immigration
7. Ministry of Women, Children & Poverty Alleviation
8. Ministry of Infrastructure & Transport
9. Ministry of Lands & Mineral Resources
10. Ministry of Local Government, Housing & Environment
11. Ministry of Health & Medical Services
12. Ministry of Fisheries and Forests

# **MINISTRY OF CIVIL SERVICE**



**MINISTRY OF CIVIL SERVICE**

*Reference: MCS 905*

*Date: 24/05/19*

Hon. Alvick Maharaj  
Chairperson, Public Accounts Committee  
Standing Committee on Public Accounts  
Parliament of Fiji  
Suva

Dear Sir,

**Re: Report of the Auditor General on the Follow up of selected 2016 Auditor-General's Reports for Various Sectors (PP N. 133 of 2018)**

Your letter dated 7 May 2019 on the above stated subject is acknowledged.

The response of the Ministry of Civil Service is attached for your consideration please.

A handwritten signature in blue ink, appearing to be 'Susan Kiran'.

Susan Kiran (Ms)  
Permanent Secretary for Civil Service

**PUBLIC ACCOUNTS COMMITTEE**

**WRITTEN RESPONSE – 23/05/2019**

**Recommendations in Report on General Administration Sector – 2016**

MINISTRY OF CIVIL SERVICE	Auditor General's Report (PP No. 133 of 2016)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>1. To liaise with Ministry of Economy and regularize the carried forward trust fund account balances and close off inactive operating trust fund accounts</p>	✓			✓		<p>1. The Ministry of Civil Service (MCS) has identified the cause of the problem. The payroll deductions reflected in the operating trust (SLG 86) have been carried forward from the abolished PSC to MCS. MCS conducted the payroll testing with Ministry of Economy to identify the breakdown of all the balances but was unsuccessful. In addition to this exercise, FNPF and FRCS were approached to determine MCS compliance to payroll deduction payments in relation to the reversal of employee deductions inherited from the abolished PSC. FNPF and FRCS have issued compliance certificates to this effect.</p> <p>2. The Ministry is still consulting the Ministry of Economy to resolve the matter.</p>

# JUDICIARY



OUR REF.

**THE CHIEF REGISTRAR  
HIGH COURT OF FIJI  
GOVERNMENT BUILDINGS  
SUVA, FIJI**

PHONE NO: 321 1481

YOUR REF.

16th May, 2019.

FAX NO: (679) 330 0674

DATE:

The Chairperson  
Public Accounts Committee

Dear Sir

**Re: Report of the Auditor – General on the follow-up of Selected 2016 Auditor  
Generals Reports for Various Sections (PP No. 133 of 2018)**

In reference to your letter Par Ref No. 6/11-7/38 dated 7th May 2019, stated herein is the response on whether the 3 recommendations highlighted by the Auditor-General have been implemented or not.

1. **Ensure that Suitors Trust, Maintenance Trust and Sundries Trust account bank statement balance, trust fund cash balance in FMIS General Ledger is reconciled on a monthly basis and any errors or omissions noted are investigated and resolved promptly.**

(i) **Has the Ministry taken steps to identify the cause of the problem?**

The cause of the problem is only in the Main Trust Fund. Judiciary and LPU Trust Fund are in order. The difference was the unpresented cheques and bank fees which has been accounted for.

- ❖ One of the problems in the Main Trust Fund is the interfunding, ie. Monies collected under Trust Fund are posted under Revenue and vice versa.
- ❖ The other problem is that the funds in the sum of \$784, 441 needs to be provided by Ministry of Economy so that it is deposited in the Trust Fund Bank Account.
- ❖ The major problem is the reconciliation which is really behind. This is because the reconciliations were not being done in the previous years

*All Correspondence to be addressed to the Chief Registrar, High Court of Fiji*

and was pending from the year 1988 for Maintenance, Sundries for the year 2000 and Suitors Labasa 2009, Suitors Lautoka December 2007.

(ii) What action plan has the Ministry put in place for resolving issues highlighted in the report?

- ❖ Officers are now careful when doing the posting to avoid interfunding which causes the variance. Senior Officers are checking the reconciliations to verify the correctness of it. If any errors then it is adjusted.
- ❖ The department has engaged 7 staff on Project who are doing Night Shift work from 5pm -11pm daily and on Saturdays from 8am – 4pm to carry out the reconciliations. They have been appointed from May 2018. They managed to complete 2 years Maintenance Reconciliations – 1995 and 1996 and have started 1997 Maintenance Reconciliation. The normal staff started 2016 Reconciliations from May 2018 and have completed 2016 and 2017 as well as January 2018 Maintenance and Sundries Reconciliations. 2018 Reconciliation is now in progress.

(iii) Does the Ministry have the timeline for the implementation of these action plans?

- ❖ The action plan has been already implemented.

(iv) For issues that are now resolved, can the Ministry provide evidence of this to the committee?

- ❖ Yes. Attached the reconciliations as at todote.  
Letter to Ministry of Economy for the adjustement of the variance.

(v) Can the Permanent Secretary advice and provide evidence to the committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instructions 60 (1)?

- ❖ Yes. Attached are the Monthly updates.

(vi) Are the performance indicators of Accounting Head aligned to the implementation of the audit recommendation?

- ❖ Yes. Reconciliations are being carried out.



(vii) For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in order for the audit recommendation to be implemented.

❖ Reason for the low implementation of the audit recommendation is that the reconciliations are really behind. With the current staff we are trying to update it but there are 26 allocations involved and it takes a lot of time.

The number of transactions are quite a lot ie receipts, payments and journal vouchers thus takes time for the data to be entered and then reconciled. For example, Suva Maintenance alone, roughly in a month, there are 2, 121 transactions to be entered, which includes Receipts, Payments and Journal Vouchers.

❖ Another reason for low implementation is due to lack of information in the receipts, faded prints on the receipts which makes it difficult to read and since the receipts and payments are old records, some of the pages are torn or missing, due to improper filing thus makes things slow.

❖ Challenges faced is lack of office space to recruit additional staff to expedite the reconciliations.

Action plan taken is that 7 staff have been recruited on Project Post who are working Night Shift so that the audit recommendation is implemented.

2 more staff will be appointed on Project Post to do night shift as well. These two positions have been advertised and the interview process is in place.

(viii) What mechanisms have the agency faced in order to avoid recurring audit queries?

❖ This issue will continue till the reconciliations are updated. No more backlog of reconciliations ie all reconciliations should be done monthly basis and if errors to be adjusted immediately. This will then avoid recurring audit queries.

❖ The department is looking at the possibility of making ammendments to the Family Law Act in order implement a direct payment system.

**2. Consider Employing additional officers in the Fine Enforcement Unit if delays are being caused by lack of human resources.**

(i) Has the Ministry taken steps to identify the cause of the problem?

The cause of the problem is that the execution is not enforced by the authority in a timely manner who should be doing this ie the Police.

(ii) What action plan has the Ministry put in place for resolving issues highlighted in the report?

❖ Action plan taken is that the Fine Enforcement Unit Sheriff Officers accompany the Police Officers to execute the warrants. The department also provides vehicles for this as Police Department have very limited resources.

(iii) Does the Ministry have the timeline for the implementation of these action plans?

❖ The Department has implemented this action plan ie providing vehicles and staff to assist in the execution.

(iv) For issues that are now resolved, can the Ministry provide evidence of this to the committee?

❖ The issue is not resolved but the Fine Enforcement Unit has collected arrears amounting to \$241, 237.15 from January 2018 to April 2019 as shown in the table below:

**Arrears of Revenue collected by FEU from Jan 2018 to April 2019.**

MONTH	AMOUNT	SUB TOTAL	TOTAL
<b>2018</b>			
January	\$13 548.15		
February	\$12 748.95		
March	\$14,753.65		
April	\$10,470.00		
May	\$21,572.70		
June	\$19,565.00		
July	\$23,590.15		
August	\$17,376.20		
September	\$21,351.90		

October	\$11,782.40		
November	\$10,668.40		
December	\$12,533.45	\$189,960.95	
<b>2019</b>			
January	\$14,246.90		
February	\$ 6,499.80		
March	\$16,578.35		
April	\$13,951.15	\$ 51,276.20	<b>\$241,237.15</b>

(v) Can the Permanent Secretary advice and provide evidence to the committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instructions 60 (1)?

❖ Yes. it is attached.

(vi) Are the performance indicators of Accounting Head aligned to the implementation of the audit recommendation?

❖ Yes. But for the collection of arrears of revenue this is aligned to Police Dept where Fine Enforcement Unit is assisting them.

(vii) For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in order for the audit recommendation to be implemented.

❖ Reason for low implementation is that the Police officers are unable to execute the warrants on time. They have resource problems such as vehicles.

Challenges faced is that because the Police are unable to execute the warrants on time the arrears of revenue is increasing. Also when the officers go for execution at the address provided, they find that the defaulters have changed their residential addresses.

For the Police Officers to execute the warrants, the department has provided staff and vehicles to assist but once the defaulters change their address we are not able to do anything. This is beyond our control.

(viii) What mechanisms have the agency faced in order to avoid recurring audit queries?

- ❖ The agency is trying to liase with Police for them to do the execution on daily basis and also in the weekends in order to collect the arrears.
- ❖ At the Magistrate's Court level the agency collects more information of the parties so then it will assist the future executions.

**3. Carry out comprehensive review of Arrears of Revenue especially arrears over 5 years in view of establishing arrears which may not be recoverable.**

- (i) Has the Ministry taken steps to identify the cause of the problem?
- ❖ The arrears accumulated because the authority who is supposed to execute the warrants didn't do so on time.
- (ii) What action plan has the Ministry put in place for resolving issues highlighted in the report?
- ❖ The department is providing vehicle and two sheriff officers to assist in execution of the warrants. As for the Arrears over 5 years, the registries have been directed to thoroughly check if these arrears are still outstanding as sometimes the defaulters pay direct at LTA office for the fines after the warrant is issued.  
Therefore, in our records this is shown as outstanding whereas it has already been paid.  
There is a database which LTA has and this is linked to our FEU to check on all these and try and clear the ones already paid. Once this is done then we can analyse whether these arrears are irrecoverable or not.
- (iii) Does the Ministry have the timeline for the implementation of these action plans?
- ❖ The timeline set is for end of this year, but if we face difficulties or the exercise is not fully completed then might be completed by June 2020.
- (iv) For issues that are now resolved, can the Ministry provide evidence of this to the committee?
- ❖ The issue hasn't been resolved as yet.
- (v) Can the Permanent Secretary advise and provide evidence to the committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instructions 60 (1)?
- ❖ Yes, Attached.
- (vi) Are the performance indicators of Accounting Head aligned to the implementation of the audit recommendation?

- ❖ Yes. But for the review of the Arrears , this is alligned to all registry managers collecting revenue. They have to check their records and provide an update.

(vii) For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in order for the audit recommendation to be implemented.

- ❖ Low implementation is because the arrears are for more than 5 years old.
- ❖ Challenges is that it becomes difficult to locate the defaulters since they are not available at the address initially given. Reason being the arrears are more than 5 years thus some may have migrated, passed away, moved to different area etc.
- ❖ Another challenge is that even though the court imposes fine, the collection or execution of warrants is by Police thus we work in limited capacity.  
Action plan taken is that the department is providing vehicles, drivers, and sheriff officers to assist Police officers in execution of the warrants.

(viii) What mechanisms have the agency faced in order to avoid recurring audit queries?

- ❖ Mechanism in place is that the execution of warrants to be done by Police Officers as and when it is provided by the court so that we dont have the recurring audit queries.

Yours sincerely,

  
.....  
**Yohan Liyanage**  
**Chief Registrar**

# **MINISTRY OF AGRICULTURE**



# MINISTRY OF AGRICULTURE

Hugh Robinson Complex  
Grenthem Road,  
Private Mail Bag,  
Raiwaqa,  
Suva,  
Republic of Fiji.

Phone: (879) 338 3155 / 338 4233  
Fax: (879) 338 5294  
Helpdesk: (879) 338 3583  
Email: [agrihelp@govnet.gov.fj](mailto:agrihelp@govnet.gov.fj)  
Website: [www.agriculture.org.fj](http://www.agriculture.org.fj)  
Facebook: Department Of Agriculture Fiji

File: MOA 33/1

Date: 23/05/2019

The Chairman  
Standing Committee on Public Accounts  
Government Buildings  
**SUVA**

Dear Sir,

**Re: Ministry of Agriculture (MOA): Clarification of Issues**

I refer to your letter ref: PARL 6/11-7/11 dated 07 May 2019 in which the MOA has to provide response on whether the recommendation highlighted by the Auditor General in their 2016 reports have been fully implemented .

According to the updated Audited report for the 2016 financial year, MOA has partially implemented one recommendation and have yet to implement the second.

The Ministry wishes to provide the following updates:

1. In regards to Agricultural Marketing Authority (AMA), a detailed work plan has been prepared and implemented by AMA (Appendix 1) and a draft financial statement (2010 to 2014) has been submitted to the Office of the Auditor general (Appendix 2). Ernest and Young has been contracted by the Office of the Auditor General to audit AMA's financial statements. They are currently finalizing the 2010 and 2011 reports for submission.
2. The partially implemented report relates to the proper recording of fixed assets (Fixed Assets Register). In 2017 the Ministry, on the advice of the Ministry of Economy undertook an exercise to record all fixed assets. The Ministry now has a fixed asset register which records all assets purchased since 2017 (Appendix 3).

The Ministry is committed to ensure that the AMA's financial statements are annually audited.

Yours sincerely

David Kolutagane  
**Permanent Secretary**



**AGRICULTURAL MARKETING AUTHORITY**  
**MASTER FRAMEWORK of AMA's AUDIT PLAN**  
**Financial Year Ending 2010 - 2017**

<b>Client</b>	<b>Period-end</b>
Agro Marketing Authority	31 December 2010 - 2017
<b>Date</b>	
10/10/2018	

TASKS	Responsibility	Reviewer	Target Date
POSTINGS on all the 2010 transactions	Tavenisa	Rokotamana	12/09/2018
2010 Bank Reconciliations- <ul style="list-style-type: none"> <li>• Main Bank Accounts</li> <li>• Payroll Bank Accounts</li> <li>• Project Bank Accounts</li> </ul>	Tavenisa	Rokotamana	17/09/2018
2010 Reconciliation of: <ul style="list-style-type: none"> <li>• Debtors Accounts</li> <li>• Creditors Accounts</li> <li>• Fixed Assets</li> <li>• Grants Accounts</li> <li>• Projects Accounts</li> <li>• Provisions Accounts</li> <li>• Prepayments</li> </ul>	Rokotamana		19/09/2018
Finalisation of FS for 2010	Rokotamana		22/09/2018
2010 Financial Analysis: <ul style="list-style-type: none"> <li>• Each Cost of Goods Sold and Corresponding Income - by produce</li> <li>• Age Debtors reports</li> <li>• Vodaphone Analysis</li> <li>• Fuel Analysis</li> <li>• Rental Analysis</li> <li>• Project Analysis</li> <li>• Employment Costs Analysis</li> </ul>	Rokotamana		25/09/2018
Memo to Executive Chairman on 2010 FS	Rokotamans		27/09/2018
Submission of the 2010 FS to the Auditors General Office	Rokotamana		28/09/2018
POSTINGS on all the 2011 transactions	Rej and Tavenisa	Rokotamana	12/10/2018

**AGRICULTURAL MARKETING AUTHORITY**  
**MASTER FRAMEWORK of AMA's AUDIT PLAN**  
**Financial Year Ending 2010 - 2017**

<b>TASKS</b>	<b>Responsibility</b>	<b>Reviewer</b>	<b>Target Date</b>
<b>2011 Bank Reconciliations</b> <ul style="list-style-type: none"> <li>• Main Bank Accounts</li> <li>• Payroll Bank Accounts</li> <li>• Project Bank Accounts</li> </ul>	Tavenisa	Rokotamana	17/10/2018
<b>2011 Reconciliation of:</b> <ul style="list-style-type: none"> <li>• Debtors Accounts</li> <li>• Creditors Accounts</li> <li>• Fixed Assets</li> <li>• Grants Accounts</li> <li>• Projects Accounts</li> <li>• Provisions Accounts</li> <li>• Prepayments</li> </ul>	Rokotamana		19/10/2018
<b>Finalisation of FS for 2011</b>	Rokotamana		22/10/2018
<b>2011 Financial Analysis:</b> <ul style="list-style-type: none"> <li>• Each Cost of Goods Sold and Corresponding Income - by produce</li> <li>• Age Debtors reports</li> <li>• Vodaphone Analysis</li> <li>• Fuel Analysis</li> <li>• Rental Analysis</li> <li>• Project Analysis</li> <li>• Employment Costs Analysis</li> </ul>	Rokotamana		25/10/2018
<b>Memo to Executive Chairman on 2011 FS</b>	Rokotamana		26/10/2018
<b>Submission of the 2011 FS to the Auditors General Office</b>	Rokotamana		29/10/2018
<b>Postings on all the 2012 transactions</b>	Raj and Tavenisa		25/10/2018
<b>2012 Bank Reconciliations:</b> <ul style="list-style-type: none"> <li>• Main Bank Accounts</li> <li>• Payroll Bank Accounts,</li> <li>• Projects Bank Accounts</li> </ul>	Rokotamana		28/10/2018
<b>2012 Reconciliation of:</b> <ul style="list-style-type: none"> <li>• Debtors Accounts</li> <li>• Creditors Accounts</li> <li>• Fixed Assets</li> <li>• Grants Accounts</li> <li>• Projects Accounts</li> <li>• Provisions Accounts</li> <li>• Prepayments:</li> </ul>	Rokotamana		01/11/2018

**AGRICULTURAL MARKETING AUTHORITY  
 MASTER FRAMEWORK of AMA's AUDIT PLAN  
 Financial Year Ending 2010 - 2017**

TASAS	Responsibility	Reviewer	Target Date
Finalisation of FS for 2012	Rokotamana		05/11/2018
2012 Financial Analysis: <ul style="list-style-type: none"> <li>• Each Cost of Goods Sold and Corresponding Income – by produce</li> <li>• Age Debtors reports</li> <li>• Vodaphone Analysis</li> <li>• Fuel Analysis</li> <li>• Rental Analysis</li> <li>• Project Analysis</li> <li>• Employment Costs Analysis</li> </ul>	Rokotamana		07/11/2018
Memo to Executive Chairman on 2012 FS	Rokotamana		08/11/2018
Submission of the 2012 FS to the Auditors General Office	Rokotamana		12/11/2018
Postings on all the 2013 transactions	Raj and Tavenisa		09/11/2018
2013 Bank Reconciliations <ul style="list-style-type: none"> <li>• Main Bank Accounts</li> <li>• Payroll Bank Accounts</li> <li>• Project Bank Accounts</li> </ul>	Tavenisa	Rokotamana	14/11/2018
2013 Reconciliation of: <ul style="list-style-type: none"> <li>• Debtors Accounts</li> <li>• Creditors Accounts</li> <li>• Fixed Assets</li> <li>• Grants Accounts</li> <li>• Projects Accounts</li> <li>• Provisions Accounts</li> <li>• Prepayments</li> </ul>	Rokotamana		19/11/2018
Finalisation of FS for 2013	Rokotamana		21/11/2018
2013 Financial Analysis: <ul style="list-style-type: none"> <li>• Each Cost of Goods Sold and Corresponding Income – by produce</li> <li>• Age Debtors reports</li> <li>• Vodaphone Analysis</li> <li>• Fuel Analysis</li> <li>• Rental Analysis</li> <li>• Project Analysis</li> <li>• Employment Costs Analysis</li> </ul>	Rokotamana		23/11/2018
Memo to Executive Chairman on 2013 FS	Rokotamana		26/11/2018

**AGRICULTURAL MARKETING AUTHORITY  
MASTER FRAMEWORK of AMA's AUDIT PLAN  
Financial Year Ending 2010 - 2017**

<b>TASKS</b>	<b>Responsibility</b>	<b>Reviewer</b>	<b>Target Date</b>
Submission of the 2013 FS to the Auditors General Office	Rokotamana		27/11/2018
Postings on all the 2014 transactions	Raj and Tavenisa		23/11/2018
2014 Bank Reconciliations <ul style="list-style-type: none"> <li>• Main Bank Accounts</li> <li>• Payroll Bank Accounts</li> <li>• Project Bank Accounts</li> </ul>	Tavenisa	Rokotamana	28/11/2018
2014 Reconciliation of: <ul style="list-style-type: none"> <li>• Debtors Accounts</li> <li>• Creditors Accounts</li> <li>• Fixed Assets</li> <li>• Grants Accounts</li> <li>• Projects Accounts</li> <li>• Provisions Accounts</li> <li>• Prepayments</li> </ul>	Rokotamana		28/11/2018
Finalisation of FS for 2014	Rokotamana		30/11/2018
2014 Financial Analysis: <ul style="list-style-type: none"> <li>• Each Cost of Goods Sold and Corresponding Income - by produce</li> <li>• Age Debtors reports</li> <li>• Vodaphone Analysis</li> <li>• Fuel Analysis</li> <li>• Rental Analysis</li> <li>• Project Analysis</li> <li>• Employment Costs Analysis</li> </ul>	Rokotamana		01/12/2018
Memo to Executive Chairman on 2014 FS	Rokotamana		03/12/2018
Submission of the 2014 FS to the Auditors General Office	Rokotamana		05/12/2018

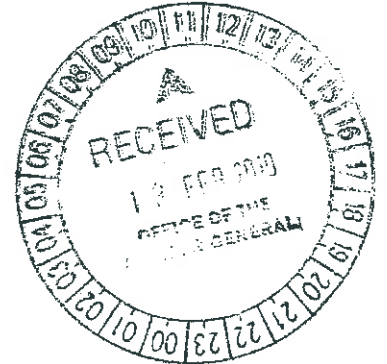
Postings on all the 2015 transactions	Raj and Tavenisa		07/12/2018
2015 Bank Reconciliations <ul style="list-style-type: none"> <li>• Main Bank Accounts</li> <li>• Payroll Bank Accounts</li> <li>• Project Bank Accounts</li> </ul>	Tavenisa	Rokotamana	11/12/2018
2015 Reconciliation of: <ul style="list-style-type: none"> <li>• Debtors Accounts</li> <li>• Creditors Accounts</li> <li>• Fixed Assets</li> </ul>	Rokotamana		14/12/2018



# Agricultural Marketing Authority

12<sup>th</sup> February, 2019

The Director,  
The Auditors General Office,  
Suva.



Dear Sir,      **Re: 2015 Draft FS - Agricultural Marketing Authority.**

Please find attached the 2015 Draft FS, together with its corresponding Trial Balance, Profit and Loss and Balance Sheet for your perusal.

For further clarification, please don't hesitate to contact Mr Rokotamana on email [rokotamana.v@ama.com.fj](mailto:rokotamana.v@ama.com.fj) or via Mobile # 999 1099

Thanks.



Mr Setareki Tzie

Acting Chief Executive Officer

*Agricultural Marketing Authority (AMA)*

*Lot 2 NG Patel Road Nausori*

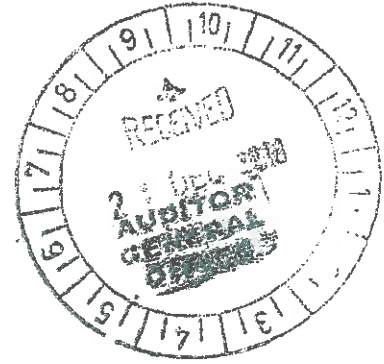
*Phone: (679) 347 8640*



# Agricultural Marketing Authority

18<sup>th</sup> December, 2018

The Director,  
The Auditors General Office,  
Suva.



Dear Sir,            **Re: 2014 Draft FS - Agricultural Marketing Authority.**

Please find attached the 2014 Draft FS, together with its corresponding Trial Balance, Profit and Loss and Balance Sheet for your perusal.

Don't hesitate to contact Mr Rokotamana on email [rokotamana.v@ama.com.fj](mailto:rokotamana.v@ama.com.fj) for any clarification in regards to the same.

Thanks.

**Mr Setareki Tale**

Acting Chief Executive Officer

Agricultural Marketing Authority (AMA)

Lot 2 NG Patel Road Nausori  
Phone: (679) 347 8640



# Agricultural Marketing Authority

27<sup>th</sup> November, 2018

The Director,  
The Auditors General Office,  
Suva.

Dear Sir,            **Re: 2013 Draft FS - Agricultural Marketing Authority.**

Please find attached the 2013 Draft FS, together with its corresponding Trial Balance, Profit and Loss and Balance Sheet for your perusal.

Don't hesitate to contact Mr Rokotamana on email [rokotamana.v@ama.com.fj](mailto:rokotamana.v@ama.com.fj) for any clarification in regards to the same.

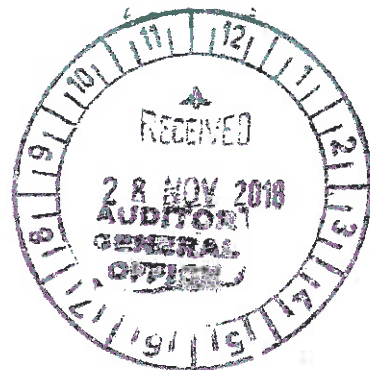
Thanks.

**Mr Setareki Tale**

**Acting Chief Executive Officer**

**Agricultural Marketing Authority (AMA)**

**Lot 2 NG Patel Road Nausori  
Phone: (679) 347 8640**





# Agricultural Marketing Authority

9<sup>th</sup> November, 2018

The Director,  
The Auditors General Office,  
Suva.

Dear Sir,       **Re: 2012 Draft FS - Agricultural Marketing Authority.**

Please find attached the 2012 Draft FS, together with the corresponding Trial Balance, Profit and Loss and Balance Sheet for your perusal.

Don't hesitate to contact Mr Rokotamana on email [rokotamana.v@ama.com.fj](mailto:rokotamana.v@ama.com.fj) for any clarification in regards to the same.

Thanks.

Mr Setareki Tale

Executive Chairman

Agricultural Marketing Authority (AMA)

Lot 2 NG Patel Road Nausori  
Phone: (679) 347 8640



*V. P. ...*  
9/11/18





# Agricultural Marketing Authority

The Director

The Executive General Office

Suka

Dear Sir,        **Re: 2011 Draft FS - Agricultural Marketing Authority.**

Reference to email correspondence yesterday (Moshin and Rokotamana), hereby attached the 2011 Draft FS for your perusal.

Note that the 2012 FS should also be ready by next week and the other pending accounts will follow suit in compliance to the Audit Plan that we are following.

Yours faithfully,

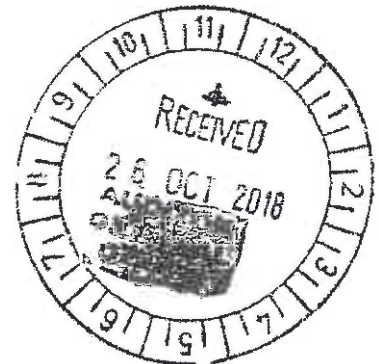
*(Signature)*  
Mr. Sengul M. Tale

Executive Chairman

Agricultural Marketing Authority (AMA)

Lot 240 Peta' Road Nausori

Phone: (677) 247 8542



## Alvin Prasad

---

**From:** Anaseini M. Cawani  
**Sent:** Wednesday, 13 December 2017 1:42 p.m.  
**To:** Alvin Prasad  
**Cc:** Sitiveni Tuitubou; Asaeli N. Canikau; Mereseini Bou  
**Subject:** RE: moa far  
**Attachments:** 2000-100K MOA Final.xlsb

Good Afternoon Mr. Alvin,

Thank you for your final submission, we will kindly await for the endorsed hard copy.

Vinaka

**Anaseini Cawani**

Ministry of Economy | FAM Division | Ro Lalabalavu House | P O Box 2212 Government Buildings, Suva

**Phone:** (679) 3307 011 | **Ext.** 382027 | **Fax:** (679) 3305074 | **Email:** [anaseini.cawani@economy.gov.fj](mailto:anaseini.cawani@economy.gov.fj) | **Web:**

[www.economy.gov.fj](http://www.economy.gov.fj)

---

**From:** Alvin Prasad  
**Sent:** Wednesday, December 13, 2017 1:32 PM  
**To:** Anaseini M. Cawani  
**Cc:** Sitiveni Tuitubou; Asaeli N. Canikau; Mereseini Bou  
**Subject:** moa far

Bula ana

Please find attached the final MOA FAR draft which has been amended according to your requirements. Also few of the assets were our buildings and shed which I have deleted.

fyi  
This email is intended only for the use of the addressee. It may contain confidential or legally privileged information. If you are not intended recipient, please note that any use or dissemination of this communication is prohibited and no confidentiality rights are hereby waived. The contents of this email, unless expressly stated, do not comprise the views of, or any representation by the MINISTRY OF ECONOMY OR THE GOVERNMENT OF FIJI.

Asset No.	Category	Description	Country	Brand	Model	Acquisition Method	Supplier	Status	Quantity	Year	Support	Remarks
AGR00001	Computers	Desktop	Malaysia	Dell	CP-D5414K-72-574-G088	Purchase	HD Electronics Services	In use	5	2015	2	Support Savusav
AGR00002	Computers	Laptop Dell Latitude	Malaysia	Dell	E5500	Purchase	Office products	Disposed	5	2015	2	Support Savusav
AGR00003	Computers	Laptop Dell Vostro	Malaysia	Dell	3560	Purchase	Office products	In use	5	2011	8	Support Savusav
AGR00004	Computers	Laptop Dell Vostro	Malaysia	Dell	574	Purchase	Office products	In use	5	2015	2	Support Savusav
AGR00005	Office Equipment	Konica Minolta Bizhub 723	Japan	Konica Minolta	S/N 04105651 4322 W/N	Purchase	Photographic Solutions	Disposed	5	2006	8	Support Savusav
AGR00006	Vehicles	Crypton Yamaha 4stroke 100cc	Japan	Yamaha	YLBK111ASEB95 9728	Purchase	I-O	In use	5	2015	7	Support Savusav
AGR00007	Maritime Craft	Fibre Glass Boat	fiji			Purchase	Labasa office	In use	10	2014	8	Support Savusav
AGR00008	Maritime Craft	Outboard Engine	Japan	Yamaha	Br.SP-1036867	Purchase	Labasa office	In use	10	2015	2	Support Savusav
AGR00009	Vehicles	Single Cab Mitsubishi	Japan	Mitsubishi	GL 850	Purchase	Nivis Motors	Disposed	10	2009	27	Support Savusav
AGR00010	Plant Mobile	Tractor with implements	china	Massey Ferguson 44G	GP 157	Transfer In	Ministry Of National Planning	In use	10	2011	6	Support Savusav
AGR00011	Plant Mobile	Rice Thresher	china	Kubota		Purchase	Advanced Parts & Spares	In use	10	2011	6	Support Savusav
AGR00012	Plant Mobile	Work Behind Tractor	china	Kubota		Purchase	Advanced Parts & Spares	In use	10	2013	4	Support Savusav
AGR00013	Plant Mobile	Work Behind Tractor & Implements	china	Kubota		Transfer In	Advanced Parts & Spares	In use	10	2012	5	Support Savusav
AGR00014	Equipment	Rice hand tractor & implements	china	Kubota	Engine # ACCU D691	Purchase	Advanced Parts & Spares	In use	10	2012	4	Support Savusav
AGR00015	Vehicles	Motor Bike	Japan	Yamaha	434 Z	Purchase	Asco Motors	In use	5	2014	3	Support Savusav
AGR00016	Vehicles	Motor Bike	Japan	Yamaha	498 Z	Purchase	Asco Motors	In use	5	2014	3	Support Tavuni
AGR00017	Vehicles	Motor Bike	Japan	Kawasaki	447 Z	Purchase	Asco Motors	In use	5	2014	3	Support Labasa
AGR00018	Vehicles	Motor Bike	Japan	Suzuki	226 Z	Purchase	Nirajan	In use	5	2014	3	Support Labasa
AGR00019	Vehicles	Motor Bike	Japan	Suzuki	226 Z	Purchase	Nirajan	In use	5	2014	3	Support Labasa
AGR00020	Vehicles	Tractor	china	Massey Ferguson	GP 256	Purchase	Asco Motors	In use	5	2012	5	Support Igihua
AGR00021	Machinery	Tractor	china	Massey Ferguson	Br 414	Purchase	Asco Motors	In use	5	2011	6	Support Tavuni
AGR00022	Plant Mobile	4WD Small & Tool Link with	china			Purchase		In use	5	2002	3	Support Savusav
AGR00023	Plant Mobile	Tractor	china			Purchase		In use	5	2007	15	Support Savusav
AGR00024	Plant Mobile	Back Plough Deep Fong	china	Qinghai		Donations	China	In use	5	1998	18	Support Savusav
AGR00025	Plant Mobile	Tractor	china			Purchase		In use	5			Support Savusav
AGR00026	Plant Mobile	Tractor	china			Purchase		In use	5			Support Savusav
AGR00027	Plant Mobile	Tractor	china			Purchase		In use	5			Support Savusav
AGR00028	Plant Mobile	Tractor	china			Purchase		In use	5	2011	6	Support Savusav
AGR00029	Plant Mobile	Tractor	china			Purchase		In use	5			Support Savusav
AGR00030	Plant Mobile	Tractor	china			Purchase		In use	5			Support Savusav
AGR00031	Plant Mobile	Tractor	china			Purchase		In use	5			Support Savusav
AGR00032	Plant Mobile	Tractor Massey	china			Purchase		In use	5			Support Savusav
AGR00033	Vehicles	Mitsubishi Utility Veh- 4x4	Japan	L200	GM 257	Purchase		In use	5	2009	3	Support Savusav
AGR00034	Vehicles	Nissan utility 4x4 Twin Cab	Japan	Diesel 5D25	GM 462	Purchase		In use	5	2008	3	Support Savusav
AGR00035	Plant Mobile	Borehole Pump		Frankly W402	CAT29143304	Purchase		In use	5	1995	22	Support Savusav
AGR00036	Equipment	Chainaw-Husqvarna	china	Husq 288	9E582D400	Purchase	Wing Lee Ltd	In use	5	2011	6	Support Savusav
AGR00037	Equipment	Chainaw-Husqvarna	china	Husq 268	9E7063300	Purchase	S. Hussein Ltd	In use	5	2008	8	Support Savusav
AGR00038	Vehicles	Tractor- Massey Ferguson	china	2625 4WD	(ME46C089YL1 002954)	Purchase		In use	5	2014	3	Support Savusav
AGR00039	Office Equipment	Photocopying Machine	New Zealand	Ricoh	714027	Purchase	Nashua Fiji Ltd	In use	5	1997	30	Support Savusav
AGR00040	Equipment	Power Tiller	china	Dong Feng 12	S195N-126	Donations	China	In use	5	1996	10	Support Savusav
AGR00041	Equipment	Tractor- Dong Feng	china			Donations	China	In use	5	1996	16	Support Savusav
AGR00042	Plant Mobile	Welding Machine- 3 phase	china		AK18390	Purchase		In use	5			Support Savusav
AGR00043	Equipment	Nikon SLR Camera	Japan	D5500	7119040	Purchase	Audio Visual Elect	In use	5	2016	1	Support Savusav
AGR00044	Equipment	Brushcutter	Japan	TH 48	E13-97/685	Purchase	A. Hussein-Ltd	In use	5	2009	8	Support Savusav
AGR00045	Computers	Desktop		Lenovo A55	35275	Purchase	Dattec Fiji Ltd	In use	5	2007	10	Support Savusav
AGR00046	Office Equipment	Desk Top Computer	Australia	HP Compaq	E31128091	Purchase	Clarity Souf Pacific Ltd	In use	5	2012	5	Support Savusav
AGR00047	Plant Fixed	3 x Rota Moulded 10,000	fiji	Rota Mould		Purchase	Gurbechan Ltd	In use	5	2015	2	Support Savusav
AGR00048	Plant Fixed	4 x Rota Moulded 5,000	fiji	Rota Mould		Purchase	Gurbechan Ltd	In use	5	2015	2	Support Savusav
AGR00049	Plant Fixed	Jirgs/Water Tank	fiji			Purchase		In use	5			Support Savusav
AGR00049	Plant Fixed	Fuel Tank w/ Stand	fiji			Purchase		In use	5			Support Savusav
AGR00050	Vehicles	Van Cab	Japan	MAZDA	GM 794	Purchase	Nashua	In use	5			Support Labasa
AGR00051	Vehicles	Motor Bike	Japan	Yamaha	451Z	Purchase	Asco Motors	In use	3	2015	2	Support Labasa
AGR00052	Vehicles	Twin Cab	Japan	Mitsubishi	GM 363	Purchase	Nivis Motors	In use	11	2009	12	Support Labasa
AGR00053	Vehicles	Tractor	china	Massey Ferguson	GP 100	Purchase	Purchase National planning	In use	5	2011	6	Support Labasa
AGR00054	Vehicles	Tractor	china	Massey Ferguson	GP 431	Purchase	Purchase National planning	In use	5	2014	3	Support Tavuni
AGR00055	Vehicles	Twin Cab	Japan	Toyota Hilux	GM 426	Purchase	Asco Motors	To Be Sold	5	2009	8	Support Tavuni
AGR00056	Vehicles	Twin Cab	Japan	Toyota Hilux	CK344	Purchase	Asco Motors	In use	5	2013	7	Support Dreketi
AGR00057	Vehicles	Motor bike	Japan	Suzuki	480Z	Purchase	Asco Motors	In use	5	2013	7	Support Dreketi

