

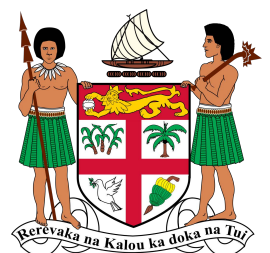


OFFICE *of the* AUDITOR GENERAL  
*Republic of Fiji*

# REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF FIJI

## Performance Audit of Effectiveness of Institutional Framework for Preventing Corruption

- A look at the National Anti-  
Corruption Agency and a sector  
focus on Corruption Prevention  
for Free Education Grant





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*Republic of Fiji*

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# OFFICE OF THE AUDITOR GENERAL

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File: 1/27/94

15 November 2019

The Honorable Ratu Epeli Nailatikau  
Speaker of the Parliament of the Republic of Fiji  
Parliament Complex  
Gladstone Road  
**SUVA.**

Dear Sir

## **PERFORMANCE AUDIT OF EFFECTIVENESS OF INSTITUTIONAL FRAMEWORK FOR PREVENTING CORRUPTION**

In accordance with section 152(13) of the Constitution of the Republic of Fiji, I am pleased to transmit to you my report on the Performance Audit of Effectiveness of Institutional Framework for Preventing Corruption - *A look at the National Anti-Corruption Agency and a sector focus on Corruption Prevention for Free Education Grant.*

A copy of the report has been submitted to the Minister for Economy who as required under section 152(14) of the Constitution shall lay the report before Parliament within 30 days of receipt, or if Parliament is not sitting, on the first day after the end of that period.

Yours sincerely

Ajay Nand  
**AUDITOR-GENERAL**



Encl.

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The Auditor-General must submit a report on performance audits carried out to Parliament. In addition, a single report may include two or more audits. This report satisfies these requirements.

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## Table of Contents

List of tables and figures.....	iii
Glossary.....	v
Acronyms and abbreviations.....	vi
Executive Summary.....	vii
<b>1.0 Introduction.....</b>	<b>1</b>
1.1 Overview.....	1
1.2 Background.....	2
1.3 Reasons for undertaking the audit.....	6
<b>2.0 Audit Objective, Scope and Methodology.....</b>	<b>8</b>
2.1 Audit objective.....	8
2.2 Audit scope.....	8
2.3 Audit methodology.....	8
2.4 Audit criteria and sources.....	10
2.5 Audit limitations.....	10
<b>3.0 Strengthening the national anti-corruption agency.....</b>	<b>11</b>
3.1 Legal and institutional framework for anti-corruption agency.....	11
3.2 Ethics and Values.....	13
3.3 Accountability and Transparency of the anti-corruption agency.....	13
3.4 Resourcing of the anti-corruption agency.....	14
3.5 Measures for preventing corruption.....	16
3.5.1 Anticorruption awareness trainings.....	16
3.5.2 Integrity assessment trainings.....	17
3.5.3 Anticorruption media promotion.....	17
3.5.4 Evaluation of effectiveness of awareness trainings.....	17
3.5.5 Preventing corruption partnership with other stakeholders.....	18
<b>4.0 Sectoral approach to fight corruption in the Education Sector in the disbursement of Free Education Grants.....</b>	<b>19</b>
<b>4.1 Appropriate framework of standards and regulation.....</b>	<b>19</b>
4.1.1 Legislations and Constitution.....	19
4.1.2 Policies and Procedures for the Free Education Grant.....	21
4.1.3 Coordination of Stakeholders & Absence of MoU.....	22
<b>4.2 Transparency and accountability.....</b>	<b>24</b>
4.2.1 Awareness of the MoEHA 2017 School Management Handbook.....	24
<b>4.3 Integrity.....</b>	<b>27</b>

4.3.1	Code of Ethics and values.....	27
4.3.2	School Constitution .....	29
4.3.3	Monitoring Evaluation and Reporting .....	30
4.3.4	Monitoring Framework & Evaluation .....	31
4.3.5	Monitoring Responsibility .....	32
4.3.6	Systematic Monitoring .....	33
4.3.7	Performance Reports on Quality of AFR and Implementation of FEG .....	34
<b>4.4</b>	<b>Appropriate Internal controls .....</b>	<b>36</b>
4.4.1	Absence of Cash Book, 6 Allocation Files, Payment Vouchers and Acquittal Record Sheets 37	
4.4.2	Absence of Competitive quotations for purchases made in excess of \$1,000 .....	40
4.4.3	Preparation of Cash Cheques and Pre-signed Blank Cheques.....	41
4.4.4	Submission of AGM minutes and AFR .....	43
4.4.5	Audit of schools Annual Financial Reports (AFR).....	46
<b>4.5</b>	<b>Use of e-gov .....</b>	<b>47</b>
4.5.1	FEG income declared in AFR Versus FEG pay-out.....	49
4.5.2	Results of Verifying School Rolls and FEG Pay-out.....	52
<b>4.6</b>	<b>Appropriate HR Management .....</b>	<b>56</b>
4.6.1	Merit-Based Human Resources Management and appropriate documentation of Selection and Promotion .....	56
4.6.2	Job Rotation.....	58
<b>5.0</b>	<b>Conclusions .....</b>	<b>60</b>
<b>6.0</b>	<b>References .....</b>	<b>61</b>
	<b>Appendix 1: Details of offence to which the FICAC Act 2007 applies .....</b>	<b>62</b>
	<b>Appendix 2: Relevant Sections of the Education Act 1978 .....</b>	<b>63</b>
	<b>Appendix 3: Roles of key stakeholders in the education system .....</b>	<b>64</b>
	<b>Appendix 4: Responses from schools on the lack of awareness .....</b>	<b>67</b>
	<b>Appendix 5: Monitoring Criteria Matrix .....</b>	<b>68</b>
	<b>Appendix 6: Payment Anomalies .....</b>	<b>70</b>
	<b>Appendix 7: Responses from schools on reasons for delay in submission of AFR and AGM minutes.....</b>	<b>72</b>
	<b>Appendix 8: Details of variances between sampled AFR and FEG payout.....</b>	<b>75</b>
	<b>Appendix 9: Variances noted between audit calculations and FEG-Payout.....</b>	<b>77</b>
	<b>Appendix 10: Letters to FICAC and Ministry of Education.....</b>	<b>85</b>
	<b>Appendix 11: Comments from FICAC and Ministry of Education .....</b>	<b>87</b>

## List of tables and figures

### Tables

Table 1.1	Institutions supporting accountability
Table 1.2	Analysis of Budgeted and Actual Expenditure
Table 3.1	Subsequent amendment to the FICAC Promulgation No. 11 of 2007
Table 3.2	Summary of submission of annual Reports
Table 3.3	FICAC act amendment's in regards to Audit
Table 3.4	Staff Resources and Gender composition 2014-2017
Table 3.5	Trainings provided from 2014 – 2017
Table 3.6	Summary of Awareness sessions/workshops conducted from 2014-2017
Table 3.7	Summary of trainings introduced in 2017
Table 3.8	Summary of awareness campaign conducted from 2014 – 2017
Table 4.1	Changes in policies and procedures over the years
Table 4.2	Responses from schools where handbooks not sighted by Audit
Table 4.3	Responses from schools on existence of school constitution
Table 4.4	Monitoring activities in the Annual Corporate Plan and Business Plan
Table 4.5	List of schools without required documents
Table 4.6	Anomalies noted in records/documentation maintained
Table 4.7	Noncompliance with competitive quotations requirement
Table 4.8	Reasons for maintaining cash cheques and pre-signed blank cheques
Table 4.9	Examples of schools corrected
Table 4.10	Grant payment criteria
Table 4.11	Examples where disclosed FEG incomes are less than FEG payout
Table 4.12	Payment Schedule for termly distribution
Table 4.13	Examples of overpayment/underpayment of FEGs

## Figures

Figure 1.1	UNDP integrated approach to anti-corruption
Figure 1.2	National Integrity System
Figure 4.1	Organisational Anti-Corruption Strategies
Figure 4.2	Changes with provision of the TFFG since inception in 2014
Figure 4.3	Main Stakeholders of the Fiji Education system
Figure 4.4	2017 School Management Handbooks maintained by Schools
Figure 4.5	Status of ownership of school Constitutions
Figure 4.6	Maintenance of required records and documentation
Figure 4.7	Percentage of schools obtaining competitive quotations
Figure 4.8	Percentage of schools preparing cash cheques and blank pre-signed cheques
Figure 4.9	Consistency in submission of AFRs and AGM minutes
Figure 4.10	Criteria for processing and utilization of FEG
Figure 4.11	Summary of samples selected by District and School Category
Figure 4.12	Variances between Incomes declared and FEG payout
Figure 4.13	Analysis of percentage of samples with variances
Figure 4.14	Recruitment Process
Figure 4.15	Selection Process
Figure 4.16	Important questions to ascertain the existence of internal control mechanisms



## Glossary

Term	Meaning
prescribed officer	<p>(a) any person holding an office of emolument whether permanent or temporary, under the government and</p> <p>(b) the following persons (to the extent that they are not persons included in paragraph (a)) –</p> <ol style="list-style-type: none"> <li>1) any official of the Government appointed by the President or who has sworn an oath of office before the president;</li> <li>2) Chairman of the Public Service Commission;</li> <li>3) Any member of the staff of the Commission;</li> <li>4) Any judicial officer holding a judicial office and any judicial officer appointed by the Chief Justice, and any member of the staff of the Judiciary.<sup>1</sup></li> </ol>
public body	<p>Public body means –</p> <ol style="list-style-type: none"> <li>a) The government</li> <li>b) The Cabinet</li> <li>c) The Parliament</li> <li>d) Any board, commission, committee or other body, whether paid or unpaid, appointed by or on behalf of the President or the Cabinet; and</li> <li>e) any board, commission, committee or other body specified in Schedule 1<sup>2</sup></li> </ol>
public servant	<p>means any prescribed officer, any employee of a public body, or any public official as defined under section 4 of the Crimes Decree 2009<sup>3</sup>.</p> <p>The President may by notice in the gazette –</p> <ol style="list-style-type: none"> <li>a) exclude for the purposes of the definition of “public servant” in subsection (1), any council, board, committee or other body of any educational institution specified in the notice;</li> <li>b) exclude from the definition of “public servant” any member of any council, board, committee or other body of any educational institution, who would otherwise by virtue of his membership thereof fall within that definition.</li> </ol>

<sup>1</sup> FICAC Act 2007 [FIC 2]

<sup>2</sup> Prevention of Bribery (Promulgation no. 12 of 2007) Part I s.2

<sup>3</sup> Prevention of Bribery (Amendment) Act 12 of 2016 s.2 (c)

## Acronyms and abbreviations

AAO	Assistant Accounts Officer
ACA	Anti-corruption agency
AGM	Annual General Meeting
AFR	Annual Financial Report
ECE	Early Childhood Education
FEG	Free Education Grant
FEMIS	Free Education Management Information System
FICAC	Fiji Independent Commission Against Corruption
ISSAI	International Standards of Supreme Audit Institutions
LTA	Land Transport Authority
MOE	Ministry of Economy
MoEHA	Ministry of Education Heritage and Arts
MOU	Memorandum Of Understanding
PSE EHA	Permanent Secretary for Education Heritage and Arts
RSL	Rural Services License
SDG	Sustainable Development Goals
SG's	Solicitor General's
TAU	Transport Assistance Unit
TFFG	Tuition Fee Free Grant
UNCAC	United Nations Conventions Against Corruption

## Executive Summary

### Background

Corruption is a critical obstacle to achieving the Sustainable Development Goals (SDGs). Corruption is a main barrier to development and diverts resources away from poverty eradication efforts and sustainable development<sup>4</sup>.

Goal 16 of the 2030 *Sustainable Development Agenda* recognises that access to justice and building effective, accountable and inclusive institutions are essential to attaining sustainable development outcomes

The cooperative performance audit on the *Effectiveness of institutional framework for fighting corruption* focuses on the preventive side of anti-corruption.

### Coverage

At the whole of government level, this audit focuses on the adequacy of the legal and institutional framework that establishes the Fiji Independent Commission against Corruption (FICAC) and in providing it powers and resources to effectively carry out its function. The audit also reviewed reports looking at the corruption prevention activities undertaken by the FICAC.

At the sector level, the audit focuses on corruption preventive mechanisms implemented by the Ministry of Education for the *Free Education Grant (FEG)*. We scrutinised relevant records maintained by the Ministry of Education with respect to *Free Education Grant* for the years 2015 to 2017, up till 2018.

### Key findings

#### ***Legal and Institutional framework for the national anti-corruption agency***

- The legal and institutional framework for the establishment of the national anti-corruption agency is adequately provided for in the *Fiji Independent Commission against Corruption (FICAC) Promulgation 2007* now enacted as the *FICAC Act 2007*.
- Amendments to the Promulgation in 2009 have strengthened the FICAC's roles by extending the powers of the Commissioner to investigate any other suspected or alleged offences to which the Promulgation applies and also the power to prosecute cases in his own name. The amendments also bestow FICAC officers with the powers and privileges of a police officer of the rank to which they hold in the Commission.
- The FICAC's independence has been strengthened through further amendments to the Act in 2016 wherein the prior provision requiring the Commission to be subject to the orders and control of the President has been removed.
- Government provides the FICAC with adequate budget for procurement of resourcing and for delivering its functions.
- The FICAC provides the Education sector with education and awareness on corruption, promoting standards and enhancing integrity, as well as partnering with the Ministry of the development of curriculums.

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<sup>4</sup> IDI SAI Fighting Corruption Module 1 Introduction to Corruption

### **Sectoral approach to prevent corruption in the Free Education Grant**

- There is a lack of review of legislation to incorporate changes.
- Policies in place as a mechanism to prevent corruption is inadequate.
- Absence of Memorandum of Understanding (MOUs) between all relevant stakeholders.
- There is a lack of awareness on the requirements of the MoEHA 2017 handbook to schools
- Absence of Code of Ethics amongst the school management committee
- Lack of monitoring noted for the utilization of FEG in schools
- Lack of clarity on responsibilities for monitoring.
- Lack of proper monitoring plan for the scheme
- Non-maintenance of proper records by some schools
- Absence of competitive quotations for purchases over \$1,000.
- Preparation of cash cheques and pre signing of blank cheques were noted in some of the schools visited.
- Delays in submission of Annual Financial Reports (AFR) and minutes of Annual General Meetings (AGM) by some schools visited.
- Lack of guidance on expectations from the auditor's report.
- Non-registration of School Managers appointed with FEMIS
- Non-compliance with requirements of the 2017 MoEHA handbook.
- Differences noted between the FEG incomes declared against the FEG payout.
- Errors noted in the FEG calculation and payout.
- Absence of appropriate documentation on the recruitment and selection process.
- Lack of job rotation policy.

### **Overall Conclusion**

The FICAC legislation adequately provides for the establishment of the anticorruption agency, its powers, and resourcing to enable it to execute its functions in preventing corruption effectively.

Corruption prevention strategies for Free Education Grant (FEG) policy has been implemented by the Ministry of Education in 2017 through the introduction of the *2017 School Management Handbook*. However, accountability and transparency of schools administrations still need to be improved through conduct of awareness about the policy and requirements contained in the handbook and clarifying the roles of key personnel identified therein.

### **General Recommendations**

Since the control and monitoring of processing of free education grant rests with the Ministry of Education, proactive actions are required to ensure the successful implementation of and compliance with the policy and requirements of the *2017 School Management Handbook*. The Ministry should pursue the review of the necessary legislation and policies to ensure consistency in practices undertaken by all stakeholders. In addition, efforts should be directed at creating awareness on the contents of the *2017 School Management Handbook* amongst relevant stakeholders to enable improvements to the accountability and transparency of the administration of the FEG by the various school boards and management, and also reiterate the importance of maintaining required documentation or records management systems.

The Ministry also needs to ensure the adequacy and effectiveness of its monitoring mechanism implemented and ensure evaluation of the policies and processes are carried out periodically. Effective monitoring and evaluation should focus on measuring outcomes and progress towards the achievement of objectives, rather than simply reviewing outputs and progress in implementing control activities.

### **Reference to Comments**

Comments provided by the Ministry of Education and FICAC during the audit have been incorporated in this report.

We provided a full copy of this report to the Ministry of Education and FICAC on 04/11/19 and 05/11/19 for comments respectively. The scanned copies covering letter to the Ministry of Education and FICAC is provided in **Appendix 10**. Also the copy of the responses received on 14/11/19 is provided in **Appendix 11**.

## 1.0 Introduction

### 1.1 Overview

Corruption is the abuse of public funds and/or office for private or political gain<sup>5</sup>. Corruption is the abuse of entrusted power for private gain and can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs<sup>6</sup>.

Corruption is a critical obstacle to achieving the SDGs. The 2030 *Agenda on Sustainable Development* makes an explicit link between corruption and building inclusive and peaceful societies with a specific target to reduce corruption (SDG 16.5). The United Nations introduction to SDG 16 notes that corruption, bribery, tax evasion and related illicit financial flows deprive developing countries of around US\$1.26 trillion per year, and that reducing corruption is an important component of the sustainable development agenda which all state parties have an obligation to address<sup>7</sup>.

Anti-corruption studies categorize the arrangements for fighting corruption in two approaches, that is:

- i. the prevention of corruption which involves the checks and balance, enhancing public financial management, building transparency in decision making, declaration of public officials' asset and conflict of interest, raising awareness for citizen and media in combating corruption, whistle blower's protection, creating code of conduct for government official, etc., where all sectors (public, private, media, and citizen) could play the preventive role of corruption. Many countries establish specialized anti-corruption agencies (ACAs) in order to fight against corruption. ACAs have widely been considered to be one of the important national initiatives necessary to effectively tackle corruption (UNDP 2005).
- ii. The detective role and law enforcement related to police, ACAs, ombudsman where such agencies have prosecutorial authority in corruption cases and sometimes also have investigative structures and functions.

The preventive approach is considered an effective tool to reduce corruption and strengthen the systems. Thus this audit on the institutional framework for fighting corruption focuses on the preventive aspect of corruption.

The institutional framework for fighting corruption is one of the most important organizational actions taken by governments that seek to lay a firm foundation for the rule of law and to implement programmes for fighting corruption<sup>8</sup>. It includes the establishment of institutions for fighting corruption; promoting anti-corruption activities; and enhancing the cooperation and integration among different institutions. Such institutions include the supreme audit institutions (SAI), Anti-Corruption Agency (ACA), the Police, etc. Hence, the institutional framework for fighting corruption shows that these agencies should work together with the policies, processes and procedures used by a single or multiple agencies that comprise such institutional frameworks.

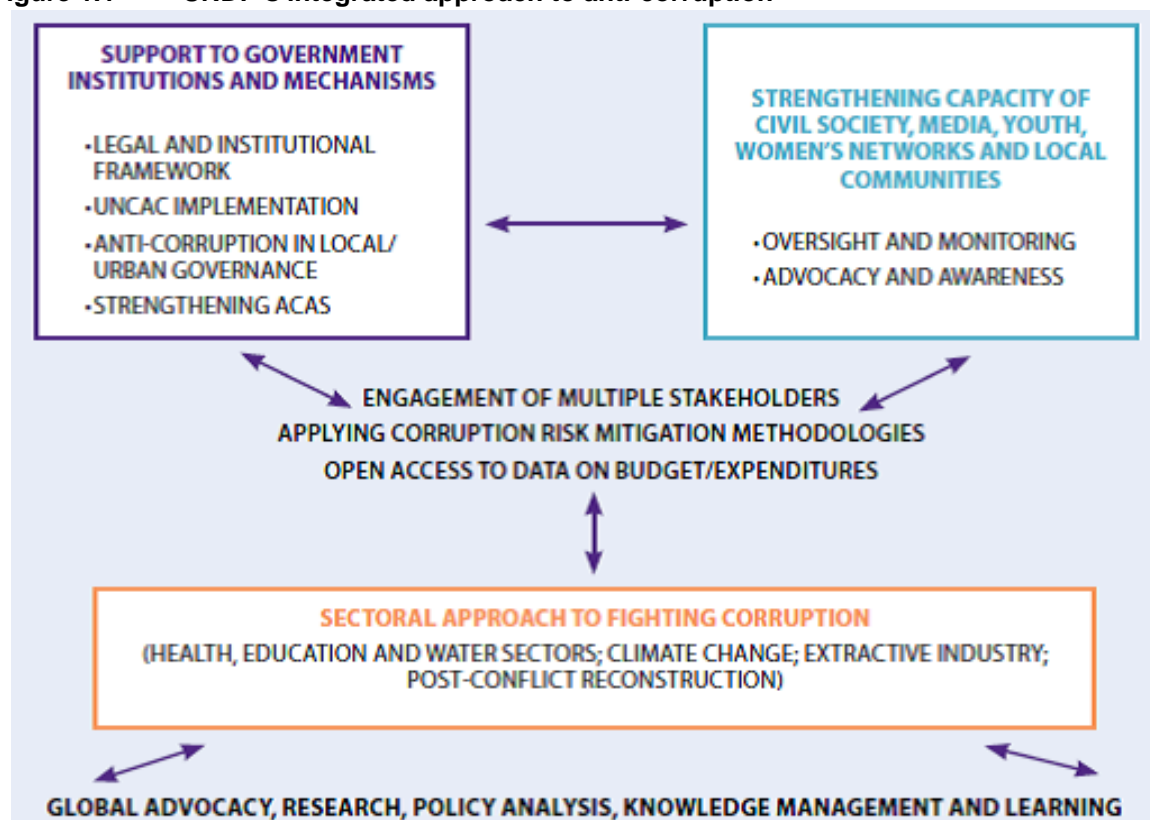
We reviewed and analysed the formal regulatory and organisational structure for two entities at the national and sectoral levels, that is for the anti-corruption agency and the Ministry of Education using the UNDP's *Global Anticorruption Initiative* (GAIN) as illustrated in Figure 1.1 below.

<sup>5</sup> Source: World Bank

<sup>6</sup> Source: Anti-Corruption Glossary by Transparency International

<sup>7</sup> <https://www.un.org/sustainabledevelopment/peace-justice/>

<sup>8</sup> ISSAI 5700

**Figure 1.1 UNDP's integrated approach to anti-corruption**

Source: UNDP Global Anti-Corruption Initiative (GAIN) (2014-2017)

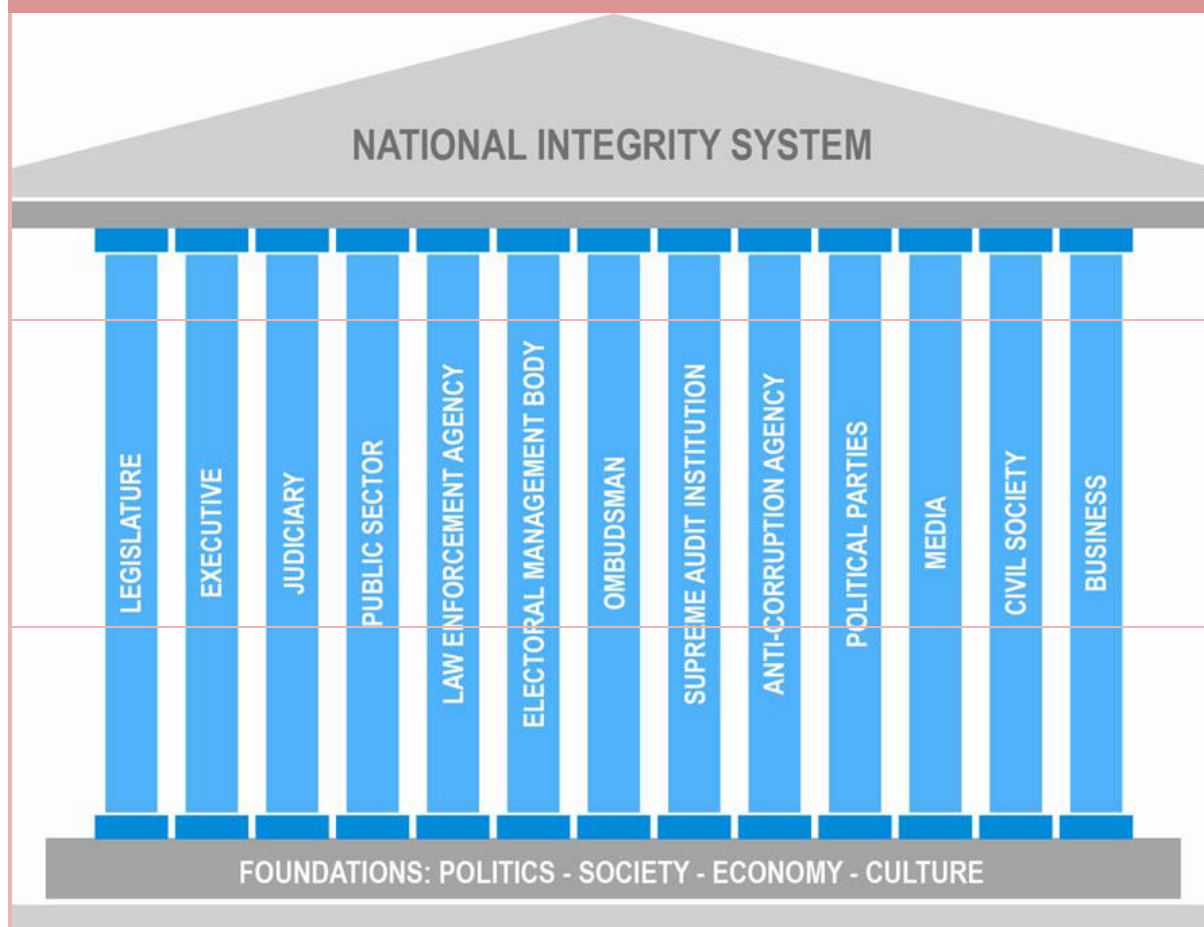
We used the GAIN tool to assess the support provided in strengthening the FICAC as the national anticorruption agency. For the sector level, we used the GAIN tool to assess approaches to fighting corruption implemented by the Ministry of Education to better manage and deliver public resources and services, that is, mechanisms to ensure education grants provided to schools are properly managed and utilized for the purposes intended.

## 1.2 Background

### 1.2.1 Institutional framework for fighting corruption at the national level

The 2013 Constitution provides for the establishment of institutions that promote good governance, accountability and/or address corruption. These institutions provided for under the Constitution can be likened to the pillars portrayed under *Transparency International's national integrity system (NIS)* model illustrated in Figure 1.2 below and include institutions such as Parliament (*Legislature*), the Cabinet (*Executive*), the Courts and Judicial Officers (*Judiciary*), the Office of the Auditor General (OAG), the Supervisor of Elections, the Fiji Police Force, independent and legal institutions such as the Fiji Independent Commission against Corruption (FICAC), the Solicitor General, the Director of Public Prosecutions (DPP), the Public Service Commission (PSC), the Public Service Disciplinary Tribunal, and the Accountability & Transparency Commission.



**Figure 1.2 National Integrity System**

Source: Transparency International NIS Toolkit 2012

The roles of the above institutions are listed in Table 1.1 below.

**Table 1.1: Institutions supporting accountability as provided under the 2013 Constitution**

Institution	Role
<b>Parliament</b>	<p>Legislative authority - The authority and power to make laws for the State is vested in Parliament consisting of the members of Parliament and the President, and is exercised through the enactment of Bills passed by Parliament and assented to by the President. <sup>9</sup></p> <p>Through legislative and other measures, must assist and protect the courts to ensure their independence, impartiality, accessibility and effectiveness. Parliament must ensure that the Judiciary has adequate financial and other resources to perform its functions and exercise its powers properly.</p> <p>Parliament shall ensure that adequate funding and resources are made available to the Commission, to enable it to independently and effectively exercise its powers and perform its functions and duties.</p>
<b>Cabinet</b>	<p>Accountable individually and collectively to Parliament, for the exercise of their powers and the performance of their functions. <sup>10</sup></p> <p>Through legislative and other measures, must assist and protect the courts to ensure their independence, impartiality, accessibility and effectiveness.</p>

<sup>9</sup> Constitution of the Republic of Fiji 2013, CAP 3 Part A s.46

<sup>10</sup> Constitution of the Republic of Fiji 2013, Chapter 4 Part B s. 90 (2)



Institution	Role
<b>Courts</b>	The judicial power and authority of the State is vested in the Supreme Court, the Court of Appeal, the High Court, the Magistrates Court, and in such other courts or tribunals as are created by law to preside over hearing cases. The courts and all judicial officers are independent of the legislative and executive branches of Government, and are subject only to this Constitution and the law, which they must apply without fear, favour or prejudice when presiding <sup>11</sup> .
<b>OAG</b>	External audit function – to inspect, audit and report to Parliament on— (a) the public accounts of the State; (b) the control of public money and public property of the State; (c) All transactions with or concerning the public money or public property of the State. <sup>12</sup>
<b>Accountability &amp; Transparency Commission</b>	Receive and investigate complaints against permanent secretaries and all persons holding a public office <sup>13</sup>
<b>FICAC</b>	Anti-corruption agency responsible for: (a) investigating, instituting and conducting criminal proceedings; (b) taking over investigations and criminal proceedings that fall under its responsibility and functions as prescribed by law, and which may have been initiated by another person or authority; (c) Discontinuing at any stage before judgment is delivered, criminal proceedings instituted or conducted by it. <sup>14</sup>
<b>Solicitor General's Office</b>	(a) Providing independent legal advice to Government and to the holder of a public office on request; (b) preparing draft laws on the request of Cabinet; and (c) maintaining a publicly accessible register of all written law <sup>15</sup>
<b>Director of Public Prosecutions</b>	Tasked with (a) instituting and conducting criminal proceedings; (b) taking over criminal proceedings instituted by another person or authority (except proceedings instituted by the FICAC); (c) discontinuing at any stage before judgment is delivered, criminal proceedings instituted or conducted by the DPP or another person or authority (except proceedings instituted or conducted by the FICAC; and (d) Intervening in proceedings that raise a question of public interest that may affect the conduct of criminal proceedings or criminal investigations. <sup>16</sup>
<b>Fiji Police Force</b>	Investigating criminal acts <sup>17</sup>
<b>Electoral Commission Supervisor of Elections</b>	Responsible for monitoring and enforcing compliance with any written law governing elections and political parties. <sup>18</sup>
<b>PSC/PSDT</b>	Responsible for appointing and removing permanent secretaries with the agreement of the Prime Minister and for instituting disciplinary action against permanent secretaries

<sup>11</sup> Constitution of the Republic of Fiji 2013, Chapter 5 Part A s. 97 (1)(2)

<sup>12</sup> Constitution of the Republic of Fiji 2013, Chapter 8 Part C s. 152 (1)

<sup>13</sup> Constitution of the Republic of Fiji 2013, Chapter 8 Part A s. 149 (a)(b)(c) (d)

<sup>14</sup> Constitution of the Republic of Fiji 2013, Chapter 5 Part B s. 115 (1)

<sup>15</sup> Constitution of the Republic of Fiji 2013, Chapter 5 Part B s. 116 (2)

<sup>16</sup> Constitution of the Republic of Fiji 2013, Chapter 5 Part B s. 117 (8)

<sup>17</sup> Constitution of the Republic of Fiji 2013, Chapter 5 Part B s. 129 (2)

<sup>18</sup> Constitution of the Republic of Fiji 2013, Chapter 3 Part C s. 75 (2)

The *Fiji Independent Commission against Corruption* (FICAC) is the national anti-corruption agency (ACA). The legal framework for fighting corruption is provided for in the *Fiji Independent Commission against Corruption Promulgation No. 11 of 2007*, now enacted as the *FICAC Act 2007* and the supporting legislations embedded therein as listed below.

- i. Prevention of Bribery Act of 2007
- ii. Crimes Act Fiji 2009
- iii. Political Parties Act 2013
- iv. Financial Transaction Reporting Act 2004<sup>19</sup> and
- v. Extradition Act 2003<sup>20</sup>.

The legal framework also includes the *United Nations Convention against Corruption 2003*, a Convention to which Fiji acceded to on 14<sup>th</sup> May 2008. The Convention provides a set of comprehensive standards, measures and rules that all countries can apply in order to strengthen their legal and regulatory regimes to fight corruption. Audit focuses on the preventive policy in the UNCAC requiring the establishment of an anticorruption body, whereby the ACA should implement anti-corruption policies, disseminate knowledge, and must be independent, adequately resourced and have properly trained staff.

The institutional structure for combating corruption as provided under the FICAC Act include the Fiji Independent Commission against Corruption and the following institutions responsible for implementing the legislations under the legal framework.

- a) Director of Public Prosecutions (in respect of i, ii, and v above)
- b) Commissioner of Police (in respect of i and ii above)
- c) Supervisor of Elections (in respect of iii above)
- d) Financial Intelligence Unit (in respect of iv above)

Enhancing the transparency, accountability and capacity of these institutions is therefore vital for developing good governance and fighting corruption.

### 1.2.2 Institutional framework for fighting corruption in the education sector

To realize the Ministry of Education's vision of 'Quality Education for Change Peace and Progress', the Fijian government is committed to the development of the nation by investing a substantive percentage of its budget towards the education sector. Government is committed to making education accessible, affordable and equitable to all students in Fiji and is reflected in the initiatives undertaken by the Ministry such as providing fee-free ECE, Primary and Secondary school Education for all Fijian children. Other initiatives include the free textbooks scheme, the provision of free transport assistance and the free milk initiative for Year 1.

The *Free Education Grant*, formerly known as *Tuition Fee Free Grant* (TFFG) is one of the government initiatives that has been in existence since 2014 and is aimed at ensuring that parents do not have to bear the burden of paying tuition for their children attending primary and secondary schools. This is applicable to all Fiji Citizens enrolled in schools from year 1 to year 13.

The Ministry of Education is responsible for the delivery of government priority areas in education through the design, implementation, monitoring and evaluation of educational legislation, policies and programs in Fiji.<sup>21</sup> In 2014, the Ministry received one of the largest allocations of any Fijian

<sup>19</sup> The Financial Transaction Reporting Act of 2004 is mostly used by the Reserve Bank of Fiji and the Office of the Director of Public Prosecutions.

<sup>20</sup> The Extradition Act of 2003 is used by the Attorney General's Office and the Office of the Director of Public Prosecutions.

<sup>21</sup> Fiji Budget Estimates 2014, p.149.

budget to deliver the Government's introduction of free tuition for the nation's primary and secondary school students.<sup>22</sup>

At the inception of the initiative, government had allocated a budget of \$31.5 million in 2015 and \$31.4 million for each year beginning 2015, 2016, 2016/2017 and 2017/2018. Comparison of the Actual expenditure against the respective year's budget as detailed in Table 1.2 below also reflect savings or unutilised budget at year end.

**Table 1.2: Analysis of Budgeted and Actual Expenditures**

Year	Budget (\$)	Actuals (\$)	Variance (\$)
2014	31,513,440	24,595,191	(6,918,249)
2015	31,400,000	31,114,670	(285,330)
2016	31,433,340	18,573,052	(12,860,288)
2016/2017	31,433,440	31,081,184	(352,256)
2017/2018	31,433,440	26,104,996	(5,328,444)

Source: Budgeted figures are sourced from the Budget Appropriation and the Actual figures for Free Education Grant for Secondary Schools are sourced from the Financial Management Information System (FMIS).

In 2017, the Ministry of Education issued the revised *School Management Handbook 2017* to guide the administration of education grants. Prior to the release of funds for the following school term, schools are required to submit audited financial reports and minutes of the school committee Annual General Meetings (AGM) to the ministry. The education grant is apportioned to be utilised for the following purposes:

Administration/ Management and office operations	30%
Building and compound maintenance	20%
IT computer and vocational materials	15%
Stationery	15%
Library & Textbooks	10%
Physical Education Music Art & Craft (PEMAC) and Science equipment	10%

Non-adherence to the *School Management Handbook 2017* and any utilisation of funds outside the purposes listed above leads to school funds being centralized either at the Ministry's head office or at the Divisional Education Office.

Schools are centralized based on the recommendation of the Deputy Secretaries following findings from internal audits conducted, and any request for due payments will be done by the Ministry on their behalf. This arrangement continues until schools reflect improvements.

### 1.3 Reasons for undertaking the audit

The Office of the Auditor General of the Republic of Fiji is a member of the INTOSAI Working Group on the Fight against Corruption and Money Laundering which has identified that for an effective fight against corruption, a national overarching framework including appropriate legislations

<sup>22</sup> Fiji Budget Estimates 2014, p.151.

needs to be implemented and enforced by the national government. As a result, the working group developed a guideline for auditing corruption prevention, numbered and titled ISSAI-5700: Guideline for the Audit of Corruption Prevention.

The Cooperative Performance Audit on the *institutional framework for fighting corruption* is undertaken as an INTOSAI Development Initiative (IDI) capacity building program for supreme audit institutions (SAI) following on from the adoption of the 2030 Agenda for Sustainable Development.

Corruption affects all SDG related sectors, undermining development outcomes and severely compromising efforts to achieve health, education, gender equality, climate action, water and sanitation and other goals. Thus enhancing transparency, accountability, and capacity of institutions responsible for preventing corruption is a fundamental starting point for developing good governance and fighting corruption.

At the national level, through this audit we look at the legal and institutional framework that provides for the Fiji Independent Commission against Corruption as the national anti-corruption agency and the extent in providing good governance and preventing corruption in the public sector.

The education sector is considered as a priority area by Government and is provided with a significant proportion of the nation's Budget annually. In making education accessible, the Ministry of Education provides free education initiatives to students from early childhood education (ECE) right up to secondary education. The initiatives include free education grant, free bus fare assistance, free textbooks and free milk to year 1 students in primary schools.

## 2.0 Audit Objective, Scope and Methodology

### 2.1 Audit objective

The objectives of the audit are:

- i. to assess the legal and institutional framework for fighting corruption and assess the extent to which FICAC has implemented strategies towards corruption prevention in the Education sector; and
- ii. to assess the effectiveness of systems to prevent corruption in the disbursement of Free Education Grant.

### 2.2 Audit scope

At the whole of government level, this audit looks at the Fiji Independent Commission against Corruption (FICAC) as the established national anti-corruption agency. Audit looked at the adequacy of the *Fiji Independent Commission against Corruption (FICAC) Act 2007* in providing the legal and institutional framework for establishing the national anti-corruption agency and ensuring its powers to execute its functions effectively and independently, as well as being transparent and accountable. The audit was restricted to information obtained from annual reports provided by FICAC and answers to questionnaires obtained through interviews. The extent of the corruption preventive programs undertaken by the FICAC for the public sector, in particular for the Ministry of Education for the financial years 2014 to 2016/2017 is based on published information as per its Annual Reports, and were not verified to source due to restrictions in the FICAC Act.

At the sector level, this audit looks at the corruption preventive systems in place for the Ministry of Education's Free Education Grant Scheme. Using a combination of systems based and results based approach, we scrutinised records and activities undertaken within the financial years 2014 to 2016/2017 and in 2018. The audit looked only at Free Education Grants (FEGs) given to secondary schools, sampling a total of 109 secondary schools.