AGR00058	Vehicles	Tractor Cab	Japan	Mazda (Kubota) FA	GP 523	Purchase	Niranjans	In use	5	2014	3	Support	Dre
AGR00059	Vehicles	Sawum dozer	china	Cal Dozer	GP 263	Purchase		To Be Repaired	5	2012	5	Support	Dre
AGR00060	vehicles	Harvester	Japan	Mitsubishi	GL 836	Purchase		In use	5			Support	Dre
AGR00061	Vehicles	Tractor	china	Massey	GN 961	Purchase	Nivis Motors	In use	5			Support	Dre
AGR00062	Vehicles	Tractor Cab	Japan	Mitsubishi	GN 257	Purchase	Nivis Motors	In use	5			Support	Sec
AGR00063	Vehicles	Tractor	china	2625 Massey	GP 629	Purchase	Purchase National Planning	In use	5			Support	Sec
AGR00064	Vehicles	Tractor	china	Massey	GL 847	Purchase		Disposed	5			Support	En
AGR00065	Vehicles	Tractor	china	Massey	GL 845	Purchase		In use	5			Support	En
AGR00066	Maritime Craft	Outboard Motor		Yamaha		Purchase		In use	5			Support	Lab
AGR00067	Plant Mobile	Water Pump	Japan	Robin		Purchase		In use	5			Support	Lab
AGR00068	Plant Mobile	Generator	Japan	Robin		Purchase		In use	5			Support	Lab
AGR00069	Plant Mobile	Harvester Rice(Blue)	china			Purchase	Advanced parts	In use	5	2014	3	Support	Lab
AGR00070	Plant Mobile	Harvester Rice(Red)	china			Purchase	Advanced parts	In use	5	2014	3	Support	Lab
AGR00071	Plant Mobile	Harvester Rice(Red)	china			Purchase	Advanced parts	In use	5	2013	4	Support	Lab
AGR00072	Plant Mobile	Rice Thresher	china			Purchase	Advanced parts	In use	5	2013	4	Support	Lab
AGR00073	Plant Mobile	Land Prep	china			Purchase	Advanced parts	In use	5	2013	4	Support	Lab
AGR00074	Vehicles	Scooter	china			Purchase	Advanced parts	In use	5	2015	2	Support	Lab
AGR00075	Plant Mobile	Harvester	china			Purchase	Advanced parts	In use	5	2015	2	Support	Lab
AGR00076	Equipment	Rehab	Japan	Husqvarna		Purchase		In use	5	2015	2	Support	Lab
AGR00077	Equipment	Rehab	Japan	Kawasaki		Purchase		In use	5	2015	2	Support	Lab
AGR00078	Vehicles	Land Prep	China	Massey 2623		Purchase		In use	5	2013	4	Support	Lab
AGR00079	Vehicles	Land Prep	china	Massey 436		Purchase		In use	5	2013	4	Support	Lab
AGR00080	Plant Fixed	Power Plant		Lister Peters	672194LP	Purchase	Spatoka Electric	In use	10	2011	2	Support	Lab
AGR00081	Vehicles	Ford Ranger		Ford	GP 364	Purchase	Shreedhar Motors	In use	15	2010	7	Support	Lab
AGR00082	Vehicles	Mazda	Japan	Mazda		Purchase	Niranjans	In use	15	1998	19	Support	Lab
AGR00083	Vehicles	Toyota	Japan	Toyota		Purchase	Asco Motors	In use	13	1998	19	Support	Lab
AGR00084	Vehicles	Mitsubishi	Japan	Nivis Juki		Purchase	Nivis Motors	Disposed	15	1998	19	Support	Lab
AGR00085	Vehicles	Mazda	Japan	Mazda	S M 704	Purchase	Niranjans	In use	15	1998	19	Support	Lab
AGR00086	Computers	Desktop	Australia	HP COMPAQ		Purchase		In use	5	1998	19	Support	Lab
AGR00087	Equipment	FAIRER AIR CON UNIT	china			Purchase		In use	5	1998	19	Support	Lab
AGR00088	Computers	Desktop	Malaysia			Purchase		In use	5	1998	19	Support	Lab
AGR00089	Equipment	PRINTER HP L12600	Malaysia			Purchase		In use	5	1998	19	Support	Lab
AGR00090	Computers	Desktop				Purchase		In use	5	1998	19	Support	Lab
AGR00091	Office Equipment	STEEL SAFE	Taiwan			Purchase		In use	10	1998	19	Support	Lab
AGR00092	Office Equipment	Photocopying Machine	Australia			Purchase		In use	5	1998	19	Support	Lab
AGR00093	Office Equipment	Scanner				Purchase		In use	5	1998	19	Support	Lab
AGR00094	Office Equipment	PRINTER HP	Australia	LAZERJET 2600AM		Purchase		In use	5	1998	19	Support	Lab
AGR00095	Computers	Desktop	Australia			Purchase		In use	5	1998	19	Support	Lab
AGR00096	Computers	HP PRINTER	Australia	L12600		Purchase		In use	5	1998	19	Support	Lab
AGR00097	Computers	Desktop				Purchase		In use	5	1998	19	Support	Lab
AGR00098	Computers	Desktop				Purchase		In use	5	1998	19	Support	Lab
AGR00099	Office Equipment	PRINTER				Purchase		In use	5	1998	19	Support	Lab
AGR00100	Computers	Desktop				Purchase		In use	5	1998	19	Support	Lab
AGR00101	Equipment	STEEL CUPBOARD	Taiwan			Purchase		In use	10	1998	19	Support	Lab
AGR00102	Equipment	STEEL SHELVING	Taiwan			Purchase		In use	10	1998	19	Support	Lab
AGR00103	Equipment	TILE CLEANING MACHINE	china			Purchase		In use	10	1998	19	Support	Lab
AGR00104	Computers	Desktop				Purchase		In use	5	1998	19	Support	Lab
AGR00105	Office Equipment	3 IN ONE PRINTER	Australia			Purchase		In use	5	1998	19	Support	Lab

AGR00106	Office Equipment	Printer	Australia		Purchase		In use	5	1998		19	Support	Ra
AGR00107	Computers	Laptop with case	Malaysia		Purchase	Y T SOLUTION	In use	5	2013		4	Support	Ra
AGR00108	Office Equipment	8 DRAW STEEL CABINET	Malaysia		Purchase		In use	10	1998		19	Support	Ra
AGR00109	Computers	Desktop			Purchase		In use	5	1998		19	Support	Ra
AGR00110	Computers	UPS	china		Purchase		In use	5	1998		19	Support	Ra
AGR00111	Office Equipment	Laminating Machine			Purchase		In use	5	1998		19	Support	Ra
AGR00112	Office Equipment	High Printer			Purchase		In use	5	1998		19	Support	Ra
AGR00113	Office Equipment	STEREOS COPI			Purchase		In use	5	1998		19	Support	Ra
AGR00114	Computers	Desktop			Purchase		In use	5	1998		19	Support	Ra
AGR00115	Computers	UPS	china		Purchase		In use	5	1998		19	Support	Ra
AGR00116	Office Equipment	Photocopying Machine	Australia		Purchase		In use	10	1998		19	Support	Ra
AGR00117	Computers	Desktop			Purchase		In use	5	1998		19	Support	Ra
AGR00118	Computers	Laptop with case	Malaysia		Purchase		In use	5	2013		4	Support	Ra
AGR00119	Computers	Laptop with case	Malaysia		Purchase		In use	5	1998		19	Support	Ra
AGR00120	Computers	Laptop with case	Malaysia		Purchase		In use	5	2013		4	Support	Ra
AGR00121	Office Equipment	Printer		LAZER JET 100	Purchase		In use	5	2013		4	Support	Ra
AGR00122	Computers	Desktop			Purchase		In use	5	1998		19	Support	Ra
AGR00123	Equipment	CHROMA			Purchase		In use	5	2013		7	Support	Ra
AGR00124	Plant Mobile	Digital Printer			Purchase		In use	5	2013		8	Support	Ra
AGR00125	Plant Mobile	Yanmar Diesel Generator	china		Purchase		In use	5	2013		7	Support	Ra
AGR00126	Equipment	Soap Cutter			Purchase		In use	5	2013		4	Support	Ra
AGR00127	Equipment	High Printer			Purchase		In use	5	2013		4	Support	Ra
AGR00128	Office Equipment	Projector Overhead	Japan		Purchase		In use	5	2012		5	Support	Ra
AGR00129	Equipment	Photocopying Machine			Purchase		In use	5	2005		12	Support	Ra
AGR00130	Equipment	Slide Projector			Purchase		In use	5	2012		5	Support	Ra
AGR00131	Computers	Laptop	Malaysia		Purchase	M T SOLUTION	In use	5	2015		3	Support	Ra
AGR00132	Furniture & Fixtures	Conference Table	Fiji		Purchase		In use	10	2006		10	Support	Ra
AGR00133	Computers	Desktop	Malaysia	DELL 486	Purchase	GEM IT SOLUTIONS	In use	5	2013		4	Support	Ra
AGR00134	Office Equipment	Map Printer			Purchase	RICOH BUSINESS	In use	5	2014		3	Support	Ra
AGR00135	Office Equipment	Laminating Machine	Japan		Purchase	Laminating Wholesalers	In use	5	2004		3	Support	Ra
AGR00137	Computers	CPU Dell	Malaysia	Optiplex 755	CMD4953G2	Purchase	Gem (Fiji) Ltd	In use	10	2015	2	Support	Ra
AGR00138	Equipment	Atomic Absorption Spec		Pinnaole		Purchase	Perkin Elmer	In use	5	2012	5	Support	Ra
AGR00139	Equipment	Bath water		TMBC 10		Purchase	Analytical Equipment	In use	5	2006	11	Support	Ra
AGR00140	Equipment	Rotary Evaporator				Purchase	Analytical Equipment	In use	5	2006	11	Support	Ra
AGR00141	Equipment	Digital Balance	china		CS 200601	Purchase		In use	5	2006	11	Support	Ra
AGR00142	Equipment	Exhaust fan				Purchase	Analytical Equipment	In use	5	2012	5	Support	Ra
AGR00143	Equipment	eye/face wash	Australia			Purchase		In use	10	2006	11	Support	Ra
AGR00144	Equipment	inpersol hand	Australia			Purchase		In use	10			Support	Ra
AGR00145	Equipment	VELP		VELP		Purchase	Analytical Equipment	In use	5			Support	Ra
AGR00146	Equipment	Distillation unit	Australia	BUCHI		Purchase		In use	5	1988	29	Support	Ra
AGR00147	Equipment	cup sealer	Australia			Purchase	Indonesia	In use	5			Support	Ra
AGR00148	Equipment	cup sealer	Australia			Purchase		In use	5			Support	Ra
AGR00149	Equipment	Exhaust fan 4 blade		Orx	FQD 25 - 4	Purchase		In use	2	2012	5	Support	Ra
AGR00150	Equipment	vacuum fryer		Koland	F1 Class E	Purchase		In use	2			Support	Ra
AGR00151	Office Equipment	Sony Projector Handycam	Japan			Purchase		In use	5			Support	Ra
AGR00152	Equipment	black/white copier	New zealand	Ricoh		Purchase		In use	5			Support	Ra
AGR00153	Plant Mobile	deep freezer			EF1 2000/L	Purchase		Disposed	5			Support	Ra
AGR00154	Equipment	variable spin	Portugal			Purchase		In use	5	2012	5	Support	Ra
AGR00155	Equipment	UV X ray machine	Australia	Cole Permer	S	Purchase		In use	5			Support	Ra
AGR00156	Equipment	Spectrophotometer	Australia	Cambo 25		Purchase		In use	5	2007	10	Support	Ra
AGR00157	Equipment	Hot plate with 2 plates		Biolab		Purchase	Hotel equipment	In use	5	2002	14	Support	Ra
AGR00158	Equipment	Juice Extractor	Australia			Purchase		In use	5	2012	5	Support	Ra
AGR00159	Equipment	pesticide kit in food		Global	0026F	Purchase	Thailand	Disposed	1	2012	5	Support	Ra
AGR00160	Furniture & Fixtures	LAMINAR AIRFLOW CABINET new			2015-102631	Purchase	South Austral	In use	10	2015	2	Support	Ra

AGR00161	Equipment	POWERLINK DIESEL BACK UP GENERATOR	Malaysia	MOODEL-APADA	PL6531/1	Purchase	Vinod Patel	In use	10			Support	Korea
AGR00162	Computers	Laptop	Malaysia	DELL	SN1Y6H17	Purchase	GEM FUI LTD	In use	5	2016	1	Support	Korea
AGR00163	Plant Mobile	Seed cooler				Purchase		In use	10			Support	Korea
AGR00164	Plant Mobile	Seed cooler				Purchase		In use	10			Support	Korea
AGR00165	Plant Mobile	Rice reaper	china			Purchase		In use	5			Support	Korea
AGR00166	Plant Mobile	Thresher	china			Purchase		In use	5			Support	Korea
AGR00167	Plant Mobile	Rice processing plant	china			Purchase		In use	5			Support	Korea
AGR00168	Plant Mobile	Rotovator	china			Purchase		In use	5			Support	Korea
AGR00169	Plant Mobile	Disc Plough	china			Purchase		In use	5			Support	Korea
AGR00170	Plant Mobile	walk behind transplanter	china	FF42	ZH0412040	Purchase		In use	5			Support	Korea
AGR00171	Equipment	Dry Land	china	LX-904	GP-895	Donations		In use	5	2016	1	Support	Korea
AGR00172	Equipment	Wet Land	china	LX-904	GP-885	Donations		In use	5	2016	1	Support	Korea
AGR00173	Equipment	Front Loader (Dry)	china	LX-904	GP-893	Donations		In use	5	2016	1	Support	Korea
AGR00174	Equipment	Back Hoe	china	C	0	Donations		In use	5	2016	1	Support	Korea
AGR00175	Equipment	Combine Harvester	china	BH42E	GP-998	Donations		In use	5	2016	1	Support	Korea
AGR00176	Equipment	Boom Sprayer	china	3WPG-600	GP-920	Donations		In use	5	2016	1	Support	Korea
AGR00177	Equipment	Ride On	china	PD60E		Donations		In use	5	2016	1	Support	Korea
AGR00178	Equipment	Walk Behind	china	PD60E		Donations		In use	5	2016	1	Support	Korea
AGR00179	Equipment	Hill Drop	china	ZBD-10		Donations		In use	5	2016	1	Support	Korea
AGR00180	Equipment	Excavator-EIS	china	Zoomlion	GP-931	Donations		In use	5	2016	1	Support	Korea
AGR00181	Equipment	Forklift	china	Heli	GP-936	Donations		In use	5	2016	1	Support	Korea
AGR00182	Equipment	Diesel Generator				Donations		In use	5	2016	1	Support	Korea
AGR00183	Equipment	Diesel Generator				Donations		In use	5	2016	1	Support	Korea
AGR00184	Equipment	Generator with Welder				Donations		In use	5	2016	1	Support	Korea
AGR00185	Equipment	Generator with Welder				Donations		In use	5	2016	2	Support	Korea
AGR00186	Equipment	Portable waterpump	china			Donations		In use	5	2016	1	Support	Korea
AGR00187	Equipment	Rotovator	china			Donations		In use	5	2016	1	Support	Korea
AGR00188	Equipment	Wet Land Rotovator with leveler	china			Donations		In use	5	2016	1	Support	Korea
AGR00189	Equipment	Straw chopper	china			Donations		In use	5	2016	1	Support	Korea
AGR00190	Equipment	Auto-ditching	china			Donations		In use	5	2016	1	Support	Korea
AGR00191	Equipment	Auto-ridger	china			Donations		In use	5	2016	1	Support	Korea
AGR00192	Equipment	Mist blower	china	Solo		Purchase	Chye Neritek	In use	9	2015	2	Support	Korea
AGR00193	Equipment	Water Pumps	china	286F		Purchase		In use	5	2015	2	Support	Korea
AGR00194	Equipment	Suction hose, Flat hose w/fitting, Foot Valve	china			Purchase	Flad Power	In use	5	2015	2	Support	Korea
AGR00195	Computers	Laptop	Malaysia	DELL		Purchase	GEM FUI LTD	In use	5	2016	1	Support	Korea
AGR00196	Equipment	Rotovator Dryland	china	MF965/MF41	0	Purchase	Carhart limited	In use	10	2015	2	Support	Korea
AGR00197	Vehicles	Mazda	Japan	Mazda 3F	GM 599	Purchase	Mazdaan	In use	18	1996	19	Support	Korea
AGR00198	Computers	Laptop	Malaysia	HP	57305	Purchase	Claris	In use	10	2006	11	Support	Korea
AGR00199	Equipment	Cutting and Bonder	Japan	Hiroaka	DS-M0620	Donations	Aid	In use	29	1987	30	Support	Korea
AGR00200	Equipment	Brush Drill	Japan	Hitachi	2235E	Donations	Aid	In use	29	1987	30	Support	Korea
AGR00201	Equipment	Dryer Spin	Japan	KIVA		Donations	Aid	In use	29	1987	30	Support	Korea
AGR00202	Equipment	Hydraulic Press	Japan	BANKAI	2435	Donations	Aid	In use	29	1987	30	Support	Korea
AGR00203	Plant Fixed	Power Plant		Stamford	X13A035054	Purchase	Neritek Equipment Ltd	In use	25	2013	4	Support	Dobu
AGR00204	Plant Mobile	Water pump	Japan	Roshin	150401002	Purchase		In use	4	2015	2	Support	Dobu
AGR00205	Plant Fixed	Bore hole Water pump	nj	NA	NA	Purchase	Neritek Equipment Ltd	In use	10	2015	7	Support	Dobu
AGR00206	Plant Mobile	Furguson	china	Furguson	GP630	Purchase	Asco Motors	In use	10			Support	Dobu
AGR00207	Vehicles	Trailer - 3 tonne	china	Trallor	NA	Purchase	Drive Thru	In use	10			Support	Dobu
AGR00208	Equipment	Disc plough	china	NA	NA	Purchase	Drive Thru	In use	10			Support	Dobu
AGR00209	Equipment	Rotovator	china	Brahmguri	NA	Purchase	Drive Thru	In use	5			Support	Dobu
AGR00210	Equipment	Rotovator tillage implement	china	Haskavyona	NA	Purchase	Drive Thru	In use	5			Support	Dobu
AGR00211	Equipment	Mitsubishi twin Cab	Japan	Mitsubishi	GL-325	Purchase	NA	In use	5	2016	1	Support	Dobu
AGR00212	Computers	Laptop	Australia	HP250 G4	CND5523FDG	Purchase	UNDP LTD	In use	5	2016	1	Support	Dobu
AGR00213	Computers	Laptop	Australia	HP250 G4	CND5523FDG	Purchase	UNDP LTD	In use	5	2016	1	Support	Dobu
AGR00214	Computers	Laptop	Australia	HP250 G4	CND5523BMY	Purchase	UNDP LTD	In use	5	2016	1	Support	Dobu
AGR00215	Furniture & Fixtures	Conference table and chairs	nj	NA		Purchase	MOY	In use	5	2015	2	Support	Dobu
AGR00216	Office Equipment	Photocopying Machine	Australia	D-B240	533815	Purchase	Fuji Xerox	In use	5	2016	1	Support	NAUS
AGR00217	Vehicles	SOV	Japan	Mitsubishi	4MACHK3966-SN7D4	Purchase	NIVIS	In use	10			Support	NAUS
AGR00218	Office Equipment	Photocopying Machine	Australia	bjrhubs58	A911G041000105	Purchase	Remington	In use	5	2017		Support	NAUS
AGR00219	Office Equipment	Photocopying Machine	Australia	bhr	A61DG430003465	Purchase	Remington	In use	5	2016	1	Support	LAKI
AGR00220	Maritime Craft	Outboard	china			Purchase	Asco	In use	10	2014	3	Support	BEK
AGR00221	Maritime Craft	Outboard Engine	Japan	Yamaha	10A555D	Purchase	Asco	In use	10	2014	3	Support	BEK
AGR00222	Plant Mobile	tractor	china	MF435	GM9196207514M1	Purchase	Asco	In use	15	2009	8	Support	LAKI
AGR00223	Plant Mobile	Tyre repair machine	china	7100	5M92U	Purchase		In use	10			Support	LAKI
AGR00224	Equipment	welding plant				Purchase		In use	15			Support	LAKI
AGR00225	Equipment	bench drill				Purchase		In use	10			Support	LAKI
AGR00226	Equipment	masey disc plough	china			Purchase		In use	5			Support	LAKI
AGR00227	Equipment	masey 2 disc plough	china			Purchase		In use	5			Support	LAKI

AGR00228	Equipment	2-disc plough	china			Purchase			In use	5			Support	LAO
AGR00229	Equipment	3-disc plough	china			Purchase			In use	5			Support	LAO
AGR00230	Equipment	disc harrow 14 blades	China			Purchase			In use	5			Support	LAO
AGR00231	Equipment	spike harrow	china			Purchase			In use	5			Support	LAO
AGR00232	Equipment	ridger	china			Purchase			In use	5			Support	LAO
AGR00233	Equipment	disc harrow 18 blades	china			Purchase	car mart		In use	5	2013	4	Support	LAO
AGR00234	Equipment	grading blade	china			Purchase			In use	5			Support	LAO
AGR00235	Plant Mobile	Gm 582	china	161251	96185003	Purchase			In use	20			Support	LAO
AGR00236	Vehicles	GM435	china	L200	425626509	Purchase			In use	20			Support	LAO
AGR00237	Vehicles	GL410	china	MF240	277926278	Purchase			In use	20			Support	LAO
AGR00238	Equipment	rice reaper	china	TAVO	1w609156	Purchase			In use	5			Support	LAO
AGR00239	Equipment	rice thresher	china	GX120	1436846	Purchase			In use	7	2013	4	Support	LAO
AGR00240	Equipment	tractor	china	KUBOTA	108500124	Purchase			In use	7			Support	LAO
AGR00241	Equipment	rotovator	china	HAYATAN	146014010098	Purchase			In use	5			Support	LAO
AGR00242	Equipment	rice thresher	china	160F	142912242	Purchase			In use	5			Support	LAO
AGR00243	Equipment	disc harrow 18 blades	china			Purchase			In use	5			Support	LAO
AGR00244	Equipment	rotovator	china			Purchase			In use	5			Support	LAO
AGR00245	Equipment	ridger	china			Purchase			In use	5			Support	LAO
AGR00246	Equipment	rice harvester	china			Purchase			In use	10			Support	LAO
AGR00247	Vehicles	GM797	china		987021377	Purchase			In use	10			Support	LAO
AGR00248	Plant Mobile	press mach	china			Purchase			In use	10			Support	LAO
AGR00249	Plant Mobile	Gm 850	china		941AGC0689E105049	Purchase			In use	10			Support	LAO
AGR00250	Equipment	disc plough 18 blades	china			Purchase			In use	5			Support	LAO
AGR00251	Equipment	ginger ridger	china			Purchase			In use	5			Support	LAO
AGR00252	vehicles	GM 456	JAPAN	MAZDA	W1AT32200	Purchase			In use	10			Support	LAO
AGR00253	vehicles	GM194	Japan	Mitsubishi	V36096000702	Purchase			In use	10			Support	LAO
AGR00254	vehicles	GM524	Japan	Mitsubishi	4D15H0137	Purchase			In use	10			Support	LAO
AGR00255	vehicles	GP35E	Japan	KOMATSU	FD30-10	Purchase			In use	5			Support	LAO
AGR00256	Equipment	walk behind	china	SHOCTA	8D450121	Purchase			In use	5			Support	LAO
AGR00257	Equipment	rice thresher	china			Purchase			In use	5			Support	LAO
AGR00258	Equipment	mould board plough	china		1LY-425	Purchase			In use	5			Support	LAO
AGR00259	Equipment	rotovator	china		1GQW-200	Donations			In use	7			Support	LAO
AGR00260	Equipment	grass chopper	china	68kw		Donations			In use	7			Support	LAO
AGR00261	Equipment	rotovator	china	36QW200		Donations			In use	7			Support	LAO
AGR00262	Equipment	rice drill machine	china	ZBT-12		Donations			In use	15			Support	LAO

AGR00263	Plant Mobile	SP827	china	zppandix zx	8Y1265192	Donations		In use	7			Support	LAK
AGR00264	Equipment	rice mill/crusher/mixer	china	ZBO	B000578114	Donations		In Use	7			Support	LAK
AGR00265	Equipment	rotovator	china	USL-36D		Donations		In use	15			Support	LAK
AGR00266	Equipment	tractor 55kw	china	LX904	B1523134	Donations		In use	15			Support	LAK
AGR00267	Equipment	Back Hoe	china		B1523150	Donations		In use	10			Support	LAK
AGR00268	Plant Mobile	Forklift	china	CPC30		Donations		In use	7			Support	LAK
AGR00269	Equipment	manual rice planter	china	PF48		Donations		In use	7			Support	LAK
AGR00270	Equipment	potato ridge	china	8035		Donations		In use	5			Support	LAK
AGR00271	Equipment	rotor ridge machine	china	ZGJ-100		Donations		In use	10			Support	LAK
AGR00272	Equipment	potato cooler	china			Purchase		In use	5			Support	LAK
AGR00273	Vehicles	tractor	japan	Mitsy Ferguson	ME46C089YF10 58201	Donations	asco	In use	15			Support	LOMA
AGR00274	Office	Photocopying Machine	Australia	bizhub54	4618041003485	Purchase	remington	In use	5			Support	LOMA
AGR00275	Office	Photocopying Machine	Australia	MP200	L7127150809	Purchase	RcoH	In use	10	2015	7	Support	NAV
AGR00276	Vehicles	Motor bike	Japan	Yamaha		Purchase	asco	In use	15	2015	2	Support	NAV
AGR00277	Vehicles	Motor bike	Japan	Yamaha	YA002-712	Purchase	asco	In use	15	2015	1	Support	NAV
AGR00278	Equipment	Rice reaper	china	TR12D TAVU		Donations		In use	10	2016	1	Support	NAV
AGR00279	Equipment	potato planter	china			Donations		In use	10	2016	1	Support	NAV
AGR00280	Equipment	Trencher	china			Donations		In use	10	2016	1	Support	NAV
AGR00281	Equipment	laser leveler	china	JP-250		Donations		In use	10	2016	1	Support	NAV
AGR00282	Equipment	rotovator	china	5478Y		Donations		In use	10	2016	1	Support	NAV
AGR00283	Equipment	band marker	china	ZGJ-1000		Donations		In use	10	2016	1	Support	NAV
AGR00284	Equipment	rice harvester	china	Z03-F49D2	Q-CAS-FO02	Donations		In use	10	2016	1	Support	NAV
AGR00285	Vehicles	twin cab	china	Rocky 7-70		Purchase	Prakash motors	Disposed	20	1994	23	Support	NAV
AGR00286	Plant Mobile	Masey 365	china	Masey 365		Purchase	asco	In use	20			Support	NAV
AGR00287	Plant Mobile	ridge tractor	china			Purchase	farayan engineering	In use	15			Support	NAV
AGR00288	Plant Fixed	storage locker	china			Purchase	random cool	In use	10			Support	NAV
AGR00289	Equipment	disc harrow	china			Purchase	asco	In use	15			Support	NAV
AGR00290	Equipment	Disc harrow	china			Purchase	asco	In use	15			Support	NAV
AGR00291	Equipment	disc plough	china			Purchase	asco	In use	10			Support	NAV
AGR00292	Equipment	disc plough blade	china			Purchase	asco	In use	10			Support	NAV
AGR00293	Equipment	power tiller	china			Purchase	asco	In use	10			Support	NAV
AGR00294	Equipment	rotovator	china			Purchase	asco	In use	10			Support	NAV
AGR00295	Plant Mobile	rice harvester	china			Purchase	asco	In use	10			Support	NAV
AGR00296	Equipment	Slasher	china			Purchase	asco	In use	10			Support	NAV
AGR00297	Equipment	Slasher	china			Purchase	asco	In use	10			Support	NAV
AGR00298	Equipment	spike harrow	china			Purchase	China aid	In use	10			Support	NAV
AGR00299	Equipment	Gader blade	china			Purchase		In use	10			Support	NAV
AGR00300	Vehicles	GL280	japan			Purchase		In use	20			Support	NAV
AGR00301	Vehicles	GL935	japan			Purchase		In use	20			Support	NAV
AGR00302	Vehicles	GM617	japan			Purchase		In use	20			Support	NAV
AGR00303	Plant Mobile	container	fiji			Purchase		In use	8			Support	NAV
AGR00304	Equipment	generator	china			Purchase		In use	5			Support	NAV
AGR00305	Plant Fixed	water pump	china			Purchase		In use	5			Support	NAV
AGR00306	Equipment	combine harvester	china		9090578111	Donations	China aid	In use	5	2014	3	Support	NAV
AGR00307	Equipment	hand tractor power tiller	china	ka71	111301007	Donations	indonesia aid	In use	5	2014	8	Support	NAV
AGR00308	Equipment	diamond diesel engine	china	DL-1106	5181300842	Donations	indonesia aid	In use	5	2014	3	Support	NAV
AGR00309	Equipment	disc wheel	china	lr		Donations	indonesia aid	In use	5	2014	3	Support	NAV
AGR00310	Equipment	disc plough	china			Donations	indonesia aid	In use	5	2014	3	Support	NAV
AGR00311	Equipment	rotovator	china	rotary		Purchase	indonesia aid	In use	5	2009	6	Support	NAV
AGR00312	Equipment	Photocopying Machine	japan	toshiba	EAS946A	Purchase	office 2000	In use	5	2016	1	Support	NAV
AGR00313	Equipment	water blaster	china	Julia	15532-9	Purchase	clyde equipment	In use	3	2015	2	Support	NAV
AGR00314	Equipment	chainsaw	china	hustarvana		Purchase	wingtee	In use	2	2014	3	Support	NAV
AGR00315	Equipment	chainsaw	china	hustarvana		Purchase	wingtee	In use	2	2014	3	Support	NAV
AGR00316	Vehicles	Twin Cab	japan	mazda	WL8019903	Purchase	niranjans	In use	15	2014	3	Support	NAV
AGR00317	Vehicles	Twin Cab	japan	mazda	WL8019903	Purchase	niranjans	In use	15	2014	3	Support	NAV
AGR00318	Vehicles	Twin Cab	japan	hilux		Purchase	asco	In use	15	2016	1	Support	NAV
AGR00319	Vehicles	Twin Cab	japan	hilux		Purchase	asco	In use	20	2016	5	Support	NAV
AGR00320	Equipment	generator	japan	subaru	2705427	Purchase	china aid	In use	4	2016	7	Support	NAV
AGR00321	Office	Photocopying Machine	Australia	bizhub54	A9HG4100052	Purchase	remington	In use	5	2017		Support	KORNI
AGR00322	Equipment	chainsaw	china	hustarvana	2014100769	Purchase	hitec spars	In use	3	2017		Support	KORNI
AGR00323	Vehicles	mitsubishi	japan	mitsubishi	4M40AD1200	Purchase	asco	In use	15			Support	KORNI
AGR00324	Plant Fixed	drier	fiji			Purchase		In use	10			Support	KORNI
AGR00325	Vehicles	hilux	japan			Purchase		In use	15	2009	8	Support	KORNI
AGR00326	Computers	Laptop	china	toshiba	PL567219	Purchase		In use	5	2015	2	Support	KORNI
AGR00329	Plant Fixed	copier	china		07421352088	Purchase		In use	3	2016	1	Support	KORNI
AGR00330	Equipment	compressor	japan			Purchase		In use	5	2012	5	Support	KORNI
AGR00331	Vehicles	mitsubishi land cruiser	japan			Purchase		In use	15	1990	27	Support	KORNI
AGR00333	Office	Photocopying Machine	Australia	bizhub54	A9HC41000270	Purchase	remington	In use	5	2005	12	Support	VATUWA
AGR00334	Equipment	Photocopying Machine	Australia	loner	LY126950336	Purchase	SPBS	In use	8	2017		Support	VATUWA
AGR00335	Equipment	chainsaw	china	hustarvana		Purchase	wingtee	In use	3			Support	VATUWA
AGR00336	Vehicles	twin cab	japan	mitsubishi	GN507	Purchase	nlvis	In use	15			Support	VATUWA
AGR00337	Vehicles	Motor bike	japan	kawasaki	2672	Purchase	asco	In use	5	2013	2	Support	VATUWA
AGR00338	Vehicles	Motor bike	japan	kawasaki	4462	Purchase	asco	In use	5	2013	2	Support	VATUWA
AGR00339	Vehicles	Motor bike	japan	kawasaki	4457	Purchase	asco	In use	5	2013	2	Support	VATUWA
AGR00340	Vehicles	Motor bike	japan	kawasaki	4402	Purchase	asco	In use	5	2013	2	Support	VATUWA



AGR00341	Vehicles	Motor bike	Japan	Yamaha	AG07	Purchase	AG07	In use	1	2015	Support	RAIV
AGR00342	Vehicles	motor	Japan	Mitsubishi	GA0391	Purchase	AG07	In use	15		Support	VATI
AGR00343	Equipment	Microscope Inva EBans	Malaysia			Purchase		Disposal	3		Support	
AGR00344	Computers	PC	Malaysia			Purchase	VT solutions	In use	3	2014	Support	
AGR00345	Equipment	Microscope	China		95112267535	Purchase		Disposal	5		Support	
AGR00346	Furniture & Fixtures	4 way work station	Fiji			Purchase	Xpress Office	In use	5	2012	Support	RAI
AGR00347	Office Equipment	Photocopying Machine	Guatemala	Canon		Purchase	office 2000	In use	5	2012	Support	RAI
AGR00348	Office Equipment	Photocopying Machine		BIZHUB563	ANED41104021	Purchase	Remington	In use	5	2012	Support	RAI
AGR00349	Furniture & Fixtures	dark brown oval wooden table				Donations	diamond furniture	In use	10	2017	Support	RAI
AGR00350	Office Equipment	Photocopying Machine	China	BIZHUB554E	A61DM100347	Purchase	Remington	In use	5	2016	Support	RAI
AGR00351	Office Equipment	TV Sharp 65"	Japan	LC-65LE550D	165W	Purchase	vinod Patel	In use	5	2016	Support	RAI
AGR00352	Furniture & Fixtures	black leather sofa	Fiji			Purchase	vinod Patel	In use	10	2017	Support	RAI
AGR00353	Computers	Desktop	Australia	HP	W7C91AY	Purchase	DATC	In use	3	2017	Support	RAI
AGR00354	Furniture & Fixtures	Executive white table	Fiji	YUKANA	ARTAKV02190	Purchase	GEM IT	In use	10	2017	Support	RAI
AGR00355	Office Equipment	Photocopying Machine	China	XONIKA	4395WY0023A	Purchase	Remington	In use	1	2015	Support	RAI
AGR00356	Office Equipment	HP Printer design jaz	Australia	Q6712A	MY99K5CD2C	Purchase	Clarity	In use	7	2009	Support	RAI
AGR00357	Office Equipment	coloured photocopier	Australia	STUDIO3040	CNA217596	Purchase	office 2000	In use	5	2017	Support	RAI
AGR00358	Office Equipment	Printer	Australia	COMPAC h2	207763	Purchase		In use	7	2009	Support	RAI
AGR00359	Furniture & Fixtures	Black Leather Sofa	Malaysia			Purchase	vinod Patel	In use	3	2016	Support	RAI
AGR00360	Furniture & Fixtures	4 way work station	Fiji			Purchase	Jess Stationery	In use	3	2016	Support	RAI
AGR00361	Vehicles	MAHINDRA	India	MAHINDRA	MMF4G12372	Donations		In use	10	2015	Support	RAI
AGR00362	Office Equipment	DELL	Malaysia	DELL	6907C2	Purchase	GEM IT	In use	3	2016	Support	RAI
AGR00363	Furniture & Fixtures	4 way work station	Fiji			Purchase	Jess Stationery	In use	3	2017	Support	RAI
AGR00364	Office Equipment	colour MFC machine	Vietnam	SAMSUNG SL-0756B1AH000	X4250 021	Purchase	utec system	In use	5	2017	Support	RAI
AGR00365	Office Equipment	Kyocera Photocopying Machine	Japan	TASKalfa 5580		Purchase	Remington	In use	5	2017	Support	RAI
AGR00366	Computers	Desktop	Australia	PROMOTE	SC23102	Purchase	DATC	In use	5	2017	Support	RAI

Prepared By: *Alvin Prasad*  
Signature: *Alvin Prasad*

Checked By: *ASWEN N*  
Signature: *ASWEN N*  
14/12/17

Approved By: *[Signature]*  
Signature: *[Signature]*  
14/12/17

# **FIJI CORRECTIONS SERVICE**



**FIJI CORRECTIONS SERVICE**  
FBEU Building, 62 Gordon Street,  
(Corner of Kimberly & Gordon Street)  
P.O. Box 114, Suva, Fiji  
Tel: (67) 3303512 Fax: (679) 3302523



17 May 2019

C/AC 8/61

**The Chairperson,**  
Public Accounts Committee  
Government Buildings  
SUVA

**Attention:** Mr Mateo Lagimiri

**REPORT OF THE AUDITOR-GENERAL ON THE FOLLOW-UP OF SELECTED  
2016 AUDITOR-GENERALS REPORT FOR VARIOUS SECTORS (PP No. 133 of  
2018)**

1. With reference to your letter Par Ref No: 6/11-7/29 of 8 May 19, we would like to acknowledge with appreciation your commendable comments. As requested, we have attached the responses to the strategies that FCS has adopted in ensuring the audit recommendations are implemented.
2. Submitted for your information.