### 2.3 Audit methodology

We gathered evidence through the following methods:

1. Interviews of key personnel at the following agencies:
  - i. the Ministry of Education;
  - ii. the Fiji Independent Commission for Anti-Corruption; and
  - iii. the Solicitor General's Office

Name	Organisation
Principal Corruption Prevention Officer	FICAC
Manager Corruption Prevention	FICAC
Senior Legal Officer	Solicitor General's Office
<b>Ministry of Education Heritage &amp; Arts</b>	
Director Finance	MoEHA
AAO Secondary Unit	MoEHA
Procurement Office	MoEHA
SOA TAO	MoEHA
Manager HR	MoEHA
	MoEHA

Name	Organisation
<b>Secondary Schools</b>	
Bursar	SMBHS
Bursar	SDAVGC
Bursar	SSSSS
Bursar	SJNC
Bursar	SYSSS
Bursars	SJWSS
Acting Bursar	SSHC
Bursar	SNSS
Principal, Bursar	SBMS
Bursar	SAHS
Senior Admin officer, Principal	SMGMS
Principal	SWCC
Principal/Bursar	SJC
Bursar	SBC
Bursar	SRSS
Principal	NBDSS
Principal	NAMC
Bursar	NTNHS
Bursars	NLMS
Outgoing principal, principal, Bursar	NBSS
Bursar	NMSS
Bursar	NLSS
Principal	NDSS
Principal	RNSS
Principal/Bursar	RPSS
Bursar	BTADPC
Administration Officer	BTTDS
Principal, Bursar	BTKC
Bursar	BTXC
Principal, Bursar	BTBMHS
Outgoing Principal/Principal	NTBHS
Vice Principal, Bursar	LTNJWHS
Principal , Bursar	LTNMSC
Bursar	LTNSC
Principal	LTNNSSKMC
Bursar	LTNRNSS
Principal, Bursar	LTNNMSS
Bursar	NNKC
Principal	NNLSS
Principal, Bursar	NNNAC
Outgoing Principal, Principal, Bursar	SRLSS

2. Desktop review of documents obtained from the Fiji Independent Commission against Corruption and the Ministry of Education such as legislations, policies, strategies, procurement documents; monitoring reports; annual reports, media articles, etc.
3. Document reviews of literature accessed from the internet, the media, websites, etc.
4. Analyses of information/data gathered from documents reviewed for the FICAC and the Ministry of Education.

5. Walk through tests of *Fiji Education Management Information System* (FEMIS) for a sample of 109 out of the total 173 secondary schools around the country.
6. Questionnaire issued to the Ministry of Education and schools visited.
7. Site surveys of 41 schools selected from the Central Eastern and Western divisions were conducted to verify compliance with requirements of the Ministry of Education's *Financial Management Handbook 2017*.

## 2.4 Audit criteria and sources

We used the *United Nations Convention against Corruption (UNCAC) Chapter II Article 6* and the *Fiji Independent Commission against Corruption Act 2007* to assess the preventative measures within the Fiji Independent Commission against Corruption.

Criteria to assess the effectiveness of mechanisms to prevent corruption in the Ministry's Free Education Grant scheme were drawn from the Ministry of Education's *Financial Management Handbook 2017*.

## 2.5 Audit limitations

Our examinations at the FICAC was limited to records publicly available due to requirements of section 16 of the FICAC Act restricting audit access only to financial and expenditure accounts maintained by the Commission's Finance Department.



### 3.0 Strengthening the national anti-corruption agency

This chapter discusses key actions required of State Parties to UNCAC under Article 6 to “ensure the existence of a body or bodies to prevent corruption (through knowledge dissemination and overseeing/coordinating preventive policies”.

The audit seeks to determine whether the legal and institutional framework establishing the national anti-corruption agency are adequate in ensuring its independence, implementation of anti-corruption policies and dissemination of knowledge, provision of adequate resourcing; and having properly trained staff.

#### 3.1 Legal and institutional framework for anti-corruption agency

*Each State Party shall grant the body or bodies the necessary independence, in accordance with the fundamental principles of its legal system, to enable the body or bodies to carry out its or their functions effectively and free from any undue influence.*<sup>23</sup>

The legal framework for the establishment of the Fiji Independent Commission against Corruption (FICAC) is laid down in the *Fiji Independent Commission against Corruption Promulgation No. 11 of 2007*, now enacted as the *FICAC Act 2007*. The establishment and independence of FICAC is further supported by its embedment in Fiji’s 2013 Constitution<sup>24</sup>.

An examination of the *FICAC Act 2007* reflects clarity at the outset in defining terminologies used and offences to which the Act applies. The Act provides definitions to clarify terms used such as “prescribed officer”, “public body” and “public servant”<sup>25</sup> and which are listed in the Glossary to this report. The Act also defines the offences to which the Act applies<sup>26</sup>. Detailed descriptions of the offences to which the Act applies are listed in **Appendix 1** to this report.

Section 5 of the Act not only provides for the appointment of the Commissioner by the President but also underpins the functional autonomy and independence of the Commissioner. The Act also defines the duties and powers of the Commissioner in undertaking its roles. FICAC’s independence is observed through the execution of its functions. The FICAC is perceived as independent in that it is not subject to the direction of anyone when conducting its investigations. The amendments to the *FICAC Promulgation* in 2016 has broadened the Commission’s independence in that it is now also empowered to restrict any person under investigation from leaving the country. Its jurisdiction has also expanded to investigating and prosecuting money laundering offences under the *Proceeds of Crimes Act 1997*.

The *FICAC Act* establishes the FICAC as the anti-corruption agency and also provides assurances of its powers, independence and financial support from government to enable it to execute its functions effectively. FICAC was established in 2007 and has since been led by the Deputy Commissioner.

Subsequent amendments have been made to the *FICAC Promulgation No. 11 of 2007*. The amendments to the principal *Promulgation* have been made to address changes in supporting legislations within the framework, to add to definitions of offences to which the *Promulgation* applies, extend the powers of FICAC to prosecute. Amendments to the principal *Promulgation* are listed in the table 3.1 below.

<sup>23</sup> UNCAC Article 6 paragraph 2

<sup>24</sup> 2013 Constitution section 115 (6)

<sup>25</sup> FICAC Act Section 2

<sup>26</sup> FICAC Act Section 2A



**Table 3.1: Subsequent amendments to the FICAC Promulgation No. 11 of 2007**

Date	Section amended	Amendments
14/9/2007	FICAC (Amendment) Promulgation 2007 (Decree No. 28 of 2007)	Amendments include repealing, additions and deletion, refer sections 2A ,2B, 10, 10B, 10C, 10D,12, 13, and 19  <i>Amendments:- New sections added:</i> Add new sections Section 12A and 12 B relating to powers of the Commissioner to investigate any offences under the Promulgation and prosecute in his own name. Section 13 (2A) Commissioner may instruct and retain any legal practitioner Section 13 AA – powers of the Commission's officers Section 13F relating to transfer of proceeding from the Commission to the Police or the Director of Public Prosecutions Section 19 – powers for Minister to make Regulations and forms
5/1/2009	FICAC (Amendment) Promulgation (No. 2 of 2009)	Amendment to Section 2A (d) by adding sub section (da) - offence of misconduct in public office. FICAC empowered to investigate and prosecute these offences regardless of when the offence was committed, that is to say, to an offence that was committed before the commencement of this Promulgation as well as to an offence committed after that commencement
14/4/2010	FICAC (Amendment) Decree 2010 (Decree No. 22 of 2010)	Amendments to section 2A (g) and (h), with respect to offences under the Penal Code; deletion of section 2A (i) (j) and (k) and subsequent renumbering of section 2A (l) (m) and (n) following the above
01/6/2016	FICAC (Amendment) Act 2016 (Act No. 13 of 2016)	Act to amend the FICAC Promulgation 2007 Amendments to sections 2,5,8,10,11,12,13,16,and 17 Section 16 subsection 1 deleted and replaced with <i>The Auditor General may at any time have access to the financial and expenditure accounts maintained by the finance department of the Commission.</i> Section 17 replaced with <i>the Commissioner must submit a copy of the annual report to the President within 3 months after the end of the financial year and Minister to table a copy of the annual report before Parliament.</i>
1/12/2016	FICAC (Amendment )Act (Act no. 31 of 2016)	Revised edition of the laws

Post audit, an amendment to the FICAC Act in 2019 now empowers the Judicial Services Commission to advise the President in consultations with the Attorney General in appointing the Commissioner and the Deputy Commissioner of the Commission.

Amendments made to the legal framework provide authority and empower the FICAC in carrying out its duties.

### 3.2 Ethics and Values

*No officer or former officer of the Commission nor any member or former member of the staff of the Commission shall, without the written permission of the Commissioner, publish or disclose to any person the contents of any document, communication or information relating to or connected to the functions of the Commission which has come to his/her knowledge in the course of his/her duties<sup>27</sup>.*

The FICAC has a Code of Conduct that its staff are required to abide by. The Code of Conduct provides guidance to staff on expected behaviours relating their conducts in the execution of their duties, in their interactions with each other and with others during the course of their duties, and in the use of FICAC assets. The Code of Conduct includes integrity, impartiality, discretion, courtesy and respect, diversity, conflict of interest, Use of FICAC logo, property, facilities and supplies, external activities, press relations, public statement and publications, non-disclosure and confidentiality, acceptance of gifts, decorations and honours, post FICAC employment, political activities, dress code, identification cards and stationery<sup>28</sup>.

The Act provides punitive measure to address contravention to confidentiality. However, we were not allowed to access records at FICAC and thus were unable to establish how the code of conduct and values are upheld.

### 3.3 Accountability and Transparency of the anti-corruption agency

*The Commissioner is appointed by the President<sup>29</sup> and is required to submit a copy of the Commission's annual reports to the President and Minister within 3 months after the end of the financial year and subsequently tabled before Parliament<sup>30</sup>.*

The Commission's annual reports for the years 2014 to 2017 have been submitted to the President and tabled in Parliament by the Minister responsible. Refer Table 3.2 below. The tabled annual reports are also discussed by the Parliament's Standing Committee on Justice, Law and Human Rights.

**Table 3.2: Submission of annual reports 2014 – 2017**

Year	Date submitted	Parliamentary Paper No.
2014	31 March 2015	23/2015
2015	2016	49/2016
1/1– 31/7/2016	30 October 2017	122/2017
1/8/16 – 31/7/2017	1 March 2018	46/2018

Source: [www.parliament.gov.fj](http://www.parliament.gov.fj) and FICAC Annual reports 2014, 2015, 2016, 2016/2017

The last financial statement audited was for the year ended 31 July 2017 had an unqualified audit report as issued on January 2018<sup>31</sup>. The Commission's financial statements for the year ending 31 July 2018 have also been audited and issued with an unqualified opinion on 20 December 2018.

The annual reports of the Commission also disclose the activities undertaken for the detection and prevention of corruption, as well as the resourcing of the Commission. However, we were not provided access to documentary records of these reported activities. Even though the Commission facilitated the planning of this audit, the field conduct was hindered by the confusion about the interpretation of the amendment in the in the FICAC Amendment Act 2016.

<sup>27</sup> FICAC Act 2007 section 13G

<sup>28</sup> [www.ficac.org.fj/about\\_us\\_code\\_of\\_conduct](http://www.ficac.org.fj/about_us_code_of_conduct)

<sup>29</sup> FICAC Act 2007 section 5

<sup>30</sup> FICAC Act 2007 section 17(1)

<sup>31</sup> FICAC Annual Report 1 August 2016 - 31 July 2017

Upon request to commence the field conduct of this audit, two officers of FICAC visited the Office of the Auditor-General on 24<sup>th</sup> April 2018 to discuss the dilemma in regards to the interpretation of the FICAC Act preferring that an interpretation or approval to conduct the audit be obtained first from the Solicitor General's office. This was their stance despite discussing the powers of the Auditor General under the constitution which confers further functions and powers including the conduct of Performance audit<sup>32</sup>.

Discussions with a designated officer of the Solicitor Generals' office echoed the independence of FICAC and their ability to make their own decision. Furthermore, given the complication, she agreed on actions taken so far by audit to use published and publicly available information. Legal advice sought by the OAG provided that *"save for the application of Section 16(as amended) of FICAC Act 2007, there is no provision of law within the FICAC Act 2007 that in any way precludes or bars the Auditor General from conducting a performance audit or its function under section 152 of the Constitution."*

Thus, we were not able to conduct due audit procedures and processes at the FICAC premises except to use publically available information about FICAC in this report. Audit verification could not be carried out as access to records were denied given the dilemma in interpreting the amendment to the FICAC Act in 2016. The willingness of officers to assist was compounded by this dilemma. The table below illustrates amendments to the FICAC legislation which restricts our access to the financial records and expenditure records maintained by the Finance Department of FICAC.

**Table 3.3: FICAC Act amendment in regards to audit**

Legislation	Change
Fiji Independent Commission Against Corruption Promulgation 2007 Section 16 (1)	16.- (1) The Auditor General shall at any time be entitled to have access to all accounts maintained under section 15(1) and he may require such information and explanation thereon as he thinks fit.
Fiji Independent Commission Against Corruption Amendment Act 2016 Section 16 (1)	The Auditor-General may, at any time, have access to the financial and expenditure accounts maintained by the finance department of the Commission.

However, we acknowledge the co-operations of the officers of the Commission and the Solicitor General's Office on the interviews and meetings conducted to enable responses to questionnaires communicated.

### 3.4 Resourcing of the anti-corruption agency

*Following consultations with the Attorney General, the expenses of the Commission shall always be met by Government<sup>33</sup>. The necessary material resources and specialized staff, as well as the training that such staff may require to carry out their functions, should be provided<sup>34</sup>.*

As an independent institution, the Commission is provided funds through the annual budget of government to fund its operations. FICAC has been provided an annual budget of \$8.5million<sup>35</sup> since 2014 to fund its functions as implemented through its five departments, namely the Investigations, Complaints, Corruption Prevention, Legal, and Finance & Administration Departments.

<sup>32</sup> Constitution of the Republic of Fiji section 152 (3); Audit Act sec 6A for PA

<sup>33</sup> FICAC Act 2007 section 4

<sup>34</sup> UNCAC Article 6 paragraph 2

<sup>35</sup> Fiji Budget Estimates for the FYs 2014, 2015, 2016, 2016/2017, 2017/2018

Section 8 of the Act empowers the Commissioner to appoint officers to assist the Commissioner in the performance of his or her functions. The Deputy Commissioner as the head of the Commission appoints, removes and disciplines all staff, as well as determining all matters pertaining to the employment of all staff in the Commission. The Commission has a total staff establishment of 152 as at July 2017 comprising of specialists in their various fields such as investigators, complaints officers, legal officers, paralegals, public relations officers, human resource administrators, accountants, etc.

The staff strength totalled 132 in 2014 and has increased to 152 by 2016. The Annual report shows notable increases in the staff establishments for the Investigation Unit and the Corruption Prevention Unit. Females comprises at least 46% of the staff establishment. Refer Table 3.4 below for details.

**Table 3.4: Staff resources and gender composition - 2014 – 2017**

Units	2014		2015		2016		2016/2017	
Executive	1		1		1		1	
Finance & Administration	4		5		31		32	
Legal	23		26		13		16	
Investigation	13		14		75		71	
Complaints	63		76		10		11	
Corruption Prevention	10		10		22		21	
<b>Total staffing</b>	<b>18</b>		<b>22</b>		<b>22</b>		<b>21</b>	
	<b>132</b>		<b>144</b>		<b>152</b>		<b>152</b>	
Gender composition	2014		2015		2016		2016/2017	
	No.	%	No.	%	No.	%	No.	%
Females	62	47	72	47	71	47	70	46
Males	70	53	82	53	81	53	82	54
<b>Total</b>	<b>132</b>	100	<b>154</b>	100	<b>152</b>	100	<b>152</b>	100

Source: FICAC Annual reports 2014, 2015, 2016, 2016/2017

We noted from our review of annual reports that the Commission sends its staff to attend meetings and for work attachments, as well as provides opportunities for training for its staff both locally and abroad in all areas of its operations. The trainings and work attachments are related to knowledge/skills enhancement and professional development on anti-corruption. Details of trainings provided for the Commission's employees over the 4 years 2014 to 2017 are listed in Table 3.5 below with attendances ranging from one officer per training to as many as 137 for other sessions.

**Table 3.5: Trainings provided from 2014 – 2017**

Training provided	2014	2015	2016 (6 months)	2016/2017
	No. of training	No. of training	No. of training	No. of training
Internal	31	6	10	
Local	33	74	10	71
Overseas	18	13	6	15
<b>Total</b>	<b>82</b>	<b>93</b>	<b>26</b>	<b>86</b>

Source: FICAC Annual reports 2014, 2015, 2016, 2016/2017

With the funding provided by Government, the Commission has been able to employ skilled persons to carry out the functions of the Commission and to provide them with relevant training for development. The funds received from Government has also enabled the Commission in undertaking activities aimed at preventing corruption, details of which are provided under section 3.5 below.

### 3.5 Measures for preventing corruption

Each State Party shall endeavour to establish and promote effective practices aimed at the prevention of corruption<sup>36</sup>. Each State Party shall, in accordance with the fundamental principles of its legal system, ensure the existence of a body or bodies, as appropriate that prevent corruption by such means as increasing and disseminating knowledge about the prevention of corruption<sup>37</sup>.

Under Section 12 of the FICAC Act the Commissioner, through the Deputy Commissioner and/or his officers, is responsible for:

- examining the practices and procedures of Government departments and public bodies, in order to facilitate the discovery of corrupt practices and to secure the revision of methods of work or procedures which, in the opinion of the Commissioner, may be conducive to corrupt practices;
- instruct, advise and assist any person, on the latter's request, on ways in which corrupt practices may be eliminated by such person;
- advise heads of Government departments or of public bodies of changes in practices or procedures compatible with the effective discharge of the duties of such departments or public bodies which the Commissioner thinks necessary to reduce the likelihood of the occurrence of corrupt practices; and
- educate the public against the evils of corruption; and enlist and foster public support in combating corruption

The Commission fulfils the above responsibilities by providing public education and awareness creation; offering advisory services; enhancing integrity in the public service; promoting standards and best practices; building partnerships and coalitions against corruption and undertaking research on corruption and governance related issues. These responsibilities are executed by the Corruption Prevention Department (CPD) as the proactive arm of the FICAC. The functions of the proactive arm are implemented through the Research & Advocacy Section (RAS), the Monitoring & Evaluation section (MES), and the Production Section.

Due to limitations in accessing source documents from the Commission, we ascertained the following activities undertaken by the Corruption Prevention Department in creating awareness of corruption through review of its annual reports.

#### 3.5.1 Anticorruption awareness trainings

The Research & Advocacy Section (R&AS) facilitates and conducts anti-corruption awareness sessions/workshops. In its Annual Reports, the Commission reported an increase in the numbers of awareness sessions/workshops directed at public sector entities (i.e. government ministries, departments, statutory bodies and state owned entities), private sector bodies (companies, entities), schools (primary, secondary and tertiary institutes) and communities in all three divisions around the country. Refer Table 3.6 below.

**Table 3.6: Summary of awareness sessions/workshops conducted from 2014 – 2017**

Type of audience	2014	2015	2016(7 months)	2016/2017
Public sector	74	108	48	144
Private sector		3	11	63
Schools	8	25	44	111
Communities/	26	107	87	117
Government road shows		4	1	
<b>Total no. of awareness sessions conducted</b>		<b>247</b>	<b>191</b>	<b>435</b>

Source: FICAC Annual reports 2014, 2015, 2016, 2016/2017

<sup>36</sup> UNCAC Article 5(2)

<sup>37</sup> UNCAC Article 6 paragraph 1

### 3.5.2 Integrity assessment trainings

The Integrity Assessment Section (IAS) carries out integrity assessment workshops using the Corruption Impact Assessment tool. The workshops are aimed at assisting organisations in identifying gaps that are more prone to corruptive situations and offer advice on ways in which corrupt practices can be eliminated. Based on figures disclosed in the Commission's Annual Reports, the IAS has conducted 10 integrity assessments with six institutions in 2015, 16 workshops with six institutions in 2016, and four in 2017. Six similar trainings then referred to as Corruption Prevention Risk Reduction (CP2R) Workshops were conducted for three entities in 2014.

In 2017, the Commission's Corruption Prevention Department introduced trainings on *Corporate Integrity Pledge*, *Anti-bribery training*, *Ethics and values awareness trainings*, and *Good Kiddo Program*. It also organized a *Young Leaders Seminar* in conjunction with the International Anticorruption Day. A breakdown of trainings provided for the newly introduced training as extracted from the Annual Reports are listed in Table 3.7 below.

**Table 3.7: Summary of trainings introduced in 2017**

Training particulars	2016/2017
Corporate integrity pledge training	17
Anti-bribery training	7
Ethics and values awareness training	7
Good Kiddo program	76
Young leaders seminar	1
<b>Total no. of trainings conducted</b>	<b>108</b>

Source: FICAC Annual report 2016/2017

### 3.5.3 Anticorruption media promotion

Corruption awareness is also promoted through the Graphics Section's function. Apart from attending to media queries, this section is also responsible for releasing press statements, and organising advertising and publications of all relevant materials and commercials for the Commission. Statistics reflected in FICAC's Annual Reports reported awareness campaigns conducted by the Commission over the 3 years 2015 to 2017 as reflected in Table 3.8 below.

**Table 3.8: Awareness campaigns from 2014 - 2017**

Publications	2015	2016 (upto 31/7/16)	2016/2017
Talk back shows	9	6	11
Media/ TV advertisement/cinema advertisement	28	196	52
News articles/public relations	424	140	368
Billboard advertisements		3	
Website	18		
<b>Total</b>	<b>479</b>	<b>345</b>	<b>431</b>

Source: FICAC Annual reports 2014, 2015, 2016, 2016/2017

### 3.5.4 Evaluation of effectiveness of awareness trainings

The Monitoring & Evaluation Section (MES) evaluates the effectiveness of the Department's efforts and activities aimed at preventing corruption. The MES evaluates feedback received from participants, institutions and communities to gauge the effectiveness of the Department's awareness and training programs.



A comparison of the Commission's annual reports for 2016 and 2016/2017 reflected an increase in feedback received from participants attending trainings from 437 in 2016 to 1,201 in the FY 2016/2017. In 2017 the MES received evaluation feedback on trainings conducted in 2016 from 1,201 participants from 86 institutes. Evaluation feedback for trainings conducted in 2015 were received from 437 participants from 32 institutions.

We were not able to examine the evaluation done by the MES or to conduct an evaluation of feedbacks received from participants as reported given the limitation in accessing the records.

### 3.5.5 Preventing corruption partnership with other stakeholders

FICAC in partnership with the Ministry of Education have designed and developed the National Anti-Corruption Curriculum (NACC) and its implementation to all primary and secondary schools in Fiji is anticipated by 2019. In February 2018, the NACC resource manual was launched to teachers in the Northern Division. The objective of curriculum is to shape children's personality that will drive them to live a life free of corruption.

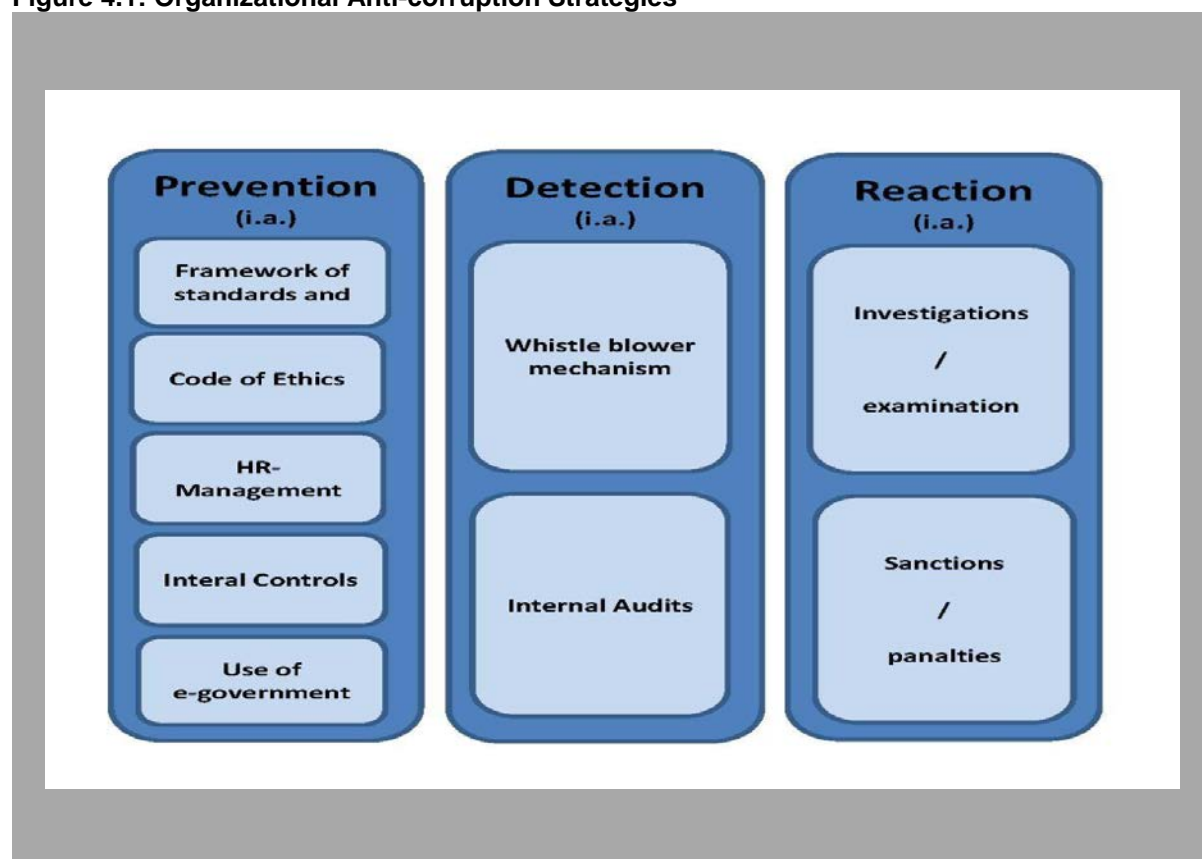
Apart from the collaboration and arrangements with the Ministry of Education, we were unable to access information on corruption prevention engagements with the other 'pillars' that also play a major role in the national institutional framework for preventing crime. The National Integrity System (refer Figure 1.2) has been promoted by major stakeholders including World Bank publications depicting a necessary effectiveness on all pillars for the national institutional framework to prevent corruption.

## 4.0 Sectoral approach to fight corruption in the Education Sector in the disbursement of Free Education Grants

A comprehensive and reasonable anti-corruption programme has to be integrated into the overall organizational structure and must focus on three elements of *prevention, detection and reaction*<sup>38</sup>. Figure 4.1 below depicts anti-corruption strategies that can be implemented in an organization.

In this chapter, we focus on the corruption prevention strategies implemented by the Ministry of Education in the administration of the Free Education Grant using the requirements as listed in the first column of Figure 4.1 below.

**Figure 4.1: Organizational Anti-corruption Strategies**



Source: ISSAI 5700 section 2.5 Anti-Corruption Program (Modules of corruption prevention)

### 4.1 Appropriate framework of standards and regulation

#### 4.1.1 Legislations and Constitution

Legislation is one of the most important instruments of government in organising society and protecting citizens. It determines amongst others the rights and responsibilities of individuals and authorities to whom the legislation applies.<sup>39</sup>

Legislation needs to be drawn to clearly define the roles and responsibilities of the Ministry in their roles in free education in primary and secondary schools. In addition Legislations will also need to be

<sup>38</sup> ISSAI 5700 section 2.5 Anti-Corruption Program (Modules of corruption prevention)

<sup>39</sup>Best practice – Importance of Legislation, Auditing SA, Professor Herman de Jager refer [https://repository.up.ac.za/bitstream/handle/2263/14758/DeJager\\_Importance%282000%29.pdf?sequence=1&isAllowed=y](https://repository.up.ac.za/bitstream/handle/2263/14758/DeJager_Importance%282000%29.pdf?sequence=1&isAllowed=y).



*constantly reviewed to ensure that all changes are being incorporated in the legislation to ensure that it is legally being enforced.*<sup>40</sup>

In introducing the MoEHA School Management Handbook of 2017, the former Permanent Secretary, stated that the Ministry of Education is guided by the Education Act and the 2013 Constitution to pursue opportunities and establish partnerships for the effective and efficient delivery of education services.<sup>41</sup>

The Fiji Constitution which was signed into law in September 2013 recognized through Section 31 that:

1. Every person has the right to-
  - a) early childhood education;
  - b) primary and secondary education; and
  - c) further education.
2. The State must take reasonable measures within its available resources to achieve the progressive realisation of the right-
  - a) to free early childhood, primary, secondary and further education; and
  - b) to education for persons who were unable to complete their primary and secondary education.
3. Conversational and contemporary i-Taukei and Fijian Hindi languages shall be taught as compulsory subjects in all primary schools.
4. The State may direct any educational institution to teach subjects pertaining to health, civic education and issues of national interest and any educational institution must comply with any such directions made by the State.
5. In applying any right under this section, if the State claims that it does not have the resources to implement the right; it is the responsibility of the State to show that the resources are not available.

Various changes that have been effected in policies and procedures are tabled below.

**Table 4.1: Changes in policies and procedures over the years**

Changes over the Years	Change reflected in policy/procedure	Name of Policy/Procedure
In 2014, the MoEHA received one of the largest allocations of any Fijian budget to deliver the Government's introduction of free tuition for the nation's primary and secondary students known as the Tuition Fee Free Grant (TFFG). <sup>42</sup> In 2017, this initiative was later known as the Free Education Grant (FEG) anticipating Free Education for Year 1 to Year 13. <sup>43</sup>	Yes	I. The School Management Handbook of 2014; II. The TFFG Policy of 2016; and III. The MoEHA School Management Handbook 2017.
In 2012, the single school information system that was developed and then	Yes	The FEMIS Policy

<sup>40</sup> Best Practice – Guideline for the review of legislation, Commissioners forward address, at: [https://publicsector.wa.gov.au/sites/default/files/documents/guidelines\\_for\\_the\\_review\\_of\\_legislation.pdf](https://publicsector.wa.gov.au/sites/default/files/documents/guidelines_for_the_review_of_legislation.pdf)

<sup>41</sup> Permanent Secretary, Foreword Message, MoEHA School Management Handbook 2017.

<sup>42</sup> 2015 Budget estimates, p.151.

<sup>43</sup> Confirmation from Secondary Unit dated 20 July 2018.

enhanced to store most required data known as SIMS, was replaced by the web-based FEMIS. <sup>44</sup> Managers should ensure that their names are updated on FEMIS. The MoEHA will recognize the managers as will be registered in FEMIS. The PSE shall have the power to register, de-register or refuse registration to, a person as school manager annually. <sup>45</sup>		
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The right to education as enshrined under section 31 of the 2013 Constitution has prompted changes in the respective policies and procedures identified above in support of the right to education. However, it is noted that the Education Act (as summarised in **Appendix 2**) is yet to capture these changes. Even though the legislations have subsequently been amended over the years, we noted that key areas noted in Table 4.1 were still not captured in the legislation as it has not been holistically reviewed for the past 40 years since its inception in 1978.

Discussions with Director Finance<sup>46</sup> at MoEHA, revealed that, amongst others, the Education Act of 1978 is currently under review with the Solicitor General's (SG's) Office since 2016. A perusal of the MoEHA School Management 2017 Handbook has also confirmed this statement.<sup>47</sup> The Permanent Secretary for Education further confirmed at the exit meeting that the review of the legislation has been with SG's office for some time now.

Timely reviews will enable all changes over the years to be incorporated in the legislation. This will ensure that it is enforceable. Delays in review of the legislation governing the Free Education Grant (FEG) can prevent effective management of the FEG.

#### Recommendation:

**The MoEHA should pursue the review of its legislation currently with the Solicitor General's Office to enable its immediate enforcement.**

### 4.1.2 Policies and Procedures for the Free Education Grant

*Policies and procedures are designed to influence and determine all major decisions and actions, and all activities take place within the boundaries set by them. Together, they ensure that a point of view held by the governing body of an organization is translated into steps that result in an outcome compatible with that view.<sup>48</sup>*

*Policies and regulations on the processes in the Ministry in respect to free education are clearly documented and all staff are aware of these.<sup>49</sup>*

The Free Education Grant has been one of the government initiatives that has been in existence since 2014<sup>50</sup> in the which, the MoEHA had received one of the largest allocations of any Fijian budget to deliver the Government's introduction of free tuition for the nation's primary and

<sup>44</sup> FEMIS policy, p.2

<sup>45</sup> MoEHA School Management Handbook 2017, section A.4, p.10

<sup>46</sup> Discussion on 08 June 2018.

<sup>47</sup> MoEHA School Management Handbook 2017, section A9.14, p.20

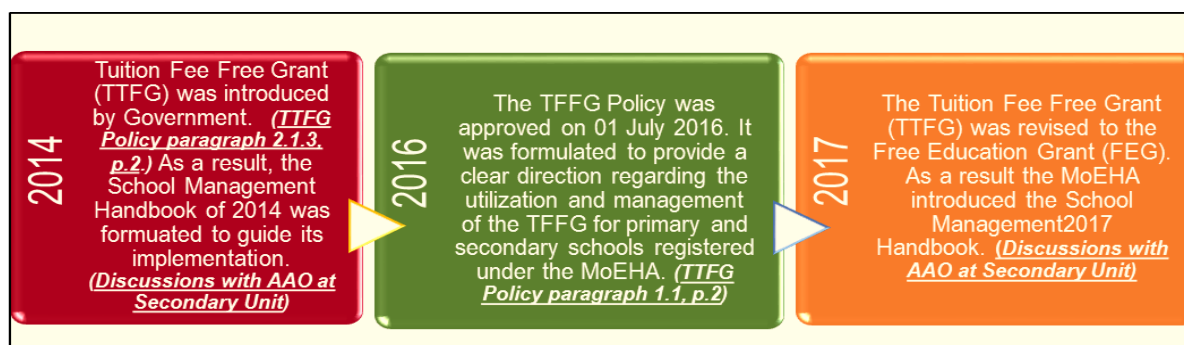
<sup>48</sup> Best Practice - Business Dictionary at: <http://www.businessdictionary.com/definition/policies-and-procedures.html>

<sup>49</sup> Best Practice – MoEHA School Management Handbook 2017, Former Permanent Secretary, Foreword Address

<sup>50</sup> Policy on Tuition Fee Free Grant for Primary and Secondary Schools, dated 01 July 2016, paragraph 2.1.3, p.2.

secondary students.<sup>51</sup> However, there have been numerous changes over the years and Figure 4.2 demonstrates these changes that the MoEHA has undertaken since inception of the Initiative in 2014 when it was known as Tuition Fee Free Grant (TFFG).

**Figure 4.2: Changes with provision of the TFFG since inception in 2014**



Source: Ministry of Education Heritage and Arts

Over the course of three years from 2014, the school management handbook to guide school boards and management on the utilisation of free education grants have been amended twice in 2016 and lately in 2017 as depicted in the graph above.

Furthermore, the Fiji Education Management Information System (FEMIS) policy was also recently established and approved on 04 September 2017. The main purpose of the FEMIS policy was to provide a framework that will enhance and facilitate effective, efficient and timely data collection from schools and reporting to the MoEHA and all local and International stakeholders. This policy is also designed to ensure that the collection and entry of data is undertaken with care and accurate reporting to support education based management, administration and activities and to continually raise the quality of data held in the FEMIS database.<sup>52</sup>

The School Management 2017 Handbook clearly documents the processes and internal control mechanisms within the Ministry for administering the FEG.

Timely reviews of the Handbooks ensures that current practices are authenticated as it is properly documented and information disseminated to the schools through the Education Officers. Also, compliance gaps will be bridged as a result of schools being aware of the new changes.

#### 4.1.3 Coordination of Stakeholders & Absence of MoU

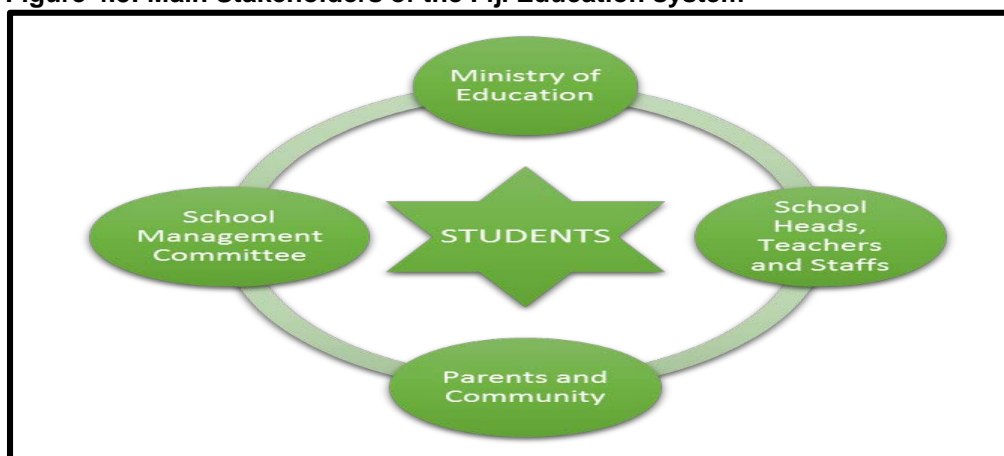
*The effectiveness of a school depends on the quality of the partnerships between its various individuals and groups. Showing mutual respect and understanding of the roles and responsibilities of all stakeholders is a key to developing and maintaining quality partnerships.*<sup>53</sup>

The main stakeholders of the Education system in Fiji as outlined in the School Management 2017 Handbook is shown in Figure 4.3 below.

<sup>51</sup> 2015 Budget estimates, p.151 paragraph 1

<sup>52</sup> Policy on Tuition Fee Free Grant for Primary and Secondary Schools, dated 01 July 2016, paragraph 1.1, p.2.

<sup>53</sup> MoEHA School Management Handbook 2017, section A.9.1, paragraph 1, p.17.

**Figure 4.3: Main Stakeholders of the Fiji Education system**

Source: MoEHA School Management Handbook 2017, pg.8

Even though the role of each stakeholder captured above is equally important, the School Management Committee plays a vital role in the school community. It provides a link between parents, the local community, the school staff and the Ministry of Education.<sup>54</sup> In this regard, the Act does provide specific insights on the requirements for School Management Committees. The Principal, Head Teacher or Early Childhood Education (ECE) Teacher (for standalone ECE) is the representative of the Ministry at the school, and he/she must have a shared understanding with the school management committee.<sup>55</sup> **Appendix 3** captures the roles and responsibilities of each key stakeholder, while the following paragraphs raises issues on the perceived coordination arrangements that should exist.

All School Management receiving the TFFG grant shall sign a Memorandum of Understanding (hereinafter referred to as MOU) with MoEHA which reflect the parties' collaborative agreements of how the TFFG allocation shall be processed and outlines the important responsibilities for the use of TFFG.<sup>56</sup> A copy of the signed MOU shall be kept safely in the school and the original must be kept by MoEHA with the Finance Section and must be produced upon demand.<sup>57</sup> The MoEHA Finance Audit Team shall be in charge of keeping and maintaining a record of all Memorandums signed with the Schools on the usage of TFFG grants.<sup>58</sup>

We made several requests for copies of the MOU's between MoEHA and the various schools but this was not provided for our review.

The Director Finance confirmed that there was an MOU prepared for the entire Ministry but due to the office relocation, these agreements signed in 2014 have been misplaced. Furthermore officers handling these agreements are no longer with the Ministry but schools also maintain copies.

Properly documenting arrangements between stakeholders will ensure that roles and responsibilities are well defined and to ensure that inefficiencies are effectively eliminated.

Director Finance also revealed that the requirement for MOUs in the TFFG policy is appropriate because the schools' managements handle the finances (having authority to spend). Director

<sup>54</sup> MoEHA School Management Handbook 2017, p.8

<sup>55</sup> MoEHA School Management Handbook 2017, section A.1, paragraph 4, p.8

<sup>56</sup> Policy on Tuition Fee Free Grant for Primary and Secondary Schools, dated 01 July 2016.

<sup>57</sup> Policy on Tuition Fee Free Grant for Primary and Secondary Schools, dated 01 July 2016.

<sup>58</sup> Policy on Tuition Fee Free Grant for Primary and Secondary Schools, dated 01 July 2016.

further elaborated that the schools' management are not part of the Ministry, thus MOU/MOA's were necessary.

At the exit meeting held on the 29<sup>th</sup> November 2018, it was agreed that the Director Finance would send the e-copies of the MOU to schools for their endorsement and copies to be maintained by the Ministry.