Yours sincerely

  
F.B. KEAN  
Commander  
Commissioner

# PUBLIC ACCOUNTS COMMITTEE

WRITTEN RESPONSE - 22/05/2019 9:59 a.m.

## Recommendations in Report on General Administration Sector – 2016

FIJI CORRECTIONS SERVICES	Auditor-General's Report (PP No. 133 of 2018) F/IMP	Department's Comments
<p><b>It is recommended for the Department should:</b></p>		
<p>1. Must ensure that:                      (i) debtor reconciliations are prepared on a monthly basis and ageing report is prepared                      (ii) the reported variance is investigated and rectified and recovery action is instigated against long outstanding debtors.</p>		<p>Comments noted.</p>
<p>2. Must ensure that the:                      (i) reported variance is investigated and rectified                      (ii) credit facilities over to customers whose cheques have been dishonoured are reviewed and discontinued if necessary and necessary action is taken to recover debts arising from dishonoured cheques.</p>		<p>Comments noted.</p>
<p>3. Must ensure that:                      (i) SoFs are prepared and approved for the operation of the Prisoners Trust Fund Account and                      (ii) the closing balance as at 31 July 2016 is substantiated with relevant supporting documents.</p>		<p>Comments noted.</p>
<p>4. Should ensure that expenditures are recorded in the correct allocations.</p>		<p>Comments noted.</p>

F/IMP – Full Implemented P/IMP – Partially Implemented N/IMP – Not Implemented M/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

In your response, mention the following:-

## 1. What was the cause of the problem?

The main problem was the lack of knowledge on the systems and processes of record keeping coupled with the lack of monitoring on the implementation of these processes. Conducting awareness on the importance of keeping historical documents regardless how long they are especially payment vouchers, receipt records and prisoners data.

## 2. What action plan has the Department put in place for resolving any future issues highlighted in the Auditor-General's report?

Some changes that FCS has implemented and strengthened are:

- Maintaining personal files for each inmate with all records and movements with respect to his referrals are recorded.
- Maintaining of Receipts for all money received from inmates, this is recorded and maintained in the PF files.
- Strengthening of Internal Audit conducted during annual Commissioner's Inspections and FCS Audit Compliance Unit as stated in the FCS ACP targets.
- Monthly reconciliations and updates to Management.
- Continuous monitoring in HR and Finance Units by Management

## 3. Does the Department have the timeline for the implementation of these action plans?

Timelines are in place for all processes. Personal files are opened as soon as an inmate comes in for admission. If he is carrying any cash, this is receipted with his properties recorded in a register before him. Original receipt is maintained in his PF file and the copy sent to NHQ for processing in the FMIS system with the lodgement details.

## 4. Can the Commissioner advise and provide evidence to the Committee that monthly updates on the implementation of audit recommendations are submitted by the Accounting Heads as required under the Finance Instructions 60 (1)?

Yes. Monthly reconciliations are compiled for the following accounts and submitted for endorsement before forwarding to MoE. Evidences of these submissions are attached also:

- Prisoners Trust reconciliation
- TMA and OFA Drawings reconciliations
- TMA and OFA Imprest reconciliations
- Salary and Wages reconciliations
- OFA Trust reconciliation
- IDC, RFA, BLC and SLG reconciliations

## PUBLIC ACCOUNTS COMMITTEE

5. Are the performance indicators of Accounting Head aligned to the implementation of the audit recommendation?

Yes they are. The Accounting Head monitors and evaluates the financial performance monthly to Commissioner through:

- Finance presentations on the status of utilisation and funding for FCS
- Submission of all account reconciliation for endorsement to Commissioner
- Capital progress presentation and briefs by Project Officers and Finance on all status of the FCS projects for the financial year.

6. What mechanisms have the agency adopted in order to avoid recurring of audit queries?

- Improvement of filing system.
- Maintaining of receipts daily with lodgement forms
- Improvement of monthly reconciliations and records
- Conducting continuous monitoring and checks
- Continuous in-house training to current staff and newly recruited staff to make them aware of the financial regulations and acts existing in Govt.
- Adopting Standard Operation Procedures of certain activities carried out in the systems and processes.

7. Please discuss your strategies or share best practices in successfully implementing the audit recommendation.

- The Financial Instructions, Finance Management Acts and the Agency Finance Manual are embedded into all FCS training programs to enable all FCS personnel understand the Procurement and Finance processes.
- Continuous Financial trainings and awareness with Ministry of Economy on the FMIS system
- Familiarising them with the systems and processes in place.
- Annual review of the Agency Finance Manual and TMA Business Plan.
- Significance of having SOP for each process; and
- Close monitoring of processes through After Action Report (AAR).i.e submitting a report after any activities undertaken.

**MINISTRY OF FOREIGN  
AFFAIRS**

# PUBLIC ACCOUNTS COMMITTEE

WRITTEN RESPONSE – 18/11/2019 4:40 p.m.

## Recommendations in Report on General Administration Sector – 2016

MINISTRY OF FOREIGN AFFAIRS	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p> <p>1. Ensure that overseas missions bank balance is reconciled with the FMIS general ledger bank balance on a monthly basis and any foreign exchange gain or loss is adjusted immediately.</p>		✓		✓		<p>The audit issue here is the non-reconciling of Missions bank balance with corresponding GL account. The Ministry in consultation with MOE has developed and adopted a new posting method in 2017 which was specifically designed to address the issue.</p> <p>Using this new posting method, the Ministry has managed to reconcile the Mission's bank balance and the GL on a monthly basis. However, variances accumulated over the years prior to 2017 are still reflected in the GL Account. The Ministry is liaising closely with MOE on how this can be effectively adjusted or addressed. We intend to address these variances by end of 2018-2019 financial year.</p>
<p>2. Transfer the Fiji Consulate General Sydney account to the Ministry of Industry, Trade &amp; Tourism in consultation with the Ministry of Economy.</p>		✓		✓		<p>The actual cash has been transferred; however, the GL balance still remains with MOFA GL Account. The Ministry has deactivated the account to ensure that no further transaction is made on the account. The unresolved part however is the clearance of this account.</p> <p>This is part of the submission referred to in 1 regarding the clearance of variances. Clearing of the accumulated variance over the years remains a challenge which the Ministry is liaising closely with MoE on the adjustments that needs to be undertaken in clearing the accumulated variance</p>
<p>3. Ensure that all revenues collected on behalf of other ministries/department by the overseas missions are deducted from their remittances and remitted to</p>		✓	✓			<p>The issue here is the deduction of Missions remittance by the level of revenue collected on behalf of other Agencies.</p>

F/I/M/P – Full Implemented

P/I/M/P – Partially Implemented

N/I/M/P – Not Implemented

N/U/P/D – No Update Provided



# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FOREIGN AFFAIRS	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p> <p>the respective Ministries/Departments.</p>						<p>The issue has been fully resolved in that revenue collected remains in our Overseas Mission while the corresponding amount is deducted from their monthly remittance and the consequent passing of credits to relevant Agencies</p>
<p>4. Formalize the administrative fees charged by the Mission for facilitating the request or applications for government services.</p>	✓			✓		<p>The current administrative fee charged by the Missions is based on an approval issued by MOE in <b>2003</b>.</p> <p>The Ministry agrees that this approval needs to be reviewed. MOE is however the relevant authority for any issue relating to fees and charges, including its review. The Ministry is liaising with MOE in developing standard rates/fees to be applied for conducting consular services in our Missions. These require in-depth assessment of the appropriate level of fees/charges to be levied considering the different currency used in different Missions.</p> <p>Following the consultation and review, a Cabinet Paper will then be submitted seeking Cabinet's endorsement on the reviewed fees and charges before it is actually implemented. This is anticipated to be cleared by end of 2019.</p>
<p>5. Develop and standardized policy on the payment of travel allowance for the diplomats on their official travel to Fiji.</p>	✓		✓			<p>The issue here is on the different level of allowance paid to diplomats travelling on official duty to Fiji. To address this, a new process was initiated by the Ministry whereby all diplomats are required to fill a standard Travel Request Form clearly stating the purpose, duration and funding details of the trip. Note that this is only for travel outside of their country of accreditation, including travelling to Fiji.</p> <p>The Form include calculations on travel allowance (per diem) which is vetted by Finance Division before it is submitted for PSFA's approval. Finance Division is to check with MOE on the applicable per diem rate used and ensure that it is in line with the UN Per diem rate.</p>

F/I/M/P – Full Implemented

P/I/M/P – Partially Implemented

N/I/M/P – Not Implemented

N/U/P/D – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FOREIGN AFFAIRS	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
It is recommended for the Ministry should:						<p>PSFA approval on any travel by diplomats outside their country of accreditation is subject to clarity on the purpose of the trip and importantly on compliance to relevant regulations such as per diem rate used.</p> <p>Awareness of this process was made through an internal Circular to all Overseas Missions.</p>



F/IMP – Full Implemented      P/IMP – Partially Implemented      N/IMP – Not Implemented      N/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

In your response, mention the following:–

1. Has the Ministry taken steps to identify the cause of the problem?
2. What action plan has the Ministry put in place for resolving the issues highlighted in the report?
3. Does the Ministry have the timeline for the implementation of these action plans?
4. For issues that are now resolved, can the Ministry provide evidence of this to the Committee?
5. Can the Permanent Secretary advise and provide evidence to the Committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instructions 60 (1)?
6. Are the performance indicators of Accounting Head aligned to the implementation of the audit recommendation?
7. For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in order for the audit recommendation to be implemented.
8. What mechanisms have the agency faced in order to avoid recurring of audit queries?

F/IMP – Full Implemented  
Update Provided

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/UPD – No

**MINISTRY OF  
DEFENCE, NATIONAL  
SECURITY &  
IMMIGRATION**

# PUBLIC ACCOUNTS COMMITTEE

WRITTEN RESPONSE – 18/11/2019 4:40 p.m.

## Recommendations in Report on General Administration Sector – 2016

MINISTRY OF DEFENCE, NATIONAL SECURITY & IMMIGRATION	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>1. Must ensure that revenue is posted to the correct allocation.</p>						<p>The Ministry acknowledges the Public Accounts Committee's and have taken note of the recommendations. We have taken step in identifying the cause of the problem, in making sure that all revenues received and receipted by the Ministry apart from Security License Fees will be posted to their proper allocation.</p> <p>Ministry has developed and now implemented a System Operating Procedure (SOP) and a Standard Checklist to resolve the issue highlighted. Our way forward to any revenue received will be receipted to any Operational Expenses Allocation where fund was sourced from.</p>
<p>2. Should liaise with Ministry of Economy to create specific revenue general ledger allocations for revenue collected other passport revenue.</p>						<p>The Department acknowledges the recommendations had have liaised with the Ministry of Economy (MoE) to create a specific revenue general Ledger Allocation as highlighted below:                      1-02301-70999-230328 - Permit                      1-02301-70999-230329 - Citizenship                      1-02301-70999-230330 - Visa                      1-02301-70999-230332 - Search Fee</p>
<p>3. Must ensure that the passport revenue as per the IBMS system and manual receipts are reconciled with the general ledger balance at the end of each month and variances are investigated and rectified.</p>						<p>The Department acknowledges the Public Accounts Committee recommendations. The International Border Management System (IBMS) software was purchased by the Department in 2012 to automate its processes. Of the 11 modules, one is receiving module whereby all revenue collected by the Department for its services is done electronically. This system is not linked to the Government's FMIS, so all revenue received by IBMS is journalized and posted to FMIS daily. Furthermore, Fiji embassies around the world provide Immigration services to current and former Fiji Citizens in their respective countries and collect revenues for the services rendered. This revenue is sent to the Ministry of Foreign Affairs who raises the</p>

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF DEFENCE, NATIONAL SECURITY & IMMIGRATION	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p>						<p>necessary journals to be posted directly to FMIS; however the Department do not have records of these transactions. This is the reason why there is a difference in the revenue balance between FMIS and IBMS.</p> <p>In reconciling the difference highlighted in the report, we determined that the Ministry of Foreign Affairs posted revenue to FMIS totalling \$306,299.91. This figure will not appear in the IBMS. Also, the revenue received manually will not appear in the IBMS as it is posted directly to FMIS using the journal voucher. There are four revenue streams that the Department receipts manually, namely Issue fees, Appeal fees, Uplift of Prohibited Immigrant fees, and Bond fees. Other contributing factors to manual receipting include power outages and natural disasters that affect the power supply hence the cashiers have to resort to manual receipts so our services can continue. Total revenue of \$1,889,087.91 was manually receipted from the period 1/1-31/7/16.</p>
<p>4. Must ensure that supporting documentation is maintained for all funds remitted from overseas before these are posted to the general ledger and documentation is provided for audit verification.</p>	✓					<p>As explained in item 3, the Ministry of Foreign Affairs collects revenue on the Departments behalf and posts directly into the Passport Revenue GL allocation. The Department is in discussion with the Ministry of Foreign Affairs on the way forward in ensuring that this revenue report is submitted to the Department for verification on a monthly basis before they post into the GL.</p>
<p>5. Should ensure that underline accounts reconciliations are prepared within 3 days of receiving the monthly general ledger reports from the Ministry of Economy.</p>			✓			<p>The Department has ensured that the ledger is updated and will be available for sighting upon request.</p> <p>All reconciliations are timely submitted to the Ministry of Economy every 15<sup>th</sup> of a new month. The Accounts Section is monitoring and ensures that all reconciliations will be submitted on time.</p>

F/I/M/P – Full Implemented

P/I/M/P – Partially Implemented

N/I/M/P – Not Implemented

N/U/P/D – No Update Provided

**MINISTRY OF WOMEN,  
CHILDREN & POVERTY  
ALLEVIATION**

# PUBLIC ACCOUNTS COMMITTEE

WRITTEN RESPONSE – 18/11/2019 4:41 p.m.

## Recommendations in Report on Social Services Sector – 2016

MINISTRY OF WOMEN, CHILDREN & POVERTY ALLEVIATION	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>1. <b>Distribution Anomalies of HFHI Program</b> Ensure that proper and detailed vetting processes are adopted to ensure accuracy of information processed to avoid mismanagement and fraudulent activity and in consultation with the Ministry of Economy should investigate the anomalies identified.</p>	✓					<p>This was a one off rehabilitation program that was implemented after TC Winston. The Ministry was tasked with the responsibility to issue fill the application forms and procedures were clearly laid down. Because of the magnitude of damages and the number of applications there was no time for home visits for verifications, however, information was clearly laid out in the forms and awareness material that was distributed during the exercise. Applicants were explained and had to declare that information given was correct and that if any false information was given they are liable for prosecution. It was at the same time when the False Information Act came into existence. There were several stakeholders that were involved in this exercise, and Ministry of Economy was responsible for the monitoring of the program. Cases that the Ministry had come across that were suspicious were referred to MOE and cases were investigated and prosecuted if found to be in breach of the procedures.</p>
<p>2. <b>Care and Protection Program – Ineligible Recipients</b> Ensure that review of recipients under the Care and Protection Program is carried out at least annually and proper mechanisms are put into place so that recipients who are being assisted for more than five years and</p>	✓					<p>The Review of Care &amp; Protection Allowance is part of the Department's annual activities factored in its Business Plan. Reviews are being consistently carried out by welfare officers with updates and reports submitted monthly highlighting cases that have been removed after assessment. The Department is working with ITC in the development of its system so that cases can be flagged once the children have turned 18.</p>

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/UPD – No Update Provided



# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF WOMEN, CHILDREN & POVERTY ALLEVIATION	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p> <p>children above the age of 18 years are easily identified and necessary actions are taken to terminate the provision of assistance to them.</p>						
<p><b>3. Failure to Implement Internal Control – Payment Anomalies</b></p> <p>Strengthen compliance with internal controls over payments and take appropriate action for any breaches.</p>	✓					<p>The Ministry has identify that the cause of this failure is due to urgency to process the payments by the payments clerk as and when required and while in the process that is overlooked. The Ministry (A/PAO) has advised the payments clerk (email) to always ensure that documents are duly completed before payment is made and a separate clerk that is responsible for filing to recheck on all documents to be stamped paid and cheque number to be written before paid vouchers goes to the file. Reason of the failure is also due to lack of staff in the Accounts unit during this period in comparison to the annual increase in the Ministry's Budget. NEC attachée was requested for in the current financial year and is solely looking after the filing system. Also additional staffs have been requested for in the 2019-20 budget.</p>
<p><b>4. Fixed Assets Register Not Updated</b></p> <p>Ensure purchase of any item above \$2,000 is recorded in Fixed Asset Register immediately upon purchase.</p>	✓					<p>This has been updated and a copy of the FAR has been submitted as requested.</p>
<p><b>5. Late and Non-retirement of Accountable Advances</b></p> <p>Ensure that outstanding accounts are recovered on timely basis, recoveries are properly accounted and further advances</p>	✓					<p>The Ministry has identify that the cause of this failure is due to delay in programmes being implemented or activities carried out in the field. Also delay in returning to the station due to adverse weather conditions. Ministry is taking action for not acquiring advances on time by reminding them on email before the 7 days timeline and surcharge is done for officers that fail to retire after 7 days lapsed. The Ministry accounts unit are ensuring that accountable advances are not be issued to those who has an</p>

F/I/M/P – Full Implemented

P/I/M/P – Partially Implemented

N/I/M/P – Not Implemented

N/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF WOMEN, CHILDREN & POVERTY ALLEVIATION	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<b>It is recommended for the Ministry should:</b> are not issued to any officer who has outstanding advances						outstanding advance to be cleared.



F/IMP – Full Implemented
P/IMP – Partially implemented
N/IMP – Not Implemented
N/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

In your response, mention the following:–

1. Has the Ministry taken steps to identify the cause of the problem?
2. What action plan has the Ministry put in place for resolving the issues highlighted in the report?
3. Does the Ministry have the timeline for the implementation of these action plans?
4. For issues that are now resolved, can the Ministry provide evidence of this to the Committee?
5. Can the Permanent Secretary advise and provide evidence to the Committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instructions 60 (1)?
6. Are the performance indicators of Accounting Head aligned to the implementation of the audit recommendation?
7. For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in order for the audit recommendation to be implemented.
8. What mechanisms have the agency faced in order to avoid recurring of audit queries?

F/IMP – Full Implemented  
Update Provided

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/UPD – No

**MINISTRY OF  
INFRASTRUCTURE  
AND TRANSPORT**

Ministry of Infrastructure Transport, Disaster Management & Meteorological Services

Report of the Auditor General – Follow Up of Selected 2016 Auditor General's Reports for Various Sectors

Reference No as per the report	Audit Issue/Matter (Summary each audit paragraph)	Status to date of the Matter reported	If Resolved – how was it resolved and provide evidence	If Unresolved – Actions in place	Challenges faced in the resolving the issue	How is the Ministry trying to overcome these challenges
1.	Reconciliations between the TMA Bank Account and FMIS General Ledger balance are thoroughly checked by the SAO and variances noted in the reconciliation are investigated and appropriate action is taken to rectify.	<p>Variances are being identified and appropriate action by SAO. The only Variances standing as unresolved to date is before the Court with some of the DECE staff being implicated in the scam (FICAC Case)</p> <p><b>Partially Implemented</b></p> <p>(Evidence attached- Annex 1)</p>		<p>The Ministry had made a formal submission to the Office of the Solicitors General on 13th September 2017 to seek approval for writing off of these unsubstantiated variances as these losses are deemed irrecoverable.</p> <p>On 22nd February 2018, The Office of Solicitors General advised the Ministry that the unsubstantiated variances amount in the</p>	<p>Getting Approval for the write off. Unavailability of documentary evidence due to the accused were destroying documentary evidence such as bogus purchase orders and payment vouchers.</p>	<p>Strict Internal Control procedures to avoid fraud.</p>

Reference No as per the report	Audit Issue/Matter (Summary each audit paragraph)	Status to date of the Matter reported	If Resolved – how was it resolved and provide evidence	If Unresolved – Actions in place	Challenges faced in the resolving the issue	How is the Ministry trying to overcome these challenges
				<p>Trading and Manufacturing account is more than \$50,000, the request for write-off must be referred to the Minister for Economy under section 57(c)(3) of Finance Instruction 2010 and the Ministry has written to Ministry of Economy dated 19th March 2018 for Write off of the Unsubstantiated variances based on Solicitor General's Opinion .</p> <p>The Ministry of Economy (Asset Management Unit) email dated 4th July 2018 requested</p>		

Reference No as per the report	Audit Issue/Matter (Summary each audit paragraph)	Status to date of the Matter reported	If Resolved – how was it resolved and provide evidence	If Unresolved – Actions in place	Challenges faced in the resolving the issue	How is the Ministry trying to overcome these challenges
				<p>the Ministry to request FICAC on the Status of the Case. The Ministry had a meeting and written to FICAC on 23rd of July 2018 on the status of the case. On 13th of August FICAC responded that accused destroyed a large amount of documentary evidence and it is very difficult to determine the actual amount which was misused. The same has been submitted to Ministry of Economy (AMU) for the variances to be regularized.</p>		
2	Consultation is made with	MoE is currently reviewing the				

Reference No as per the report	Audit Issue/Matter (Summary each audit paragraph)	Status to date of the Matter reported	If Resolved – how was it resolved and provide evidence	If Unresolved – Actions in place	Challenges faced in the resolving the issue	How is the Ministry trying to overcome these challenges
	MoE to consider reducing the cash ceiling for the Fuel/Oil & Plant Hire TMA's	TMA Operations and a reduction of it's cash ceiling is part of it. – <b>Fully Implemented</b>				
3	Necessary Controls in the PlumberShop/Plant Hire TMA's are implemented and the variance in sales between the JRS and General Ledger is reconciled	All jobs paid have been issued with JRS and ledger Keepers are doing Ledger Reconciliation on monthly basis and submitting the Ledger Reconciliation Forms to SAO . <b>Fully Implemented</b> (Evidence Attached – Annex 2)				
4	Liaison is made with the village Turaga Ni koro and Divisional Engineers for the access to customers residence.	Solar Managers are appointed at various Villages and Settlements as our Point of Contact for future visits. <b>Fully Implemented</b>	The Department have implemented the following actions ; <ul style="list-style-type: none"><li>Liaise with the Turaga ni Koro or Solar Manager on the date of inspection so</li></ul>		The issue of contractor not able to access the systems is mainly due to houses being closed Some causes identified for houses closed: <ul style="list-style-type: none"><li>Owners and family is Suva or Labasa-School Children</li></ul>	The Department have implemented the following actions ; <ul style="list-style-type: none"><li>Liaise with the Turaga ni Koro or Solar Manager on the date of inspection so that villagers are aware and let their house open if they attend to their farms or visit Labasa or Viti Levu</li><li>House vacant during maintenance visits, when a</li></ul>



Reference No as per the report	Audit Issue/Matter (Summary each audit paragraph)	Status to date of the Matter reported	If Resolved – how was it resolved and provide evidence	If Unresolved – Actions in place	Challenges faced in the resolving the issue	How is the Ministry trying to overcome these challenges
			<p>that villagers are aware and let their house open if they attend to their farms or visit Labasa or Viti Levu</p> <ul style="list-style-type: none"> <li>House vacant during maintenance visits, when a house is closed, the contractor should include the reason with the confirmation of the Turaga ni Koro or Solar Manager.</li> <li>for more than 3 months where the house owner has died or migrated to Labasa or another village, the system will be removed by DOE.</li> </ul>		<p>schooling in the City</p> <ul style="list-style-type: none"> <li>Owners went to their forms</li> <li>Owners closed their houses and went to forms to avoid the warning or fine issued by DoE because they must have tampering with their systems</li> <li>House vacant and no idea where the owner is</li> </ul>	<p>house is closed, the contractor should include the reason with the confirmation of the Turaga ni Koro or Solar Manager.</p> <ul style="list-style-type: none"> <li>for more than 3 months where the house owner has died or migrated to Labasa or another village, the system will be removed by DOE.</li> </ul>

Reference No as per the report	Audit Issue/Matter (Summary each audit paragraph)	Status to date of the Matter reported	If Resolved – how was it resolved and provide evidence	If Unresolved – Actions in place	Challenges faced in the resolving the issue	How is the Ministry trying to overcome these challenges
5	Airports Fiji Ltd complies with the Cabinet Decision and reimburse the FMS 50% of the costs of Meteorological services provided: review the cost structure on the provision of Meteorological Services to the aviation industry is carried out, and revenue is correctly posted in the FMIS General Ledger.	The issues highlighted is partially implemented.  1.Revenue is correctly posted in the FMIS GL.  <b>Fully implemented</b>  (Evidence Attached – Annex 3)  2. Airports Fiji Ltd complies with the Cabinet Decision and reimburse the FMS 50% of the costs of Meteorological services provided: review the cost structure on the provision of Meteorological Services to the aviation industry.  <b>Partially Implemented</b>	migrated to Labasa or another village, the system will be removed by DOE.	We are re-visiting with our counterparts from FAL/CAAF so as to pick up from where we left with our discussion.  2. Establish a TOR and with the assistance of MoE, put out an advertisement for the engagement of qualified expert consultant who can assist the Department in costing the services provided.	Dispute over the true cost of services.	We are re-visiting with our counterparts from the FAL/CAAF so as to pick up from where we left with our discussion.  2. Establish a TOR and with the assistance of MoE, put out an advertisement for the engagement of qualified expert consultant who can assist the Department in costing the services provided.  3. Conduct further consultation with FAL/CAAF  4. Signed an agreement on terms and conditions for our future engagement.

Reference No as per the report	Audit Issue/Matter (Summary each audit paragraph)	Status to date of the Matter reported	If Resolved – how was it resolved and provide evidence	If Unresolved – Actions in place	Challenges faced in the resolving the issue	How is the Ministry trying to overcome these challenges
6	Liaison with water Authority of Fiji to locate the documents relating to payment of retention deposit monies from the contractors	The Ministry has been liaising with WAF since 2015 for a feedback to locate the documents for the retention security deposit. <b>Partially Implemented</b> (due to delay in WAF's response) Evidence attached – Annex 4		provided. 3. Conduct further consultation with FAL/CAAF 4. Signed and agreement on terms and conditions for our future engagement. Ministry is following with WAF for the documentary evidence.	Acquiring the evidence from WAF	Following up with WAF
7	GSS tally cards are updated regularly to record movement of stores; and appropriate disciplinary action taken against those responsible for not performing their duties diligently.	Tally Cards are up to date with an officer being temporary posted to look after the Stores. The Post of Storeman has been advertised and process of selection is underway. <b>Fully Implemented</b> Evidence attached – Annex 5	Officer being temporary posted to look after Stores		Speedy up the processing of Storeman Post	Temporary posted a Clerical Officer – Franchise to look after the Stores until such time the post is finalized.

Reference No as per the report	Audit Issue/Matter (Summary each audit paragraph)	Status to date of the Matter reported	If Resolved – how was it resolved and provide evidence	If Unresolved – Actions in place	Challenges faced in the resolving the issue	How is the Ministry trying to overcome these challenges
8	Capital projects are properly planned and reviewed to avoid delays. Delay damages are claimed from the contractors for works not completed as per the contract. Terms and Conditions of the contract are complied with at all times	Projects are clearly planned and reviewed to avoid delays. Delay through damages is claimed from the contractors for work not completed as per contract. <b>Fully Implemented</b>	Project completed.		The delay is mainly for the late supply of materials from FEA who is a sole supplier.  The delay is for the late supply of materials; the department is responsible for the supply of materials for the two project and not the contractors themselves	At the time of the project construction the delay was mainly from the supply of materials which is not caused by the contractors. Both the grid extensions have been completed.  DOE has taken into account the supply of materials for grid extension purposes in its proposed projects for the future so that the supply and install contract are not merged together.
9	Arrears records are updated on a monthly basis to fairly represent arrears of revenue and concerted effort is made to recover the arrears to avoid write offs.	Ministry is facing difficulties in collection of arrears of solar rental due to the number of customers (12000 plus) and geographical location of the villages and settlements and record keeping due to the lack of man power in the Solar Section.  <b>Partially Implemented.</b>		Currently the DOE is recruiting staffs for collection of revenue and maintaining of records.  DOE has requested for a Pre Paid System for 2019-2020	-Shortage of staffs and geographical location of settlements for collection of revenue	Currently the DOE is recruiting staffs for collection of revenue and maintaining of records.

Reference No as per the report	Audit Issue/Matter (Summary each audit paragraph)	Status to date of the Matter reported	If Resolved – how was it resolved and provide evidence	If Unresolved – Actions in place	Challenges faced in the resolving the issue	How is the Ministry trying to overcome these challenges
				Budget.		

**MINISTRY OF LANDS  
AND MINERAL  
RESOURCES**

**MINISTRY OF LANDS AND MINERAL RESOURCES**

**RESPONSES TO PUBLIC ACCOUNTS COMMITTEE (PAC) FOLLOW UP OF SELECTED 2016 AUDITOR GENERAL REPORTS FOR VARIOUS SECTORS**

<b>Issue No.</b>	<b>Reference No.</b>	<b>Status</b>	<b>Issue Title</b>	<b>Audit Findings</b>	<b>Management Responses</b>	<b>Current Update</b>
<b>DEPARTMENT OF LANDS</b>						
2	33.7.1	N/IMP	<b>Failure to Deposit the Retention Sum in the Trust Fund Account</b>	<p>-The Ministry should: -Ensure that the retention sum deducted from the progress payments are deposited into the trust fund account;</p>	<p>-The recommendation of the Auditors is acknowledged and noted.</p> <p>-The Ministry will further liaise with Ministry of Economy on the recommendation given as this issue has been already discussed with them and the advice received that carry over is not allowed hence the need for the Ministry to seek funding in the next Budget year to cater for those payments. And that's the process that the Ministry is currently practising.</p>	<p>- Considering that funds allocated for Development is under R, the Ministry has been requesting for the release of funds for payment of phases minus the 10%. If the project is expected to be rolled over to the following year then the 10% retained is part of the next financial year Budget request.</p> <p>- For Maintenance of Existing Sub Division, all projects carried out are to be facilitated through the same financial year hence all payments are usually done within the same period with no retention amount.</p>
5	33.7.2	P/IMP	<b>Double posting in General Ledger</b>	<p>-The Ministry should ensure that the ledger balances are reconciled to the general ledger reports in a timely manner and errors or</p>	<p>-Management duly acknowledge to the recommendation made.</p> <p>-In future the Ministry</p>	<p>-The Ministry has been proactive and carrying regular checks and verification on monthly basis to ensure that such mis-posting does not occur.</p>

Issue No.	Reference No.	Status	Issue Title	Audit Findings	Management Responses	Current Update
				<p>misallocations are adjusted accordingly.</p>	<p>ensures that proper reconciliation is being done for General Ledger to avoid any misposting or double posting as the case for due to some misunderstanding between Ministry of Economy and the Ministry which resulted in that double posting.</p>	
7	33.7.3	N/IMP	<p><b>Main Trust Fund Account not Properly Maintained</b></p>	<p>-The trust cash book and trust ledger records are properly maintained and updated.</p>	<p>-Management duly agree with the recommendation made. -The issue has been rectified and Reconciliations for SAG 52 and SLG89 is updated and prepared in timely manner and trust cash book and ledger is also updated.</p>	<p>-The Ministry has appropriate Cash books and relevant register in place for recording of Trust Monies and all payouts.</p>
8	33.7.4	P/IMP	<p><b>EFT Payments Unpresented as at 31/7/16</b></p>	<p>Supervisory controls and checks should be strengthened in the Accounts Section to avoid such discrepancies.</p>	<p>We would like to acknowledge the recommendation by auditors.  -The Ministry noted that some of the reason for un-presented cheques while doing the bank</p>	<p>-The Ministry has put in place appropriate measures and verification process including supervisory controls to ensure that this issue does not re-occur. -The Ministry is always working closely with FMIS Unit of Ministry of Economy to address some emerging issues relating to</p>



Issue No.	Reference No.	Status	Issue Title	Audit Findings	Management Responses	Current Update
					<p>reconciliations was that it could not match the batch postings in the bank statements to the EFT numbers generated in the FMIS (Financial Management Information System) ledger. This had resulted in the overstatement in the un-presented cheques.</p> <p>-Also the increase in amount of Un-presented Cheque list is when we process payment at the end of the month it does not showed in the Bank Statement for that month but it appears in the upcoming months.</p>	<p>non-clearance of EFT payments.</p>
9	33.7.4	P/IMP	EFT Payments Unpresented as at 31/7/16	-The Department should ensure that the Drawings Account is reconciled monthly and any errors or misallocations noted should be investigated and adjusted accordingly.		-The Ministry now has a Supervisory Officer who is responsible for the preparation of Drawings Account monthly Reconciliation and is submitted to Ministry of Economy within the regulated timeline.

**DEPARTMENT OF MINERAL RESOURCES**

Issue No.	Reference No.	Status	Issue Tittle	Audit Findings	Management Responses	Current Update
11	33.8.1	N/IMP	Main Trust Fund Account not Properly Maintained	<p>-The Ministry should ensure that;</p> <p>-The stale and voided cheques are cleared in a timely manner.</p>	<p>-Auditor's comments noted and improvement shown in the update of Trust Fund Account for current financial year.</p> <p>-The delay in receiving of bank statement had contributed in the delay in posting of bank fees and charges in General Ledger. The Department had written to the bank for counter collection of bank statement instead of receiving through mail in order to improve on this process. Voided cheques are always captured in GL when transaction occurred. -However, the Department needs to write-on all state cheques and to be removed from reconciliation statement.</p>	<p>-All Stale and Voided cheques in concern has been cleared accordingly.</p> <p>-The Ministry is now taking appropriate measures and controls in ensuring that all stale and voided cheques are cleared as required.</p>

Issue No.	Reference No.	Status	Issue Title	Audit Findings	Management Responses	Current Update
<b>PRIOR YEAR</b>						
13	33.9	N/IMP	ARREARS OF REVENUE	Accounting Heads to: -Ensure correct figures are supported before finalizing the arrears of revenue report ☑ Take appropriate steps vigorously follow up for recovery of long outstanding debts; ☑ Follow up the outstanding debts in accordance with the debt recovery procedures prescribed in the Ministry's Finance Manual and ☑ Review the effectiveness of the Taskforce Unit that was established to enforce the collection of land rent	-We duly note the recommendation being made, currently the Ministry is considering appropriate measures to address the collection of revenue arrears / how to minimise the arrears of revenue, for better reflection of report we are preparing monthly arrears of revenue report to see the variance between revenue collected and revenue that are due.	-The Ministry is pursuing appropriate measures to address this issue of Arrears of Revenue. - Also an SOP has been developed internally that clearly specifies the various tasks that the Saumia Task Force has to pursue such as Identification of Rent Defaulters and having several meetings and follow ups, issuance of notices, consenting to undertakings to name a few as processes for recovering debt. - The Ministry is also working on a Debt Management Policy which is still in draft status. -The Ministry is also pursuing to upgrade the Oracle system in the next two financial years for better internal information recording and processing.
14	33.9	P/IMP	ANOMALIES IN THE UNDERLINE ACCOUNTS RECONCILIATION	-Reconciliation statements should be prepared on a monthly basis and the statements should be properly checked and signed	-We duly note the recommendation of the Auditors. The ministry currently practices this by preparing monthly	-The Ministry has been proactive in carrying out regular checks and verification and Reconciliation is carried out on monthly basis and reports prepared and submitted

Issue No.	Reference No.	Status	Issue Title	Audit Findings	Management Responses	Current Update
				<p>off.</p> <ul style="list-style-type: none"> <li>-The Ministry should comply with the procedures relating to the preparation of reconciliation statements as stated in the Finance Manual to strengthen the reconciliation process</li> <li>-The Ministry should ensure that all balances in its books of accounts are accurate and adequately supported</li> <li>-The Ministry should ensure correct calculation of VAT payments made to FRCA</li> </ul>	<p>reconciliation.</p>	<p>to Ministry of Economy within the approved timeline.</p>
17	33.9	N/IMP	LEGISLATION GOVERNING CROWN LANDS ACT	<ul style="list-style-type: none"> <li>-The Department should consider making proposals to review legislations governing the Department to ensure that all the different legislations are harmonized</li> </ul>	<ul style="list-style-type: none"> <li>-The recommendations raised by the Auditors in regards to Legislation governing Crown Lands Act is acknowledged. The Ministry is targeting to revise three (3) legislations (Mining Act/ Surveyors Registration Act &amp; Water Policy) and development of the Valuation Act in the next financial year depending on the provision</li> </ul>	<ul style="list-style-type: none"> <li>-The Ministry had initially worked on the formulation of Valuation Act in Y2017 however Senior Executives of the Ministry had suggested to put on hold due to the non-availability of a local qualified Consultant to work on this engagement.</li> <li>- The Ministry will be working on revising the Mining Act in 2019 – 2020 financial year upon the provision of Budgetary allocation by Ministry of Economy and then</li> </ul>

Issue No.	Reference No.	Status	Issue Tittle	Audit Findings	Management Responses	Current Update
					of Budgetary allocation in the next financial year.	consider reviewing the other Legislations in the coming years depending on its priority need.