### Recommendation

**The MoEHA should ensure that agreements are signed and securely kept as it will define the roles and responsibilities as well as ensure that inefficiencies and misinterpretations are eliminated.**

## 4.2 Transparency and accountability

*Transparency is important for the fight against corruption and the increase in the participation of citizen's that is not possible without sufficient level of information which is possible only through transparent work.*<sup>59</sup>

The education sector has proved to be a useful entry point for anticorruption education, be it delivered through projects or embedded in curricula. Measuring the results of such interventions presents methodological challenges, although it is understood that they are part of longer-term strategies to change both perceptions and behaviour.<sup>60</sup>

The main education areas to which these approaches are applied are education finance, school grants, school management, school personnel behaviour, and procurement. Local and appropriate tools, such as financial reporting on school notice boards can inform local oversight.

### 4.2.1 Awareness of the MoEHA 2017 School Management Handbook.

*The Ministry of Education Heritage and Arts (MoEHA) Handbook 2017, provides clear boundaries for school management to work in collaboration with the School Heads, and the Ministry of Education in the development of young children in our beloved Fiji.*<sup>61</sup>

The School Management handbook is a document, envisioned to bridge the divide that arises out of misconception and to create a harmonious environment that allows all education stakeholders to work in unity and achieve the desired output and outcome for the education sector. The school management is a critical public link to schools. Whether elected or appointed, school board members serve their communities in several important ways. For this reason, the handbook has been developed, to allow the school management team to explicitly perform their roles and responsibilities with clear direction. School management should thoroughly peruse and use it as a tool and a daily guide in their decision making in schools. This will ensure all regulations in place by the Ministry of Education are complied with and opportunities to develop the school to a better standard is attained.<sup>62</sup>

District Education Officers are responsible for ensuring that schools operate within Ministry of Education policies, procedures and guidelines. They play a key role in communicating the Ministry's expectations to school communities and reporting on school responses. Education officers are thereby able to make recommendations to the district Senior Education Officers and Divisional Education Officers.<sup>63</sup>

<sup>59</sup> [www.bos.re/du-eng/transparency](http://www.bos.re/du-eng/transparency)

<sup>60</sup> UNDP\_Education Sector 2.3

<sup>61</sup> MoEHA School Management Handbook 2017, Permanent Secretary's, Foreword Address.

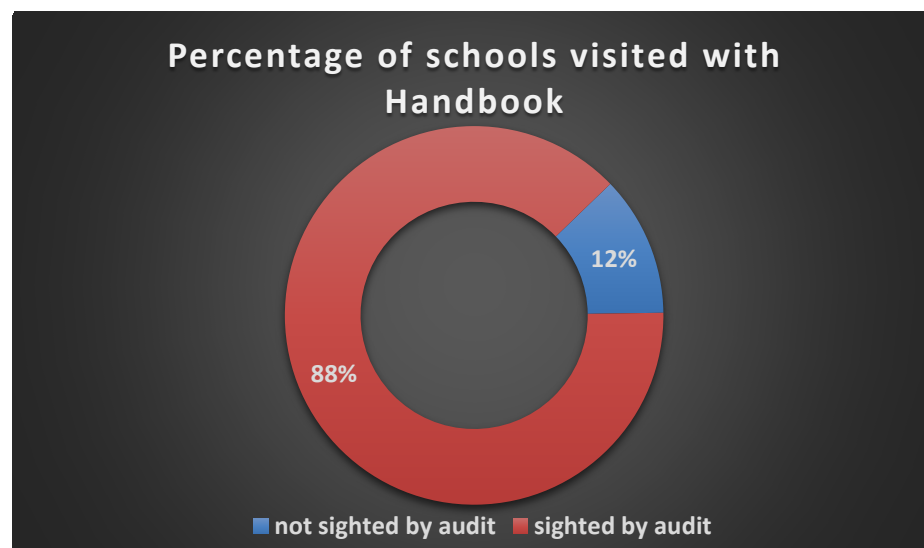
<sup>62</sup> MoEHA School Management Handbook 2017, Permanent Secretary's, Foreword Address.

<sup>63</sup> MoEHA School Management Handbook 2017, section A9.3 paragraph 1, p.18

The district education office is the most immediate line of communication between school management and the Ministry of Education. All communications including correspondence, submissions, applications and statistical returns are forwarded to the district education office.<sup>64</sup>

We noted that all schools asserted to have a copy of the MOEHA School Management Handbook which was confirmed by the school Bursars and Principals during our school visits. As reflected in Figure 4.4 below, of the 41 schools visited, audit verified availability of the school handbook at 36 (or 88%) of the schools visited whilst the remaining 5 (12%) schools visited did not have handbooks.

**Figure 4.4: 2017 School Management Handbooks maintained by Schools**



The following table outlines a brief summary as to why the five schools could not provide the handbook for our confirmation:

**Table 4.2: Responses from schools where handbooks not sighted by Audit**

School Name	Date of school visit	Reasons for not providing handbook
BTXC	28/08/2018	According to the Bursar, the Principal maintains a copy of the handbook but at the time of the visit, the Principal was not present as he had to attend some urgent school matters. But he managed to sign the questionnaire.
LTNRNSS	29/08/2018	According to the Bursar, the Principal maintains a copy of the handbook but at the time of the visit, the Principal was busy with urgent student matters.
LTN SC	29/08/2018	According to the Bursar, the Principal maintains a copy of the handbook but at the time of the visit, the Principal had gone home for the day.
LTNNMC	29/08/2018	According to the Bursar, the Principal maintains a copy of the handbook but at the time of the visit, the Principal was not present as he had to attend to urgent school matters.
TNC	29/08/2018	According to the Bursar, the school was not provided with the handbook. Principal and the Manager also did not have a copy of the handbook.

<sup>64</sup> MoEHA School Management Handbook 2017, section A9.3, paragraph 1 & 2, p.18.



Furthermore, we sought confirmation if school heads and Managers had undergone any awareness trainings or seminars on the provisions of the handbook. Response from the interviewees revealed that 17 out of the 41 schools visited confirmed that they did not attend any awareness trainings. Refer to **Appendix 4** for the various responses from schools. In addition, Bursars from some of the schools were not aware of the existence of the MoEHA School Management Handbook.

Lack of awareness on the School Management Handbook will hinder school management and head of schools performance in terms of being aware of the Ministry's expectations. Awareness of the contents of the School Management Handbook can reduce the anomalies in administering education grants and enhance accountabilities thus ensuring timely remittances of grants.

All schools should maintain a copy of the school management handbook. Regular awareness should also be conducted for school Heads and Bursars.

Director of Finance confirmed that currently, there were 6,000 copies of the Management Handbook available. First set of 3,000 copies printed were circulated to all school management committee and school heads but there is not more than 1,200 schools in the country. Second set of 3,000 were printed and more than a hundred copies were distributed to the district/divisions at the beginning of 2018 for their PV sessions and whenever they go for school visits.

Currently, the Education Offices are having sessions with all schools in terms of underperforming schools and so forth. Director added that during these sessions, the district/divisions education officers take copies of the handbook and distributed it to school representatives.

Director also confirmed that there have been awareness done at all levels, particularly, at the school head level and school management level and is ongoing. Director added that at the launching of the School Management Handbook they had workshops conducted in all nine districts in October 2017 and reports were prepared regarding the number of participants that were trained and so forth. Since then, they are responsible for delivering awareness trainings to the schools.

In addition, heads of schools attend training on financial management and have been advised to highlight any issues they have in regards to financial management. However, schools are responsible for advising school management committees and other administration staff as they have been appointed by them.

Director confirmed that awareness plans have been developed at the district/division levels.

## Recommendations

### The District/Division Offices should:

- ensure that awareness trainings are consistently being carried out at the schools; and
- ensure that any awareness plans developed are stringently adhered to.

## 4.3 Integrity

### 4.3.1 Code of Ethics and values

A code of ethics is a set of conventional principles binding any person, from managerial to official level, to properly behave in accordance with stakeholders' expectation. Code of ethics is a moral guidance to be obeyed by all management and staff in an organization to maintain individual and organization credibility. At the minimum, a code of ethics should set out:

- Core values of an institution, covering integrity, independence, objectivity, impartiality, confidentiality, and competence.
- Obligation of the institution's management and employees to meet the core values.<sup>65</sup>

Codes of conduct for education personnel can be effective if the teachers and community members are involved in developing them, the information and expectations in the codes are widely available to and understood by all stakeholders, and effective mechanisms are in place to enforce the codes.<sup>66</sup>

Effective corruption prevention could be achieved if all management and staff understand the institution's code of conduct properly. A good understanding of an institution's code of ethics can be achieved through a regular and effective dissemination of the code to every level of the organization.

Usually, a new employee is equipped with a complete set of company guidelines including the code of ethics. However, without any proper explanation on the substance of the code of ethics, the new employee would not get a comprehensive understanding and he/she may not practice it properly in daily business.<sup>67</sup>

#### 4.3.1.1 Code of Ethics for the School Management Committee

The term management committee refers to a group of people who are elected or appointed by the trustees as per school constitution. They are responsible for registering the school, ensuring the school is following government regulations and have the responsibility for the running of the school. The School Manager and the School Head work in partnership within their areas of responsibility to ensure the smooth running of the school. The head of the school is the academic authority and representative of the Ministry of Education.<sup>68</sup>

*Where the committee is also the controlling authority (Faith Based), a method of electing the committee is required. This needs to be described in the school constitution.<sup>69</sup> All committees are required to have the following.*

- *Every school is required to have a school manager and a treasurer who may be appointed by the trustees or and ex-officio manager – this is someone who obtains the position automatically because of another person, for example, for a Catholic church the Father becomes the manager for the school. The school constitution will determine how the Manager is selected. Every school must have a manager. One Manager cannot cover multiple schools as this is a requirement for receipt of the Free Education Grant (FEG).*

<sup>65</sup> ISSAI 5700 Section 2.5.1.2

<sup>66</sup> UNDP Education Sector pg. 26

<sup>67</sup> ISSAI 5700 Section 2.5.1.2

<sup>68</sup> MoEHA school handbook 2017, Section A.2 Paragraph 1, p.8

<sup>69</sup> MoEHA School Management Handbook 2017, section A.5, p.11.



- *The treasure may be elected, appointed by the trustees or an ex-officio Treasurer-this is someone who obtains the position automatically because of another position, for example, for a catholic church the Father becomes the manager for the school. The school constitution will determine how the Treasurer is selected. Every school must have a Treasurer. One Treasurer cannot cover multiple schools, this is a requirement for receipt of the FEG.<sup>70</sup>*
- *Other members of the School Management Committee may include –*
  - *Chairperson or a President;*
  - *School Head – does not have voting rights in the committee and is the advisor of the committee;*
  - *Secretary;*
  - *Treasurer (They can support the bursar or the finance team); and*
  - *Other representatives.*
  - *Each member and their representative must be described in the school constitution.<sup>71</sup>*
- *Other points to consider –*
  - *Teachers cannot be Trustees, School Managers, or members of the committee if they are working in the school.*
  - *If Signatories of the school account are related, or they are related to the school head the conflict must be declared to the PSE whilst registering as a manager.*
  - *Every school must have a Manager and Treasurer. One manager and/or Treasurer cannot cover multiple schools. Every school must have a separate bank account.<sup>72</sup>*

The appointment and roles of the school committee are clearly communicated in the 2017 Handbook. However, we noted that the School Committees Code of Ethics is not covered in the handbook.

We also noted that all the 41 schools visited have a School Management Committee. It was further noted that some schools do have committees that are elected from the controlling body. Accordingly, as stipulated in the School Management Handbook, this pertains to faith based schools.

We acknowledge the efforts of all the schools visited in establishing management committees.

Discussions during the exit interview revealed that this is beyond the Ministry as these committees have been appointed by the schools. The Ministry will try and incorporate in the sample constitution of the schools to have elements of ethics and anti-corruption and also include the terms of appointment for the management committees.

## Recommendation

**The Ministry should ensure that the Code of Ethics for the School Committee is incorporated in the school handbook.**

<sup>70</sup>MoEHA School Management Handbook 2017, section A.5, paragraph 1, p.12.

<sup>71</sup>MoEHA School Management Handbook 2017, section A.5, paragraph 2, p.12.

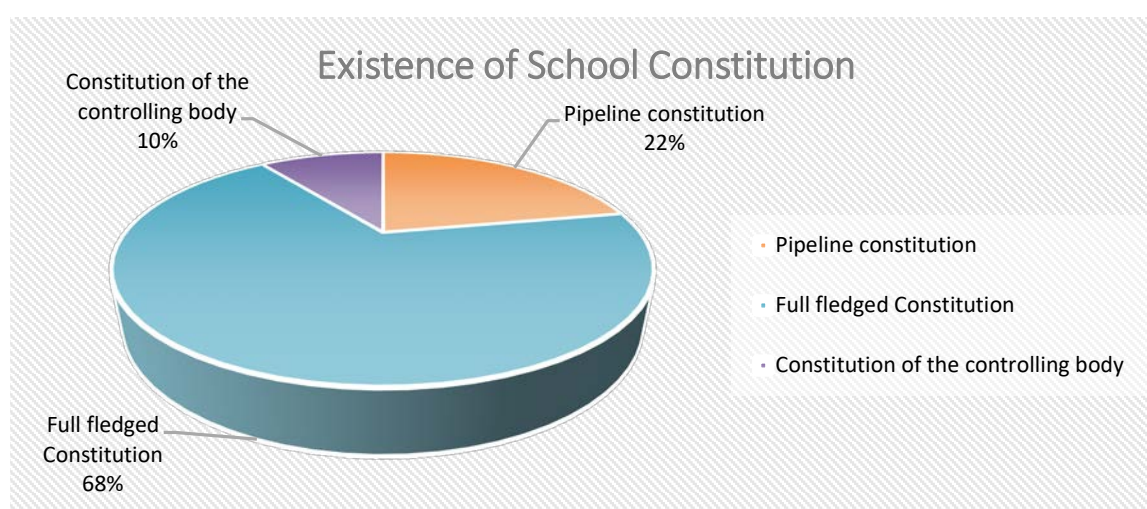
<sup>72</sup>MoEHA School Management Handbook 2017, section A.5, paragraph 3, p.12.

### 4.3.2 School Constitution

Each school committee should abide by its adopted constitution approved by the PSE. The School constitution is of fundamental importance to good governance. School Constitutions that are kept up-to-date and describes the school operating procedures ensure the smooth and efficient running of a school. The school constitution must be approved by the PSE.<sup>73</sup>

We noted from the analysis of responses received from schools visited (refer Figure 4.5 below) that 68% of the schools have their own constitution, 22% of the schools are still developing their constitutions, and the remaining 4 schools (i.e. 10%) use the same constitution of the controlling body.

**Figure 4.5: Ownership of Constitution**



We also noted some indicative responses from schools which are presented below.

**Table 4.3: Responses from schools on existence of school constitution**

School Name	Date of school visit	Responses from schools
TNC	29/8/18	Yes, yet to be signed and approved.
NBS	31/18/18	Yes, the board is currently working on it.
SBC	31/08/18	Yes, Manager and Bursar currently working on it.
SJC	31/08/18	Yes, still in draft stage.
SYSSS	28/8/18	Bursar yet to submit a copy
LHS	30/08/18	No constitution .However, current Principal and Manager are working on it.
SWCC	30/08/18	Yes in i-Taukei version and currently being translated to English
SJWC	28/8/18	The Principal is trying to blend the constitution with the handbook.
NDSS	29/08/18	Was in i-Taukei and is yet to be translated in to English.
NNAHS	27/08/18	School uses constitution of the controlling body but it has not been approved by the PSE.
BTTDS	27/08/18	Yes, they do have a constitution but it has gone for amendments.

<sup>73</sup> MoEHA School Management Handbook 2017, section A9.9, paragraph 1, p.19.

School Name	Date of school visit	Responses from schools
BTADPC	28/08/18	Principal has a copy of the old constitution but new version is being amended for submission to MoEHA before 15 September 2018.
SRLSS	31/08/18	Constitution written in i-Taukei language
SBMS	03/09/18	Currently being reviewed so as to be in line with the school administration's Constitution. <sup>74</sup>

In the absence of a constitution, schools may not be able to operate efficiently as having a constitution is fundamental to good governance.

All schools need a constitution to be developed at the local level to suit them. In addition, the School Constitution needs to be approved by PSE. Appendix 7 of the handbook outlines a sample framework of the school constitution.

Maintaining a school constitution is fundamental to good governance and ensure the efficient operation of the school.

The Ministry intends to develop a standard template on constitution that can incorporate elements of ethics and anti-corruption and also include terms of appointment for the school management committee.

#### Recommendation

**The Ministry should ensure that all schools have an updated constitution and ensure that it is approved by the Ministry.**

### 4.3.3 Monitoring Evaluation and Reporting

Even if the corruption prevention system is adequate and there are not serious corrupt or anti-integrity cases, the entities have to remain alert and establish continuous monitoring activities.

The head of the organization and senior management must establish a strategy to guarantee that a continuous monitoring process is present and effective, and that it allows for independent evaluations when deficiencies are detected. Effective monitoring and evaluation should focus on measuring outcomes and progress toward the achievement of objectives, rather than simply reviewing outputs and progress in implementing control activities.

There are different sorts of assessments that the entity can execute for specific aspects, such as design, implementation and impact assessments. The design evaluation contributes to determining the viability of the corruption prevention system, and to estimate the possibilities of success. It is done before the implementation of controls and it involves the analysis of the measurement methods.<sup>75</sup>

A report is a document containing information organized in a narrative, graphic, or tabular form, prepared on ad hoc, periodic, recurring, regular, or as required basis. Reports may refer to specific periods, events, occurrences, or subjects, and may be communicated or presented in oral or

<sup>74</sup> Responses to Questionnaire and interview with School Principal and Bursar on 3/9/2018

<sup>75</sup> ISSAI 5700

written form.<sup>76</sup> The purpose of a report is to provide information<sup>77</sup>, and convey results or progress or plans of some endeavour to people who have an interest.<sup>78</sup>

#### 4.3.4 Monitoring Framework & Evaluation

*A clear framework is essential to guide monitoring and evaluation. A framework should explain how the programme is supposed to work by laying out the components of the programme and the order of steps needed to achieve the desired results. A framework increases the understanding of the programmes goals and objectives, defines relationship between key factors to implementation and articulates the internal and external elements that could affect its success. A well thought out monitoring and evaluation framework can assist greatly with thinking the most appropriate ones to implement.*<sup>79</sup>

*Monitoring provides a means for ensuring that implementation goes according to plan. Similarly evaluation enables the determination of whether the handbook have fulfilled their objectives or not. Monitoring and evaluation are therefore essential elements for any process.*

*There is a need for prudent and rigorous monitoring to be conducted with relevant Information and data regarding verification. The exercise shall be thoroughly updated in the official monitoring matrix template, to certify vigilant monitoring for better grant utilization.*<sup>80</sup>

We note and acknowledge that the MoEHA has developed a monitoring framework in the form of a monitoring criteria/matrix. **Appendix 5** details the monitoring criteria/matrix.

We further noted that the monitoring criteria is directly extracted from the MoEHA 2017 Handbook which captures the following aspects:

- Financial Management in Schools;
- Relevant policies and documents;
- Financial planning and management roles;
- The various types of grants;
- Financial procedures and processes;
- Step by step payments process;
- School fundraising; and
- Process of transfer of funds between allocations (virement of funds).

Discussion held with officials from the Ministry's internal audit Unit revealed that there was no standard operating procedures in place to guide their work and they did not use the criteria above to monitor utilization of FEG. Furthermore, audit was normally carried out on schools based on complaints received against the schools.

It was noted that the monitoring criteria was developed by the Secondary School Unit and has been used till date.

We acknowledge the efforts done by MoEHA in the development and use of the monitoring criteria. We encourage the regular use of the criteria for monitoring purposes.

<sup>76</sup> Best Practice – Business Dictionary, also available at: <http://www.businessdictionary.com/definition/report.html>

<sup>77</sup> Best Practice – Business Dictionary, also available at: <http://www.businessdictionary.com/definition/report.html>

<sup>78</sup> Best Practice – Quora website, what is the significance/ importance of report writing?, also available at: <http://www.businessdictionary.com/definition/report.html>

<sup>79</sup> [www.endvawnow.org/en/articles1355-monitoring](http://www.endvawnow.org/en/articles1355-monitoring) and [evaluation-frameworks-3-parts.html](http://www.endvawnow.org/en/articles1355-monitoring)

<sup>80</sup> Policy on Tuition Fee Free Grant for Primary and Secondary Schools, dated 01 July 2016, paragraph 3.5.3, p.6.