**MINISTRY OF LOCAL  
GOVERNMENT,  
HOUSING AND  
ENVIRONMENT**

# PUBLIC ACCOUNTS COMMITTEE

WRITTEN RESPONSE – 18/11/2019 5:12 p.m.

## Recommendations in Report on Economic Services Sector – 2016

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>1. Salary and wages reconciliation are performed on a timely basis and filed accordingly.</p>		✓		✓		<p>1. Has the Ministry taken steps to identify the cause of the problem?</p> <p>Yes, the main cause of the problem has been inadequate Ministry's staffing to perform the tasks to complete the salary and wages reconciliation on a timely basis. The Accounts Team is still providing support services to the Department of Housing. The Accounts Team organisation structure does not reflect the level of work required to perform. This is being addressed through HR action.</p> <p>2. What action plan has the Ministry put in place for resolving the issues highlighted in the report?</p> <p>The Ministry has now finalised one acting position and the recruitment process for vacant accounts positions. The Ministry has requested staffing assistance from other</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p>						<p>Ministries (Ministry of Economy &amp; Ministry of Infrastructure &amp; Transport) to assist to complete the pending accounting duties.</p> <p>3. Does the Ministry have the timeline for the implementation of these action plans?</p> <p>The timeline for the implementation of these action plans is before end of July 2019.</p> <p>4. For issues that are now resolved, can the Ministry provide evidence of this to the Committee?</p> <p>Yes, the Ministry had completed the Wages and Salaries reconciliation for 2016-2017 &amp; 2017-2018 accounting period. The pending reconciliations for 2016 (Jan 2016 to July 2016) will commence in May 2019.</p> <p>5. Can the Permanent Secretary advice and provide evidence to the Committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instructions (MIP)?</p>



# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p>						<p>Yes, the Ministry will provide the Committee on the monthly updates on the implementation of audit recommendation effective mid May 2019.</p> <p><b>6. Are the performance indicators of Accounting Head aligned to the implementation of the audit recommendation?</b></p> <p>Yes, one of the key responsibilities of the Accounting Head is to implement the audit recommendations.</p> <p><b>7. For the low implementation rate of the audit recommendations, can the Permanent Secretary explain the reasons for this? Discuss the challenges faced and the action plan to overcome the challenges identified in order for the audit recommendation to be implemented.</b></p> <p>The main reason for low implementation rate of the audit recommendation is due to inadequate staffing in Accounts Section to complete the tasks on timely basis. The Ministry has been separated and is still in the process of finalising its recruitment for the 2018-19 budget positions and ensuring all responsibilities to other Ministries are finalised. The Ministry</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
	<b>It is recommended for the Ministry should:</b>					

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p> <p>2. Monthly reconciliations for the various general ledger accounts are prepared, signed and submitted for Permanent Secretary's endorsement in a timely manner; and signed reconciliations are submitted to Ministry of Economy and a copy is retained by the Ministry for records purposes.</p>	✓			✓		<p>1. <b>Has the Ministry taken steps to identify the cause of the problem?</b></p> <p>Yes, the main cause of the problem is inadequate Ministry's staffing to perform the tasks to complete the underline accounts reconciliation on a timely basis, signed and submitted for Permanent Secretary's endorsement before submitted to Ministry of Economy. The Accounts Team is still providing support services to Department of Housing. The Accounts Team organisation structure does not reflect the level of work required to perform. This is being addressed through human resource action.</p> <p>2. <b>What action plan has the Ministry put in place for resolving the issues highlighted in the report?</b></p> <p>The Ministry is currently in process for recruitment of vacant accounts positions and concurrently has requested the staffing assistance from other Ministries (Ministry of Economy</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p>						<p>&amp; Ministry of Infrastructure &amp; Transport) to assist the Ministry to complete the pending accounting duties.</p> <p>3. Does the Ministry have the timeline for the implementation of these action plans?</p> <p>The timeline for the implementation of these action plans is before end of July 2019.</p> <p>4. For issues that are now resolved, can the Ministry provide evidence of this to the Committee?</p> <p>Yes, the Ministry has completed the reconciliations for underline accounts. The recurring variance identified under the underline accounts has been reconciled and submitted to Ministry of Economy for approval on the book entry adjustment to correct the general ledger in FMIS on 14/10/2018.</p> <p>5. Can the Permanent Secretary advise and provide evidence to the Committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instructions?</p>

# PUBLIC ACCOUNTS COMMITTEE

<b>MINISTRY OF LOCAL GOVERNMENT, HOUSING &amp; ENVIRONMENT</b>  <b>It is recommended for the Ministry should:</b>	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	F/I/M/P	P/I/M/P	N/I/M/P	
						<p>Yes, the Ministry will provide the Committee on the monthly updates on the implementation of audit recommendation effective from mid May 2019.</p> <p><b>6. Are the performance indicators of Accounting Head aligned to the implementation of the audit recommendation?</b></p> <p>Yes, one of the key responsibilities of the Accounting Head is to implement the audit recommendations.</p> <p><b>7. For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in contrast to the audit recommendation to be implemented.</b></p> <p>The main reason for low implementation rate of the audit recommendation is due to inadequate Ministry staffing in Accounts Section to complete the tasks on timely basis. The Ministry were allocated 5 new approved positions namely; (Accounts Officer (1), Assistant accounts Officer (2) &amp; Clerical Officer (2) under Account Section in 2018-2019 budget.</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<b>It is recommended for the Ministry should:</b>						<p>The Ministry is currently in the process of recruiting vacant accounts positions and concurrently has requested staffing assistance to assist the Ministry to complete the pending accounting duties. The Ministry will provide an update to the committee before end of July 2019.</p> <p><b>8. What mechanisms have the agency faced in order to avoid recurring of audit queries?</b></p> <p>Measures taken to avoid the issue raised again</p> <ol style="list-style-type: none"> <li>1. Provision of FMIS &amp; Payroll training for Accounts Personnel</li> <li>2. In house capacity building training to motivate staff on procedures and processes pertaining to reconciliations.</li> <li>3. All underline reconciliations are to be prepared on a monthly basis</li> <li>4. Closely monitor the work of subordinates to ensure the procedures and processes are adhered to at all times.</li> </ol>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>3. System of record keeping is reviewed and strengthened; and all the payment vouchers and supporting documents are made available for audit purposes.</p>	✓		✓			<p>1. Has the Ministry taken steps to identify the cause of the problem?</p> <p>Yes, the main cause of the problem is inadequate Ministry's staffing to perform the tasks to maintain the proper filing of payment vouchers and its relevant supporting documents in sequential order on a timely basis. The Accounts Team is still providing support services to the Department of Housing. The accounts structure then was not balanced as compared to the level of work required to perform.</p> <p>2. What action plan has the Ministry put in place for resolving the issues highlighted in the report?</p> <p>The Ministry has now finalised one acting position and the recruitment process for vacant accounts positions. The Ministry has requested staffing assistance from other Ministries (Ministry of Economy &amp; Ministry of Infrastructure &amp; Transport) to assist to complete the pending accounting duties.</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<b>It is recommended for the Ministry should:</b>						<p>3. Does the Ministry have the timeline for the implementation of these action plans? The timeline for the implementation of these action plans is before end of July 2019.</p> <p>4. For issues that are now resolved, can the Ministry provide evidence of this to the Committee? Yes, the Ministry will submit the evidence to the committee before end of July 2019.</p> <p>5. Can the Permanent Secretary advise and provide evidence to the Committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instructions? Yes, the Ministry will provide the Committee on the monthly updates on the implementation of audit recommendation effective from June 2019.</p> <p>6. Are the performance indicators of Accounting Heads aligned to the implementation of the audit recommendation?</p>



# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P//IMP	N//IMP	F//IMP	P//IMP	N//IMP	
<p><b>It is recommended for the Ministry should:</b></p>						<p>Yes, one of the key responsibilities of the Accounting Head is to implement the audit recommendations.</p> <p>7. For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in <b>column 4</b> of the audit recommendation to be implemented.</p> <p>The main reason for low implementation rate of the audit recommendation is due to inadequate staffing in Accounts Section to complete the tasks on timely basis. The Ministry has been separated and is still in the process of finalising its recruitment for the 2018-19 budget positions and ensuring all responsibilities to other Ministries are finalised. The Ministry were allocated 5 new approved positions namely; (Accounts Officer (1), Assistant accounts Officer (2) &amp; Clerical Officer (2) under Account Section in 2018-2019 budget.</p> <p>The Ministry is currently in process for recruitment of vacant accounts positions and concurrently has requested the</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p>						<p>staffing assistance to assist the Ministry to complete the pending accounting duties. The Ministry will provide an update to the committee before mid-May 2019.</p> <p><b>8. What mechanisms have the agency faced in order to avoid recurring of audit queries?</b></p> <p>Measures taken to avoid the issue raised again:</p> <ol style="list-style-type: none"> <li>1. Provision of records management training and maintenance of registers for Accounts Personnel</li> <li>2. In house capacity building training to motivate staff on procedures and processes pertaining to Finance Manual.</li> <li>3. Closely monitor the work of subordinates to ensure the procedures and processes are adhered to at all times.</li> </ol>
<p>4. VAT is charged at the correct rate; and liaise with FRCS for any adjustments to its VAT account.</p>	✓			✓		<p><b>1. Has the Ministry taken steps to identify the cause of the problem?</b></p> <p>Yes, the main cause of the problem is inadequate Ministry's staffing and the change in staff personnel who performed the tasks were not aware of the changes in the VAT rate from 15%</p>

# PUBLIC ACCOUNTS COMMITTEE

<b>MINISTRY OF LOCAL GOVERNMENT, HOUSING &amp; ENVIRONMENT</b>  <b>It is recommended for the Ministry should:</b>	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
						<p>to 9%. The Accounts Team then, were also providing support services to Department of Housing. The Accounts Team organisation structure does not reflect the level of work required to perform. In 2018, the variance was adjusted.</p> <p><b>2. What action plan has the Ministry put in place for resolving the issues highlighted in the report?</b></p> <p>The Ministry had reconciled the vatable revenue allocation and adjusted the Vatable Revenue in April 2018. The sum of vatable revenue which is payable to Fiji Revenue &amp; Customs Service (FRCS) shall be paid to FRCS before end of June 2019.</p> <p><b>3. Does the Ministry have the timeline for the implementation of these action plans?</b></p> <p>The timeline for the implementation of this action plans is before end of June 2019.</p> <p><b>4. For issues that are now resolved, can the Ministry provide evidence of this to the Committee?</b></p> <p>Yes, the Ministry had completed the reconciliations for</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p>						<p>vatable revenue. The Ministry will forward the copy before end of May 2019.</p> <p>5. Can the Permanent Secretary advise and provide evidence to the Committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instruction: 001/197?</p> <p>Yes, the Ministry will provide the Committee on the monthly updates on the implementation of audit recommendation effective from June 2019.</p> <p>6. Are the performance indicators of Accounting Head aligned to the implementation of the audit recommendation?</p> <p>Yes, one of the key responsibilities of the accounting Head is to implement the audit recommendations.</p> <p>7. For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in context for the audit recommendation to be implemented.</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p>						<p>The main reason for low implementation rate of the audit recommendation is due to inadequate staffing in Accounts Section to complete the tasks on timely basis. The Ministry were allocated 5 new approved positions namely; (Accounts Officer (1), Assistant accounts Officer (2) &amp; Clerical Officer (2) under Account Section in 2018-2019 budget.</p> <p>The Ministry is currently in process for recruitment of vacant accounts positions and concurrently has requested the staffing assistance to assist the Ministry to complete the pending accounting duties. The Ministry will provide an update to the committee before end of July 2019.</p> <p><b>8. What mechanisms have the agency faced in order to avoid recurring of audit queries?</b></p> <p>Measures taken to avoid the issue raised again:</p> <ol style="list-style-type: none"> <li>1. Implementation of the daily collections to be recorded in the Revenue Database to record all revenues received from customers.</li> <li>2. Provision of FMIS training for Accounts Personnel</li> </ol>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>5. The waste transfer station project is properly planned and implemented.</p>	✓					<p>2. In house capacity building training to motivate staff on procedures and processes pertaining to reconciliations.</p> <p>3. All reconciliations prepared are verified and signed copy of the reconciliation is submitted to Ministry of Economy</p> <p>4. All underline reconciliations are to be prepared on a monthly basis</p> <p>5. Closely monitor the work of subordinates to ensure the procedures and processes are adhered to at all times.</p> <p>1. <b>Has the Ministry taken steps to identify the cause of the problem?</b> Yes, the Ministry has carried out fourth round of community consultation in Kalabu, Wakanisila and neighbouring community on February 16, 2017 on the Waste Transfer Station development; however the communities present during the consultation were strongly against the development.</p> <p>2. <b>What action plan has the Ministry put in place to resolve the issues highlighted in the report?</b> As per the outcome of the last consultation that was carried out on 2016 with the Kalabu Communities. The Ministry in consultation with its management have agreed to the</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p>						<p>following as a way forward</p> <ol style="list-style-type: none"> <li>1. Look for alternative site construction</li> <li>2. Revision of Current Design/ Traffic Assessment</li> <li>3. Social Survey Muaniroso and Tovata Makoi – Extensive Consultation – these communities were not fully consulted as per the initial Laqere Proposed Site.</li> </ol> <p>An Initial Environment Examination (IEE), would be carried out first before any land acquisition is made to ensure that the land acquired would be environmentally, socially and economically viable.</p> <p>An EIA would only be conducted after the acquisition of land. An IEE is to be done first to ensure that no funds are utilized on acquisition of land that has not been totally supported by the adjacent communities.</p> <p><b>3. Does the Ministry have the timeline for the implementation of these action plans?</b></p> <p>The timeline for the implementation of these action plans shall depend on the identification of a feasible site with all due process strictly adhered to and the availability for</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p>						<p>budgetary funding</p> <p>4. For issues that are now resolved, can the Ministry provide evidence of this to the Committee?</p> <p>No, the project is on hold due to disagreement with Kalabu, Wakanisila and neighbouring communities.</p> <p>5. Can the Permanent Secretary advise and provide evidence to the Committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instruction: 003/199?</p> <p>Yes, the Ministry shall provide the monthly updates on the implementation of audit recommendation effective from June 2019.</p> <p>6. Are the performance indicators of Accounting Heads aligned to the implementation of the audit recommendation?</p> <p>Yes, the Accounting Head provides the financial advice on the request which has financial implications.</p>



# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	F/I/M/P	P/I/M/P	N/I/M/P	
It is recommended for the Ministry should:						<p>7. For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in order for the audit recommendation to be implemented.</p> <p>Due to disagreement with Kalabu, Wakanisila and neighbouring communities in relation to the implementation of Laqere Waste Transfer Station Project, the project did not progress.</p> <p>8. What mechanisms have the agency faced in order to avoid recurring of audit queries?</p> <p>The Ministry will ensure due processes are strictly adhered to ie: Social Survey; extensive consultation with communities; Environment Impact and Traffic Assessment and feasibility studies before alternative site proposed.</p> <p>1. Has the Ministry taken steps to identify the causes of the problem?</p> <p>Yes, the Ministry and municipal councils were undertaking the</p>
9. Proper planning is carried out for all capital projects and these implemented in a timely manner with progress reports provided to all key	✓		✓			

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	F/I/M/P	P/I/M/P	N/I/M/P	
<p>It is recommended for the Ministry should:</p> <p>stakeholders.</p>						<p>capital projects in house without seeking assistance from Construction Implementation Unit (Ministry of Economy).</p> <p>From 2018, the Ministry's and Municipal Councils capital projects go through Construction Implementation Unit (CIU) (Ministry of Economy) before it is taken on board before commencement.</p> <p>2. What action plan has the Ministry put in place for resolving the issues highlighted in the report?</p> <p>From 2018, the Ministry's and Municipal Councils capital projects go through Construction Implementation Unit (Ministry of Economy) before it is taken on board before commencement. Also, the progress reports are also provided to CIU as and when required.</p> <p>3. Does the Ministry have the timeline for the implementation of these action plans?</p> <p>The timeline for the implementation of these action plans is effective from 2018.</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p>						<p>4. For issues that are now resolved, can the Ministry provide evidence of this to the Committee?</p> <p>Yes, the Ministry will submit the evidence to the committee before end of June 2019.</p> <p>5. Can the Permanent Secretary advice and provide evidence to the Committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instruction: 01/11/17?</p> <p>Yes, the Ministry will provide the Committee on the monthly updates on the implementation of audit recommendation effective from June 2019.</p> <p>6. Are the performance indicators of Accounting Heads aligned to the implementation of the audit recommendation?</p> <p>Yes, one of the key responsibilities of the accounting Head is to implement the audit recommendations.</p> <p>7. For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p>						<p><b>reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in order for the audit recommendation to be implemented.</b></p> <p>The main reason for low implementation rate of the audit recommendation is due to inadequate staffing; unfavourable weather conditions and lack of expertise in capital project management.</p> <p>From 2018, the Ministry's and Municipal Councils capital projects go through Construction Implementation Unit (Ministry of Economy) before it is taken on board before commencement. Also, the progress reports are also provided to CIU as and when required.</p> <p><b>8. What mechanisms have the agency faced in order to avoid recurring of audit queries?</b></p> <p>Measures taken to avoid the issue raised again</p> <p>1. Provision of professional project management training to technical officers.</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P//IMP	N//IMP	F//IMP	P//IMP	N//IMP	
<p><b>It is recommended for the Ministry should:</b></p>						<p>2. In house capacity building training to motivate staff on procedures and processes pertaining to Capital works project management.</p> <p>3. Close monitoring of the work of subordinates to ensure the procedures and processes are adhered to at all times.</p>
<p>9. Grant recipients submit their acquittals in a timely manner; and not provide new grants unless acquittals have been provided for previous grant payments.</p>	✓		✓			<p>1. <b>Has the Ministry taken steps to identify the cause of the problem?</b></p> <p>Yes, the Ministry vets all requests from Municipal Councils and the National Fire Authority in relation to operating and capital grant with reference to the Requisition to Incur expenditure checklist. The requests for release of grants are submitted to Ministry of Economy for approval before the grants are released to Municipal Councils and National Fire Authority subject to the signing of grant agreement.</p> <p>From 2018, the Ministry's and Municipal Councils capital projects go through Construction Implementation Unit (CIU) (Ministry of Economy) before it is taken on board before commencement.</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p>						<p>2. What action plan has the Ministry put in place for the issues highlighted in the report?</p> <p>The Ministry will ensure that monthly progress reports for both financial and physical are provided to the Ministry and Construction Implementation Unit (Ministry of Economy) on a monthly basis.</p> <p>3. Does the Ministry have the timeline for the implementation of these action plans?</p> <p>The timeline for the implementation of these action plans is in line with the contract agreement and update from the monthly progress reports.</p> <p>4. For issues that are now resolved, can the Ministry provide evidence of this to the Committee?</p> <p>Yes, the Ministry will submit the evidence to the Committee before end of June 2019.</p>

# PUBLIC ACCOUNTS COMMITTEE

<b>MINISTRY OF LOCAL GOVERNMENT, HOUSING &amp; ENVIRONMENT</b>  <b>It is recommended for the Ministry should:</b>	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/MP	N/I/MP	F/I/MP	P/I/MP	N/I/MP	
						<p>5. Can the Permanent Secretary advise and provide the Committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instruction: 044 III?</p> <p>Yes, the Ministry will provide the Committee the monthly updates on the implementation of audit recommendation effective from June 2019.</p> <p>6. Are the performance indicators of Accounting Head aligned to the implementation of the audit recommendation?</p> <p>Yes, one of the key responsibilities of the Accounting Head is to implement the audit recommendations.</p> <p>7. For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in order for the audit recommendation to be implemented.</p> <p>The main reason for low implementation rate of the audit</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p>						<p>recommendation is due to inadequate staffing, staff turnover and clearance of backlog of pending staff duties.</p> <p>From 2018, the Ministry and Municipal Councils capital projects go through Construction Implementation Unit (Ministry of Economy) before it is taken on board before commencement. Also, the progress reports are also provided to CIU as and when required.</p> <p><b>8. What mechanisms have the agency faced in order to avoid recurring of audit queries?</b></p> <p>Measures taken to avoid the issue raised again</p> <ol style="list-style-type: none"> <li>1. Provision of professional financial management training to technical officers.</li> <li>2. In house capacity building training to motivate staff on procedures and processes pertaining to Finance manual.</li> <li>3. Closely monitor the work of subordinates to ensure the procedures and processes are adhered to at all times.</li> </ol>



# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>9. Grant recipients provide the audited financial statements on a timely basis.</p>	✓			✓		<p>1. <b>Has the Ministry taken steps to identify the cause of the problem?</b></p> <p>Backlog of the annual accounts from previous years is due to inadequate staffing as a result of high staff turnover. The annual accounts of the Municipal Councils were delayed.</p> <p>Yes, the Ministry advised all Municipal Councils to complete the outstanding Financial Statements and to have them audited by the Office of the Auditor General on a timely basis.</p> <p>2. <b>What action plan has the Ministry put in place to resolve the issues highlighted in the report?</b></p> <p>The Ministry will ensure that monthly financial progress reports are submitted by all municipal councils on monthly basis by end of May 2019.</p> <p>3. <b>Does the Ministry have the timeline for the implementation of these action plans?</b></p> <p>The timeline for the implementation of these action plans has been relied to all Municipal Councils to complete the</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p>						<p>pending year's annual accounts and get it audited by the Office of the Auditor General.</p> <p>4. For issues that are now resolved, can the Ministry provide evidence of this to the Committee?</p> <p>Yes, the Ministry will submit the evidence to the Committee before end of June 2019.</p> <p>5. Can the Permanent Secretary advise and provide evidence to the Committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instruction: 64/11/17?</p> <p>Yes, the Ministry will provide the Committee on the monthly updates on the implementation of audit recommendation effective from June 2019.</p> <p>6. Are the performance indicators of Accounting Heads aligned to the implementation of the audit recommendation?</p> <p>Yes, one of the key responsibilities of the Accounting Head is to implement the audit recommendations.</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation		Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	
It is recommended for the Ministry should:					<p>7. For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the main plan to overcome the challenges identified in order for the audit recommendation to be implemented.</p> <p>The main reason for low implementation rate of the audit recommendation is due to inadequate staffing, staff turnover and lack of expertise in capital project management.</p> <p>The Ministry had several discussions with Finance Managers and Chief Executive officers in relation to the pending annual accounts to be audited. The Ministry will provide the latest update on the annual audits of the 13 Municipal Councils before end of the May 2019.</p> <p>8. What mechanisms have the agency faced in order to avoid recurring of audit queries?</p> <p>Measures taken to avoid the issue raised again</p> <p>1. Provision of professional financial management training to</p>

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF LOCAL GOVERNMENT, HOUSING & ENVIRONMENT	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p style="color: red; font-weight: bold;">It is recommended for the Ministry should:</p>						<p>technical officers.</p> <p>2. In house capacity building training to motivate staff on procedures and processes pertaining to Capital project management.</p> <p>3. Closely monitor the works of the subordinates to ensure the procedures and processes are adhered to at all times.</p>



**MINISTRY OF HEALTH  
AND MEDICAL  
SERVICES**

# PUBLIC ACCOUNTS COMMITTEE

WRITTEN RESPONSE – 17/05/2019 5:34 p.m.

## Recommendations in Report on Social Services Sector – 2016

MINISTRY OF HEALTH & MEDICAL SERVICES	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p><b>Part B: 22.11 Anomalies in Drawings Account Reconciliation</b></p> <p>1. Ensure that the Ministry's drawings account is reconciled on a monthly basis</p> <p>2. Review its un-presented cheques listing on a regular basis and make attempts to locate the payees and ensure cheques are presented before they become stale.</p> <p>3. Measures are put in place to ensure that proper processes are strictly adhered to when processing payments in the FMS system</p>	✓	✓	✓			<p>The Ministry is reconciling its three drawings account regularly and has submitted the Drawings Reconciliation up till the month of March 2019. An Accounts Officer is now given the responsibility to complete the reconciliations of all the drawings for the West, North and Central Division. Refer to <i>Annexure 1 for the March drawings reconciliations.</i></p> <p>The Ministry is regularly reviewing its un-presented cheques listing and make attempts to locate payees. However, with strict guidelines from Ministry of Economy, the Ministry is processing most of the payments through EFT and not cheques.</p> <p>The completion of FMS processes for purchase orders and payments is still a challenge with the Ministry. A significant amount of Open Purchase Orders and Open Payables is always reflected for Ministry of Health due to the significant number of transactions processed per day and the significant number Accounts Payable users of cost centres we have (12), where FMS vouchering are done therein. MOHMS has put measure for end of month process whereby all FMS vouchering to be done only in urgent circumstances, otherwise vouchering should not be done at month end. However there are vouchers which will be carried forward in the following month eg. FNPF.</p>
<p>4. Consider maintaining a manual cashbook to record</p>	✓	✓	✓			<p>The Ministry has maintained its Manual cash book. Refer to <i>Annexure 2 for copies of the same.</i></p>

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

NIUPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF HEALTH & MEDICAL SERVICES	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>details of all payments made during the year</p> <p><b>22.12 EFTs in the Unpresented Cheques Listing</b> The Ministry should:</p> <p>5. Ensure that reconciliation of the Ministry's drawings account is reconciled on a monthly basis.</p> <p>6. Review the unpresented cheques listing on a regular basis and attempt to locate the payees and encourage them to present the cheques before they become stale</p>		✓	✓			<p>The Ministry is reconciling its three drawings account regularly and has submitted the Drawings Reconciliation up till the month of March 2019. An Accounts Officer is now given the responsibility to complete the reconciliations of all the drawings for the West, North and Central Division. Refer to <i>Annexure 1 for the March drawings reconciliations.</i></p>
<p><b>22.13 Operating Trust Account balances carried forward from prior year</b></p> <p>7. The Ministry should ensure</p> <p>(i) that all the monies kept in the trust are cleared and paid to the respective payees accordingly on a timely basis during the month end; and</p> <p>(ii) The Ministry should also ensure that funds carried</p>		✓	✓	✓		<p>The Ministry have moved from cheque payment to Electronic Funds Transactions (EFT) to minimise the Unpresented and stale cheques. However, that's not the case and the Unpresented EFT Listing is still unresolved. There are other external factors that needs to be resolved by the bank, FMIS unit and the Ministry. As a way forward, the Ministry is liaising with ANZ bank on the Transact Account to be finalised.</p> <p>This is an ongoing issue and still not resolved. The carryover from previous years are mostly from FNPF and Vatable Revenue.</p> <p>The Ministry has identified the previous year's balances, and is exploring ways for write off on those balances so they can be cleared.</p>

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF HEALTH & MEDICAL SERVICES	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>over from previous years are investigated and necessary measures are taken to clear them.</p>						
<p><b>22.16 Main Trust Fund Account Anomalies</b></p> <p>8. The Ministry should: Formulate SoPs for the administration of all trust funds; and ensure that the trust fund/bank reconciliations are prepared on a monthly basis.</p>	✓		✓			<p>The Trust Fund Account Reconciliations have been prepared monthly and the draft Standard Operating Procedures (SOP) for Trust have been established.</p>
<p><b>22.19 Anomalies noted in the Sahyadri Trust Fund Account</b></p> <p>9. The Ministry should:</p> <p>(i) Ensure that all receipts and payments are promptly posted in the FMIS general ledger;</p> <p>(ii) Maintain a cash book to record receipts and payments for each main trust fund account; and</p> <p>(iii) Ensure that monthly reconciliation of the cash at bank balance, general</p>	✓		✓			<p>The Sahyadri Trust Accounts has been closed and all transactions (receipts and payments) were completed accordingly.</p> <p>The Ministry is awaiting the approval from Ministry of Economy to transfer the balance of the Sahyadri Trust Fund to the Consolidated Fund.</p>

F/IMP – Full Implemented      P/IMP – Partially Implemented      N/IMP – Not Implemented      NIUPD – No Update Provided



# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF HEALTH & MEDICAL SERVICES	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>ledger and cash book are performed.</p>						
<p><b>22.20 Anomalies noted in the Cardiology Trust Fund Account</b></p> <p>10. The Ministry should:</p> <p>(i) Ensure that all receipts and payments are promptly posted to the FMS general ledger;</p> <p>(ii) Maintain a cash book to record receipts and payments for each main trust fund account; and</p> <p>(iii) Ensure that monthly reconciliation of the cash at bank balance, general ledger and cash book are performed.</p>	✓		✓			<p>The Cardiology Trust Fund Account have been created in FMS and all the receipts and payments re posted therein accordingly.</p> <p>A cash book has been maintained to record receipts and payment for the Trust Accounts.</p> <p>Monthly reconciliations are conducted accordingly.</p>
<p><b>22.21 Late Submission of Draft Agency Financial Statement</b></p> <p>11. The Ministry should ensure to submit the draft agency financial statement in accordance with the Finance Instruction 2010 and directive</p>	✓		✓			<p>This issue was resolved as the last Agency Financial Statement was submitted in a timely manner as per the directive issued by Ministry of Economy.</p>

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/U/PD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF HEALTH & MEDICAL SERVICES	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>issued by the Ministry of Economy.</p> <p><b>22.24 Outstanding Patients Surgery Costs – Sahyadri Trust</b></p> <p>12. The Ministry should:</p> <p>(i) formalize the fee structure through a supplementary agreement;</p> <p>(ii) formulate a Standard Operating Procedures for the administration of the Sahyadri Trust Fund account;</p> <p>(iii) take necessary action to recover the amounts by patients; and</p> <p>(iv) Maintain a patient register including payment details, up-to-date cash book and prepare monthly bank reconciliations for the account.</p> <p><b>22.26 Payments processed without payment Vouchers</b></p> <p>13. The Ministry should ensure that payment vouchers are</p>	✓		✓			<p>The Sahyadri Trust Account has been closed and all transactions (receipts and payments) were completed / reconciled accordingly.</p>
	✓					<p>The Ministry had implemented the recommendations and the payment vouchers are now raised for all payments made and relevant details (as per required by the Finance Instructions) are updated accordingly therein.</p>

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

NIUPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF HEALTH & MEDICAL SERVICES	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>raised for all payments made with the relevant details recorded in the vouchers as required by the Finance Instructions.</p>						
<p><b>22.28 Payment Records not stamped "Paid"</b></p> <p>14. The Ministry should:</p> <p>(i) ensure that all vouchers and supporting documents are promptly stamped "PAID" and filed; and</p> <p>(ii) ensure that the roles and responsibilities of the Cashier are properly segregated and supervised.</p>	✓		✓			<p>All the vouchers and supporting documents are now stamped "Paid" and filed accordingly.</p> <p>The Ministry had just recently appointed two Cashiers position and their roles and responsibilities are properly segregated.</p>
<p><b>22.30 Missing Records</b></p> <p>15. The Ministry should:</p> <p>(i) ensure that all payment vouchers are properly filed and kept in secured place; and</p> <p>(ii) investigate and locate the missing payment vouchers.</p>	✓		✓			<p>All payment vouchers are properly filed and kept in kept in our strong room. The missing payment vouchers were located.</p>

**F/IMP** – Full Implemented

**P/IMP** – Partially Implemented

**N/IMP** – Not Implemented

**N/UPD** – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF HEALTH & MEDICAL SERVICES	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p><b>22.36 Delays in Lodgements of Revenue to the Bank</b>                      16. The Ministry should ensure that:</p> <ul style="list-style-type: none"> <li>(i) all revenue collected is banked intact promptly;</li> <li>(ii) revenue receipts issued are reconciled to the revenue collector's analysis sheets and verified to the bank lodgement forms on a daily basis by supervising officers; and</li> <li>(iii) the substantial delay in lodgement is investigated and disciplinary action is considered against responsible officers.</li> </ul> <p><b>22.37 Anomalies in trust fund account payments</b>                      17. The Ministry should formulate SoPs for the administration of the Fiji Overseas Children Trust Fund account; and Strengthen supervisory checks over the operation of the account</p>	✓		✓			<p>The delay in lodgements of revenue to the bank (as highlighted in the audit report) was mostly in Nausori Office. There was a misappropriation of Revenue at Nausori Health Office, which led to the significant delay in lodgement. This misappropriation was investigated and officers responsible were terminated accordingly as per investigation recommendations. Refer to Annexure 3 for the Investigation Report.</p> <p>Apart from the above, regular internal inspections/spot checks on revenue are also conducted at cost centre and ministry level. An internal checklist was formulated in 2017 for all Accounts supervisors (Cost Centre Accounting Heads) to use whilst conducting checks on Revenue and other finance processes. Refer to Annexure 4 for the checklist.</p>
<p><b>22.37 Anomalies in trust fund account payments</b>                      17. The Ministry should formulate SoPs for the administration of the Fiji Overseas Children Trust Fund account; and Strengthen supervisory checks over the operation of the account</p>	✓			✓		<p>The draft Standard Operating Procedures (SOP) for Trust have been established.</p>

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE



**F/IMP** – Full Implemented      **P/IMP** – Partially Implemented      **N/IMP** – Not Implemented      **N/UPD** – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

In your response, mention the following:-

1. Has the Ministry taken steps to identify the cause of the problem?
2. What action plan has the Ministry put in place for resolving the issues highlighted in the report?
3. Does the Ministry have the timeline for the implementation of these action plans?
4. For issues that are now resolved, can the Ministry provide evidence of this to the Committee?
5. Can the Permanent Secretary advise and provide evidence to the Committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instructions 60 (1)?
6. Are the performance indicators of Accounting Head aligned to the implementation of the audit recommendation?
7. For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in order for the audit recommendation to be implemented.
8. What mechanisms have the agency faced in order to avoid recurring of audit queries?

**F/IMP** – Full Implemented  
Update Provided

**P/IMP** – Partially Implemented

**N/IMP** – Not Implemented

**N/UPD** – No



**MINISTRY OF HEALTH AND MEDICAL SERVICES**

**File Ref:** 6/11-7/06

**Date:** 17<sup>th</sup> May 2019

The Chairman, Public Accounts Committee,  
Standing Committee on Public Accounts,  
Parliament of Fiji,  
P.O.Box 2353, Government Buildings,  
**SUVA**

Dear Sir,

**Re: Report of the Auditor-General on the Follow-Up of Selected 2016 Auditor-General's Report for Various Sectors (PP No.133 of 2018)**

Reference is made to your correspondence referenced 6/11-7/06 dated 07th May 2019.

The Ministry of Health and Medical Services acknowledge receipt of the correspondence from the Committee to provide the status of the implementation of audit recommendations.

The Ministry is taking necessary steps to identify the cause of the problem. Appropriate actions have also been implemented (to some extent) to resolve the audit issues, and this is still work in progress. The following actions (to highlight a few) have been implemented:

- a) establishment and adhering of the procurement standard operating procedures;
- b) establishment and adhering of the budget monitoring & oversight standard operating procedures;
- c) implementing new processes for filling of payment vouchers and opening of relevant registers;
- d) establishment of the risk management policy;
- e) finalisation of the Ministry's Finance Manual which was last reviewed in 2014;
- f) appointments of the accounts personnel to the positions at accounts which were vacant since 2015;
- g) establishment of the Ministry's accounting heads meeting forum where all the twelve (12) cost centre accountants around the country/facility/division meet and discuss challenges and ways of improvements within their cost centre/division or at Ministry level.

We have noted reductions in the qualification of audit issue & also reduction in the repetitive issues in the 2016/2017 audit, and we are hoping that significant improvements will also be noted in the 2017/2018 financial year which is currently being audited.

For further clarification and assistance, please do not hesitate to liaise with the Principal Accounts Officer on telephone number 3215718, or the Director Finance on 3215711.

Thank you.

*Idrish Khan (Mr)*

**For: Acting Permanent Secretary of Health and Medical Services**

Encl.

*All correspondence to be addressed to the Permanent Secretary for Health and Medical Services,  
P O Box 2223, Government Building, Suva, Fiji. Fax: (679)3306163 Phone: 3306177*

**MINISTRY OF  
FISHERIES AND  
FORESTS**



# PUBLIC ACCOUNTS COMMITTEE

WRITTEN RESPONSE – 18/11/2019 4:36 p.m.

## Recommendations in Report on Economic Services Sector – 2016

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)			Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	N/U/P/D	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p> <p><b>Governance Issues</b></p> <p>1. Must also ensure that there is regular evaluation of internal controls and corrective action is taken to resolve the weakness identified.</p>		✓			✓		<p>The Ministry is taking corrective measures in undertaking monitoring &amp; evaluation aspects of our operations. We have devised Checklists for better monitoring of our activities</p> <ol style="list-style-type: none"> <li>Trust Account for Fisheries - PAO seeking approval from MOE for online access to enable to redo a through reconciliation ☺ please find attached PAO comment AFS comment )</li> <li>Revised Ministry of Finance manual</li> <li>SOP for Accountable Advance</li> <li>HR Manual SOP etc</li> <li>Revenue SOP</li> </ol>
<p><b>Weakness in Internal Control for Operating Fund Account</b></p> <p>2. Should ensure that assets with value in excess of \$2,000 are recorded in the Fixed Asset Register.</p>		✓			✓		<p>The Ministry is taking corrective measures in strengthening our Assets Management Unit which encourages an EO Assets to record all the Assets on our FAR .</p> <ol style="list-style-type: none"> <li>The Assets Management Team re – visit all the Fisheries office and manage to update all the assets in the Fixed Assets books and disposed all the items recommended for disposal in the last two financial year .The Disposal of Assets was done by the BOS team 04/05-11/05/2019.</li> <li>The Accounts Team of the Ministry has managed to submit the drawings Accounts on a timely basis with the appointment of AO Fisheries.</li> <li>Stock take 31<sup>st</sup> August 2017 is still pending.</li> </ol>
<p>3. Should ensure that monthly reconciliation of underline</p>	✓				✓		<p>We have strengthened our compliance on monthly reconciliations of our accounts including the Underline Accounts or Operating Trust Account by the due date.</p>

F/I/M/P – Full Implemented

P/I/M/P – Partially Implemented

N/I/M/P – Not Implemented

N/U/P/D – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)			Status of the Recommendation		Ministry's Comments
	P/IMP	N/IMP	N/U/PD	F/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>accounts is prepared and submitted to Ministry of Economy before the 15th of each month.</p>						Email has been sent to responsible staff to remind them on the timely submission of reconciliation and it has been improved from 2017 until to date.
<p><b>Trading and Manufacturing Activity Support Initiative</b></p> <p>4. Should ensure that Cabinet approval is obtained for unbudgeted expenditure.</p>						
<p>5. Should ensure work plans are developed to ensure proper utilization of funds and a detailed acquittal is prepared for the utilization of the funds.</p>		✓		✓		The Ministry has strengthened the development of Work Plans in line with the corresponding budgets for monitoring purposes.  Improvement process that has been followed – Ministry of Fisheries has strengthened all Standard Liability Group acquittals at the end of financial year.
<p>6. Should ensure internal control weaknesses within the TMA account are strengthened prior to the implementation of the project.</p>						
<p><b>Provisional Tax not Deducted</b></p> <p>7. Should comply with the requirements of FRCS for provisional Tax deductions from payments to all contracted service providers.</p>	✓			✓		The Ministry has implemented the recommendations in ensuring that we deduct the provisional tax for our contractors and paying the tax deducted to the FRCS accordingly. The Ministry of Fisheries ensures that as from 12 <sup>th</sup> of February 2018 (Records attached) that Provincial tax was deducted from all contracts.
<p><b>Revenue</b></p> <p>8. Should ensure that</p>		✓				The Revenue clerk at HQ ensure to liaise directly with Post Fiji desk officers on the refunds and variances is investigated and rectified.

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/U/PD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)			Status of the Recommendation			Ministry's Comments
	PI/MP	N/IMP	N/U/PD	F/IMP	PI/MP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>reconciliation is prepared between the TRS system and the FMIS general ledger and the variances noted are investigated and rectified.</p> <p><b>Anomalies in Underline Accounts</b></p> <p>9. Should reconcile the Drawings, Operating Trust and SLG 84 account to the FMIS general ledger and any variances noted should be investigated and necessary adjustment made.</p>		✓					
<p>10. Should also ensure that travelling advances are cleared within 7 days of the completion of the travel or recovery should be made from the salaries of staffs concerned.</p>		✓		✓			<p>The Ministry notes the concerns and we have taken necessary actions to properly reconcile all our accounts that is the Drawings and SLG84 account in line with the FMIS variances and necessary adjustments are made.</p>
<p><b>Inappropriate Usage of Project Funds Provided Through SLG 84</b></p> <p>11. Should ensure that project funds are only used for the purpose it was provided for by the donor agencies or other government</p>	✓					✓	<p>The Ministry has re-emphasized to our staffs on the importance of complying with the Accountable Advance policies by putting in place Checklists and following up with staffs on a regular basis with regards to their retirements. We have also instituted</p> <p>Ministry notes the issues raised herein and is taking measures to eliminate incidences of misallocation of SLG84 funds.</p> <p>The donor funds upon request to the Ministry of Economy on Donor funds the Ministry of Fisheries is taking an initiative to prepare journal voucher to revert the amount back to the allocation where the funds was drawn. Therefore the purchases are done directly from the Expenditure allocation.</p>

F/IMP – Full Implemented

PI/MP – Partially Implemented

N/IMP – Not Implemented

N/U/PD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation			Ministry's Comments	
	P/IMP	N/IMP	N/UPD	F/IMP	P/IMP		N/IMP
<p><b>It is recommended for the Ministry should:</b></p> <p>departments.</p> <p>12. Should ensure agreements between donor agencies and the Ministry are made available for audit verification.</p>	✓				✓		The Ministry notes the issues raised and are keeping records of agreements from donor agencies for verifications.
<p><b>Weakness in internal controls for TMA operations</b></p> <p>13. Must ensure that the business plan is prepared in accordance with the TMA policy.</p>	✓	N/IMP					Ministry of Forestry
<p>14. Must ensure performance report is prepared and submitted to the Ministry of Economy.</p>	✓	N/IMP					Ministry of Forestry
<p>15. Must ensure stock listing is provided and submitted together with the stock take report.</p>	✓	N/IMP					Ministry of Forestry
<p>16. Must ensure internal controls within the trading and manufacturing activity are strengthened.</p>	✓	N/IMP					Ministry of Forestry
<p><b>Anomalies in the Trading and Manufacturing Account</b></p> <p>17. Should ensure that TMA balances are properly</p>	✓	N/IMP					Ministry of Forestry

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)			Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	N/U/P/D	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p> <p>supported and rectify errors detected to ensure balances are correct.</p>							
<p>18. Should ensure that proper reconciliations are carried out and any variances noted are investigated and adjusted accordingly.</p>		✓					Ministry of Forestry
<p><b>Anomalies in the Fisheries Main Trust Fund Account</b></p> <p>19. Should ensure that a proper trust listing is maintained.</p>		✓					The issue of concern is noted and we are taking measures in addressing the same with the OAG and the Ministry of Economy. The GL Account is deactivated and a thorough inspection/ reconciliation will be held with OAG & Economy to substantiate this account.
<p><b>Follow-Up On Previous Year Issues – 2015 Audit Issues Trading and Manufacturing Activity Account</b></p> <p>20. Should ensure that monthly reconciliation process be strengthened to mitigate various issues highlighted.</p>		✓					Ministry of Forestry
<p>21. Should ensure that errors and discrepancies highlighted during the reconciliation process be corrected promptly, and in consultation with the Ministry of Economy where necessary.</p>	✓						Ministry of Forestry

F/I/M/P – Full Implemented

P/I/M/P – Partially Implemented

N/I/M/P – Not Implemented

N/U/P/D – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)			Status of the Recommendation		Ministry's Comments	
	P/IMP	N/IMP	N/UPD	F/IMP	P/IMP		N/IMP
<p><b>It is recommended for the Ministry should:</b></p> <p>22. The draft Agency Financial Statements including the Trade and Manufacturing Accounts are thoroughly checked, balances substantiated and clarified with the Ministry of Economy before they are submitted for audit.</p>	✓						Ministry of Forestry
<p><b>No Individual Work Plan</b></p> <p>23. Should ensure that IWP's are developed by each employee and are agreed to by the Ministry and the employees.</p>	✓						The Ministry has enabled to prepare majority of IWP when HR Division was established. The IWP that was submitted to HR Division includes :
<p>24. Should ensure that a copy of the IWP is maintained in the employee's personal file</p>	✓						Confirmation that all officers draw their own IWP and is filed for verification in the Human Resource Department.
<p><b>Drawings Reconciliations</b></p> <p>25. Should investigate and rectify the variances noted between its reconciliation statements and the general ledger FMIS.</p>	✓	✓			✓		The Ministry takes heed of this important task and is implementing controls to address this issue and have our Cash Book, Bank Statement and GL balanced.
<p>26. Should ensure that monthly reconciliations are carried out properly and accurately.</p>	✓			✓			The Ministry has strengthened its monitoring activities in order to ensure that proper reconciliations of monthly accounts are carried out and any variances are investigated and regularise accordingly.
<p>27. Should ensure that reconciliation of all underline accounts are performed</p>	✓			✓			The issue has been closely monitored and we are addressing pertinent issues accordingly.

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)				Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	N/UPD	F/IMP	P/IMP	N/IMP		
<p><b>It is recommended for the Ministry should:</b></p> <p>monthly, properly checked and approved on time.</p> <p>28. Should ensure that procedures relating to the preparation of reconciliation statements as stated in the Finance Manual are compiled with to strengthen the reconciliation process.</p> <p>29. Should ensure that all balances in its books of accounts are accurate and adequately supported</p> <p><b>Misallocation of Expenditures</b></p> <p>30. Should ensure that all purchases made are charged to the correct allocation</p> <p>31. Should ensure that accounting information gathered are fairly represented so that proper decision making could be made.</p>	✓			✓			<p>This has been observed and we have taken corrective measures on this aspect.</p> <p>This has been observed and we have taken corrective measures on this aspect.</p> <p>The funds are insufficient to meet the general operation of the Ministry thus Project provisions were used to meet the expenditures on travel, allowances , subsistence etc.</p> <p>The Accounts section ensures that payments are done on a timely basis fulfilling the accounting process and FMIS in order to reflect the transaction into the Ministry General Ledger. Process undertaken includes :            1. PAO ensure that all transaction hits General Ledger by access GL 350 on a daily basis.            2. All revenue to be loaded into smart link before the 30<sup>th</sup> of very month.            3. Our cashier ensures that all the EFT runs hits our GL on a daily basis.            4. Edits reports are verified by AO to ensure that all inputs into the system are correct .</p> <p>The improvement process has been undertaken this financial year , all payments are</p>	
<b>Settlement of Previous Years</b>	✓							

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)			Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	N/UPD	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p><b>Outstanding Accounts</b>                      32. Should ensure that the current year's expenditures are settled within the current financial period and not carried forward to the next financial year.</p>							<p>being done through EFT thus the payments hits the Company bank account and reduce unrepresented cheques listing .</p>



F/IMP – Full Implemented      P/IMP – Partially Implemented      N/IMP – Not Implemented      N/UPD – No Update Provided



# PUBLIC ACCOUNTS COMMITTEE

In your response, mention the following:-

1. Has the Ministry taken steps to identify the cause of the problem?
2. What action plan has the Ministry put in place for resolving the issues highlighted in the report?
3. Does the Ministry have the timeline for the implementation of these action plans?
4. For issues that are now resolved, can the Ministry provide evidence of this to the Committee?
5. Can the Permanent Secretary advise and provide evidence to the Committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instructions 60 (1)?
6. Are the performance indicators of Accounting Head aligned to the implementation of the audit recommendation?
7. For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in order for the audit recommendation to be implemented.
8. What mechanisms have the agency faced in order to avoid recurring of audit queries?

F/IMP – Full Implemented  
Update Provided

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/UPD – No

# PUBLIC ACCOUNTS COMMITTEE

✓ WRITTEN RESPONSE – 18/11/2019 4:37 p.m.

## Recommendations in Report on Economic Services Sector – 2016

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)			Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	N/UPD	F/IMP	P/IMP	N/IMP	
<b>Governance issues</b> 1. Must also ensure that there is regular evaluation of internal controls and corrective action is taken to resolve the weakness identified.		✓		✓			Standard operating procedures are in place and checklists have been introduced. Approval limits have been reviewed and is currently only given to the Permanent Secretary, Conservator of Forests and Director Corporate Services. The Ministry's Finance Manual has also been reviewed and endorsed. All staff involved in procurement processes have attended Procurement Training conducted by the Fiji Procurement Office. A Procurement Advisor at Band H has been appointed to check and advise on procurement processes, The Senior Accounts Officer at HQ is monitoring process compliance through periodic revenue management checks.
<b>Weakness in Internal Control for Operating Fund Account</b> 2. Should ensure that assets with value in excess of \$2,000 are recorded in the Fixed Asset Register.		✓		✓			The Board of Survey is conducted annually where physical assets are checked against the Asset Register. The Procurement Advisor has been appointed and is updating the electronic Fixed Assets Register.
3. Should ensure that monthly reconciliation of underline accounts is prepared and submitted to Ministry of Economy before the 15th of each month.	✓			✓			Resolved. All reconciliations for the Ministry are submitted before due date to the Ministry of Economy
<b>Trading and Manufacturing Activity Support Initiative</b> 4. Should ensure that Cabinet approval is obtained for			✓	✓			The Ministry has taken an assertive approach in ensuring that all expenses from TMA allocation (Fund 4) is approved only by the PS. Practically, any expense from TMA allocation has to be compared against the revenue it will generate before requests are sent to PS for his comments and approval.

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)			Status of the Recommendation		Ministry's Comments
	P/I/M/P	N/I/M/P	NI/UPD	F/I/M/P	P/I/M/P	
<p>unbudgeted expenditure.</p> <p>5. Should ensure work plans are developed to ensure proper utilization of funds and a detailed acquittal is prepared for the utilization of the funds.</p> <p>6. Should ensure internal control weaknesses within the TMA account are strengthened prior to the implementation of the project.</p> <p><b>Provisional Tax not Deducted</b></p> <p>7. Should comply with the requirements of FRCS for provisional Tax deductions from payments to all contracted service providers.</p> <p><b>Revenue</b></p> <p>8. Should ensure that reconciliation is prepared between the TRS system and the FMIS general ledger and the variances noted are investigated and rectified.</p> <p><b>Anomalies in Underline Accounts</b></p> <p>9. Should reconcile the</p>		✓		✓		<p>The Ministry is strictly adhering to annual work plans and this is captured and monitored through weekly reporting to Senior Management Team.</p> <p>The Ministry is at the verge of segregating TMA functions from operations. The Ministry has taken a proactive approach in ensuring that it strictly adheres to Financial Regulations and guidelines. In addition, staff have been trained in FMIS modules and procurement, among others, to minimize audit queries.</p> <p>This issue has been fully rectified. Once a contractual payment voucher is raised, a separate Payment voucher is raised together with it for Provisional tax payment.</p> <p>A new feature has been put in the Timber Revenue System (TRS) Database so that revenue inputs on the TRS from the divisions are reconciled with the FMIS general ledger</p> <p>Resolved. Proper training of staff and training by FMIS Unit. All reconciliations are up to date to March 2019. Proper adjustment has taken place with the assistance of the FMIS team.</p>

F/I/M/P – Full Implemented

P/I/M/P – Partially Implemented

N/I/M/P – Not Implemented

NI/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)			Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	N/UPD	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>Drawings, Operating Trust and SLG 84 account to the FMIS general ledger and any variances noted should be investigated and necessary adjustment made.</p>							
<p>10. Should also ensure that travelling advances are cleared within 7 days of the completion of the travel or recovery should be made from the salaries of staffs concerned.</p>	✓			✓			Procurement and Accountable Advance Checklists introduced whereby the Permanent Secretary, Conservator of Forests and Director Corporate Services have the authority to approve all purchases and advances according to the approved limits in the Ministry Finance Manual.
<p><b>Inappropriate Usage of Project Funds Provided Through SLG 84</b></p> <p>11. Should ensure that project funds are only used for the purpose it was provided for by the donor agencies or other government departments.</p>	✓			✓			Issue has been resolved. Reconciliation of donor funds done on monthly basis and submitted to Ministry of Economy. We have noted the cause of the inappropriate use of donor funds and liaise with the Ministry of Economy for their assistance on this on the misallocation of donor funds and rectify the problems.
<p>12. Should ensure agreements between donor agencies and the Ministry are made available for audit verification.</p>	✓			✓			Issue resolved. Agreements are available for audit verification
<p><b>Weakness in internal controls</b></p>		✓		✓			Issue has been resolved. 2018/2019 Business plan prepared and submitted in June 2018.

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)			Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	N/U/PD	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p> <p><b>for TMA operations</b></p> <p>13. Must ensure that the business plan is prepared in accordance with the TMA policy.</p>							
14. Must ensure performance report is prepared and submitted to the Ministry of Economy.		✓		✓			Performance report for TMA is submitted with Annual Financial Statements.
15. Must ensure stock listing is provided and submitted together with the stock take report.		✓		✓			Stock listing is submitted with quarterly stock take reports.
16. Must ensure internal controls within the trading and manufacturing activity are strengthened.		✓		✓			As earlier stated, the Ministry has taken a corrective approach by trying to segregate TMA Finance functions from operations
<p><b>Anomalies in the Trading and Manufacturing Account</b></p> <p>17. Should ensure that TMA balances are properly supported and rectify errors detected to ensure balances are correct.</p>		✓		✓			Monthly reconciliations are now carried out as the Ministry has a dedicated officer looking after the financial functions of TMA.
18. Should ensure that proper reconciliations are carried out and any variances noted are investigated and adjusted		✓		✓			

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)			Status of the Recommendation			Ministry's Comments
	P/I/M/P	N/I/M/P	N/U/P/D	F/I/M/P	P/I/M/P	N/I/M/P	
<p><b>It is recommended for the Ministry should:</b></p> <p>accordingly.</p> <p><b>Anomalies in the Fisheries Main Trust Fund Account</b></p> <p>19. Should ensure that a proper trust listing is maintained.</p> <p><b>Follow-Up On Previous Year Issues – 2015 Audit Issues Trading and Manufacturing Activity Account</b></p> <p>20. Should ensure that monthly reconciliation process be strengthened to mitigate various issues highlighted.</p> <p>21. Should ensure that errors and discrepancies highlighted during the reconciliation process be corrected promptly, and in consultation with the Ministry of Economy where necessary.</p> <p>22. The draft Agency Financial Statements including the Trade and Manufacturing Accounts are thoroughly checked, balances substantiated and clarified with the Ministry of Economy</p>							
	✓			✓			Trust Fund Account transferred to the Ministry of Fisheries
		✓		✓			The Ministry has a dedicated officer looking after all TMA financial functions. This includes monthly reconciliations. One copy of the reconciliation is provided to the Ministry of Economy whilst the originals are kept at the TMA Office in Nasinu.
	✓			✓			Steps have been taken to rectify discrepancies in reconciliations. One notable one includes revenue postings and reconciliations.
	✓			✓			This issue has been thoroughly dealt with through the assistance from Manager Finance.

F/I/M/P – Full Implemented

P/I/M/P – Partially Implemented

N/I/M/P – Not Implemented

N/U/P/D – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)		Status of the Recommendation		Ministry's Comments
	P/IMP	N/IMP	F/IMP	P/IMP N/IMP	
before they are submitted for audit.					
<b>No Individual Work Plan</b> 23. Should ensure that IWP's are developed by each employee and are agreed to by the Ministry and the employees.	✓				IWPs are in place for all employees and they will be assessed on them under the Performance Management Framework.
24. Should ensure that a copy of the IWP is maintained in the employee's personal file	✓		✓		IWPs have been placed in the individual folders.
<b>Drawings Reconciliations</b> 25. Should investigate and rectify the variances noted between its reconciliation statements and the general ledger FMIS.	✓	✓	✓		Drawings reconciliation and all other reconciliation for the Ministry of Forestry are up to date to March 2019.
26. Should ensure that monthly reconciliations are carried out properly and accurately.	✓		✓		Monthly Reconciliations are submitted before due date to the Ministry of Economy
27. Should ensure that reconciliation of all underline accounts are performed monthly, properly checked and approved on time.	✓		✓		Monthly Reconciliations are submitted before due date to the Ministry of Economy
28. Should ensure that procedures relating to the preparation of reconciliation statements as stated in the Finance Manual are complied	✓		✓		This is noted with appreciation. The Ministry's reconciliations are now up to date.

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

N/UPD – No Update Provided

# PUBLIC ACCOUNTS COMMITTEE

MINISTRY OF FISHERIES & FORESTS	Auditor-General's Report (PP No. 133 of 2018)			Status of the Recommendation			Ministry's Comments
	P/IMP	N/IMP	NI/UPD	F/IMP	P/IMP	N/IMP	
<p><b>It is recommended for the Ministry should:</b></p> <p>with to strengthen the reconciliation process.</p> <p>29. Should ensure that all balances in its books of accounts are accurate and adequately supported</p>		✓		✓			This is noted with appreciation. The Ministry's reconciliations are now up to date.
<p><b>Misallocation of Expenditures</b></p> <p>30. Should ensure that all purchases made are charged to the correct allocation</p>	✓			✓			This is noted with appreciation. The Ministry's reconciliations are now up to date. All procurement are cross-checked with procurement checklists with correct allocation stated to be used.
<p>31. Should ensure that accounting information gathered are fairly represented so that proper decision making could be made.</p>	✓			✓			This is noted with appreciation. The Ministry's reconciliations are now up to date.
<p><b>Settlement of Previous Years Outstanding Accounts</b></p> <p>32. Should ensure that the current year's expenditures are settled within the current financial period and not carried forward to the next financial year.</p>	✓			✓			The issue has been resolved. Divisional Directors and officers responsible for procurement have been informed to settle outstanding accounts in the current financial year and not to carry forward to the next financial year. Procurement Training has been conducted by the Fiji Procurement Office and all Directors and staff involved in procurement have attended.

F/IMP – Full Implemented

P/IMP – Partially Implemented

N/IMP – Not Implemented

NI/UPD – No Update Provided



# PUBLIC ACCOUNTS COMMITTEE

In your response, mention the following:-

1. Has the Ministry taken steps to identify the cause of the problem?
2. What action plan has the Ministry put in place for resolving the issues highlighted in the report?
3. Does the Ministry have the timeline for the implementation of these action plans?
4. For issues that are now resolved, can the Ministry provide evidence of this to the Committee?
5. Can the Permanent Secretary advise and provide evidence to the Committee that monthly updates on the implementation of audit recommendation are submitted by the Accounting Heads as required under the Finance Instructions 60 (1)?
6. Are the performance indicators of Accounting Head aligned to the implementation of the audit recommendation?
7. For the low implementation rate of the audit recommendation, can the Permanent Secretary explain the reason for this? Discuss the challenges faced and the action plan to overcome the challenges identified in order for the audit recommendation to be implemented.
8. What mechanisms have the agency faced in order to avoid recurring of audit queries?

**F/IMP** – Full Implemented  
Update Provided

**P/IMP** – Partially Implemented

**N/IMP** – Not Implemented

**N/UPD** – No

# APPENDIX 2: VERBATIM NOTES

1. Ministry of Local Government
2. Ministry of Fisheries
3. Ministry of Forests

**STANDING COMMITTEE ON**  
**PUBLIC ACCOUNTS**

**[Verbatim Report of Meeting]**

**HELD IN THE**

**COMMITTEE ROOM (EAST WING)**

**ON**

**MONDAY, 3RD JUNE, 2019**

**VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD IN THE BIG COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON MONDAY, 3RD JUNE, 2019 AT 1.11 P.M.**

**Interviewee/Submittee: Ministry of Local Government**

In Attendance:

- |                          |   |                                      |
|--------------------------|---|--------------------------------------|
| 1. Ms. Dimity Fifer      | - | Permanent Secretary                  |
| 2. Mr. Azam Khan         | - | Director for Local Government        |
| 3. Mr. Navin Chandra     | - | Manager Finance for Local Government |
| 4. Mr. Nilesh Naidu      | - | Manager Human Resource               |
| 5. Mr. Alipate Mativilia | - | Senior Accountant                    |
| 6. Ms. Rosy Rashmin      | - | Acting Senior Accounts Officer       |

Office of the Auditor-General:

- |                         |   |               |
|-------------------------|---|---------------|
| 1. Mr. Dineshwar Prasad | - | Director      |
| 2. Mr. Manish D         | - | Manager Audit |
| 3. Mr. Seremaia D       | - | Manager Audit |

---

MR. CHAIRMAN.- Firstly, I would like to welcome the team from the Ministry of Local Government. Thank you team for availing yourselves to be present here before the Public Accounts Committee to do your submission with regards to the Follow-up of Selected 2016 Auditor-General Reports for Various Sectors from the Office of the Auditor-General.

At this time I would like to also welcome the staff from the Office of the Auditor-General and if need be they are welcome to give their contribution through the Chair.

Without further delay I would like to introduce the Parliamentary team.

(Introduction of Committee Members by the Chairman)

With us on my left we have our Senior Secretariat staff and on my right we have the beautiful lady from the Hansard Unit. Along with that, I would also like to welcome the media who are present here to cover today's meeting.

I believe this is something new to the Ministry as well as for the Public Accounts Committee for Follow-up of Audit Report that has actually started with the Office of the Auditor-General whereby they go and do a re-audit of all the findings that were done at least two or three years prior when the initial audit was carried out. From the Public Accounts Committee we have seen this to be very helpful for the Committee especially in trying to follow-up on our own recommendations and recommendations given by the Office of the Auditor-General to see where ministries stand at this point in time and how much progress they have made.

First of all, congratulations to the Ministry, while we were dealing with the Department of Housing, we saw that there were seven recommendations by the Office of the Auditor-General, out of which five have been fully implemented and two till to-date has not been implemented. I believe you will be providing further clarifications as to why it has not been implemented.

The other one was, the Ministry for Local Government, I believe there was a total of eight out of which three were partially implemented and five were not implemented. So, without ado, I now give the floor to the Ministry to first introduce their team and you can straight go into the presentation. As far as our involvement is concerned, we will go recommendation by recommendation, so after we are done with one recommendation, if Honourable Members have any input, questions, queries or clarifications we will interject. So thank you Madam for coming, the floor is yours.

MS. D. FIFER.- Thank you Sir, much appreciated.

(PS introduces the team from the Ministry of Local Government)

Chair, we worked on some of the answers. I am aware that the table format needed to be worked into a different format. We are very happy to talk through our re-submission of our answers, and then ensure that any clarity because of poor grammar or editing is fixed and that we give further clarification to the Committee.

In terms of Recommendation One, work is definitely progressing in this area as notated in our original submission. One of the reasons for the low implementation rate was the inadequate staffing in the Ministry's Accounts Section. The finance team is still providing support services to the Ministry of Housing and Community Development as part of a shift from a combined ministry. This sharing of finance responsibilities will be remedied in a short period of time with the completion of the Ministry of Housing and Community Development finance recruitments which is being undertaken by the Ministry of Local Government's human resource team. Now that we are separated from the former combined ministry, we are:

- a) Finalising the recruitment for our budget finance positions from 2018/2019; and
- b) Ensuring that all finance and human resource responsibilities to the former ministries are finalised.

We were allocated five new approved positions in the 2018/2019 Budget; Accounts Officer, Assistant Accounts Officers (2) and Clerical Officers (2). We are finalising that recruitment of the vacant accounts positions and we have also requested additional staffing assistance for a short-term period from other ministries to assist in the completion of the pending accounting duties. We are very happy to provide the Committee updates at the end of this month or at any time at their request.

Attachment one, which we will provide to you in our next submission, will show you evidence of the re-advertised for finance positions which we have implemented as per the Open Merit Recruitment Selection (OMRS) Guidelines and we expect these positions will be filled by August and at the latest, September.

The Ministry has now completed the wages and salaries reconciliation for the 2016/2017 and 2017/2018 accounting periods. The pending reconciliations for 2016 – January to July of that year has now commenced and regular updates and completion date will be reported to the Committee.

Measures to ensure the issue will not reoccur, we are comfortable and pleased to provide the Committee regular updates regarding the implementation of this audit recommendation on a timeframe this Committee confirms, effective from this month.

We are very aware that one of the key accountabilities of the Manager Finance is to implement all audit recommendations accurately and in a timely manner and to report regularly to the PS on their achievement and this will occur.

Chair, would you like me to move to Recommendation Two?

MR. CHAIRMAN.- Yes, thank you.

MS. D. FIFER.- Thank you. On Recommendation Two – work is progressing as follows. I will not re-iterate our internal organisational structure issues just suffice to say that it is relevant to this recommendation as well and we look forward to the finalisation of all outstanding recruitments.

The Ministry has now completed the reconciliations for the underline accounts. The recurring variance identified has been reconciled and submitted to the Ministry of Economy for approval on the book entry adjustments to correct the general ledger in the FMIS in late 2018. The Ministry is happy to provide this Committee monthly updates if requested on the implementation of audit recommendations effective from this month 2019.

Again we are instituting measures to ensure this issue does not reoccur. We are ensuring that there is appropriate training on FMIS and Payroll for all current and future accounts personnel. We are ensuring that we have ongoing capacity building training so that staff are both aware of and comply with all processes and procedures pertaining to reconciliations.

All underlined reconciliations for the various general ledger accounts will be prepared on a monthly basis and signed and submitted for the PS's endorsement in a timely manner with signed reconciliations submitted to the Ministry of Economy and a copy retained by our Ministry for record purposes. Close monitoring of the work of the staff will ensure again that all processes and procedures are adhered to at all times.

Recommendation Three - Work in progress is as follows. Again as previously declared and this is not an excuse but there has been a reason for the low implementation rate; we have already noted this. The Ministry again will provide the Committee monthly updates on the implementation of this audit recommendation as requested and at a timeframe requested effective from June 2019. With the finalisation of the full complement of our finance team which we proposed in August and at the latest September, we will ensure that the following measures are embedded:

- Completion of a Standard Operating Procedure (SOP) for the record keeping of payment vouchers and all supporting documentation;
- Provision of records management training and maintenance of registers for accounts personnel;
- In-house capacity building training to ensure staff are aware of and comply with all procedures and processes pertaining to the Finance Manual; and
- Close monitoring of the work of the staff will ensure procedures and processes are adhered to at all times.

I now would like to move to Recommendation Four. Recommendation Four, yes is of concern. It does only relate to revenue that relates to Town and Country Planning. Our Manager Finance arrived in early February this year (2019). The Standard Operating Procedure had a total figure of fees to be charged with no amendment for a reduction. As soon as the audit discovered and made the Ministry aware of this clerical error, it was immediately rectified and an internal adjustment has occurred between the Ministry and FRCS.

I am happy and the Manager of Finance is here if you need any further questions on this oversight that we immediately rectified it as soon as we became aware of this oversight. Thank you, Mr. Chairman.

Recommendation Five relates to the Waste Transfer Station and its proper planning and implementation. With your permission, Mr. Chairman, I would like to revert to the Acting Director of Local Government who will explain that this particular project is under the Department of Environment. Thank you, Mr. Chairman.

MR. A. KHAN.-Thank you, Mr. Chairman and Honourable Members. The Waste Transfer Station Project is a project that has been budgeted and planned for as an item under the Department of Environment and with the shift of the Department of Environment from the Ministry of Local Government during the fiscal year 2017/2018, the subject project also shifted under the Ministry of Environment and currently the project progress can be updated by the Ministry of Environment and Waterways.

MR. CHAIRMAN.- Noted, Director.

MR. A. KHAN.- Thank you, Mr. Chairman and the Honourable Members of the Public Accounts Committee.

In relation to Recommendation Six which has shown as progressive implementation, that is, proper planning is carried out for all capital projects and this is implemented in a timely manner with progress reports provided to all key stakeholders. This, Honourable Chairman is now fully implemented. The Ministry is receiving quarterly reports and quarterly reports are forwarded to the Ministry for Economy including the Construction Implementation Unit who after verifying the work status releases the grants for the next quarter.

The next one, grant recipients submit their acquittals in a timely manner and not provide new grants unless acquittals have been provided for previous grants. Mr. Chairman, this is now in practice and enforced. Again here, the Ministry has revised this policy and

ensured that acquittals are provided to the Ministry in a quarterly manner and these are presented to the Ministry for Economy.

Grants Recipients provide their audited financial statements on a timely basis. Mr. Chairman, here the backlog is being cleared and we are working closely with the Office of the Auditor-General in getting all the annual accounts audited and brought to par and there is an expectation, a timeline established that by 31<sup>st</sup> December, 2019 backlog accounts will be cleared for all municipal councils.

MR. CHAIRMAN.- Thank you, Director and Madam PS for that presentation with regards to the Follow-Up Audit Report. I now open the floor to the Members if they have any further clarification that they need to seek or if they have any questions with any of the Ministry Officials, they can do so now. Thank you.

HON. A.M. RADRODRO.- Mr. Chairman, just a supplementary question through you to Madam PS, in regards to the recommendations by the Auditor-General for salaries and wages reconciliation that have been highlighted and you have also put in your update in terms of the work progress.

It is sad to note that the reasons for this non-performance of the salaries and wages reconciliation were due to staffing issues. Is that right?

MS. D. FIFER.- Humble apologies, Honourable Member, I did not hear that last part of your question.

HON. A.M. RADRODRO.- The main reason for the low, as per your submission, is the inadequate staffing that you have in the Ministry. This is something that is new to us to note that the non-performance of these simple daily activities in a financial area was due to the non-existence of staffing. Can you just elaborate on the statement that you have in terms of inadequate staffing? What was the number of staffing that you had? Why were they not doing it? Were they qualified or were they properly experienced to do the work? What do you mean by inadequate staffing?

MS. D. FIFER.- Thank you Honourable Member for your question. I now like to pass across to our Manager of Finance. So to say that the finance team which, when I arrived, were only at two finance personnel and they were still implementing the changes from the combined Ministry which was looking after Environment, Housing, Community Development and Local Government. Now we have put in place the recruitment to ensure that each of those three Ministries has the appropriate number of finance personnel to implement all the appropriate financial work that needs to be done in any well-functioning and efficient Ministry. I will now ask my Manager of Finance for any further clarification.

MR. N. CHANDRA.- Thank you Honourable Chairman. In relation to the backlog of pending reconciliation of wages and salaries is concerned, there were staff who were on discipline issues and sent home. That is the major factor that actually caused this non-completion of reconciliations on time. There were some discipline issues that actually resulted way back in 2016.



HON. A.M. RADRODRO.- All right. The staff have been sent home, why can you not get new staff to continue the work?

MR. N. CHANDRA.- When I joined the Ministry in February 2018, the accounts structure was not right. It does not have a proper and effective internal control system in place. So we have done a submission to the Honourable Minister on the recruitment of additional staff. We had put down a budget submission for 2018/2019 where we got those positions approved and which is currently under recruitment process.

HON. A.M. RADRODRO.- When you say additional staff, does it mean that people who were sent home are still staff of the Ministry?

MR. N. CHANDRA.- Yes. At that point in time, the Clerical Officers were sent on discipline issues. For the Senior Accountant's position, the person who was there had retired.