The Director Finance while agreeing with the audit findings also declared that a 43 page monitoring guideline to be used by auditors in the conducts of their audit has been drafted. He confirmed that the draft monitoring guideline will be finalised by the incoming Manager Internal Audit.

Absence of a monitoring framework can result in officers not being aware of their monitoring responsibilities.

It has been confirmed by the Ministry that monitoring work on FEMIS is currently being carried out. Online audit of schools is also being carried out due to the lack of staff within the Ministry.

### Recommendation

**The Ministry should deliberate on formalizing the monitoring framework as soon as practicable.**

#### 4.3.5 Monitoring Responsibility

*To be effective, policies need to be publicised and provided to all existing and new employees. Policies should be written in plain English and ensure that all staffs understand what the policies mean. Policies should also explain how to comply with it and the implication of not complying.<sup>81</sup> Where policies are significantly changed, they should be re-issued to all staff and the changes explained to them to ensure they understand the organisation's new direction. These changes should also be widely publicised.<sup>82</sup>*

The Policy which is now outdated clearly states that the *MoEHA Finance Audit Team shall be responsible for monitoring the usage of the grant on a termly basis or when the need arises from time to time.*<sup>83</sup>

However, with the introduction of the MoEHA School Management Handbook in 2017, it stated that the monitoring responsibility rests with the Division and District Offices. In fact, it stipulated the following roles:

- Conduct awareness and trainings on financial management to school heads and committees twice a year;
- Monitor utilization and documentation of FEG in schools – this will include remote checks using FEMIS and site visits to schools;
- Facilitate transfer of funds requests to relevant directors for PSE's approval;
- Monitor the utilization of funds transferred;
- Prepare reports and send to relevant units at headquarters;
- Submit recommendations;
- Conduct follow-up visits and present photographic evidence; and
- Termly meetings with school managements.<sup>84</sup>

Discussions with officers at the Divisions during our school visits indicated that they are not aware of their monitoring responsibilities as they are unaware of the provisions of the Handbook.

<sup>81</sup> New South Wales Government Website, Industrial Relations, Workplace policies and procedures at [http://www.industrialrelations.nsw.gov.au/oirwww/Employment\\_info/Managing\\_employees/Workplace\\_policies\\_and\\_procedures.page](http://www.industrialrelations.nsw.gov.au/oirwww/Employment_info/Managing_employees/Workplace_policies_and_procedures.page)

<sup>82</sup> New South Wales Government Website, Industrial Relations, Workplace policies and procedures at [http://www.industrialrelations.nsw.gov.au/oirwww/Employment\\_info/Managing\\_employees/Workplace\\_policies\\_and\\_procedures.page](http://www.industrialrelations.nsw.gov.au/oirwww/Employment_info/Managing_employees/Workplace_policies_and_procedures.page)

<sup>83</sup> Policy on Tuition Fee Free Grant for Primary and Secondary Schools, dated 01 July 2016, paragraph 3.5.1, p.6.

<sup>84</sup> MoEHA School Management Handbook 2017, section B.4.1.5, p.26.

Inability to properly communicate the monitoring provisions can lead to monitoring activities not being carried out. As a result, there is a high risk of funds being used for other purposes without being detected at the division/district and Ministry level on a timely basis.

Changes in policies should be effectively communicated to the responsible parties so that activities are conducted according to plan.

The Director Finance confirmed that the audit teams are based in the district/divisional offices but there are vacant positions at the moment. The Director agreed that the auditors who are based at the districts/divisional offices as well as headquarters are responsible for the monitoring of utilization of FEG's at the schools. However, we advised that the School Management Handbook clearly stipulates that the district/divisional offices are responsible for monitoring FEG's. The Director Finance responded that this provision means that within the district office, amongst others, there would be auditors who will be responsible for monitoring school FEG's utilization within their jurisdictions. Director Finance confirmed that because they have so much complaints to investigate, they at times overlook their monitoring role.

From discussions on the 29<sup>th</sup> of November 2018, the Director Finance confirmed that complaints from schools are being attended to by the Auditors as it increases daily if not addressed. In addition, online auditing will be conducted on the FEMIS module and the reviewed handbook to also include monitoring of people handling finances in schools.

### Recommendation

**MoHEA should ensure that the monitoring responsibility is appropriately communicated to the respective section to ensure that they are aware of their roles and responsibilities.**

#### 4.3.6 Systematic Monitoring

*Monitoring is a periodic tracking (for example, daily, weekly, and monthly, quarterly and annually) of any activity's progress by systematically gathering and analyzing data and information. The target audience/beneficiaries must be defined along with what is being done, and whether the activities are being implemented as planned or not.<sup>85</sup>*

It was noted that monitoring was not conducted in a systematic manner and that verifications was mostly done on an ad-hoc basis. We further noted that verification was more towards investigations rather than monitoring. Hence actions taken were deemed to be reactive instead of being proactive. Discussions with officials at MoEHA revealed that the absence of a proper monitoring plan incorporating budgetary allocations was the main reason for the non-systematic conduct of monitoring activities.

In ability to properly plan and budget for the monitoring and evaluation activities shows lack of direction by the Finance Department and its relevant stakeholders. As a result, low priority has been given to monitoring activities which may limit the Finance Department's ability to carry out their responsibilities in order for corrective measures to be taken appropriately.

Monitoring should be conducted in a periodic manner either on a monthly, quarterly or annually basis and done consistently.

<sup>85</sup>M&E studies website – What is monitoring, also available online at: <http://www.mnestudies.com/monitoring/what-monitoring>.



Monitoring reports should be prepared to capture site visits and also capture the FEG used during the year and to ensure that FEG was being used for the intended purposes.

The Director Finance confirmed that the main reason why there is an absence of a monitoring plan for the auditors at the district/divisional offices as well as headquarters is because there is usually just one auditor available at the district/divisions. Director gave a specific example of the auditor at the western division. He explained that since there is just one person covering the whole area from Rakiraki to Sigatoka, he gets a lot of complaints for investigation which prevents him to perform structured auditing. In addition, the Director Finance has agreed that at the moment, the role of auditors at the district/division offices and headquarters are more towards complaints based approach. He clarified that this is just because of the lack of resources. However, Director Finance confirmed that there is a bit of monitoring in terms of FEMIS monitoring. Some of the systematic details that they scrutinize include school heads who are nearing retirement, newly appointed school heads etc. Overall, Director agreed that because of the absence of a monitoring plan, systematic monitoring cannot be achieved. He again emphasized that just because of the limited resources, having a monitoring plan may not be practical.

#### Recommendation

**The Director Finance should appropriately plan and budget the monitoring and evaluation activities for the Unit. This will ensure that targets are more realistic.**

#### 4.3.7 Performance Reports on Quality of AFR and Implementation of FEG

*Performance reporting is a means to an end, never an end in itself. The purpose of the information is to promote action. A good report should contain all the information necessary to facilitate decision making across organization. Having a robust system for collecting, storing and analysing financial and non-financial information is important.*<sup>86</sup>

Audit review of the Annual Corporate Plan and Business Plan revealed that under one of the MoEHA's core outputs (Output No.3 – Student's welfare) is the administration and management of Grants improved. A strategy of this sub-output is to ensure good governance in the management of grants in which two of its output indicators is the submission of monitoring reports on:

- (i) the quality of school's Audited Financial Reports;
- (ii) number of schools that submit AGM minutes and AFR ; and
- (iii) Implementation of FEG. Refer table 4.4 for monitoring activities captured in the Annual Corporate Plan (ACP) and Business Plan (BP).

**Table 4.4: Monitoring activities identified in the Annual Corporate Plan and Business Plan**

Year	Sub-output	Strategies and Timeframe	Output Indicators	Activities	M&E Strategy	Responsible for Implementation
<b>Annual Corporate Plan</b>						
2016/2017	Administration and management of Grants improved.	Ensure good governance in the management of grants.	Quarterly Reports on issues emanating from the	Captured in Business Plan below. However,	Captured in Business Plan below	Director Finance

<sup>86</sup> Best Practice – Performance Reporting to Boards: A guide to good practice, paragraph 4, p.6, refer [https://www.cimaglobal.com/Documents/ImportedDocuments/perf\\_reporting.pdf](https://www.cimaglobal.com/Documents/ImportedDocuments/perf_reporting.pdf)

Year	Sub-output	Strategies and Timeframe	Output Indicators	Activities	M&E Strategy	Responsible for Implementation
			Quality of Schools' Audited Financial Reports.	Target is 4 reports.		
			Quarterly Reports on the monitoring of the Tuition Fee Free Grant by July 2017.	Captured in Business Plan below. However, Target is 4 reports.	Captured in Business Plan below	Director Finance
2017/2018	Administration and management of Grants improved.	Ensure good governance in the management of grants.	Quarterly FEMIS and Audit Reports on the monitoring of the Tuition Fee Free Grant by July 2018.	Captured in Business Plan below However, Target is 4 reports.	Captured in Business Plan below	Director Finance
<b>ANNUAL BUSINESS PLAN</b>						
			Quarterly Reports on issues emanating from the Quality of schools Audited Financial Reports.	Compilation of issues raised from AFR's of schools and strategies developed to meet the challenges.	Monitoring reports	Director Finance
2016/2017	Administration and management of Grants improved.	Ensure good governance in the management of grants.	Number of schools that submit AGM Minutes and AFR.	Monitor submission of AGM Minutes and AFR.	Minutes and AFR	Director Primary Education, Director Secondary Education and Divisions
			Quarterly Reports on the monitoring of the Tuition Fee Free Grant by July 2017.	Monitoring of School's implementation of TFFG.	Monitoring Reports and Issues FEMIS and Audit Reports	Director Finance
2017/2018	Administration and management of Grants improved.	Ensure good governance in the management of grants.	Quarterly Reports on issues emanating from the Quality of	Compilation of issues raised from AFR's of schools and	Monitoring reports	Director Finance



Year	Sub-output	Strategies and Timeframe	Output Indicators	Activities	M&E Strategy	Responsible for Implementation
			Schools' Audited Financial Reports.	strategies developed to meet the challenges.		
			Number of schools that submit AGM Minutes and AFR.	Monitor submission of AGM Minutes and AFR.	Minutes and AFR	Director Primary Education, Director Secondary Education and Divisions
			Quarterly Reports on the monitoring of the Tuition Fee Free Grant by July 2018.	Monitoring of School's implementation of TFFG.	Monitoring Reports and Issues FEMIS and Audit Reports.	Director Finance

We acknowledge the efforts of MoHEA in outlining the above reporting strategies in the various plans. In addition, we also acknowledge the work done by the Secondary Department in monitoring FEG utilization reports received from the various districts and some even received from schools themselves.

We sighted the quarterly reports from the Director Finance and acknowledge the efforts pursued by both Departments in working towards their planned targets and activities.

Proper maintenance of documentary records ensure the availability of information which supports accountability and contributes towards the corporate knowledge.

#### 4.4 Appropriate Internal controls

Internal control is broadly defined as a process, affected by an organization's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations, reliability of financial and non-financial reporting and compliance with applicable laws and regulations.<sup>87</sup>

Internal control is also the process designed to ensure reliable financial reporting, effective and efficient operations, and compliance with applicable laws in order to safeguard organization assets against theft and unauthorized use, acquisition or disposal.<sup>88</sup>

Appropriate documentation of FEG received and payments made should be clearly documented to ensure that funds received are used for the purposes intended. The following paragraphs look into the financial management as well as the internal controls of the school visited.

<sup>87</sup> <https://cdh.ymaws.comPWC:A> Discussion about internal controls February 2016

<sup>88</sup> [https://elpaso.ttuhs.edu/\\_documents](https://elpaso.ttuhs.edu/_documents)

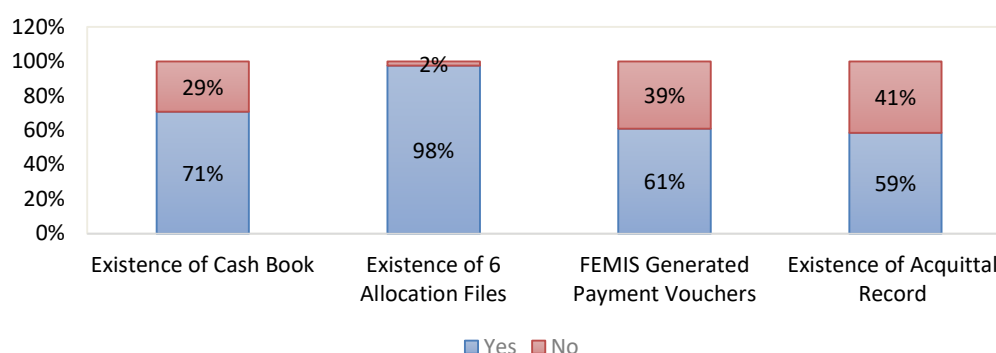
#### 4.4.1 Absence of Cash Book, 6 Allocation Files, Payment Vouchers and Acquittal Record Sheets

One of the requirements for acquittal of Free Education Grant (FEG) is that schools given FEG must adhere to the regulations set forth by MoE in that Cash Book should be maintained which details the total tuition allocation for the school. It also includes the total amount committed and the reducing balance of every transaction.<sup>89</sup> This cash book shall be kept at the school and made available to MoE officials for scrutiny during their visits.<sup>90</sup>

Schools must maintain the six files for keeping all documents such as Payment Vouchers, receipts, Bank Statements and all the allocations to have a file each for Administration, Infrastructure, PEMAC, and Computer etc.<sup>91</sup> This six allocation files shall be kept at the school and made available to MoE officials for scrutiny during their visits.<sup>92</sup>

Template of Payment voucher is captured in Appendix 5 of the handbook. This is to be prepared using FEMIS<sup>93</sup>.<sup>94</sup> The hard copy should be kept in the office.<sup>95</sup> For approved schools with no internet access the form can be photocopied and used to record any item purchased for the project.<sup>96</sup>

**Figure 4.6: Maintenance of required records and documentation**



Tabled below are the list of schools that did not have the above records as per provisions of the 2017 School Management Handbook.

**Table 4.5: List of schools without required records**

No Cash book sighted	No 6 allocation files sighted	No FEMIS generated Payment Vouchers	No Acquittal Record Sheets
SAMC	SBC	SSSS	SJWC
SWCC		SYSSS	NDSS
NLHS		BTDDSS	SBC
SJC		BTXC	SJC
NTNC		BTKMC	SYSSS

<sup>89</sup> MoEHA School Management Handbook 2017, section B5.10, paragraph 1, p.31.

<sup>90</sup> MoEHA School Management Handbook 2017, section B5.10, paragraph 6, p.31.

<sup>91</sup> MoEHA School Management Handbook 2017, section B6, paragraph 1, p.32.

<sup>92</sup> MoEHA School Management Handbook 2017, section B5.10, paragraph 6, p.31.

<sup>93</sup> Can be accessed online at: [http://www.femis.gov.fj/femis/School/School\\_Vouhcers.aspx](http://www.femis.gov.fj/femis/School/School_Vouhcers.aspx)

<sup>94</sup> MoEHA School Management Handbook 2017, section B5.10, paragraph 2, p.31.

<sup>95</sup> MoEHA School Management Handbook 2017, section B5.10, paragraph 3, p.31.

<sup>96</sup> MoEHA School Management Handbook 2017, section B5.10, paragraph 4, p.31.

No Cash book sighted	No 6 allocation files sighted	No FEMIS generated Payment Vouchers	No Acquittal Record Sheets
SNSS		LTNMSC	NLHS
BTTDSS		LTNSC	SWCC
BTXC		LTNNMC	SAMC
LTNMSC		BTBMC	NLMS
RNAHS		SRLSS	NBHS
BTBMC		LTNNSKMC (however, bursar prepares monthly returns)	BTBMC
SRLSS		BTADPC	SRLSS
		SBMS	LTNJWHS
		LTNRNSS	NNLSS
		NNLSS	SBMS
		NNKSS	LTNRNSS (Bursar confirmed that ever since joining the school in 2015, they have not been preparing acquittal record sheets).
			LTNNSSKMC (however, monthly returns are prepared)

Moreover, for those that did have the required records and documentations, the following anomalies were noted:

**Table 4.6: Anomalies noted in records/documentation maintained**

Name of School	Document sighted	Anomalies noted
BTTDSS	Acquittal Record Sheet	Acquittal record sheets were not checked by the responsible officer.
RNAHS	Acquittal Record Sheet	Record sheet for 2017 not provided for audit verification.
LTNSC	Acquittal Record Sheet	Record sheet provided for audit verification was prepared on a monthly basis and was not in the MoEHA acquittal format.
BTADPC	Acquittal Record Sheet and Cash book	<ul style="list-style-type: none"> <li>Cashbook – School maintains e-copy.</li> <li>Acquittal record sheets- None sighted in 2017 file for Administrative.</li> </ul>
LTNNMC	Acquittal Record Sheet and Cash book.	Both records are kept on the Bursars desktop.
RPSC	Acquittal Record Sheet and Cash book.	<ul style="list-style-type: none"> <li>Cashbook – Prepared for each account allocation.</li> <li>Acquittal record sheets-TFFG utilization reconciliation which has opening, current expenditures and closing balances.</li> </ul>
BTKMC	Cashbook	The school does not maintain a cashbook but as a compensating mechanism, a financial logbook is maintained.

BTBC	Cashbook	The school maintains an e-copy but the new Principal assured the audit team that they will be preparing a manual copy.
NNNAC	Cashbook	School maintains an e-copy which is printed every month.
LTNNSKMC	Cashbook	The school maintains an e-copy.
LTNJWHS	Cashbook	Bursar maintains an e-copy. The Bursar has just started filling the manual cashbook.
NNLSS	Cashbook	Cash book not according to the prescribed format but captures necessary requirements.
LTNRNSS	Cashbook	We were informed that the cash book has been given to the Auditors to verify 2 <sup>nd</sup> term 2018 transactions.

During the school visits, the audit team came across a case regarding the preparation of acquittal record sheets. The Bursar of a prominent school informed us that they were preparing acquittal record sheets in 2016 as recommended by the MoEHA.

Schools receiving FEG should maintain appropriate documents as stipulated in the Handbook. Schools should maintain cash books, allocation files, payment vouchers and acquittal record sheets, so that operations flow in a smooth manner. These records should be made available to auditors and officials from the Ministry on schools visitation.

It is worth noting that all schools prepared payment vouchers to make payments. However, the issue raised above is that it is not extracted from FEMIS. Some of the interviewees were not aware that payment vouchers could be extracted after voucher entry is made. In most cases, voucher is entered on FEMIS when the cheque is ready for disbursement.

Nonetheless, even though the preparation of payments vouchers were not ideally from FEMIS, it is still valid enough for the execution of necessary payments. While checking the payment vouchers, several anomalies were noted. Refer to **Appendix 6** for details.

The absence of the required documents by schools regarding payments for goods and services could lead to more problems if not addressed soon.

Principals and managers attend the FEMIS training and they are being reminded to ensure that the records for the FEG should be maintained properly by the schools.