HON. A.M. RADRODRO.- Thank you, Honourable Chairman. I am just a bit confused with the way the Ministry is attending to this issue, especially, it is basically not because of the lack of staff. It is probably due to the Ministry not attending to this particular reconciliation process. When you send staff home, you should also get necessary replacement to continue doing the reconciliations for the Ministry. The changes came in 2018, but these audit issues were highlighted from 2016, that was the time when everything was together. At that time there was no separation of Ministries and Departments. Why did not the Ministry attend to those issues at the time? What was the reason for sending home staff and not filling in those positions?

MS. D. FIFER.- Honourable Member, this is prior to the Manager of Finance and my time. Should we take this on notice to get a better explanation to the Committee? How would you like us to address the answer?

MR. CHAIRMAN.- I was just about to ask that question. Was anyone present in that Ministry back in 2016 because I believe every one of you actually joined the Ministry after 2016.

HON. A.M. RADRODRO.- When you take on the position you assume the responsibilities. It does not mean that you start from there. You have to assume the responsibilities, and therefore these issues should have been resolved. The answer that you have here is still in the process in trying to address this issue. This is now 2019, why the delay?

MS. D. FIFER.- Yes, Honourable Member you make an entirely valid point. And this year as soon as the Manager for Finance came on board and as soon as I arrived in mid-April, we have begun to address this issue and I see it as entirely my responsibility to rectify and to make sure that the Ministry of Local Government is totally compliant to all financial and human resource capabilities.

So that is absolutely our responsibility to make sure that henceforth this never occurs again. Suffice to say that we did allude to a note that there was a transition period with the Ministries going through a combination and then being split apart. But your point is well made, it is entirely our responsibility to ensure now that we have the right compliment of

staff, the right skill set of staff, the right training and monitoring of staff and that this never occurs again.

HON. A.M. RADRODRO.- Thank you Permanent Secretary, just another question in regards to your response, are you still finalising the process of recruitment. When do you intend to complete this recruitment and how does that impact on the recommendations by the Auditor-General? Will it improve the full implementation of the reconciliations of the salaries and wages? Because reconciliation of salaries and wages is stated in the Finance Instruction, that it is the responsibility of the Ministries and Departments to ensure that it is done on a timely manner and accurately.

MS. D. FIFER.- Yes, absolutely Honourable Member. And we have completed the wages and salaries reconciliation for 2016 to 2017, 2017 to 2018 and all current periods. We are just about to complete the January 2016 to July 2016 reconciliations and we are happy to provide evidence to this Committee, that we have advertised the remaining accounting positions.

We are using the Open Merit Recruitment and Selection (OMRS) System and we hope that all those decisions will be in place by August, at the very latest September.

HON. A.M. RADRODRO.- Chairman, just before I request an update from the Auditor-General, does the Ministry have an Internal Audit Department in your Ministry? How often has the Internal Audit Unit of Government visited your Ministry?

MS. D. FIFER.- Thank you, Honourable Member.

MR. A. KHAN.- The last internal audit for Ministry of Local Government was done in the fourth quarter of 2018 period. So the issues on the reconciliations actually the backlog which I have cleared it, currently we are working on the 2016 pending reconciliations for wages and salaries only. After that then 2016 to 2017, 2017 to 2018 are all being completed and currently the Office of the Auditor-General is currently auditing the 2017 and 2018 accounts.

HON. A.M. RADRODRO.- From the Auditor-General's Office regarding the comments by the Ministry whether the reconciliations are up to date now?

AUDIT REP.- Thank you Honourable Member. For the Department of Housing, the reconciliations are being done. For Local Government that is something that we need to confirm to the Committee and we request if we can come back to the Committee on that.

HON. A.M. RADRODRO.- (Inaudible)

AUDIT REP.- Yes, the next follow up audit is going to include probably the 2017 and 2018 as well. So, if those issues are not resolved at that time then it will be reported as a follow up issue as well.

HON. A.M. RADRODRO.- Thank you Chairman. Just another supplementary question to the Permanent Secretary regarding your submission, you stated that there will be five new approved positions that the Ministry is looking at in 2018/2019 Budget. How many

staff will that be in the particular Ministry? What is the current number and with these new positions, what will the number bring finance staff to?

MS. D. FIFER.- Thank you Honourable Member.

MR. A. KHAN.- Looking at the structure, currently there are two Accounts Personnel, that is, Manager Finance and Clerical Officer. We are getting on board five new positions:

- a) 1 Accountant;
- b) 2 Assistant Accounts Officers; and
- c) 2 Clerical Officers.

The total number of Finance staff will be seven.

HON. A.M. RADRODRO.- Seven Finance staff?

MR. N. CHANDRA.- Yes.

HON. A.M. RADRODRO.- What happened to those who were sent home on disciplinary measures?

MR. N. CHANDRA.- Currently, we are also doing the restructure of the Ministry.

HON. A.M. RADRODRO.- Are they still part of the Ministry's staffing structure for those who have been sent home for disciplinary measures?

MR. N. CHANDRA.- Yes, the accounting personnel who had been sent on disciplinary issues, she has been terminated and the new Clerical Officer who was recruited actually resigned. So, it still has been vacant and we are in the process of getting people on board.

HON. A.M. RADRODRO.- That is all part of the new staff structure that has been highlighted earlier?

MR. N. CHANDRA.- Yes.

MR. CHAIRMAN.- Just a clarification, you are saying that five new positions and the document that was submitted to us has four with one Senior Accounts Officer, 1 Accounts Officer, 1 Assistant Accounts Officer and the other Assistant Accounts Officer so who is the fifth one?

MR. N. CHANDRA.- The Clerical Officer.

HON. A.M. RADRODRO.- Five are here; 1 Accounts Officer, 2 Assistant Accounts Officers and 2 Clerical Officers.

MR. N. CHANDRA.- The Clerical Officer position is not part of this.

MR .CHAIRMAN.- Advertisement.

MR. N. CHANDRA.- Yes.

MR. CHAIRMAN.- Alright. So, the person who did all these mishaps back in 2016 has been sent home?

MR. N. CHANDRA.- Yes.

MS. D. FIFER.- Honourable Chair, we have with us our Manager Human Resources if that would be easier for a reply from the human resource perspective, thank you.

MR. CHAIRMAN.- Excuse me, you need to speak in the mike because everything you say will be recorded.

MR. N. NAIDU.- Good afternoon, Honourable Chair and Honourable Members. I am Nilesh Naidu, Manager Human Resource and Administration for Ministry of Local Government. I wish to make some clarity here.

As part (c) states the five positions; Accounts Officer (1), Assistant Accounts Officer (2) and Clerical Officers (2) these are the approved positions in 2018/2019 Budget as per the Ministry's request to come and conquer the shortage of staff.

Part (d), as it states the positions re-advertised are the Senior Accounts Officer position, Accounts Officer position and two Assistant Accounts positions which are part of the new restructure of the Ministry of Local Government after the separation from Ministry of Housing and Ministry of Environment. So, these four positions have been re-advertised to address the issues of shortage of staff in the Finance Department. Thank you.

MR. CHAIRMAN.- Just a quick clarification. I heard you mention the 2018/2019 Budget. So, why was it advertised at the end of the 2018/2019 Budget? It is not like 2019/2020, but 2018/2019 and the financial year is about to end and then we are seeing this advertisement coming up while the issues were from 2016. So, any reasons for that?

MR. N. NAIDU.- Thank you, Honourable Chair. The reason for the re-advertisement, the positions were advertised after getting the approved positions in 2018/2019 but the positions were not filled in the time frame given under the OMRS Guidelines which is four months and that is the reason for re-advertisement.

MR. CHAIRMAN. –Any reason for not filling in four months' time?

MR. N. NAIDU.- There was a lot of issues in terms of the panel not being able to take time out and meet for the meetings in terms of recruitment because normally the panel members are not from the same Ministry. So, that delayed the time frame in meeting up for the recruitments.

MR. CHAIRMAN.- I believe Madam PS another thing with regards to the Open Merit Recruitment Selection (OMRS) system, would you elaborate on the panel that is chosen by the Ministry to actually get appointees.

MS. D. FIFER.- Thank you, Honourable Chairman. Yes, under the OMRS system as our Manager of Human Resources has allocated, you need to undertake all recruitments within the four months. So if the Manager of Human Resources can outline how that latest panel was created.

MR. N. NAIDU.- Thank you, Mr. Chairman and Madam PS. The Recruitment Panel are chosen and approved by the Permanent Secretary's Office upon the recommendation from the Human Resource Management. The Chair of the Recruitment Panel is usually the Technical Officer or the hiring officer of that particular position. So in this case if we do say it will be the Manager Finance and then we will have to have one member from outside the Ministry and one other member from within the Ministry or it can be outside the Ministry as well. So for our Ministry, we normally keep two members from the Ministry and one member outside the Ministry. For all positions recruited under Band J and if it is above Band J, then there has to be an external member outside Civil Service. Thank you, Sir.

HON. A.M. RADRODRO.- Mr. Chairman, just a question to PS, these new approved positions. Who approved these new positions? Is it from within the Ministry because previously new positions like this used to be approved by the Public Service Commission? So what happens in this particular situation? Who approves these new positions that you are alluding to?

MS. D. FIFER.- I will pass it again to the Manager of Human Resources. But these positions which were being re-advertised were previously approved to my time. Manager of Human Resources.

MR. N. NAIDU.- Thank you, Mr. Chairman, Honourable Members and Madam PS. The positions are approved by the Honourable Minister of the particular Ministry in concurrence with the Ministry of Economy's Budget. Thank you, Sir.

HON. A.M. RADRODRO.- So these delays and everything has to be signed in here?

MR. CHAIRMAN.- Yes, Honourable Ratu Naiqama?

MS. D. FIFER.- Yes, Honourable Member the internal structure is usually signed off by the Minister, the appropriate Minister at that time.

HON. A.M. RADRODRO.- But it take long for the Minister to approve this? Is it the delay from their end or it spends too much time on the Minister's table? This is 2018-2019 Budget and actually it was processed long time ago.

MS. D. FIFER.- Honourable Member, I am afraid I can take that on notice, I cannot answer for the timeframe suffice to say that the Ministry was looking after Environment, Housing, Community Development and Local Government. So it was under that current staff compliment, a very large work load that was being implemented not as speedily as one would have hoped and it is now being rectified. We are ensuring that every recruitment goes under the OMRS Guidelines and it is always done under four months, if not even sooner. So any

transition period has now just about finalised for all the Ministries so that they can run as efficiently and effectively as possible.

MR. CHAIRMAN.- Just for clarification, all new positions are confirmed by the Civil Service Reform Unit (CSRU), it is a department within the Ministry of Economy but not the Ministry of Economy directly involved. All new positions have to go to CSRU and they are the ones who actually decide on the salary bands and everything and then it is sent back for endorsement by the Minister. It is actually sent through the PS to Civil Service Reform and then it comes back to the Minister. It is not the Minister who actually says that we need additional staff. Just clarity on that.

HON. J.N. NAND.- Mr. Chairman, Sir, as you had pointed out, it is the panel that is not able to meet regularly. You will need to fast-track that, the root cause of the problem is there when the panel is not able to come together and then proceed.

HON. V. PRAKASH.- I believe in what Honourable Radrodro had said, yes, we can correct that. It is as you had mentioned, it is not the Minister. It is all recorded, whatever you said.

HON. A. RADRODRO.- (Inaudible)

HON. J.N. NAND.- As you had stated, you are unable to gather your panel together.

MR. A. KHAN.- Thank you, Honourable Chair and Honourable Members. I seek apologies. I did mention it is the Honourable Minister of that particular Ministry in concurrence. Once the positions are approved by the Honourable Minister, we approach the Civil Service Reform Unit and then the Budget Unit for final approval.

MR. CHAIRMAN.- Yes, Honourable Ratu Naiqama.

HON. RATU N.T. LALABALAVU.- Just a question to Madam PS and perhaps your Director Local Government as well on your responses to Recommendation Four on Local Government. . From the outset, we understand where most of your senior officials are, having stepped into the shoes of responsibility that has already been there, but this one here, Madam PS is to do with the revenue of Government. Could you elaborate a bit more on this confusion at a very important level where staff are not fully aware? This has been identified by the OAG, whether it is 15 percent or 9 percent of VAT, we the Committee find it quite unbelievable that an arm of Government is not clear as to its role especially when this Friday is another budget announcement. So, Honourable Chair, through you, can the PS elaborate a bit more on that? What are the root causes of these kinds of things? You have recruited this new person to come in.

MS. D. FIFER.- Thank you, Honourable Member. Your point is well made and apologies that the grammar in our response has conveyed an incorrect position. I will now pass to the Manager of Finance to explain that it was an administrative oversight in terms of the Standard Operating Procedures and that the revenue is just a portion relating to Town and Country Planning and that as soon as the issue was raised throughout the audit, we immediately rectified what was in fact a clerical error in that Standard Operating Procedure.

MR. N. CHANDRA.- Thank you, PS. In relation to the issue which was raised in the 2016/2017 Report, the incorrect charging of VAT on vatable revenue. Actually the incorrect VAT rate was used. When I joined the Ministry in February 2018, just going through the audit reports for previous years and actually as part of my implementation, I have adjusted the general ledger system to correct the VAT rate so that we pay the correct vatable revenue sum to Fiji Revenue and Customs Service (FRCS).

HON. RATU N.T. LALABALAVU.- ... 15 or 9, or 9 or 15?

MS. D. FIFER.- It is 9.

HON. RATU N.T. LALABALAVU.- Because if you look at your Recommendation Four (a).

MS. D. FIFER.- Yes.

HON. RATU N.T. LALABALAVU.- You are saying 9 to 15.

MS. D. FIFER.- This draft that we gave you this morning is a draft. After today's discussion and series of questions, we were planning to resubmit this to you after clarification of the questions so this is only tabled as a draft to this Committee. Honourable Member, we are very aware that it is 15 percent to 9 percent.

HON. RATU N.T. LALABALAVU.- Mr. Chairman just another supplementary question on that one? This has happened after you have got rid of that staff who was not sure of what percentage to adopt, that is from the explanation you are giving us now.

MS. D. FIFER.- Yes.

HON. RATU N.T. LALABALAVU.- Is this a continuation of that or even when you are in the seat now, Madam PS?

MS. D. FIFER.- Yes. Honourable Member your point is well made and it is not a continuation of incompetence of our staff and the final report that will be given to you with a better clarification because we were that this Committee wanted a different format from table format into a narrative and we had re-drafted that this morning. We have submitted it to you but on notice that after today's submissions, we will ensure that you get our final submission to this Committee with answers to your questions.

HON. A.M. RADRODRO.- Mr. Chairman, maybe this is an indication of what that is coming in this Friday's Budget, this VAT calculation that the Ministry is aware of, that we are not.

(Laughter)

MR. N. CHANDRA.- Mr. Chairman, to highlight in this area, there was only one revenue stream which was affected by this VAT adjustment and that was the Town and Country Planning fees. At that point in time the Ministry of Local Government, Housing and Environment had three revenue streams. One revenue stream was with Town and Country

Planning where fees were received on behalf of the Government for town planning in relation to re-zoning subdivision and building fees. The other stream was housing, some specific privies relating to the Housing Act and environment related as far as Environment Management Act goes. As far as the Town and Country Planning fees goes, Mr. Chairman and Honourable Members, this fee had an internal challenge where the gross amount remained the same as per gazetted fees. However, the treatment was that 15 percent was being paid to FRCS and the balance was going to the consolidated fund.

Upon sighting by Finance, there was a reversal entry made and adjustments have been made to ensure that the fund are rearranged and it goes to the right places.

MR. CHAIRMAN.- Thank you for that clarification, Director. Any further comments by anyone? Honourable Vijendra Prakash.

HON. V. PRAKASH.- Mr. Chairman, first of all, I would like to congratulate the new Permanent Secretary in this very important ministry and I would also like to thank, through the Chair, for taking up the responsibility boldly and also letting us know that it would not be repeated and things will improve. So, we would like to thank you. Sir, a supplementary question.

The responses that we have received from you, in some areas you said that by the end of May 2018 you will be submitting us the report regarding a few questions that we had sent. And if you read through you said that by the end of June there will be a lot of other responses that will be coming. You have also responded that by end of July this year more response will come.

Now, first I would say, Mr. Chairman that the promises that were given for responses to come by the end of May this year has not come. So, what assurance is there that you would give the other responses that you had stated come June and July?

MS. D. FIFER.- Thank you Honourable Member. Today we were seeking clarification on how this Committee would like to receive its reports and in what timeframes. So, I give you my word and my commitment that now as a single Ministry of Local Government, our focus is totally on implementing all statutory and fiduciary duties and that is our complete attention to do that. Now, that we have got further clarification of a number of the issues that are of concern and rightful concern of this Committee, we will ensure that if you want to receive monthly reports on each of the recommendations that relate to our Ministry, you will receive monthly reports and in the format that you require.

HON. V. PRAKASH.- Another supplementary question, Chair. In any organisation, HR plays a very important role. Here we have heard a lot of your responses saying inadequate staff and the reasons regarding staff. It is important that any organisation with good HR team would look at each and every individual and also ensuring that those responsibilities are fulfilled. I think we have seen that backlog is one, then again you see mistakes have been done, people have been terminated which is good where if someone is found as not performing, actions should be taken.



How strong, Madam PS, is your HR team to try and see that these will not be repeated. As you said, they are only five of them, maybe HR is also not adequately staffed to carry out this responsibility.

So what is your response regarding this?

MS. D. FIFER.- Apologies. Thank you Honourable Member, and absolutely we concur taking on this position. I am very aware of the need for a strong Department and Executive team of Heads of Departments including the Manager of Finance. We now meet weekly as a whole group and bilateral daily meetings and we are ensuring that we are embedding a stronger performance management system and that we will ensure that our new Strategic Plan is actually more focused on some of these areas of total accountability and compliance.

I am very aware of the importance of the Ministry of Local Government to the Government of Fiji and our total commitment is to make sure that the Municipal Councils and the Ministry are performing at the highest level.

I am also aware that we have inherited a backlog and the need to take the shortest possible time that we are totally on top of all of our responsibilities and that is my absolute commitment. I do recognise there is a transition period and will make that as short as possible so that we can deliver everything that we need to so that Municipal Councils are served by a strong, effective and efficient Ministry, and for us as a team and our Heads of Department, they are not words, we are putting them into action.

HON. RATU N.T. LALABALAVU.- Mr. Chairman, through you. First of all Madam PS, the Committee would like to thank you so much for that bold statement you have just made regarding the statutory roles that you play and the fiduciary duty as well that you have to undertake. Your Director for Local Government has also indicated something just a while ago which is news for us, that is, grants and how and it is going to be administered, audited plus the outstanding audited accounts, the various municipalities. You have indicated a date at the end of this year, that is really reassuring. The question that I would like to pose to you, Madam is when you look at the grants and the outstanding audited accounts or the outstanding accounts to be audited, what are some of the views that you hold that could help or guide the Committee as to how this is best addressed? When you look at AusAID, the provision of acquittal is very strict on the usage of money, et cetera. The Director has just mentioned the grants, but it depends on the will of the Government again, Madam. Previous practise in past Governments for these two issues has not worked well, but now you have made your statement together with your Director, would you be able to guide the Committee on what are some of the positive views that you have regarding these two issues, grants and audited accounts? Thank you.

MS. D. FIFER.- Yes, thank you Honourable Member. I am happy in monthly reports to keep this Committee really aware of the progress on all of those areas. In terms of working with capital projects, the Ministry of Local Government is working far closely with the CIU Unit of the Ministry of Economy which is entirely appropriate, that we ensure the highest possible standards of project management occurs for all of those capital projects. We are in the process of finalising the appointments of the team of Special Administrators and the new CEOs, so after the budget is handed down, we will be able to confirm when the team

of Special Administrators which will have oversight of the Municipal Councils and when the finalisation of the CEO appointments will occur.

We are planning to have instituted a regular plan of capacity building with Local Governments so that we are very aware both in terms of reform, compliance and complaint handling. So we are finalising our plans now for ensuring that every one of Fiji's Municipal Council, we are working very closely with the new team of Special Administrators and the new team of CEOs. We are planning on having regular bi-monthly meetings with each of them so they understand the breadth and the depth of their responsibilities.

The current Honourable Minister for Local Government has already issued a number of directives, one of which includes that the narrative forms of this year's Annual Reports are all completed by June 2019 and they move to audited accounts as soon as possible. While we have inherited a backlog, which we are working on as quickly as possible, we are also ensuring that day-to-day, right now, we are on top of the work load within the Ministry and across all those Municipal Councils. So when we mentioned that we are undergoing a restructure, we are working very closely with the Minister of Local Government to make sure that the functions and duties of Ministry staff are aligned to those functions that are needed to probably oversight and support the strength of Municipal Councils across Fiji.

I am happy to elaborate further and I am also happy to make sure that this Committee has monthly reports on all of those processes, because the Ministry is working essentially and also in effect in a decentralised way through each of the Municipal Councils across Fiji. I have every confidence that as we implement these processes by the end of this year, things will be operating a lot more efficiently and effectively.

HON. A.M. RADRODRO.- Honourable Chairman, just another supplementary question. Thank you Permanent Secretary. With all these updates that you have given the Committee, you are assuring the Committee that you will attend to all these recommendations by the next audit. Thank you for that.

In terms of Recommendation 5, your Waste Transfer Station that is being mentioned there, I have read through the submission that you have put out, I see that there is still no resolution on the Waste Transfer Station. This is something that was mentioned by the previous Honourable Minister regarding the transfer station at Nasinu. So in terms of identifying the alternative site, is there an alternative site that is going to be used apart from where it was located or planned to be built in Kalabu?

MS. D. FIFER.- Thank you Honourable Member. With permission, I will pass across to the Director for Local Government or the Director of Town and Country Planning as appropriate.

MR. R. PRASAD.- Thank you Honourable Member through you Honourable Chairman. This project appeared under our Annual Accounts in 2016, reason being at that time we were all under one Ministry of Local Government, Housing and Environment. It is an environment project and managed under the Department of Environment and with respect, they will be the ones who will be able to provide the progress as far as the landfill site goes. Thank you, Sir.

HON. A.M. RADRODRO.- (Inaudible)

MR. R. PRASAD.- No, Sir.

MR. CHAIRMAN.- I believe Honourable Member, you need to direct that question to the Ministry of Environment when they are here before us.

HON. A.M. RADRODRO.- (Inaudible)

MR. R. PRASAD.- Thank you, Sir. As far as solid waste management activities goes in Fiji, the collection and taking it to the site is by a Public Health Act established in 1935, and the powers are given to the local authorities.

And in Fiji currently, following the approval from last year's fiscal Budget, all Municipal Councils basically have taken over this service of solid waste management collection and disposal. As far as the management of landfill goes, this comes under the Environment Management Act, and therefore it is under the Department of Environment. Currently in Fiji there is one landfill site which is directly being managed by the Department of Environment and that is Naboro Landfill. The other dump sites and one aerobic landfill site at Lautoka are managed by Municipal Councils. However, the overall supervisory powers and giving of annual licensing is vested with the Director of Environment, Sir. Thank you.

MR. CHAIRMAN.- Thank you Honourable Members and thank you Ministry of Local Government and Housing for appearing before the Committee. Madam Permanent Secretary (PS), just before we close the session, I as the Chairman would like to just reiterate that all correspondence are sent to the PS Office before it comes to Public Accounts Committee (PAC), it should be endorsed by the PS of the relevant Ministry. Please note when it comes to PAC, there is nothing such as a draft.

For your information, in future, if anything comes out from the Ministry it should be coming out from the PS Office. The other thing is that now we have an Act in place on providing falsifying information to any Government agency and PAC is also part of it. So that can be a huge issue if we follow that path, but, we understand that the whole team is new and from PAC, our eyes are from the Auditor-General's Office. Definitely they will be doing another follow up on all these things that are actually in the Report itself.

Another thing to mention is, during their follow up audit, the Auditor-General's Office will follow the recommendations given by PAC as well. And all the information that is provided to PAC goes to the Auditor-General Office as well.

As far as the reporting as you have stated, we are more than happy to receive updates on all these recommendations from the Ministry. We expect an update before the end of this year on all the recommendations that are still pending and those which have not been implemented or partially implemented. On behalf of the Committee, I would like to thank each and everyone of you for appearing before the Committee and taking the time out to be present here. *Vinaka*.

MS. D. FIFER.- *Vinaka*. Thank you Honourable Chairman, and just to reiterate we do not take anything lightly. Thank you.

The Committee adjourned at 2.15 p.m.

**STANDING COMMITTEE ON**  
**PUBLIC ACCOUNTS**

**[Verbatim Report of Meeting]**

**HELD IN THE**

**COMMITTEE ROOM (EAST WING)**

**ON**

**THURSDAY, 6TH JUNE, 2019**

**VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD IN THE BIG COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS, ON THURSDAY, 6TH JUNE, 2019 AT 1.00 P.M.**

**Interviewee/Submittee: Ministry of Fisheries**

**In Attendance:**

- |                             |   |                        |
|-----------------------------|---|------------------------|
| 1. Mr. Craig William Strong | - | Permanent Secretary    |
| 2. Mr. Taniela Naulu        | - | Manager Finance        |
| 3. Ms. Lanieta Gadolo       | - | Manager Human Resource |

**Ministry of Economy:**

Mr. Emosi Dovibua - Director Internal Audit

**Office of the Auditor-General:**

- |                            |   |                |
|----------------------------|---|----------------|
| 1. Mr. Abele Saunivalu     | - | Director Audit |
| 2. Mr. Manish Dewan        | - | Manager Audit  |
| 3. Ms. Salaseini Naidrodro | - | Senior Auditor |
| 4. Ms. Lee Filipe          | - | Auditor        |

---

MR. CHAIRMAN.- Good afternoon, PS and the team from Ministry of Fisheries. I would like to welcome you here this afternoon on behalf of the Public Accounts Committee (PAC). Before we start, I would like to introduce my team present here this afternoon to be part of this submission.

(Introduction of Committee Members by the Chairman)

(Introduction of officials from Internal Audit Unit, OAG and Secretariat by the Chairman)

Going through the procedure for today's submission, the floor would be open for you to make your presentation on the questions that have been provided to you prior to this meeting. We will go submission by submission and recommendation by recommendation. During or after each recommendation, we may interrupt to get any clarification that the Committee deems fit at that point in time. I would also like to welcome members of the media who are present to cover this meeting this afternoon. You may actually introduce yourself and your team. Go ahead. Thank you.

MR. C. STRONG.- *Vinaka*, Chair and thank you, Members of the Committee. As we prepare to deliberate on this afternoon's business, accompanying me from the Ministry of Fisheries is our Manager Finance and also our Manager Human Resources.

Given that I am only five months into my tenureship and we are looking at a 2016 Audit Report, the responses will be read by our Manager Finance, however, I will be here to answer any questions. I would like to, just from the outset, if I can, give an update because I think it is

important to put into context for Members that we are about to finish our second full fiscal year as a standalone ministry. What you will see as we work through the questions, some of these are legacy issues from our time with the Ministry of Forestry. You will note that most of our responses are that we acknowledge where there has been incidents regarding governance issues raised and we have been very busy in the mitigation of those issues.

I would just like to say, if I can, just to give you a bit of a picture of the Ministry of Fisheries as it stands on 6th June, 2019. As you may know, we were broken away as a separate Ministry in 2017. We have been around in one shape or form since 1963 and our legislation dates back to the early 1940s. We have a very clear vision for the Ministry and that is to have the best fishery in the Pacific region. Our mission is to sustain, manage and protect Fiji's fisheries. We achieve this primarily through four key areas. One is the management and compliance of our national fisheries legislation and regulation through the provision of licencing, advisory and support services, through research and marine conservation which is very important as we enter into the UN Decade of Ocean Science and importantly our sector development. We work through five functional Divisions, these being our Inshore Fisheries Management Division, Offshore Fisheries Management Division, Aqua Culture Division, Research and Marine Conservation and Fisheries Development.

What some members may or may not be aware of is that one of our strength is that we have a footprint of 32 Fisheries Service Centres throughout the Fiji Group, from as far east as Lakeba, towards far north as Rotuma. Within those Service Centres, we have 24 ice plants servicing fisher folk throughout Fiji. Moving forward, and I know this is a retrospective meeting, but I think it is always good to put it into context the work that is currently being undertaken at the Ministry.

Our key objectives over the next 12 months is to optimise our service delivery through our 32 Service Centres. We also want to optimise our operational and fiscal efficiency throughout those Service Centres. And the key outcomes, the success for us if we do this correctly, is to increase our outreach and frequency of outreach. So what we have done recently is to look at where our Service Centres are, the demographics, the number of *tikina*, the number of villages, the number of communities, the number of license fisher people, the number of aquaculture farms and look to strengthen the number of extension office that we have to ensure that we adequately service their needs. So we are looking to increase our frequency of outreach.

That will also allow us to effectively increase our project implementation to increase compliance, but most importantly is that we can put a benchmark and a line in the sand in terms of our increase in contribution to GDP, which is think is understated for Ministry of Fisheries. We will see that through an increase in retention and growth of the aquaculture sector through an increase in our coastal fisheries licencing and protection and a decrease in the negative impact of offending which leads to supply issues, health and socio-economic.

What I will do is, I will be here to answer further questions but I will now pass you on, if I may Honourable Chairman, to our Manager Finance, Mr. Taniela Naulu who will take us through the submission questions.

MR. T. NAULU.- Thank you PS. Honourable Chairman and Honourable Members of the Committee, in terms of the Report that is before you, first of all we would like to apologise

on the initial submission that came. We were really tied up with our budget compilation and we managed to put the final Report before you today. Sir, in terms of governance issues:

- 1) We are partly implementing these issues. The Ministry has acknowledged the weaknesses highlighted in the 2016 Audit Report. In developing improvement strategies, the Ministry established the weakness in the areas which has led to incidents of non-compliance. To mitigate these issues, the Ministry undertakes structured governance policy related trainings. Another mitigation strategy has been the revision of all governance manuals. These being our:
  - a) Revised Finance Manual (draft at the moment);
  - b) Revised HR Manual;
  - c) Risk Management Plan;
  - d) Procurements Checklist;
  - e) Divisional Manager's Site Inspection Checklist;
  - f) Spot Check Templates; and
  - g) Accountable Advance Checklist.

The above documents have been disseminated to all our Divisional Offices and Stations and awareness are carried out and followed up with regular e-mail reminders. The documents above are attached in your Annexure 1.

- 2) Weakness in internal control in operating fund. The Ministry has acknowledged the weakness highlighted in the 2016 Audit Report in developing improvement strategies for this particular issue. The Ministry has established the weakness due to the fact that there was no structured partition process, nor formal handover of assets when the Ministry of Fisheries was created as a standalone Ministry upon separation from the Ministry of Forests. To mitigate these issues, the Ministry has strengthened our Assets Management Unit by appointing an EO Assets. The Ministry has also established its own Fixed Assets Register. This has been facilitated with the following improvement actions:

Recommendation of and timely disposal of assets - which we have done two months back; and updating of fixed assets register and inventory ledgers in our divisional offices and stations.

There is Annexure 2, just an extract of our Fixed Assets Register. We may supply the soft copies, if needed.

- 3) On Monthly Reconciliations, the Ministry acknowledges the weaknesses highlighted in the 2016 Audit Report. In developing improvement strategies, the Ministry has established weakness in this area which has led to the incidents of non-compliance, one of which is the volume of work offset against the capability of our staffing and our new staff in our division. So to mitigate these issues, the Ministry is working closely with the FMIS Unit at the Ministry of Economy on capacity building programmes and trainings and attending FMIS user meetings to be able to address the non-compliance and training of our staff who are involved in the monthly reconciliations.

At an operational level, the reconciliation team has managed to closely ensure timely submission of reconciliations.



Moving on, Mr. Chairman, onto No. 7 on Provisional Tax Not Deducted. The Ministry acknowledges the weakness highlighted in the....

MR. CHAIRMAN.- Excuse me, sorry. Just a clarification. I think you people provided this response where you were saying that because of the Budget, it was not submitted in a proper way, so you are providing another one. There are two documents before us, one is this and one is this.

MR. T. NAULU.- The binded one, Sir.

MR. CHAIRMAN.- My question, I believe PS is new and I think to his good knowledge as well. The Committee would like to know, how come within a week it has gone from partially implemented to fully implemented - No. 3? And at this point in time, if it was fully implemented, why was documentation sent to PAC Committee stating that it was partially implemented?

MR. T. NAULU.- Thank you Mr. Chairman. Our sincere apologies on that discrepancy. Actually, Sir, when the first copy was emailed across, unfortunately it was not the revised one, so we had to go through again. It was an oversight on our part, we humbly apologise for that. We have relooked at our responses and what we have on hand, the work that has been done.

HON. RATU N.T. LALABALAVU.- Honourable Chairman, yes, thank you so much for making it today. This is something that we have been encountering in these past few years, the lack of commitment from your level. For you to be here, even though you are new, we really appreciate that.

The reply that was given by one of your senior officials, I hope it will not be taken lightly in that regard because if we place a lot of importance in the role that we play, not only of your good self, Sir, but, here as well, it will augur well for Parliament and for the country as a whole, but, otherwise we will be hearing this kind of rhetoric all the time. So that is just a comment that I want to make, Honourable Chairman.

MR. CHAIRMAN.- Yes, Honourable Member, I also agree and I would like to state this at the end, these kinds of things would no longer be accommodated by PAC anymore in this term of Parliament. It is not that if we ask for a written submission something else come and once we ask for an oral submission or the Ministry to present themselves, the documentation changes because we had spent a couple of meeting sessions discussing this. At the end of the day, we do not want to know that there is something wrong and we are providing the correct one now, because everyone's time is precious. Because we write to PS, you are new and we do acknowledge that you are getting to know the system we request that these kinds of things are not repeated in future.

MR. C.W. STRONG.- Sir, whether I am new or I have been here for a while, I take full accountability that everything that happens within our organisation. We are in the process of building this organisation from the ground up and you will see different improvements, not only in our service delivery outwards towards stakeholders but but particularly internally to the team here. So, that is my commitment to you and to the members of the team here.

MR. CHAIRMAN.- Thank you, Sir. You can go ahead.

HON. A.M. RADRODRO.- Just a clarification. Your process that you have now, you have addressed the issue of governance from the top, what is the current process now? All your outgoing correspondences especially coming to the Committee, does it go through the PS's Office or what is the process now? In terms of governance issues regarding your correspondence as such, finding its way to the Committee, in draft form does it come through your office or does it come straight from Manager Finance without coming through your office?

MR. C.W. STRONG.- Sir, everything should come through my office whether or not that is a procedure that is followed, I would like to think with the amount of papers that I see in a day that everything that should come through my office is coming through my office.

HON. A.M. RADRODRO.- ... that question maybe you can provide us with an answer to some of the issues there, initially it was partially implemented. The final one is now fully implemented. So, what changes in this status within that period of one week?

MR. T. NAULU.- Thank you, Honourable Member. These are 2016 issues. We have a new team at Ministry of Fisheries' Accounts. We have just set up our team in 2017. There were only two of us that started off the Accounts Section for the Ministry of Fisheries actually doing the whole accounts set up; registration of FNPF, tax, creation of payroll and that was basically the hard yard we had to do and then we built our Accounts Team to where we are now. We are trying to address all these recurring loopholes over the years and that is where we are working towards with the leadership of our new Permanent Secretary who is there to coach and getting the team to carry out the job that is supposed to be carried out.

HON. A.M. RADRODRO.- Mr. Chair, supplementary comment to that. We just wanted to be assured about your statement that these commitments are really happening and not just a tick in the box exercise where from "partially implementation" to "fully implementation" but a different scenario on the ground. So, you just assured the Committee that when it is fully implemented it is actually full implementation of the recommendations that has been put forward by the Auditor-General especially in 2018, I think the follow up audit was done in June 2018. Upon that follow up audit, that is what they came up with. Most of the things that have been highlighted have yet to be implemented. So, the Committee wants to be assured that whatever has been ticked here as fully implemented is actually what is happening on the ground.

MR. T. NAULU.- Thank you, Honourable Member. Yes, there is always room for improvement but our aim is to try and improve our systems and processes in terms of compliance. Yes, we always encourage our team to give the best and it is a motivating factor for us to try and rise to the challenge.

MR. C.W. STRONG.- If I could just respond and it is probably the last time I will use an excuse. It is more to say that we need to put this into context. In 2017, if we did the audit in 2018 that is less than a fiscal year of operating stand alone. As my colleague has said, as building an organisation from ground up, they had two Accounts staff. When I joined the Ministry five months ago, I did not have a Deputy Secretary and I did not have a Director

Fisheries. So we have gone into speed wobble stage of any organisation that is in a growth mode without having put the foundation stones in place. Having said that, we are trying to do that respectively. I think for us the heavy lifting over the next 24 months, you will see an improvement as I start to micromanage these processes to ensure you will not have these non-occurrences.

MR. CHAIRMAN.- Thank you PS for that. We do understand that it is a new Ministry. With regards to building the Ministry in particular No. 3, I would just like to get an opinion on whether you think it should be the Ministry bringing in people and building up the capacity or it is more practical for the Ministry to bring in capable people under the Open Merit Recruitment Selection (OMRS) Guidelines.

MR. C.W. STRONG.- For me obviously the latter. You know if you are building bend strength and under my five months, I am trying to build a bend strength where we have wingers that can play wings and props that can play props otherwise we are not going to get to where we want to go.

MR. CHAIRMAN.- Yes, because it is a new Ministry. It is better to have all those things implemented in the first place rather than coming back next year and telling us that we are still trying to build the capacity.

MR. C.W. STRONG.- I think a lot of that, you may have read one of the lines that there was kind of, particularly if you look at the fixed assets, there was no formal kind of transition of fixed assets financially from one Ministry to a new. You can imagine what might have happened with the human capital. So we are working very hard to correct that. Same building but we would like to think of ourselves as a bit more proactive.

MR. CHAIRMAN.- Alright. Sir, you can continue.

MR. T. NAULU.- Thank you, Honourable Chair and Members. On No. 7 on Provisional Tax. We acknowledge the weaknesses highlighted in 2016. In mitigation we have implemented the recommendations which ensures that provisional taxes are deducted and remitted to the Fiji Revenue and Customs Service (FRCS). This has been practiced since 12th February, 2018. There is an Annex 3 attached for your reference.

Moving onto issue No. 9: Anomalies in Underline Accounts. The Ministry acknowledges the weaknesses highlighted. The mitigating factors are, we have taken into action to properly reconcile all our accounts, that is, drawings, operating trust, SLG 84 in line with the Financial Management Information System (FMIS) variances and necessary adjustments have been made. We have now worked closely with the FMIS Unit in training our team on the mechanics of the different modules of FMIS and for us to really master these monthly reconciliations at the level required.

For No. 10, we should also ensure the travelling advances are cleared within seven days of completion of the travel or recovery should be made from the salaried staff concerned. We acknowledge the audit issues highlighted in 2016. To mitigate, we regularly communicate to staff on the accountable advance policy. We have devised a policy. We have established checklists to facilitate regular follow-up with staff on their retirements.

Sir, No. 3, we have instituted recovery by deducting from source for those who do not comply with the policy. On that, Sir, we have devised an accountable advance checklist. It is together with Annex 1. This helps us to streamline applications and have proper authorities - approvals are in place.

MR. C.W. STRONG.- If I can just add there, Chair, just an example, maybe to Honourable Radrodro. This is one area where I keep quite a close blow torch on accountable advances. Everyone that comes across my desk, I will always challenge. What is the necessary need, will we get the outcome? Once I have a line of sight of it, I follow it through. So that is maybe just one example of a policy where I personally micromanage. *Vinaka*.

MR. T. NAULU.- Thank you, PS. On No. 11 on inappropriate usage of project funds provided through SLG 84. We acknowledge the weakness highlighted. We have taken advice from the Ministry of Economy, we have prepared journal vouchers and reversed the amount back to the allocation where the funds were drawn. So this is an ongoing improvement for us.

For No. 12 - Should ensure agreements between donor agencies and Ministry are made available for audit verification. The Ministry notes the issues raised and are keeping records of agreements from donor agencies for verification.

Moving onto No. 19 - Anomalies in the Fisheries Main Trust Fund Account. Should ensure that proper trust listing is maintained. The True Trust Account had been shared under the Head 32 - Ministry of Fisheries and Forests prior to 1st August, 2017, when the Ministry of Fisheries was separated to be an agency on its own. The True Trust Account was originally used for the Fishery's One-Third, Two-Thirds Subsidy Scheme since 2004. The Subsidy Scheme has since lapsed and the Ministry of Fisheries and Forests continued to maintain this bank account to transact performance bonds and retention monies for most of its construction projects as per contractual agreements between the Ministry and the contractors.

The True Trust General Ledger (GL) is still under Head 32 at the moment (Ministry of Forests) and we are now currently liaising with FMIS to create new GL allocations for the Ministry of Fisheries to Head 31 to be able to reopen this GL and substantiate the amounts with source documents at hand in order to arrive at the true balance of the performance bonds retention monies, whilst the remaining were to be paid back to Consolidated Fund Account as per audit opinion.

We have source documents, copies of revenue trust receipts and have liaised with FMIS to assist us in reconciling the account. We are awaiting the Westpac Bank to reopen the online access so we can access these bank statements as far back as 2013 in order to effectively reconcile the account. The account has since remained dormant and hence there has not been any transaction happening since then. We have also attached the last bank statement that we received on 31st July, 2018 amounting to \$261,684.38 - Annex 4.

HON. A.M. RADRODRO.- A supplementary question regarding this Trust Account. You mentioned that it still comes under the Ministry of Forests. You are in the process of working with the Ministry of Economy. Is there any timeline that you have regarding having a separate Trust Account? Secondly, I think the issue was whether true listing has been

maintained regarding this account. You have stated that there is a closing balance of \$261,684. Is there a supporting listing to this amount that you have?

MR. T. NAULU.- Thank you, Honourable Member. We have the bank statement. In terms of the listing, we have excel listings of all receipts at hand. The only problem that we are facing now are the bank statements that we cannot access. We have written to the Treasury Unit of the Ministry of Economy for them to give us access so we can have that online accessibility to be able to work with FMIS and trying to substantiate the true value of our performance bonds and retention monies, there are some refunds for overseas travels, these are to go to the Consolidated Fund Account. We are on the verge of getting to clear these issues.

MOE REP.- The Treasury Division would be the most appropriate Division to respond to the current status of things in regards to discussions and actions that has been undertaken.

HON. A.M. RADRODRO.- (Inaudible)

MOE REP.- It is not specified anywhere as to how long it should actually take, but it is preferable that it is done as quickly as possible within the year.

AUDIT REP.- Thank you Honourable Chairman. We also note in the Ministry's response that the Trust is with the Ministry of Forests. From our side we would like the two Ministries to agree somehow on who should be carrying forward these balances. The reason being is that the purpose of that Trust was for Fisheries Subsidy Scheme.

Now we are currently planning our 2018 Audit, it is good that by that time the two Ministries should agree on which one should carry forward this balance onto 2019. Another thing that I would like to mention is, all these boils down to reconciliation. Sometimes we do not treat seriously the preparation of reconciliations or treat it as important because this simple reconciliation that is supposed to be carried out monthly, that should be able to provide us with that detailed listing that we require for this Trust Account.

On that note too, I would also like to thank the Ministry for the comments that they have provided on accountable advance. Some are not taking these reconciliations seriously. If you look at the 2017 accounts, Honourable Chairman, the accountable advance was also a reason for the qualification. Non-retirement, when it is not retired, they do not appear in the expenditure or in the financial statement of the Ministry. So those are some of the simple things that needs to be done. The implication is that it affects the audit report or the audit opinion of the financial statement of the Ministries. Thank you.

HON. RATU N.T. LALABALAVU.- Honourable Chairman, just some clarification to the Ministry of Economy. Thank you for the statement you have just made regarding you should be held responsible for this. Again, for us here and for the OAG, we do not see it in that light. All we know is what the PS has stated, there is a divorce being made now and that divorce should be seen as clinical. One swipe, you cut everything off, do we have a standard time where things should be able to run on its own rather than this kind of arrangement that is so ....

MOE REP.- Thank you, Sir. I will not be in a position to really give a very definite answer, however we are trying to build new methodologies of doing things on systems of

yesteryears. And what the Ministry of Economy is looking at is improving the whole framework as a whole, because sometimes the environment in which things are done, the systems that are in place were on systems that had been there. So we have to go back and review our processes. There are actions being undertaken in reviewing the whole framework. For example, the chart of accounts, so that it is easier when each department is utilising monies or things like that. Their accounts are recorded in the appropriate allocation and no matter which Ministry they are merged with, it is easy to separate the figures and to audit them. All these are issues that will take quite some time and for some it will require a legislation to be approved in Parliament. Thank you.

MR. C.W. STRONG.- Mr. Chair, I think on the whole with our organisation, we are just about there. We have got the spending issue around the trust account and I think with the funds that are there because obviously within our policy to do the one-third, two-thirds fisher's subsidy that we should be taking advice from Ministry of Economy on where those funds should sit.

In terms of reconciliations and again this is an example of our Ministry as we stand here today on 6<sup>th</sup> June, our team is working very hard because on a Monday morning, my expectation from my team is to get a spreadsheet where they outline and our Manager Finance can tell you the pressure he is under where I want to know what is our utilisation of operating expense? What is our utilisation of our capital project expense? What we are at in terms of our purchase order days? So there is a number of key financial indicators that I am expecting from my team and for them to have that, they have got to, comes back to our friend from the OAG, reconciliation is the key. Otherwise what I am getting is not the right figure. So, I hope that does put some confidence in the Committee that we are really working very hard to make sure that the back end of our accounting system actually supports the front end information that I need to make the best decisions.

MR .T. NAULU.- Sir, in terms of the bank account. No Ministry can open any bank account without the approval of the Treasury Division of the Ministry of Economy. We had written to Westpac from the Ministry as signatories and they referred us back to Treasury because they give the okay. So, that is basically where we are at the moment; awaiting on Treasury to give us the green light to have access online approval to reopen the account and start afresh. That is basically where we are at the moment.

MR. CHAIRMAN.- Yes, Sir, you can go ahead now.

MR. C.W. STRONG.- Mr. Chair, if I could please ask if I could take leave now. I have a 2'oclock appointment that was predetermined a week ago. I could probably give you another 10 minutes and be five minutes late. It is with the Minister of Housing, so I do not want to keep the Honourable Minister waiting. If that is alright, the responses are here to be read. I am happy to give the Committee my business card and through Mr. Chair, can email me any specific questions and I do apologise. But I am in your hands, Mr. Chair.

MR. CHAIRMAN.- That is alright from us, PS. At least you made yourself available and thanks for that. Just a final comment before you leave. As I stated earlier, this is a new Ministry and we expect things to be done according to the new system because we have had a lot of views from former PS's and from the financial team as well about the capacity building.

We do not know for how long we are going to have this capacity building because every time the problem keeps on continuing. So, the new system would be, I think bringing in capable people as you have and all the best.

MR. C.W. STRONG.- Thank you, Mr. Chair, I take on board all your comments. Honourable Prakash, Honourable Radrodro and Honourable Ratu Naiqama Lalabalavu, thank you very much for the work that you do to make sure that we are being expedient on the work that we do, *vinaka*.

MR. CHAIRMAN.- Thank you.

MR. T. NAULU.- Thank you, Mr. Chair. Sir, on Issue No. 23 - No Individual Work Plan (IWP). We note the weaknesses highlighted. The introduction of the Performance Management Framework has meant that our teams have IWP which are aligned to both the operational and the strategic plans of the Ministry. These are filed with our Human Resource. It is verified and sent back to the various officers.

Issue No. 24 - IWP to be maintained in the employee's personal file. The Ministry through the Human Resources Section is steering this and all officers' IWPs are verified and filed into the employees personal files.

MR. T. NAULU.- On No. 25 – Drawings Account.

HON. A.M. RADRODRO.- Just a clarification on Individual Work Plans, given the operations of the Ministry Fisheries and geographical area of its look after: Outer Islands, Northern and Eastern Divisions. We note the provision of ice plants within the Ministry, which would be part of the Individual Work Plans of the respective officers?

MR. T. NAULU.- Yes.

HON. A.M. RADRODRO.- How does that incorporate if there are some ice plants that has been there, for example, in Nabouwalu, which has not been in operation for quite a longer period of time and some other areas in the Northern Division. How does this Individual Work Plan ensure that the provision of ice to fishermen is provided without unnecessary breakdown of the respective ice plants and causing too much delays?

MS. L. GADOLO.- Thank you, Honourable Member. In regards to that question, specifically for ice plants, we have other duties that are taken care of by all officers of the station. In regards to faulty or sometimes the backup generator for ice plants, we have specialists from our Fleet Division in Lami that goes across. But apart from that process, we also do or conduct backup maintenance or routine check-ups. So that is also part of the Divisional Officer's representative's Individual Work Plan. For the officers on the ground at the respective stations, their job is also to alert the station officers at Lami that they are due for this maintenance check-up or routine maintenance.

As per their timeline on routine checks, they do that every two months and apart from that because of the aging ice plants, we are experiencing faulty, sometimes downtime because of change of officers but other than that, it is conducted every two months.

MR. T. NAULU.- Thank you, Honourable Chair and Members. No. 25 - Drawings Reconciliation. We acknowledge the weaknesses highlighted in the 2016 Report. We have implemented controls to ensure that our cash book, bank statement and GL are balanced. This has been achieved through collaborations with FMIS, a bank and timely preparation of reconciliations. We have since cleared all our unrepresented cheques, stale cheques from the drawings reconciliation from previous years until last year. You will refer to Annex 5 where we have done our adjustments for these unrepresented cheques and stale cheques moving forward.

For No. 26, again on monthly reconciliations, I guess we have also touched on that. We are working closely, we are sending our staff to FMIS on user group meetings, addressing issues and the most important thing is that timely reconciliations are done. That is the same, Sir, with issue Nos. 27, 28 and 29.

For No. 30 - Misallocation of Expenditures. We acknowledge the weaknesses highlighted in the Audit Report. In developing corrective measures, the key weaknesses identified of having non-work plan-related and therefore non-budgeted expenses lines impacting on our cash flow. These are talking about misallocations. We have experienced a lot of non-planned work requests. To onset on the Performance Management System and IWPs link to the operating has mitigated this. Further, when these arises, reversals are made to adjust the allocation.

No. 31 - Should ensure that all accounting information gathered are fairly represented through the proper decision making could be made. We acknowledge the issues raised in 2016. We have mitigated this in ensuring that payments are done on a timely basis, fulfilling the accounting processes and FMIS in order to reflect the transaction into the Ministry's General Ledger. The processes undertaken includes:

- Ensure that all transactions are scheduled on a daily basis to be reflected on a statement of commitments and expenditure;
- All revenues derived are loaded into the smart link into the FMI System at the end of every month;
- Our cahier ensures that all of our grants, cheque runs and EFT runs are done on a daily basis and that hits GL; and
- Edit Reports are verified by our Accounts Officer to ensure that all inputs into the system are correct.

The above ensures that financial reports are extracted, are up to-date for informed decision making.

No. 32 - Settlement of previous year's outstanding accounts. We acknowledge our weakness as highlighted in the 2016 Report. In terms of our corrective measures, we have identified the non-effective programme and project management at Divisional Levels; our Divisional Level Managers. To mitigate this, the Ministry has followed up vigorously with our Divisional Heads and Clerks on their outstanding commitments on a weekly basis engaging the process.



We have since strengthened the Divisional Heads and Project Managers in monitoring an evaluation process and reporting through the devising of a checklist for Divisional Managers, site station visits and inspections. There is a checklist in Annex 1 where they are reminded, they need to be reporting on that on a weekly basis on checks on these issues in terms of commitment ledgers, assets and stocks in any Division. They are also reporting on this on a weekly basis or as and when required. Honourable Chairman, that brings the end to our presentation this afternoon.

MR. CHAIRMAN.- Thank you Manager Finance for giving us that brief on all the recommendations that was actually done by the OAG on a follow up audit on 2016 Audit Report. Now I open the floor to my Honourable Members if they have any further clarification that they would like to seek or ask any more questions?

HON. V. PRAKASH.- Honourable Chairman, through you. First of all, I would like to thank the PS who has taken the ownership and also assured that all the backlogs will be updated. But the partially implemented and non-implemented things, there is no time frame given that by a certain time that the backlog from 2016 will be completed.

MR. T. NAULU.- Thank you Honourable Member on the question. From our perspective, we are charged on a weekly basis to improve on all these processes from our Permanent Secretary. As and when we have successfully implemented those changes and improvements, we will highlight it. We will be in contact with the Auditor-General and our Internal Audit on these issues as and when the issues are cleared. Honourable Member, as mentioned, we are doing it on a weekly basis now. We are charged to do all our work on a weekly basis, reporting on a weekly basis and eventually that will address the issues that are before us today.

MOE REP.- Sir, may I add. Normally if there was an exit interview and the two parties, that is, the Auditor General and the Ministry agree to a specific date, as to when the recommendation could be implemented, only then we will be able to have a definite timeline. However, if no commitment or inquiry is made as to when it is appropriate for specific recommendations to be implemented then it is a bit difficult for us, Sir, to actually give a timeline as to when certain issues can be addressed because we have to identify factors that are affecting the issue. Thank you, Sir.

MR. CHAIRMAN.- Thank you, Sir, for those comments. We do take note of that. Honourable Ratu Naiqama Lalabalavu, your question.

HON. RATU N.T. LALABALAVU.- A comment only Honourable Chairman, through you. The Committee has taken the statement made by the PS in his opening lines this afternoon that the Ministry is new, a big task ahead of you, not only that, the challenges here to us the Committee that your contribution towards the GDP is another statement. The Committee and the Chairman will take that seriously and certainly relying on you to carry that out. That is all Honourable Chairman.

MR. T. NAULU.- *Vinaka vakalevu*, Sir.

MR. CHAIRMAN.- Sir, just on the timeframe, I think this follow up audit has given significance to a lot of things and as you might be aware this is new. This follow up audit will be carried out every year from now onwards, backdating to 2016, I believe. So every year they will be covering everything from 2016.

What we are in talks with the Office of the Auditor-General at this point in time, when any Ministry comes and presents to us and they say that it is not implemented to partially implemented or not implemented to fully implemented, also to be documented. So when they do their follow up, for example, when they go later this year to do the follow up to see what is said to PAC and what is on the ground, the next follow up will capture that as well. That will make our work very easy to ensure that things are progressing. It is not for the sake of it because that is why we have the officers of the Office of the Auditor-General here so that they can also take note of what is actually told to PAC. They will also take heed of that.

The other thing is as I had alluded to earlier on which is very important is falsifying information to PAC is also a serious offence now. So we would like to inform all Ministries before we start enforcing that.

MR. T. NAULU.- Thank you, Mr. Chairman, that is noted. In terms of improvement plans within our Ministry, one of the setbacks may I say is the human resource. We had asked for an internal audit team within our Ministry. We had put our request for budget and we only hope that if that is met because we are stationed in all divisions, maritime stations and the issue is, Sir, is we cannot be everywhere to see that everything is done according to standard. So it is only our plea that we are asking for an internal audit team within our Ministry. We had asked for a Senior Accounts Officer to be handling internal audit separate from operations; we are operations. I believe that is one of the setbacks in terms of improving our systems and processes is that we need hands to do that as we are tied up with operations. That is the last comment from us.

HON. A.M. RADRODRO.- Chairman, I just wanted to add on to the comments by the Committee regarding the separation of the two Ministries. The Ministry of Fisheries is now being separated from Ministry of Forests. We note that there is a lot of work demanded on the line Ministry in terms of fisheries management, Fisheries Act and the monitoring and evaluation of the International CITES Convention and the relevant related conventions. We hope that part of your process is also encouraging in terms of better resourcing this Ministry to ensure that the monitoring and evaluation is also carried out and not that we see it again as part of your resource limitations when the audit comes and performs the regular checks in your role as the implementer and monitoring of that National Fisheries Act and the relevant international regulations like CITES, for example.

MS. L. GADOLO.- Thank you, Honourable Member. In regards to that statement we are currently in the process of reviewing our jobs on the ground. Having said that, it is from Service Managers to Service Operations Personnel. You will note that with the statement given by the PS, he stated that he is here with a new vision for the Ministry and for that, it is not only for Corporate Services but it is all around that we are required to provide him a report every Monday morning. This is a lead up to that statement of Individual Work Plan for each officer. He feels that we need to be equipped because of the resources that we have been given and

given in terms of legislated to look after but at the same in particular to be part of the nation building and maximise on that capacity. Thank you.

HON. A.M. RADRODRO.- You have enough resources there?

MS. L. GADOLO.- Yes, we do but we are still asking for the Corporate Services in terms of accounts personnel, Like he mentioned, we are scattered and we need people on the ground to be monitoring whether they are complying or not. Because for us at headquarters, yes, we know that everyone that comes across headquarters will have to expect that. We scrutinise according to legislation or SOPs but when managers in the divisions attend to their request, all they required is for them to conduct the work or the activity whether it meets or not is another question because to them, it might be slipping their minds but at the same time they want their work to be done. That is the reason we have asked for an auditor to look at that.

HON. A.M. RADRODRO.- Mr. Chair, just a supplementary question to the Ministry of Economy. Did they conduct any internal audit at Ministry of Fisheries once they were separated from the Ministry of Forests?

MOE REP.- Yes, we have done two.

HON. A.M. RADRODRO.- You have done two?

MOE REP.- Yes.

HON. A.M. RADRODRO.- They have taken heed of the findings that you have .....

MOE REP.- Yes, we have discussed the findings and measures are now being looked into by them to try and improve on their systems. Sir, may I ask, if in the other PAC meetings for a representative from Treasury to be also requested in because for most of the questions, they will be in a better position to respond and indicate the current status of matters. For us, we come at the very end of things which is after the fact. Just a request, Sir, so that we do not become an irritation in terms of our responses or incomplete responses to your Honourable Committee. Just a slight request, Sir.

MR. CHAIRMAN.- Save, can we take note of that? I believe that brings us to an end to this presentation.

HON. V. PRAKASH.- Mr. Chair, I just have one supplementary question. After hearing the Human Resources Manager it is quite interesting to see that your duty is scattered all over Fiji. I think you have a very challenging task as a HR and indeed you would be one of those managers whose whose performance would be directly related to the success of the Ministry. How is your HR team? Do you have adequate trainers and other people who could move around and get human resource within your Ministry built to your satisfaction so that the result for the nation is positive? You know HR team is really very important now. We just want to hear from you.

MS. L. GADOLO.- Thank you, Honourable Member. In terms of the reform in Government, we take it seriously that we are required to comply with the Civil Service Reforms

and for us, we are maximising their services at hand. So we continue to have our training conducted by the Civil Service Reform. We officiate in meetings, if we are asked to attend meetings because of the new or some latest policies that we have created, just to be in line with what is required of us across Government, yes we do that. But at the same time, we are looking after 367 workers of the Ministry. It is a big task for HR considering that we just have six and we have also asked for additional representatives, additional personnel for HR.

We also have not been prioritised or given that high regard by the budget section as well. They have said that we must source from within, that has not deterred us. We have continued to improve our processes, we have continued to train people that can also take out this training to the other officers but because of the need that we need to attend to personnel, human beings for that matter, we take it on a personal level. We attend technical visits. We also participate in the other exposition that allow us to go and join our technical counterparts. Other than that, we continue to maximise the forum or the time that we spend with our technical services division. It is the technical people that are out there in the division. Thank you, Sir.

MR. CHAIRMAN.- Thank you, Madam, for that answer. I, on behalf of PAC would like to thank you and Manager Finance for availing yourselves to answer the questions. Thank you very much and also relay our thanks to the PS as well. *Vinaka*.

MR. T. NAULU.- *Vinaka vakalevu*, Sir.

The Committee adjourned at 2.17 p.m.

The Committee resumed at 2.25 p.m.

**Interviewee/Submittee: Ministry of Forests**

In Attendance:

1)	Mr. Pene Nonu Baleinabuli	-	Permanent Secretary
2)	Mr. Ilaisa Tulele	-	Business Manager
3)	Mr. Ashneel Prasad	-	Principal Accounts Officer
4)	Mr. Maciu Waqa	-	Manager Finance
5)	Ms. Sanjana Lal	-	Conservator of Forest
6)	Ms. Laite Cavu	-	Director Corporate Service
7)	Ms Shanti Devi	-	Senior Accounts Officer

---

MR. CHAIRMAN.- Ladies and gentlemen I shall now call this Committee to order. On behalf of the Public Accounts Committee, I would like to welcome the team from the Ministry of Forests who are here this afternoon to present on the Follow-Up of Selected 2016 Auditor-General Report for Various Sectors. Welcome Sir, and your team. Before we start, I would just like to briefly introduce my team members.

(Introduction of the Committee Members and Secretariat by the Chairman)

Without further delay, I believe this Ministry has lot to talk about, especially things going from not implemented to fully implemented and we have seen that almost all the recommendations are fully implemented. I definitely believe you have lot to tell us with regards to how this has progressed. Without any further delay, the floor is now yours, Sir. You may introduce your team and start with your presentation. *Vinaka.*

MR. P.N. BALEINABULI.- Thank you Honourable Chairman and Honourable Members of this august forum. It is an honour for your Ministry of Forestry to be here to address the issues that the Public Accounts Committee had raised. I would like to introduce the team very quickly.

(PS introduces his team to the Committee)

Our Finance people are the reason why, as you have mentioned earlier, Mr. Chairman, we have some good news for you today. Now without further ado, Honourable Chairman, I hand back the floor to you or otherwise I am happy to take us through the responses.

MR. CHAIRMAN.- You shall continue, Sir.

MR. P.N. BALEINABULI.- Thank you. Honourable Chairman and Honourable Members, in continuing I would like to reiterate my sincere apology as I have written to you this morning that the Ministry's initial response about two weeks ago actually did not fully satisfy the recommendations of the Public Accounts Committee, and I wish to apologise profusely for that error.

The evidence that we have for you is the real evidence that we really wanted to show to you that we have addressed the issues that you have raised. So on the first issue, it is do with the governance and the Public Accounts Committee had recommended that the Ministry must ensure that there is regular evaluation of internal controls and corrective action is taken to resolve the weaknesses identified. And our comments, Honourable Chairman and Honourable Members, is that the Ministry has taken the necessary steps to identify and address the issues as follows: The Ministry has a Strategic Development Plan - and it is already uploaded onto our website. I have a spare copy here to show to you Honourable Chairman.

We have a Strategic Development Plan that is aligned to Fiji's National Development Plan and also to the United Nations Sustainable Development Plan that drives the work of the forestry sector. The Ministry has also in December 2018 finalised, reviewed and endorsed the Finance Manual.

This is again in compliance with the Financial Management Act and the Government's Financial Instructions. The Ministry also has put in place control mechanisms in the form of checklist and had been introduced for procurements and issuance of accountable advances. The other measures include internal audit checks. These are conducted by our Senior Accounts Officer and her team on a quarter basis including revenue inspections. The Ministry conducts induction training, this is part of the programme that all new staff have to go through, as well as refresher training on the General Orders and Financial Processes including procurement payment, issuance of accountable advance, wages and salaries payment.

All staffs involved in procurement are sent for procurement training conducted by the Fiji Procurement Office. And the Procurement Advisor, I am happy to inform the Honourable Committee that the Ministry has secured a specialist procurement advisor to help us with our procurement processes. The evidence as we have submitted, I am sorry that it is quite bulky ladies and gentleman, but, in the first evidence is Annexure 1 and that is the evidence that we wanted to show to you that we have complied. We have actually, in our view, we believe that we have fully complied with this first recommendation from the Public Accounts Committee. Mr. Chairman, would you like me to continue or would you wish to ask questions as we go along?

HON. A.M. RADRODRO.- Question through you, Mr. Chairman. First of all, PS, thank you very much for the comments that have been made so far and we would like to commend you in terms of your responses, and that it will assure the Committee that the Ministry's comments and evidence that you have provided is indeed going to address the weaknesses in terms of the audit findings and the governance issue.

I was looking through Appendix 1, there is a Training Programme here, Training on Procurement Excellence and Managing Tenders, so is this training conducted by Ministry of Economy or is it conducted within?

MR. P.N. BALEINABULI.- (Inaudible)

HON. A.M. RADRODRO.- Which procurement office? So this is specifically for the Ministry of Economy or is it part of the whole of Government?

MP .P.N. BALEINABULA.- For the whole of Government, Mr .Chair.

HON. RATU N.T. LALABALAVU.- Just a comment, Honourable Chair. Thank you PS and the officials. Your boat seems to be well loaded apart from your previous counterpart that just left us a while ago.

MR. P.N. BALEINABULI.- *Vinaka vakalevu*, Sir.

HON. RATU N.T. LALABALAVU.- It is interesting to see that one is well loaded than the other is trying to load themselves up with expertise that you have. You must be thankful you have recruited Mr. Tulele back on board, you have Ms. Cavu there, she is very experienced. Well, we really like what we see especially this manual here.

MR. P.N. BALEINABULI.- *Vinaka*, Sir.

HON. RATU N.T. LALABALAVU.- Something that this Committee has been asking all this time when you are confronted with capacity problems and all sorts of personnel things. Yet, here you have come up with this manual even though it is interrelated with the Ministry of Economy's one but for the Ministry of Forest, two previous counterparts of yours PS's have made very bold statements here and improving on their contribution towards their team and all that, that is a part from the work that we do. We are hoping with this and I would like to make that comment only, Mr. Chair, is that what we hear is quite interesting. I would like to see how well we can continue with this from the very close scrutiny that the OAG is conducting as well as the Internal Audit. That is all, Honourable Chair.

MR. P.N. BALEINABULI.- *Vinaka vakalevu*, Sir.

MR. CHAIRMAN.- Thank you, Honourable Member, for those comments. You can continue PS.

MR. P.N. BALEINABULI.- Thank you very much, Honourable Chair. The second issue that has been brought to our attention involves the weaknesses and internal control for operating fund and to address that, I am happy to advise that assets over \$2,000 are being recorded in a fixed asset register. And the Procurement Advisor that I mentioned earlier is appointed specifically and has started to work on ensuring the update of the Ministry's assets in the FMIS module.

The Board of Survey is being conducted. It is actually conducted on an annual basis and as we speak, we are just about to complete this year's Board of Survey and we intend to complete that by the end of this month. The evidence Honourable Chair and Honourable Members is attached at Annexure 2.

We also wish to advise Honourable Chair and Honourable Members is that the performance indicator is included in the Position Description of the Manager Finance and this is for complete compliance with relevant legislative and policy requirements within the Ministry. The position is also required to ensure the effective monitoring of all expenditures in the Ministry and that best financial practices and systems are in place.

Honourable Chair, if you have no questions on the second item, I will be happy to move to the third item.

The third item involves that the Ministry should ensure the monthly reconciliations of underline accounts is prepared and submitted to the Ministry of Economy before the 15<sup>th</sup> of each month. Honourable Chair and Honourable Members, I am very happy to advise that this has been resolved and as we speak, the Ministry continues to submit its reconciled accounts and documents to the Ministry of Economy before the 15<sup>th</sup> of each month and the evidence is attached as Annexure 3.

Again, Honourable Chair and Honourable Members, if you are happy with the progress, I can continue to the next agenda item but the evidence clearly stipulates that we have signed off on the 15<sup>th</sup> of each month.

HON. A.M. RADRODRO.- Supplementary question regarding Annexure 2. Some of the memorandum that are contained within these recommendations and the annexure regarding the technical report for some vehicles that are there and the recommendations that goes with it, to be written off and auctioned. Can you just inform the Committee, what happens after these recommendations? Who actions these recommendations whether it is auctioned or written off, say for example, GK 108.

MR. P.N. BALEINABULI.- Thank you, Honourable Member. I have just sought clarification and confirmation that the Ministry auctions the vehicles that are written off and we do that with the Fiji Procurement Office. *Vinaka*.

Honourable Chair, if you are happy with item three, I will move on to item four and this involves the trading and manufacturing account. The recommendation is that the Ministry should ensure that Cabinet approval is obtained for unbudgeted expenditure.

Honourable Chair and Honourable Members, I would like to admit in the first instance that in 2016 when the Ministry established the trading and manufacturing account, it was negotiating and it was liaising only with the Ministry of Economy and the focus at that time was to try and help address the trees that had fallen during *TC Winston*. So in our view at that time, Honourable Chair and Members, it was an emergency situation. We acknowledge the recommendation from the PAC. The Ministry is making an effort and a commitment that every other expenditure that is unbudgeted in the future must have the Cabinet approval and that is the undertaking that we wish to make moving forward. We have basically put in place the responses that we had submitted in June of 2017 and I would like to go through that very quickly, Honourable Chair.

The fact that the PS Fisheries and Forests at that time issued a memorandum to the PS Finance, the evidence is attached there to request for approval to re-divert forestry capital project funds for Disaster Management Committee (DISMAC) rehabilitation priorities. As I mentioned, *TC Winston* had just hit us and a lot of forest plantations were affected and the Ministry was required to try and assist at that time. So the PS at that time for Fisheries and Forests, it was still under one ministry, had a memorandum to the PS Finance submitting the concept for supply of sawn timber, so this was really the concept paper that is addressed in items (b) and (c). It was sent to the Ministry of Economy on 11th March, 2016.



The PS for Finance responded on 16th May, 2016 submitting approval for the Ministry to redivert the capital project funds in order to assist with the cyclone rehabilitation. Those are the evidences, Honourable Members that we have on Annexure 4.

HON. RATU N.T. LALABALAVU.- Honourable Chair, through you. PS, thank you so much for that explanation regarding the item here on trading and manufacturing activity. The issue that I seek clarification on is this particular incident regarding the quick salvaging of timber and reusing without the approval of Cabinet was done and you have admitted that. But this one here. Is it one-off or what sort of plans do you have for the future in case we come across situations such as that again especially in the proper utilisation of our resources. Thank you, Sir.

MR. P.N. BALEINABULI.- *Vinaka vakalevu*, Sir. Honourable Chair and Honourable Members, since the re-diversion was done in 2016, there has been no other re-diversion of funds into the TMA. The establishment of the TMA, however, is something that we thought is useful for the Ministry, and particularly for the forestry sector of forest resource owners. The TMA as you aware is intended to generate a bit of revenue. However, it is not there to compete with the private sector or the businesses within the forestry sector. It was established at a time to help with the rehabilitation and we are continuing to use it for unprofitable ventures where the private sector is finding it difficult to operate. So it is really there to help the resource owners to harvest their logs.

I am very happy to also advise, Honourable Members that the TMA, as we speak, has started to make some revenue. As I will explain later on in Item 5 and onwards, the Ministry expects to return these revenue to the Ministry of Economy. I believe it is done every January and by January the coming year, so six months from now, we hope to be able to return several hundreds of thousands of dollars, perhaps, as much as half a million dollars. But it is there to assist the resource owners.

HON. RATU N.T. LALABALAVU.- Further to that, Honourable Chairman, through you, PS, thank you for those explanations once more. The thrust of the question that I was trying to raise was, this is an act of God that has come to us in such a manner, brought havoc, et cetera, brought about shortage of this very important resource as well. In your long term plan, based on this TMA, the question that I was trying to raise is, when we try and ensure that we have a better plan here, utilising our resources, will we not be compromising standards and protocols as well regarding timber and how it is processed, et cetera, and how they undergo these kinds of situations? Your plans?

MR. P.N. BALEINABULI.- Honourable Members, with regards to that TMA, I will try and answer this as best as I can and I will invite my colleagues to support me if you do not mind. The fact that the Ministry of Economy has allowed the TMA, the Ministry of Forestry to continue with the TMA since 2016 is in our view, already an indication that it is there for a purpose. So, if there is any act of God that needs some immediate assistance in the forestry sector, we think that this is the facility that can help, so that is part of the plan. But in terms of the protocols and procedures, Honourable Members, we would like to assure the Committee that the Ministry continues to implement the laws that are applicable within the licenses. That is never compromised.

Honourable Chairman, if you agree, I move onto the issue number five. The issue, Honourable Members, involves the suggestion that the Ministry should ensure work plans are developed to ensure proper utilisation of funds and a detailed acquittal is prepared for the utilisation of these funds. I am very happy to advise the Honourable forum that the Ministry has developed the 2017 and 2018 Business Plan for the TMA in accordance with the TMA policy and this is in Annexure 5 and the 2018 and 2019 Business Plan similarly in accordance with the TMA Policy. The Ministry has also established Standards Operating Procedures for all activities under the TMA.

In terms of accountability for the utilisation of the TMA funds, the Ministry provides weekly reports on the TMA performance. This is submitted to the Permanent Secretary every Monday when we have our Heads of Department's meeting and the Ministry also provides monthly reports that includes the receipts, expenditures and stock listing to the Ministry of Economy. And of course, the Ministry provides the cash flow report and acquittals also to the Ministry of Economy, and the evidence is also there in Annexure 4.

Item six, Honourable Chairman and Honourable Members also involves the TMA, and the recommendation from ....