### Recommendation

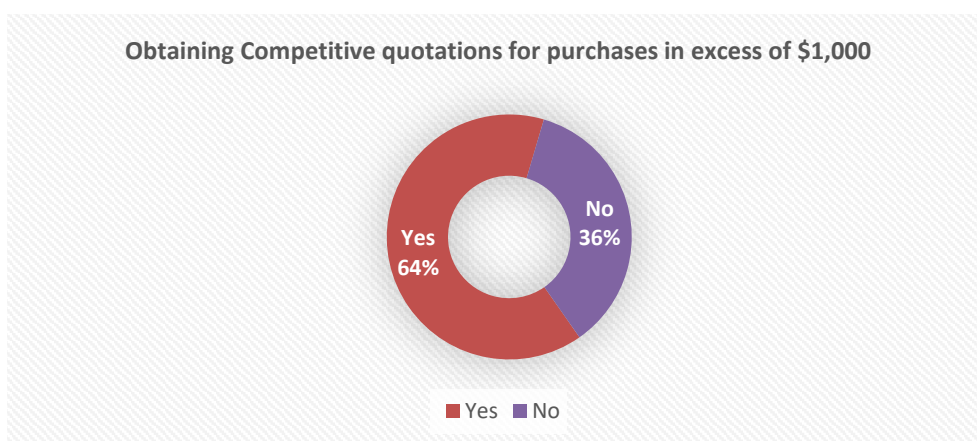
**The Ministry should ensure that anomalies highlighted are discussed with the respective school Bursars and reminder issued on the importance of adherence to the Financial Management Handbook 2017.**

#### 4.4.2 Absence of Competitive quotations for purchases made in excess of \$1,000

Purchases over \$1,000, should obtain 3 competitive quotes must be obtained. For all purchases less than \$1,000, 2 verbal and 1 written quotation to be obtained.<sup>97</sup>

While many of the schools visited were aware of the procurement processes, cases where three quotations were not obtained for purchases over \$1,000 were noted. Refer to Figure 4.7 below.

**Figure 4.7: Percentage of schools obtaining competitive quotations**



Moreover, the following exceptions were noted regarding the competitive quotations requirement:

**Table 4.7: Non-compliance with competitive quotations requirement**

Name of School	Audit observations
BTKMC	We sighted a payment of \$1,449 paid to Vendor BTVP on 31/07/2018 via PV# 86, but only one quotation was obtained. We were informed that the school has an account with the vendor, therefore, the three quotation requirement was not necessary.
SRLSS	We sighted a payment of \$1,500 paid for construction of a tank stand. However, competitive quotations were not obtained, and cash cheque of \$1,500 was issued as payment for the construction work.
LTNNMC	We sighted a payment to Vendor LTNRCM costing approximately over \$3,000. However, competitive quotations were not obtained. The Bursar explained that the other suppliers did not have the required stock on hand, so they just decided not to obtain the quotes.
LTNSC	We noted payment made via PV# 72, paid to vendor LTNIES amounting to \$1,700 but competitive quotes were not obtained. We were informed that it was an emergency payment and approved by the Manager as they were cautious about circuit shocks in the school. We also noted other payments to vendors such as K.K's amounting to \$1,109.40 via PV# 59 without competitive quotations. We were informed that this was a lump sum payment as there was a school account with the supplier.
LTNMSC	We noted that quotations were not attached to the PV but were filed in a separate quotation file.

<sup>97</sup> MOHEA School Management Handbook 2017, p.33.

<b>RNAHS</b>	We noted the following payments in excess of \$1,000 without competitive quotations: I. Payment to vendor RCE for the purchase of Water Tank amounting to \$3,900. II. Payment to vendor RUOS for the purchase of stationeries amounting to \$1,611. III. Payment to vendor RUOS for the purchase of stationeries amounting to \$5,140.
<b>LTNRNSS</b>	We noted payment over \$1,000 without competitive quotations. Explanations provided was that the suppliers has been engaged by the school over the years.
<b>SBMS</b>	We noted that only two quotations were obtained for payment to vendor SCH amounting to \$1,484.30.
<b>LTNNSKMC</b>	We noted that payment made to vendor LTNSE on 10/05/2018 amounting to \$1,575 was made without competitive quotations. Explanations received was that the school has an agreement with the supplier.
<b>NNLSS</b>	We noted from payment details kept in the Building File that many payments over \$1,000 was paid to vendor LTNGRNSSL. Explanations received was that these payments pertained to loan repayments as they had a debt of \$51,000.

The absence of competitive quotations will lead to uneconomical purchases of goods and services.

It is good practice that all schools obtain competitive quotations for purchases in excess of \$1,000, so that purchases of goods are done in an economical manner.

The Ministry indicated that schools are being reminded to ensure that competitive quotation for the purchases of goods and services needs to be adhered to. The Ministry's audit team have found this to be a common issue in the schools audit.

### Recommendation

**The Ministry should ensure that competitive quotations are obtained for the purchases of goods and services and necessary action should be taken for non-compliance.**

#### 4.4.3 Preparation of Cash Cheques and Pre-signed Blank Cheques

The following describes a step by step procedure on how cheques are to be written:

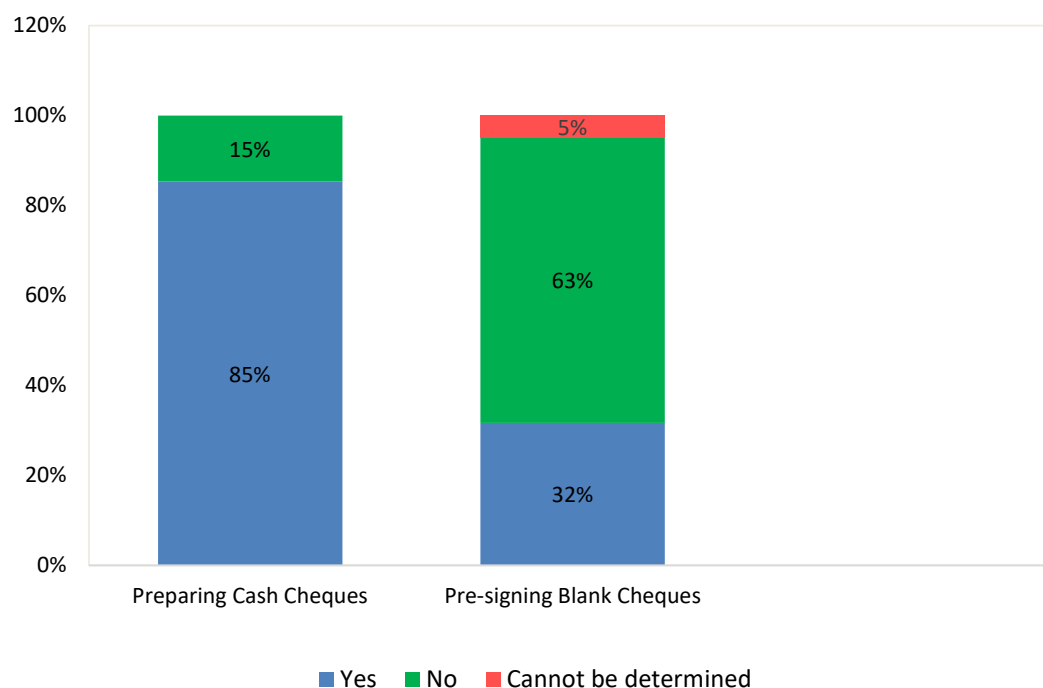
- Write the cheque
- Write the details of the purchase on the cheque bud – date, amount, description of the purchase, supplier.
- Signatories' sign the cheque – Never sign a blank cheque.
- Remember – One cheque, one payment voucher, one supplier.
- Photocopy the cheque and attach to the payment voucher.
- No cash cheques to be written.<sup>98</sup>

<sup>98</sup> MoEHA 2017 School Management Handbook, p.33.

Of the 41 schools visited, we noted that 35 schools (or 85%) prepared cash cheques while 13 schools (or 32%) were confirmed to having prepared blank pre signed cheques. Refer Figure 4.8 below.

All schools visited in the central division confirmed that they normally prepared cash cheques for the purpose of petty cash reimbursement, payment of wages for ancillary staff and other small payments below \$100. We also noted that nine of the 24 schools visited in the central division (i.e. 37%) also prepared pre-signed blank cheques.

**Figure 4.8: Percentage of schools preparing cash cheques and blank pre-signed cheques**



Provided in the table below are some audit observations as well as specific responses from the schools regarding the preparation of cash cheques and pre-signed blank cheques.

**Table 4.8: Reasons for maintaining cash cheques and pre-signed blank cheques**

Name of School	Audit observations
<i>Reasons for preparing cash cheques</i>	
NNNAC	Petty cash reimbursements and staff travelling costs where one cash cheque is prepared to cater for all staffs travelling costs.
LTNRNC	Prepared for pretty cash reimbursement and cash deposit cheques for Ancillary staffs. Other than that, all other cheques are forwarded to the Payee.
BTBMHS	We sighted cash cheques raised and was informed that it has been a practice in the school.
NNLSS	Petty cash reimbursements only.
LTNNSSKMC	For petty cash reimbursements only and if there are any urgent school needs then cash cheques are prepared. During the audit, cash cheques to ancillary staffs were also noted. Explanations received from Bursar that it is a requirement from the Bank to have cash cheques so that deposits can be made to the staff's bank accounts, without this, deposits cannot be made.



RNAHS	We noted that the following cash cheques were prepared: I. Chq# 3452 – Hostel Food - \$700 II. Chq# 3454 – Hostel Operations, Food and wages - \$7,000 III. Chq# 3455 – Tractor Parts and wages - \$1,500 IV. Chq# 3462 – Wages and Transport of Gravel - \$1,002 V. Chq# 3463 – Boarders supplies - \$3,000 VI. Chq# 3465 – Ancillary wages - \$592 VII. Chq# 3466 – Hostel operations - \$2,000 VIII. Chq# 3468 – Hostel operations and wages - \$2,000 IX. Chq# 3469 – Hostel operations and wages - \$3,000 X. Chq# 3470 – Hostel operations and wages - \$3,000
LTNMSC	Only prepared for petty cash reimbursements.
BTXC	Bursar informed us that it was previously a common practice to raise cash cheques, but Bursar has assured that no cash cheques will be prepared.
LTNNMC	For reimbursements of staff's out-of-pocket expenses. Also for newspaper weekly bill to LTNASC.
TBTDDSS	We sighted a few cash cheques being prepared.
BTKMC	We sighted a few cash cheques being prepared.
<b>Reasons for preparing pre-signing blank cheques</b>	
NNNAC	Cannot be determined as records including cheques are sent for Bi-annual audit.
LTNRNC	Cheques have been pre-signed by Treasurer as he has travelled overseas for three weeks.
RNAHS	Bursar has gone overseas therefore, he had to pre-sign a few cheques.
BTBMHS	Cheques pre-signed by Manager as he lives too far away from the school.
BTBC	We noted that cheque no. 4399 to 4402 were pre-signed.
SRLC	Cannot be determined as Treasurer has custody of the cheque books and could not be sighted during the audit visit.
NDSS	Manager was travelling overseas thus the reason for the pre signed cheques and pre signed payment vouchers

The pre-signing of cheques is a serious concern as it can lead to fraud and corruption. Pre-signed cheques provide an opportunity for misuse of funds by those entrusted with its security or by others through misplacements or theft.

#### Recommendation

**The Ministry should advise schools to comply with internal controls, refrain from issuing pre-signed cheques, and to ensure that payments are only effected after goods and services have been obtained supported by adequate documentation.**

#### 4.4.4 Submission of AGM minutes and AFR

*The school shall submit the audited financial report, endorsed in the annual general meeting to the Ministry of Education no later than March 31<sup>st</sup> annually. The closing date is 31<sup>st</sup> December for the financial year.<sup>99</sup>*

*The AGM conducted must include parents and school community. Failure to submit the audited financial report and the Annual General Meeting minutes on time may result in future grants being*

<sup>99</sup> Ministry of Education, Heritage and Arts School Management Hand Book 2017 –B5.10 Acquittal Record Sheet

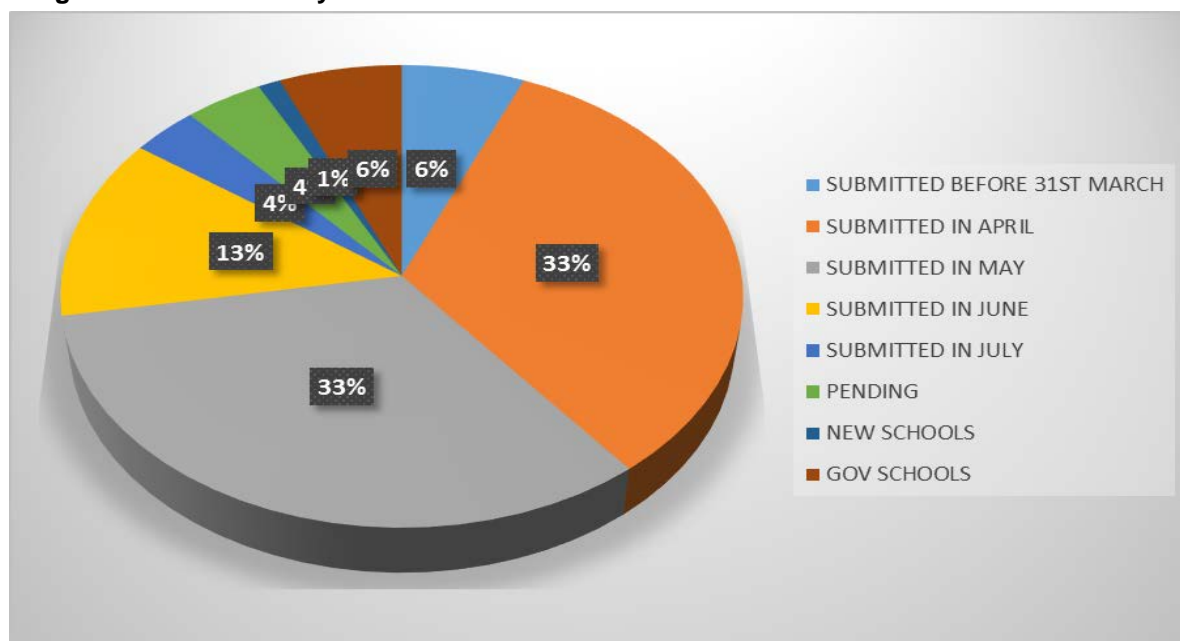
withheld<sup>100</sup>. Records of the Annual General Meeting and the audited Annual Financial Reports shall be submitted to the Permanent Secretary of MoEHA (hereafter referred to as PSEHA) by 31st of May each year to enable the Ministry to release the TFFG to the school.<sup>101</sup> Audited Account and AGM minutes are to be with the District Principal Education Officer (PEO) by February 28<sup>th</sup>. Term 2 submission of AFR and AGM minutes are to be submitted to the Primary Section by March 30<sup>th</sup>.<sup>102</sup>

The Schools annual financial reports are to be audited by an independent auditor and are to be presented, passed and endorsed by the management committee, teachers and parents as well as other stakeholders in the annual general meetings. The Annual general meeting minutes need to be signed by the School Secretary and the Managers and School Principal as well as all the attendees of the meeting to indicate their agreement on the passing of the audited annual financial report and other matters discussed.

We noted that some schools were late in submitting their Annual Audited Financial Reports and Annual General meeting minutes which led to the late release of grants by the Ministry. Only eleven schools (or 6%) out of the 173 secondary schools registered in the 2017 school year managed to submit their AFR and AGM minutes before 31<sup>st</sup> March 2018. Consequently the Ministry was not able to achieve its annual targets of receiving AFR and AGM minutes from 172 and 170 schools for the years 2016/2017 and 2017/2018 respectively. Figure 4.9 below illustrates the erratic manner in which schools submit their AFR and AGM minutes.

Delays in grants received adversely impacts school students as they would have to forego basic education materials which are essential in their various school subjects and school curriculum.

**Figure 4.9: Consistency in submissions of AFR and AGM minutes**



Source: Analysis done by the Secondary Unit

<sup>100</sup> Ministry of Education, Heritage and Arts School Management Hand Book 2017 –B5.10 Acquittal Record Sheet

<sup>101</sup> Policy on Tuition Fee Free Grant for Primary and Secondary Schools – section 3.1.3, p.4

<sup>102</sup> Standard Operating procedure - Primary section –Time Line

From the above analysis, it is evident that majority of the schools submitted their AFR and AGM minutes in the month of April and May. Seven schools or 4% were still yet to submit their AFR and AGM minutes pertaining to the school year ended 31 December 2017. Furthermore, it was confirmed<sup>103</sup> that these schools have also been centralized<sup>104</sup>.

It was further noted that corrective actions have been taken against schools that have not submitted their AFR and AGM minutes such as the centralising of payments or the non-release of grants. Examples of schools where corrective actions have been implemented are listed in Table 4.9 below.

**Table 4.9: Examples of schools corrected**

School Name	Report not submitted	Year Not Submitted	Year then Submitted	Corrective action
ESJC	AGM and AFR	2015, 2016	14/05/18	Yes and was centralized in 2016
RNAHS	AGM and AFR	2016, 2017	2016	Yes and was centralized in 2016
SAMC	AGM and AFR	2016, 2017	2018	File with FICAC
LNSS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
LHCC	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
RNSS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
NNSTC	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
LRLSS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
NMC	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
NNSS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
NWSS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
NBHS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
NWSS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
LTNYHS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
LTNSC	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
LTNRNSS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
LTNNSKMC	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
SNSS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
LBSS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
LSSS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
LSGNSS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
SCI	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
SRLSS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
SYSSS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
SAMC	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
SRSLSMS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
SRSC	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released
SAHS	AGM and AFR	2017	Yet to submit	Term 2 FECS for 2018 not released

<sup>103</sup>Confirmed with AAO on 06 September 2018.

<sup>104</sup>Centralizing means that all school grants are maintained at MoEHA grants division who will do receive grants and action payments on behalf of the school.

Discussions with the officer at the Secondary Unit revealed that the delay in submission of the AFR and AGM minutes poses a high risk on the part of the school committee in that the files for the six allocations stipulated in Section B5.7 of the School Management 2017 Handbook may not be updated. It was also suggested that there would be no delay in the submission of the AFR and AGM minutes to the Ministry if the files were in order.

We carried out school visits from 27 to 31 August 2018, and one of the basis for selecting the sampled schools to visit was the delay in schools submitting their AGM minutes and AFR on time. Therefore, the school visit was an ideal opportunity to gather from the respective schools, on why there was a delay in the submission of AFR's and AGM minutes as well as substantiate whether monitoring from Districts/Divisions are conducted in the respective schools. The schools responses are captured in the **Appendix 7** attached to the report.

Reasons provided for delays in submission of AFR's and AGM minutes included '*delays from rectifications of reporting inconsistencies, report and minutes held up at the District Education Offices, delay from the independent auditors, staff being unaware of provisions in the MoEHA Handbook.*' Moreover, responses to monitoring exercise by the District Offices noted that school visits from the District Education Office are not conducted in a systematic manner but are conducted by the need to address complaints or investigations.

Delays in submission of the reports indicate management and school heads did not exercise proper accountability and lack of understanding of the importance of submitting the annual general meeting and the audited financial report on time.

### Recommendation

**The management committee together with the school heads should ensure that annual financial report and the annual general meetings minutes are prepared on time and submitted to the district officer's office and to the Ministry's headquarters.**

#### 4.4.5 Audit of schools Annual Financial Reports (AFR)

*Internal audit is an important tool to detect corrupt practices and can be usually divided into: Administrative (operational) audit that includes:*

- *Assessing and testing administrative activities and management results;*
- *evaluating and examining processes of the entity and*
- *Evaluating the efficiency of utilizing human and material resources, and 1 developing recommendations for improvement.*<sup>105</sup>

An auditor's report is a key tool when reporting financial information to users. It is an independent opinion provided by an independent external auditor as a result of an audit, review or agreed procedures conducted on an entity.<sup>106</sup> The preparation and presentation of the financial reports, and the content of those reports, is ultimately the responsibility of those charged with governance of the entity.<sup>107</sup>

<sup>105</sup> ISSAI 5700 Section 2.5.2.2

<sup>106</sup> Australian Securities Investments Commission website, Users of Financial Reports, also available online at: <https://asic.gov.au/regulatory-resources/financial-reporting-and-audit/users-of-financial-reports/>.

<sup>107</sup> <https://asic.gov.au/regulatory-resource/financial-reporting-and-audit/users-of-financial-reports/>

Scrutiny of the school audited reports noted that none of the operational issues raised in this report was captured in the Audit reports submitted to the Ministry. The audit report only expressed independent opinion of the financial status of the schools and not the operational or compliance aspect of the schools. This limitation in reporting is due to the lack of guidance provided by the Ministry to the audit providers on expected audit reporting outcomes. In addition the handbook is silent on the auditing standards to be used by external auditors in the handbook.

Communicating expectations provides clarity and ensures compliance with requirement. Therefore, it is essential that the necessary frameworks and guidance materials are communicated to the external auditors of schools so that scope of the audit can cover both the financial and operational aspects of each school.