HON. A.M. RADRODRO.- Chairman, just a supplementary question. Thank you PS for the comments regarding the provisional tax deductions, with the comments now stated that you are recovering. It is probably to recover the amounts from the contractors. Can you elaborate on this measure whether the contractor is ongoing or what happens to those that have discontinued their services within the Ministry? How do you recover the payment of provisional tax from those contractors?

MR. P. N. BALEINABULI.- Honourable Member, that issue is listed as item no.7 in our response, but, I am happy to respond to it now, if you agree, Honourable Chairman. The Ministry has liaised with the Fiji Revenue and Customs Service for the payment of formal contract for services which is required to withhold 5 percent of the withholding tax.

The Contractual Agreements for the identified contractors whose provisional tax was not deducted are annexed as the evidence. The Contractual Agreement makes mention of the provisional tax to be paid to the Revenue and Customs Service. The Ministry, I admit overlooked the 5 percent provisional tax deduction and it is currently undertaking appropriate measures to recover the amount from the contractors. The intention is that the Ministry will write to the Revenue and Customs Service to recover the 5 percent provisional tax owed by these contractors, simply because the Ministry had overlooked it and paid all this money to the contractors. So we intend to write to the Revenue and Customs Service to see if it can recover it from the contractors. I hope that answers your question, Honourable Member.

HON. A.M. RADRODRO.- ... of the 5 percent which I do not think you will get a positive result from FRCS. And if you do, it will be surprising to note that FRCS is responding positively to that request, but, the issue here is the provision of services by those contractors.

One is tax compliance, but the important thing is that at least the Ministry has a backup process to ensure that the services are done according to your expectations. So those are the

processes that probably the Ministry could assure the Committee, whatever the contract arrangement that was engaged during these contractors, whether the services were done and not after a while that there is another hiccup in the project that was completed.

Secondly, this is a simple financial process that any person in Finance would not easily overlook especially in terms of contract engagements. The first thing that you would come up is 5 percent withholding tax that needs to be deducted from the contractor according to FRCS rules, regulations and Act. The question is, in terms of provision of services, what sort of contractors were engaged by the Ministry that this 5 percent withholding tax was not deducted? What sort of contract arrangement, agreement or services? And what actions were taken by the Ministry on the staff who were not complying with the Fiji Revenue and Customs Service Act? Whether there was any action taken by the Ministry regarding this particular division or the staffing that was involved? In terms of improving, you have not addressed the issue of overlooking of the 5 percent because definitely FRCS will not give a positive reply to that request. How do you intend to address this going forward in terms of addressing this 5 percent deduction?

MR. P.N. BALEINABULI.- Thank you, Honourable Member. We will take note of the observation. Our proposal is that we will take that first step to see if the FRCS could assist. We know that it means backtracking and trying to get to these contractors. In terms of the services that the contractors provide, there have been no issues and as I mentioned earlier, we admit that the failure was on our part. I am advised it is a capital project in nature.

(Inaudible interjection)

MR. P.N. BALEINABULI.- Thank you. It was to do with the construction of quarters, Honourable Member with the Ministry of Fisheries in Gau. That was the service that the contractor provided.

HON. MEMBER.- (Inaudible).

The figures that have been brought to our attention, Honourable Members, is just within a few thousand dollars. It is not running into their hundreds of thousands. If I can be allowed to read this. The amount that was brought to attention is \$339,424. So basically about a thousand dollars but we know that this is still revenue for Government and moving forward, the suggestion is to ensure that we are comply with our SOPs. In terms of our contracts, all contracts are now vetted by the Solicitor-General's Office so there is a need for us to comply with these issues as well. If we were talking about those figures, the figures that were raised was about a thousand dollars.

HON A.M. RADRODRO.- Thank you, PS. Why we are also raising this particular concern is that I think the Ministry in some of the previous audits, it was also involved in the refurbishment and the renovation of your quarters in Colo-i-Suva. There was some issues regarding the contract work and the work that was done which probably the auditors will give us an update in the next audit regarding the contractor's arrangement and the level of work that was conducted at the refurbishment of those quarters at Colo-i-Suva. So, that is the reason why we asked these questions in terms of provisional tax deduction.

MR. P.N. BALEINABULI.- Thank you, Honourable Member. I have been advised by the Director Corporate Services that your memory is serving you well. There were some issues at Colo-i-Suva and the issues involved the non-tendering of the projects but we have since then moved on and every project that is above \$50,000 is put on tender. As far as I am concerned, in the past six months since I have been there, we have never requested any waiver of tender. So, moving forward is about compliance with the regulations.

HON. MEMBER.- (Inaudible).

MR. P.N. BALEINABULI.- ... we need to pass it and request the Ministry of Fisheries to follow up. As I will respond to later on, we have actually separated all our accounts from the Ministry of Fisheries.

HON. A.M. RADRODRO.- Can you provide an update on whether you conducted any audit at the Ministry of Fisheries and any other similar instances that you have also brought to the attention?

MOE REP.- Sir, an internal audit was conducted for the Ministry of Forests. We have done two which is for revenue and procurement.

HON. A.M. RADRODRO.- (Inaudible)

MOE REP.- We are liaising with them on issues that needs to be improved upon, especially on revenue and all and where monies are being collected so that processes can be strengthened.

The Ministry of Forests have already started working on it and during our exit interview, we were very pleased to see the outcome, with the meeting whereby the PS here was very instrumental in ensuring that recommendations were looked into.

HON. A.M. RADRODRO.- For you, you did not come across this non-payment of provisional tax?

MOE REP.- We did not touch on the tax part in detail, Sir.

AUDIT REP.- Honourable Chair, if I may.

MR. CHAIRMAN.- Just a clarification, was this one-off or ....

MR. P.N. BALEINABULI.- I believe that this is a one-off issue, Honourable Chair.

MR. CHAIRMAN.- One-off scenario, alright.

MR. P. BALEINABULI.- It is a one-off issue.

MR. CHAIRMAN.- Yes, OAG representative.

AUDIT REP.- Thank you, Honourable Chair. Just a few clarifications from our side. The issue is on non-compliance. We were following-up on non-compliance especially with FRCS legislations because we saw again in 2017 of VAT returns, those are things that need to be prepared and submitted to FRCS.

(Inaudible interjection)

AUDIT REP.- No, on compliance with VAT returns; FRCS compliance. VAT returns were also not prepared when we conducted our 2017 audit and on the amounts that were raised here, I would like to correct the figures mentioned by PS. The total amount from our sample, it amounted to more than \$10,000. It was not just \$200. Actually the table goes back on to page 10.

MR. P.N. BALEINABULI.- My apologies, Honourable Member. About \$10,000?

AUDIT REP.- Yes.

MR. P.N. BALEINABULI.- Sorry, I could not see the total figures here. But Honourable Members, you rightly pointed out earlier on that you have seen a few changes from the Ministry. I wanted to say that the changes were not done in isolation. It was actually done with the help of the Ministry of Economy and the strong recommendations of the OAG. So we are making a commitment to fully comply with the regulations.

HON. A.M. RADRODRO.- Another supplementary question. It may be related to the contract document itself. The process of drawing up a contract. What process does the Ministry have to ensure that the contract documents are binding? Does it seek legal opinion apart from what is prepared within the Ministry and if it does, where does it go to, to seek this legal opinion on the contract?

MR. P.N. BALEINABULI.- Thank you, Honourable Member. The procedure now which is compulsory in nature, is that all contracts signed by the Ministry on behalf of Government, must have the vetting of the Solicitor-General.

MR. CHAIRMAN.- Thank you, PS. You shall continue.

MR. P.N. BALEINABULI.- Thank you. Honourable Chair, I had finished from item five and I moved on to item seven on the provisional tax. There is an item there, item six. The recommendation of the Committee was that the Ministry should ensure internal control weaknesses within the trading and manufacturing account are strengthened prior to the implementation of the project.

I am happy to advise that the Ministry had taken the following steps to improve the management of the trading and manufacturing account. One of the statistics include the appointment of a Senior Accounts Officer with accounting and audit experience and qualifications. The officer was thankfully seconded from the Ministry of Economy in the effort to try and manage the trading and manufacturing account. The officer was recruited in December, 2017.

The Ministry had also in April of this year appointed a business manager, Mr. Tulele, who is a very highly qualified and experienced forestry professional, who has had over 10 years' experience managing forest-related businesses. Mr. Tulele had worked both in the Ministry of Forestry and also in the private sector including Fiji Pine Limited so we very happy to use his services and expertise. The Ministry had also appointed 16 trained and skilled staff to man the trading and manufacturing account and since these appointments, Honourable Chairman and Honourable Members, the TMA operation has been better coordinated and managed and, as we speak, in the past three months from March to May, the Ministry has started to generate and record profit with \$46,000. As I had mentioned quite earlier on, we hope that we will be able to continue in this trajectory and return some taxpayers money to the Ministry of Economy by January of the new year.

HON. A.M. RADRODRO.- A supplementary question regarding this TMA operation. Is this from Nasinu, Nakasi, only from there?

(Inaudible)

HON. A.M. RADRODRO.- Just checking out the opinion of the PS regarding the conduct of the operations of TMAs. Now we have road restrictions all over the place, we should know that timber is generated from all over Viti Levu and Vanua Levu. There are restrictions in weight limit. Are there any plans by the Ministry to set up this TMA operations in other areas of Fiji apart from the one in existence at Nasinu, especially, the contributions of forest to the economy that needs to be boosted?

MR. P.N. BALEINABULI.- Thank you Honourable Member. The short response is that it is possible that the Ministry could do that. I would also like to mention, as I had mentioned quite earlier, the Ministry is trying to assist the forestry sector, the timber industry itself to operate because these private sector companies are in the businesses of making money. So this TMA does not intend to compete with the private sector. We look at the private sector as our partners in economic and socio-economic growth. So we will have to study the pros and cons or the advantages and disadvantages of establishing TMA facilities all over the country.

For now it is helping with Nakavu, there is a native forest area in Nakavu and so the TMA is specifically focused there. Nakavu is where the Ministry conducts its research on timber. It is from a commercial perspective, it is not very profitable, so the contract has been issued to one particular company to try and work with the Ministry to facilitate the research. Otherwise Honourable Member, we would like to think that the Government is in the business of generating economic growth and that involves working with the private sector which is the engine of growth. So we will try and facilitate, instead of cutting the business for them.

HON. A.M. RADRODRO.- Sir, TMA operations, are they household customers or businesses?

MR. P.N. BALEINABULI.- Communities. Community schemes so it is not the commercial schemes.

(Inaudible)

MR. P.N. BALEINABULI.- It is mostly sawn timber for housing needs.

MR. I. TULELE.- Good afternoon, Sir. The TMA has a number of revenues streams. One is from our saw mill. We also have a workshop that produces whatever requests come from the communities but it is basically just to help those who need assistance. We have done a lot of other products apart from church, we have done cabinets, and we also help produce furniture for Government offices so there is a variety depending on the requests that come.

MR. P.N. BALEINABULI.- Thank you Honourable Chairman, with your approval, we can move onto item eight. This item is to do with the revenue and the recommendation is that the Ministry should ensure that reconciliation is prepared between the TRS and the FMIS General Ledger and the variances noted are investigated and rectified. I am happy to advise that the Ministry has taken the appropriate steps to address the issues including the following: "The Ministry has developed an additional feature to the TRS system which automatically updates the FMIS records at headquarters when revenue is entered from the divisional offices by our data entry operators."

The variances can be monitored and corrected before reconciliation is done at the end of the month. Also the staff training is conducted on revenue collection on timber revenue system data input guidelines and FMIS user refresher training. The data register is being maintained and the report is annexed and quarterly revenue inspections is being conducted and a report is also annexed. The Ministry continuous to closely monitor revenue and conduct surprise checks or spot checks on revenue collectors and the reports are also submitted for management's decision making. The evidence that we have there, Honourable Members, is on annex 6.

Honourable Member, if you have no questions on this particular item then I request to move on to the next item which includes anomalies in underline accounts. And the Ministry should reconcile the Drawings, Operating Trust and SLG 84 accounts to the FMIS General Ledger. And any variances noted should be investigated and adjusted accordingly. I am happy to advise that the Ministry has rectified all the variances in Drawings, Operating Trust and SLG 84 accounts and adjusted it accordingly. And the Ministry has also got the Senior Accounts Officer that is responsible for monitoring Drawing Accounts, Operating Trust and SLG 84 and adjustments are made as soon as the discrepancies are identified. We also provide on the job training for the staff on the FMIS and this is an ongoing procedure, and the evidence is attached as Annexure 7, Honourable Chairman and Honourable Members. Thank you.

(Inaudible)

MR. P.N. BALEINABULI.- Thank you. I will move on to the next item and the recommendation is that the Ministry should ensure that travelling advances are cleared within seven days of completion of travel or recovery should be made from the salaries of staff concerned. I am happy to advise that the officers who fail to acquit their advances following their official travel are subjected to salary deduction plus 12 percent of interest. And the Ministry has already instituted recovery measures for unacquainted accountable advances and we have got the evidence there as Annexure 8.

The Ministry has also implemented an accountable advance checklist moving forward. And this is to ensure that all required details including any outstanding advances are identified before new approvals are given. The accounts officer monitors all appropriate requests for advances and follows up with the travelling officers for acquittals. The Ministry's Finance Manual has been widely circulated and divisional staff are continuously reminded on the requirements. The evidence, Honourable Chairman and Honourable Members, is at Annexure 8. Thank you.

(Inaudible)

MR. P. N. BALEINABULI.- Moving on, the recommendation and this is to do with the inappropriate usage of project funds provided through SLG 84. The recommendation is that the Ministry should ensure that project funds are used only for the purposes it was provided for by the donor agencies or other Government departments. I am happy to advise that the Ministry acknowledges the error. There was an error and has taken steps to address the issues. The Ministry has revised its procurement delegations in the new Finance Manual. And the Finance Manual is attached as Annexure 1, that we had given earlier Honourable Chairman and Honourable Members. There is close monitoring of posting to the FMIS to address the issue of wrong posting and accounts officers and project officers continue to closely monitor the use of donor funds. We have provided evidence of the effort done at Annexure 9.

There was also a recommendation that the Ministry should ensure agreements between donor agencies and the Ministry are made available for audit verification and we totally agree that this should be the case moving forward. In this particular instance, I think there was missing documents for the project with your ITTO and we have provided that for evidence at Annexure 9, Honourable Chair.

There was a recommendation from the Committee for the Ministry to address weaknesses in internal controls again dealing with TMA. I am happy to advise that the Ministry has produced its first TMA Business Plan, actually it produced it in 2013 as prescribed in the 2005 Finance Manual along with the Standard Operating Procedures that has guided the activities of the TMA and updates of the 2013 Business Plan were undertaken in the subsequent years following the enactment of their policy in 2015. This include the 2017-2018 TMA Business Plan and the 2018-2019 Business Plan.

In addition, the SOPs for all activities under the TMA are regularly improved, Honourable Chair and Members and the evidence is as we submitted earlier included in Annexure 4 when we first addressed the TMA issue.

The next item, Honourable Chair and Members is that the Ministry must ensure performance report is prepared and submitted to the Ministry of Economy. I am happy to advise that the following periodic reports are submitted to the Ministry of Economy that includes:

- i) Monthly Reconciliation Reports of Receipts and Expenditure;
- ii) Quarterly Cash Flow Report and Acquittals; and
- iii) Annual TMA Closing Bank Balance Consolidated with the Ministries Annual Financial Statement and this is submitted to the Office of the Auditor-General.



These Performance Reports, Honourable Chair and Members, were first submitted from January 2018 since the appointment of the TMA senior and now Principal Accounts Officer and to-date these reports are now periodically updated and submitted.

In addition, an order book or tally cards for timber and workshop has been updated and maintained and bank lodgements are made immediately after revenue from sales are received and the evidence is also attached in Annexure 4.

Moving on, Honourable Chair and Honourable Members, there was a recommendation for the Ministry to ensure stock listing is provided and submitted together with the stocktake report. The Ministry acknowledges the 2016 stock listing and stocktake report did not provide a detailed information to support the verification process and the completeness of the inventory held in the stock.

The following explanations, in 2016 the Government's Financial Year was amended, as we all know, it started from August 2016 to end in July 2017. The 2016 figure is a six month value of the stock held from January to June 2016. This was to facilitate the closure of the accounts and the switchover to the new financial year. So, an annual stock-take unfortunately was not conducted at that time. But to improve accountability and transparency, the TMA will begin in 2019 to compile a separate annual report that will provide a detailed account of its operations and financials and the current stock listing for 2019-2020, I am happy to announce, Mr. Chair and Honourable Members is annexed as Annexure 4.

Still on the TMA, Honourable Chair and Members, the recommendation for the Ministry is to ensure internal controls within the TMA and that these are strengthened. The Ministry has instituted the following corrective and preventative actions to strengthen the internal controls.

- a) The Permanent Secretary must endorse any utilisation of funds from the TMA;
- b) The weekly report for TMA performance is submitted to the PS;
- c) The Standard Operating Procedures and Business Plans are developed, updated and guide the TMA operations; and
- d) Any operations outside the ambit of the TMA will require PS approval.

Honourable Members, this is really the seriousness that we want to place on the management of the TMA, given that it is meant to generate some revenue.

The Ministry has also conducted monthly reconciliations and the reports are submitted to the Ministry of Economy. All revenue from sales are lodged daily. Quarterly cash flow and acquittals submitted are also to the Ministry of Economy and again the evidence is there at Annexure 4.

HON. A.M. RADRODRO.- Mr. Chair, through you, a question regarding the operations of TMA, as you mentioned that you would not like to compete with the business private sectors but I am just curious whether the operations of the TMA also compromises the cost factor to the Ministry especially the salaries and wages portion, whether you are paying and not compromising the payment of proper salaries and wages because you are not

transacting the product at market value. Can you assure the Committee that that is not happening within the Trading and Manufacturing Account operations?

MR. P.N. BALEINABULI.- Honourable Member, very valid observation. Currently, as we speak, since the establishment of the Trading and Manufacturing Account, the salaries and wages for the staff are actually paid under SEGs 1 and 2. So it is paid from the operating budget.

(Inaudible)

MR. P.N. BALEINABULI.- Not use for salaries and wages.

(Inaudible)

MR. P.N. BALEINABULI.- In a way, Honourable Member, that is correct but I would like to refer us back to the intentions of the Trading and Manufacturing Account. It is not meant to compete with the private sector. It is there to assist.

(Inaudible)

MR. P.N. BALEINABULI.- It is still an option, Honourable Member but the Government is there to facilitate the private sector. They are really the engine of growth so whatever measures we take in the future, we have to consider those options but I will reiterate ....

MR. CHAIRMAN.- That is basically a policy decision.

MR. P.N. BALEINABULI.- That is a policy decision.

MR. CHAIRMAN.- It is a policy matter. Whether we are going to compete with the private organisations or whether it is going to remain moreso like a service delivery kind of thing. It is subsidised, something like that.

(Inaudible)

MR. P.N. BALEINABULI.- It is semi-commercial so it is there to assist the small holder forestry lots. *Vinaka vakalevu*, Honourable Member.

MR. CHAIRMAN.- I believe it is coming from SEGs 1 and 2 so that we can build on that particular industry for now until it stands on its own feet and after that ....

HON. A.M. RADRODRO.- (Inaudible) ... and the cost that is associated. Should it reflect the whole cost involved in the operations of the net profit?

MOE REP.- Sir, the Ministry operates under the policy which the Government of the day has decided to take us through and we execute that. Thank you, Sir.

The costs are reflected separately through the operating account and in there it is recognised, however, in the TMA it is not recognised as part of the cost. Thank you.

MR. CHAIRMAN.- Yes, PS. You can continue.

MR. P.N. BALEINABULI.- Thank you, Honourable Chair and Members. The next item is the recommendation, this is under the Ministry of Fisheries trust fund account and that the Ministry should ensure that a proper trust listing is maintained.

I wish to advise that the Ministry of Forestry, now with the separation, does not maintain a trust fund account. This was actually transferred to the Ministry of Fisheries in 2018.

In terms of the next item, the follow-ups on previous year issues, this has to do with 2015 audit issues. I am happy to continue and this is to do with the TMA again. We should ensure that monthly reconciliation and processes are strengthened to mitigate various issues highlighted.

The Ministry, moving forward will segregate the functions of the TMA with those of the operations by June, 2019. The monthly reconciliations have continued to be carried out. The Ministry will strengthen the financial report for the TMA, separate from the timber utilisation division by the end of June and the Ministry design a SOP and segregate the accounting function of the TMA from the operation's budget. Again, the evidence is there in Annexure 4.

Recommendation two, from the 2015 audit findings, the Ministry should ensure that errors and discrepancies highlighted during the reconciliation process are corrected promptly and in consultation with the Ministry of Economy. I wish to advise that the Ministry has taken the necessary steps to identify the cause of the problems and address them as follows: the Ministry will segregate the functions of the TMA, as I had mentioned earlier. This includes conducting monthly reconciliations and strengthening the financial report and the design of the SOPs as well. Again the evidence is there at Annexure 4.

The third recommendation, Honourable Chairman, was to draft the Agency Financial Statement (AFS), including the TMA Accounts are thoroughly checked and balances substantiated and clarified with the Ministry of Economy. I am happy to advise that the Ministry has taken the appropriate steps to address this. A draft Financial Statement is being thoroughly checked by the senior management team before submitting to the Ministry of Economy by October of each year. The improvements are ongoing and this includes training for the staff on the AFS and this is also ongoing.

The 2015 audit findings, there were also recommendations that the Ministry should ensure that Individual Work Plans (IWP) are developed by each employee and agreed to by the Ministry and the employees. Honourable Chairman and Honourable Members, this has been fully complied with and the requirements for IWPs for all staff, this was done last year. This is actually the second year that the Ministry is assessing its staff under the Performance Management Framework (PMF). The PMF requires every staff to have an IWP. I am happy to advise that this has been done and this is the second year running for the PMF.

The Ministry has close to 300 members in their workforce. We thought that we should not overload the Honourable Committee with the IWPs, we have just got a few samples there for you in Annexure 10, Honourable Chairman and Honourable Members.

Moving on....

HON. A.M. RADRODRO.- Sir, IWP, these are provided by OMRS or just prepared by the Ministry?

MR. P.N. BALEINABULI.- It is prepared by the Ministry.

HON. A.M. RADRODRO.- The template?

MR. P.N. BALEINABULI.- (Inaudible)

HON. A.M. RADRODRO.- So different ministries would have their own different template of IWP?

MR. P.N. BALEINABULI.- (Inaudible) ... FMIS and I am happy to advise, Honourable Chairman and Honourable Members that the Ministry has rectified all the variances noted between its reconciliation statements and General Ledger and adjusted accordingly in the financial year for 2017 and 2018.

Moving forward, the staff will continue to be trained on the management of the FMIS and the evidence is attached as Annexure 7.

Another recommendation was for the Ministry to ensure that monthly reconciliations are carried out properly and accurately. The Ministry has resolved this issue, Honourable Chairman and Honourable Members. It is now up to date with all its reconciliations and is submitted to the Ministry of Economy by the 15th of each month.

I wish to reiterate that this had been made possible through the recruitment of qualified and experienced officers including our Senior Accounts Officer, Ms. Shanti Devi, who is specifically responsible for ensuring that monthly financial reports are submitted on time to the Ministry of Economy. Our Clerical Officers have also been provided with on the job training to address the knowledge gaps and the evidence is in Annexure 3, Honourable Members.

There was another recommendation that the Ministry should ensure that reconciliation of all underline accounts are performed monthly and properly checked and approved on time. As I had mentioned earlier, we would like to think that this is something that will never happen again and the Ministry is up to date with its reconciliations, Honourable Chairman and Honourable Members.

Item nine, the Ministry should ensure that procedures relating to the preparation of reconciliation statements as stated in the finance manual are complied with to strengthen the reconciliation process. The Ministry again has resolved the issue, Honourable Chairman and Honourable Members, and our monthly reconciliations are up to-date and our Standard Operating Procedures are already in place and all our clerks are provided with the on the job

training to improve the knowledge gaps. The evidence is at Annexure 1, Honourable Chairman and Honourable Members.

Recommendation ten: The Ministry should ensure that all balances in its books of accounts are accurate and adequately supported. I am happy to advise that the Ministry has rectified all the variances in the drawings, operating trust and SLG 84 accounts and adjusted this accordingly. Again this is the work that our new Senior Accounts Officer has been conducting. The evidence is attached as Annexure 9, Honourable Chairman and Honourable Members.

The misallocation of expenditures, recommendation that the Ministry should ensure that all purchases made are charged to the correct allocation. I am happy to advise that the Ministry has put in place close monitoring of payments and AP-user modules and all procurements are cross-checked with procurement checklist with correct allocations stated to be used. Accounts checklist is implemented which provides guidance in procurement, budget allocation, balance and approval to process. Our JVs are also done to correct the misallocation of purchases.

That response, Honourable Chairman and Honourable Members are applicable to the next recommendation from the Committee that the Ministry should ensure that accounting information are gathered fairly, represented so that the proper decision making could be made.

The final recommendation from the Committee, Honourable Chairman and Honourable Members, is that the settlement of previous years outstanding accounts, the Ministry should ensure that the current years expenditure are settled within the current financial period and not carried forward to the next financial period. I am happy to advise that all the prior year's balances issues which were carried forward have been adjusted. And Divisional Directors and officers responsible for procurement have been informed to settle outstanding accounts in the current financial year, and ensure not to carry forward to the next year. Reminders for clearance of accounts are sent every week and follow ups are done even with the vendors.

As we speak, Honourable Chairman and Honourable Members, the only outstanding Purchasing Orders (PO) that the Ministry is now trying to clear are for the two months of April and May. In our view Honourable Chairman and Honourable Members this is sort of up to date, so we are not too far behind. We are trying to address this within the 60 day year time period. And there was only one outstanding PO in February, but, this is for an open contract payment which will be paid when the final report is received from the contractor. The evidence is submitted there as Annexure 10, Honourable Chairman and Honourable Members.

HON. A.M. RADRODRO.- Mr. Chairman, just a supplementary question regarding item no. 13. On the settlement of previous years outstanding accounts. Though the PS has highlighted the outstanding POs for February, April and May, this will be carried forward into the next financial year?

MR. P.N. BALEINABULI.- (Inaudible). Yes, before the financial year ends.

HON. A.M. RADRODRO.- Contract payment, when do you intend to receive this final report? You are assuring the Committee that the report will be coming in before the end of this financial year, then you will make the payment and not reverse?

MR. P. N. BALEINABULI.- Honourable Chairman and Honourable Members, in our effort to try and manage our accounts, we have also made a commitment to knock on the doors of all our vendors who are quite late in submitting their invoices. And that is also part of what we are trying to do, to ensure that payments are done on time.

HON. A.M. RADRODRO.- Chairman, probably from the Ministry of Economy or the Auditor-General for situations where payments are carried forward to the next financial year, are there allocations allowed for those? Are there rules and regulations which allows for those payments that get transferred into the new financial year? Ministry of Economy.

AUDIT REP.- Thank you Honourable Chairman. If I may, for these payments that were identified in this audit are the ones that the Ministry had already received invoices during the financial year but were not paid until the next financial year.

In terms of budgetary allocation, the budget that is provided is for the financial year. When that happens, that is why we are raising it because you are utilising the budget which is for the following year to pay for the previous year's payments. Thank you.

MOE REP.- And it is supposed to be paid within the financial year and not carried over unless there is a separate approval.

MR. CHAIRMAN.- So rightfully, what you are saying is before the financial year closes or before we close our books, all our payments need to be cleared and then we close the books.

MOE REP.- That is the aim, Sir. To try and clear all open POs so that is no monies diverted elsewhere in the next financial year.

(Inaudible)

MOE REP.- We have not done an audit on the current situation now in order to give a fair opinion of how things are. Thank you, Sir.

MR. CHAIRMAN.- Just for the sake of clarification, PS. This is not directly related to this but just a question, for example, this last one where we are saying that upon receiving of the final report then the payment is going to be released for the purchase order that was actually raised in February. Anticipation is that the Ministry would like to pay this and have received the money from the Ministry of Economy to pay, but for some reason, let us say, the vendor does not actually provide the invoice within this financial year then what happens to that money? Does it go back to the Ministry of Economy or is it kept with the Ministry for that payment to be made?

MR. P.N. BALEINABULI.- Whatever money is left, Honourable Chair, it goes back to the Ministry of Economy. But perhaps if I may, throw a bit more light to this particular

incident, this open Point of Order that was opened in February is actually to do with REDD+. I am not sure if Honourable Members have heard of this particular programme. It is the reduction of deforestation and this REDD+ project is co-funded by the Fiji Government and the World Bank.

The World Bank financial year extends to 2020, I think June, 2020. That is when the project should wrap up. We believe that this particular payment can be made earlier but otherwise to answer your question on what happens to funds that are not utilised, they are all returned to the Ministry of Economy.

MR. CHAIRMAN.- Thank you. Any other comments, Members? Honourable Prakash.

HON. V. PRAKASH.- Chair, you know it is quite different to what it was one week before and I congratulate the PS for taking a very positive action and recruiting new staff, who are looking very energetic. It seems that the Ministry of Forests is heading in the right direction under your leadership. I would like to congratulate you and your team.

MR. P.N. BALEINABULI.- Thank you, Sir.

HON. V. PRAKASH.- I am very happy to see the evidence which you have proven. First of all, when we saw all the ticks here, we were really surprised. How can this happen over one week? Since you have come up with all these things, we are really proud, as now we have seen a Ministry that is really determined to walk the talk. We wish you all the best in all your future endeavours. We hope that your books and accounts will be an example for others to follow. So thank you very much.

MR. P.N. BALEINABULI.- *Vinaka vakalevu*, Sir. Thank you.

HON. V. PRAKASH.- Thank you, Chair.

HON. A.M. RADRODRO.- Chair, just a few supplementary questions regarding the overall presentation that is being made. I congratulate the PS again for the very well-prepared annexures that comes with the responses.

The only question that I have regarding the work of the Ministry of Forests in terms of, you have introduced the Individual Work Plan of staff. Has the Ministry conducted any evaluation on the current stock in terms of forestry throughout Fiji? If it has, what is the status or if it is not, are there any plans to conduct and value the total timber out there throughout Fiji especially where we have incidents in the recent past about the felling of the *dakua* trees in the famous girl's school in Sawani. How does the Ministry, , now that we are going into the sustainable development economy in terms of Environmental Impact Assessment (EIA), where do they inter-link and who takes priority over the other? So if you can just enlighten the Committee on the conduct, audit of the forestry stocks out there.

MR. P.N. BALEINABULI.- Thank you, Honourable Member. For the approval, I will invite the expert on forestry in Fiji to respond to that.

MS. S. LAL.- Good afternoon, Chair and thank you for that question, Honourable Member. I remember, Honourable Lalabalavu also asked me this question the last time regarding the NFI. So we had an NFI done which is the National Forest Inventory in 2007 which took only the volumes of timber but moving forward now, we have plans to do another NFI but this will measure carbon. This will not measure only volume, it will also include carbon because under Climate Change, we are moving towards carbon trading so this NFI will focus on carbon stock that is available.

Sir, there are three different questions within your question. The first one is yes, we have plans for the inventory to be done next year under the Reduce Emissions from Deforestation and Forest Degradation (REDD+) funding.

The second question is on the data that is available. We have a system in place which is called Forest Harvest Area Reports. So with the combination of the NFI which says this is the standing stock, this is what we have at hand and then these are the removals that were done every year. So we record that under Harvest Area Reports and production data, what is coming out from the forests under licence. There is a database that is being developed by a team of experts from the Commonwealth Scientific and Industrial Research Organisation (CSIRO) for forestry to synergise both, the NFI which is stock at hand and how much we are using as well as how much is being replanted. So this is all under the REDD+ effort and our working towards climate change mitigation and adaptation.

The third question was on the EIAs. As of January this year, the Ministry is not issuing any licence to harvest forest unless there is an EIA done. So it is a condition of licence that any logging that is to be done has to have a vetted and approved EIA from the Ministry of Environment. So we are working together. We are collaborating with the Ministry of Environment to improve that process.

HON. RATU N.T. LALABALAVU.- Can I just ask a supplementary question on that one? Now that I have heard also about this NFI, I am just a bit curious to know, through you, Honourable Chair, as to what sort of forest cover do we have now on indigenous forests, exotic one from your NFI that you have stated with the amount of licences that are given out by the Ministry every now and again?

MS. S. LAL.- Sir, that is again a two-fold question. One is what kind of forest we have now; native and planted forest? So we have pine and mahogany and for pine the area covered is about 80,000 hectares. But standing stock is around 30,000 hectares. And with mahogany, it is about 50,000 hectares, standing mahogany. Native forest is a total of approximately 900,000 hectares. But in terms of production, the total production that we have annually, only 30 percent is from native forest and 70 percent is from plantations. So there is more pine and mahogany being harvested than native.

As I explained the last time as well, it is because of accessibility issues and we have a code of logging which prohibits logging in areas that are above 30 degree slopes. That is the reason why most of the areas that have been logged, the next logging is around 20 years later. There is less logging in native forest and more in plantations. That is what the intention of the Ministry is. In our policy, we intend to move away from native forest to plantations.



HON. RATU N.T. LALABALAVU.- Why I am raising that, Honourable Chairman through you, is that now we have the REDD+, COP23 issues that are being heavily supported by the Government. Yet, for us we still do not know what is there on the ground. Now, you stated it Conservator, we are so grateful for that. At least now we know more logging in the planted forest rather than in the indigenous forest. A good cover is still there.

MR. P.N. BALEINABULI.- If I may add onto that, Honourable Chairman and Honourable Members. (Inaudible) My apologies. Land owning communities, people who have State land or private freehold, if you wish to plant, right now we can provide the seedlings. But moving on, part of the plan is to empower communities, women and the youth groups to establish their own nurseries. The Ministry can help establish their nurseries and they can get some revenue out of it. With the timber trees that we are talking about now, in order to ensure that we have good quality timber, the contracts will be very strict. We have to do that within the Ministry or we do it with companies that have proven they have good scientific research that can support the generation of good timber trees. So moving forward, that is the kind of future that we would like to help Fiji to establish for the forestry sector.

These 4 million trees is just a start, it is just for the immediate period, but of course if we get this right and our methodology right, we will want to plant millions of trees every single year. Other countries around the world, Australia very close, they are doing that. By 2020, they expect to plant 20 million trees. India for instance, planted millions of trees in one day. Of course, they have the population and the means to do it, but at the end of all these, we are trying to link this to the climate change, we are trying to link this to sustainable forest management, we are trying to link this to economic growth, so we are trying to strike the balance where we can plant more trees, safeguard our environment and still continue to generate livelihoods for the people whose lives depend on the forest. *Vinaka vakalevu*, Honourable Chairman and Honourable Members.

HON. A.M. RADRODRO.- (Inaudible) .... on Annexure 6. We see that there is still a big amount that is still being owed; royalty to landowners. I think this is only for certain specific areas, not the whole of Fiji. How do you intend to address the collection of these arrears of revenues that is listed here?

MR. P.N. BALEINABULI.- Thank you Honourable Member for that question. Manager Finance has just confirmed that the collection of this debt is ongoing. And as we speak, the outstanding debt to date is about \$3,000, Honourable Member.

MR. M. WAQA.- These are the arrears of royalty that was supposed to be paid to the forest owners. So from follow up with companies, they still owe this much amount. This is for the whole of Fiji.

HON. RATU N.T. LALABALAVU.- (Inaudible)

MR. P.N. BALEINABULI.- We have got it in the Central Division.

MR. M. WAQA.- This is for the whole of Fiji, but, these are only arrears for the Central Division. But the Northern and Western Divisions, they do not have any arrears, Sir.

HON. A.M. RADRODRO.- (Inaudible)

MR. M. WAQA.- No, Sir, because of plantation logging.

MR. P.N. BALEINABULI.- They are very compliant especially the North.

MR. M. WAQA.- And this is mostly in the Central where there is a lot of logging of the native forest. *Vinaka.*

MR. CHAIRMAN.- Yes, we do not delay our payments up in the North.

Thank you PS and thank you team for availing yourselves this afternoon. Definitely we had a very fruitful discussion this afternoon and hats off to the leadership of the Ministry of Forests.

We do acknowledge the amount of work that has been put towards the Ministry in ensuring that whatever the recommendations from the Audit-Generals Office are, they have been fully implemented. Thank you for providing us with the bulk of information and thank you once again for the presentation. *Vinaka.*

MR. P.N. BALEINABULI.- Thank you Honourable Members. We wish to assure the Committee that part of our role is to help manage our resources well on behalf of Fiji. *Vinaka vakalevu* for your time. Thank you.

The Committee adjourned at 3.54 p.m.