Director of Finance agreed with the audit findings. He further elaborated that there is a new guideline on the regulation of audit services provided to schools. Also, the new program encompasses the introduction of a panel of auditors with a defined scope to which the schools are to choose their auditors from. This ensures that not only the dollar value is reflected fairly on the face of the FS, but to also consider whether the correct processes have been followed in arriving at that conclusion. Director of Finance pointed out that this audit program is still in its draft stage.

### Recommendations

- **The Ministry should communicate its expectations clearly to school grant recipients regarding reporting requirements to ensure compliance with requirements of the Handbook.**
- **The Ministry should also finalise the rollout of the new program and guideline**

## 4.5 Use of e-gov

E-government may also be used as a specific corruption measure as the use of IT depersonalizes and standardizes the provision of services, requires that rules and procedures be standardized and made explicit for IT systems to function effectively and makes it possible to track decisions and actions. All these serve as a deterrent to corruption.<sup>108</sup>

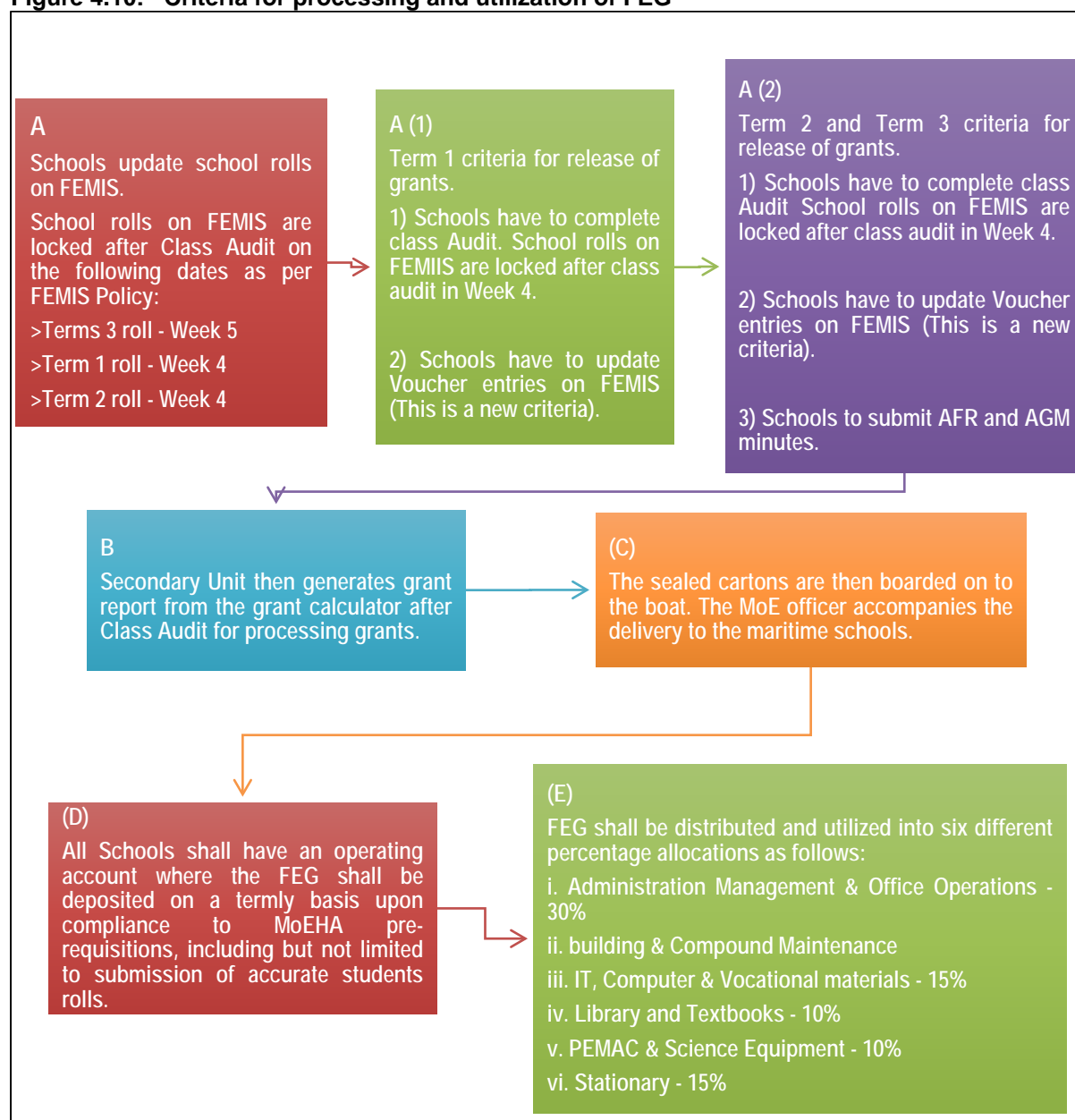
The MOEHA uses Fiji Education Management Information System (FEMIS), a web based application that provides information on schools, students, finance, infrastructure, assessments, examinations and other information that simultaneously meets a range of MoEHA's needs and is accessible to all levels of the Ministry. The FEMIS database is used for the following purposes:

- The regular reporting on a needs basis, to Government on its major policy objectives and performance indicators for education;
- Reporting to Government, through the MoEHA Annual Report on a range of indicators;
- Providing information to all MoEHA Senior Management to enable them to carry out their operations work effectively and efficiently;
- Providing information to MoEHA Senior Management to assist with decision making planning and operation; and
- Providing information to schools to assist with their decision making and planning.<sup>109</sup>

Reflected in Figure 4.10 is the criteria for processing and utilising FEG.

<sup>108</sup> ISSAI 5700 Section 2.5.1.5

<sup>109</sup> Policy on free education management information system 2017 s.3.3

**Figure 4.10: Criteria for processing and utilization of FEG**

Source: MoEHA Confirmation of 20 July 2018.

We performed walkthrough tests on 63% of total secondary schools registered (i.e. 109 out of 173). In selecting the samples, factors such as geographical location and size of the school was considered, so as to get an appropriate sample that is representative of the total population. Grant payments to schools will be based on school rolls as detailed in Table 4.10 below.

**Table 4.10: Grant payment criteria**

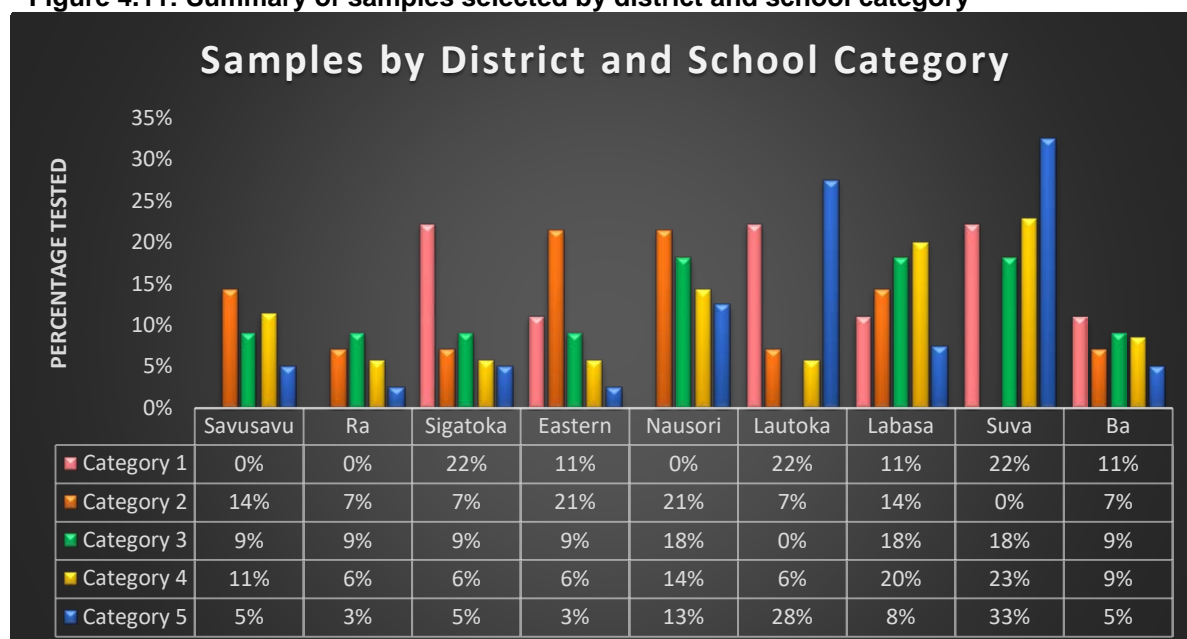
School Category	School Roll	FEG per Child
1	0-100	Year 9 and 10: \$690; Year 11 and 12: \$735; Year 13: \$860
2	101-150	Year 9 and 10: \$620; Year 11 and 12: \$665; Year 13: \$790
3	151-200	Year 9 and 10: \$580; Year 11 and 12: \$625; Year 13: \$750
4	201-400	Year 9 and 10: \$430; Year 11 and 12: \$475; Year 13: \$600
5	400-1000+	Year 9 and 10: \$375; Year 11 and 12: \$420; Year 13: \$545

Source: MoEHA School Management 2017 Handbook, section B.5.6.2, p.29



Reflected in Figure 4.11 below is the spread of sample schools selected in each district.

**Figure 4.11: Summary of samples selected by district and school category**



We verified FEMIS records of sample schools selected and documented records, of which findings are detailed below.

#### 4.5.1 FEG income declared in AFR Versus FEG pay-out

*Free Education Grants shall be deposited every term in the School's Bank Account. It shall be the responsibility of the management and the head teacher/principal to ensure that the accounts are operational at all times.*<sup>110</sup>

The school shall submit the audited financial report, endorsed in the Annual General Meeting to the Ministry of Education no later than March 31<sup>st</sup> annually, and submit a report of the findings and recommendations.<sup>111</sup>

Each Schools Audited Financial Report (AFR) should capture total amounts disbursed to them from the Ministry. This amount will be the sum of all payments done for all three terms in the school year.<sup>112</sup>

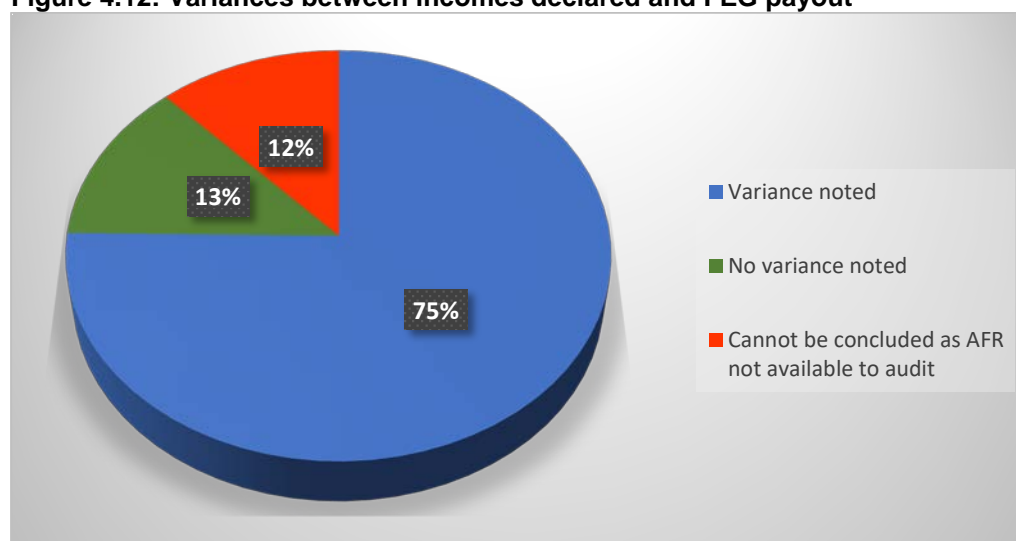
Audit comparison between income recorded in the schools' AFR and the amount disbursed from the Ministry revealed that these did not agree for many of the schools tested. Figure 4.12 below reflects the composition of schools having variances between incomes declared and FEG payouts.

<sup>110</sup>MoEHA School Management Handbook 2017, Section B5.9, p. 30.

<sup>111</sup>MoEHA School Management Handbook 2017, Section B5.10, p. 31.

<sup>112</sup> Best Practice – Discussions with AAO at the MoEHA (A table was provided stipulating payment of grants in a termly basis.



**Figure 4.12: Variances between incomes declared and FEG payout**

Out of the 109 secondary schools tested, we established that a majority of the schools (i.e. 82 schools or 75%) had variances between incomes declared in the respective schools financial statements with what was actually paid out from the MoEHA. Refer **Appendix 8** attached to this report for details.

According to the Secondary Unit, the variance in the FEG Pay-out as per Appendix 8 and the amount in FEMIS was due to the adjustment of Term 1-FEG. School grants are released in instalments based on school rolls which are required to be audited. The first 25% grant instalment is released based on unaudited class roll whilst the remaining 75% is paid out following the class audit. The variance arises due to the difference in class rolls at the time of calculating grants. Audit variance may have been due to differences in class rolls not captured in the FEG pay-out record. It was also admitted that some FEG amounts reported in the AFR may have been overlooked and is an area to be improved on.

It was also indicated that investigations are not carried out on schools declaring more than the grant amount paid out from the Ministry as surplus amount can be attributed to other income generated by the schools. Investigations are conducted only in cases where FEG income is less than the grant paid by the Ministry. Listed in Table 4.11 below are some examples.

**Table 4.11: Examples where disclosed FEG incomes are less than FEG payouts**

No.	District Name	School Name	FEG Pay-out \$	Income on AFR \$	Variances \$	Comments provided
1	Lautoka	LTNSVC	400,156	373,813	26,343	The amount of \$373,813 which is written on page 12 of the financial statements, the auditor considered that as deferred income as per their international standard of auditing.
2	Lautoka	LTNMSS	23,460	14,980	8,480	Amount deposit was as per FMIS - \$26,710 We will call the school to clarify the variance
3	Suva	SWSS	57,307	38,999	18,307.91	The schools grant was centralised from 2016.

No.	District Name	School Name	FEG Pay-out \$	Income on AFR \$	Variances \$	Comments provided
						Amount of AFR was the amount received since payment were made direct from HQ
4	Suva	SWCC	156,893	156,467.50	425	Amount deposited was as per FMIS - \$156,377.50
5	Suva	SDAVGC	205,811	144,500	61,311	Amount deposited was as per FMIS - \$144,459
6	Suva	SGHS	325,310	271,865	53,445	Amount deposited was as per FMIS - \$274,811 – only 50% was paid for Term 2 upon PS directive to hold 50% for schools with Private Principals
7	Suva	SVMC	275,566	183,754.54	91,811.46	Amount deposited was \$275,566. Will hold Term 3 50% TFFG-2018 for school to clarify the variance in the AFR
8	Suva	SJNC	363,847	355,680	8,167	Amount deposited was as per FMIS - \$354,422
9	Suva	SNSS	332,521	274,969	57,552	Amount deposited was \$341,677. Will hold Term 3 FEG-2018 for school to clarify the variance in the AFR
10	Suva	SRSC	445,732	445,134	598	Amount deposited was as per FMIS - \$445,062
11	Suva	SAHS	93,630	41,714.35	51,915.65	The schools grant was centralised from 2016. \$53,514.85 was deposited. Will hold Term 3 50% FEG-2018 for school to clarify the variance in the AFR
12	Nausori	NRSS	85,843	85,716	127	Amount deposited was as per FMIS - \$85,636
13	Nausori	NDMHS	260,179	236,971.25	23,207.75	Amount deposited was as per FMIS - \$259,788.50. Will hold Term 3 FEG-2018 for school to clarify the variance in the AFR
14	Ba	BBHS	106,612	98,098.75	8,513.25	Amount deposited was as per FMIS - \$106,612. We will call the school to clarify the variance
15	Labasa	LLSKMC	307,661	307,381.00	280.00	Amount deposited was as per FMIS - \$307,381
16	Ra	RNHS	115,956	108,295.00	7,661.00	Amount deposited was as per FMIS - \$103,661

The Ministry follows up with schools regarding the anomalies through phone and emails. Corrective actions are implemented by the Ministry if justifications for anomalies provided by the schools are unsatisfactory.

The under-booking of grants received in the Schools' AFRs implies non accountability of all grants received from the Ministry which may lead to misappropriations.

### Recommendation

**The Finance team should ensure that all FEG income declared on the AFR are properly scrutinised and reconciled with the payments made by the Ministry prior to release of grants.**

## 4.5.2 Results of Verifying School Rolls and FEG Pay-out

*Secondary Schools now receive the following amounts a year per child to cover the full cost of tuition. Payments to schools will be made in accordance with table 4.10 above:<sup>113</sup> Free Education Grants shall be deposited every term in the School's Bank Account. It shall be the responsibility of the management and the head teacher/ principal to ensure that the accounts are operational at all times.<sup>114</sup>*

Grant allocation for each child is dependent on the school roll and is paid out on a termly basis. The Ministry pays out grants using the following payment schedules for distribution to schools (refer Table 4.12 below). The accumulated termly disbursements as per table 4.12 should agree with annual payouts as per table 4.10 above

**Table 4.12: Payment schedule for termly distribution of FEGs**

ALLOCATION PER CHILD			
ROLLS 0 – 100	Y 9 & 10	Y 11 & 12	Y 13
ALLOCATION PER CHILD PER YEAR	690	735	860
TERM 1	230	245	287
TERM 2	230	245	287
TERM 3	230	245	286
ROLLS 101 - 150	Y 9 & 10	Y 11 & 12	Y 13
ALLOCATION PER CHILD PER YEAR	620	665	790
TERM 1	207	222	264
TERM 2	207	222	264
TERM 3	206	221	262
ROLLS 151 - 200	Y 9 & 10	Y 11 & 12	Y 13
ALLOCATION PER CHILD PER YEAR	580	625	750
TERM 1	194	209	250
TERM 2	194	209	250
TERM 3	192	207	250
ROLLS 201 – 400	Y 9 & 10	Y 11 & 12	Y 13
ALLOCATION PER CHILD PER YEAR	430	475	600
TERM 1	144	159	200
TERM 2	144	159	200
TERM 3	140	157	200
ROLLS 400 & ABOVE	Y 9 & 10	Y 11 & 12	Y 13
ALLOCATION PER CHILD PER YEAR	375	420	545
TERM 1	125	140	182
TERM 2	125	140	182
TERM 3	125	140	181

Audit recalculated payments made to schools using information in Table 4.12 above. The following anomalies were noted:

<sup>113</sup> MoEHA School Management 2017 Handbook, Section B5.6.2, p.29.

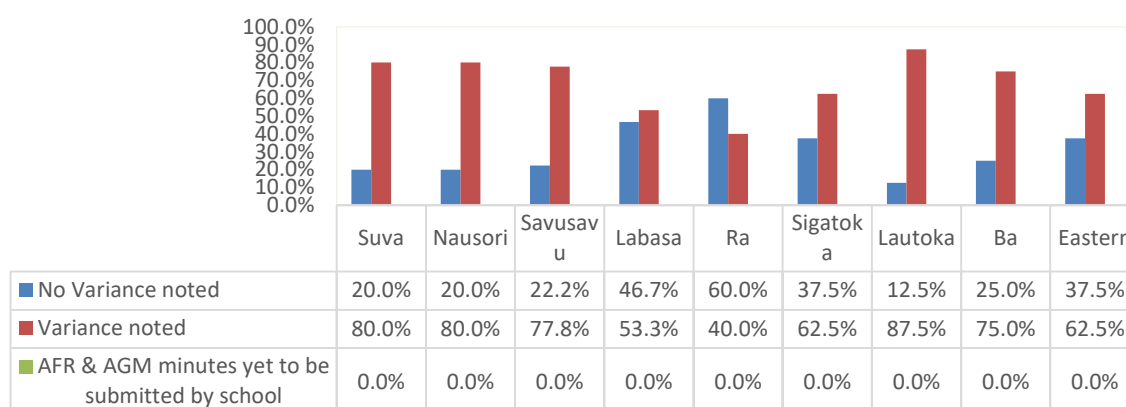
<sup>114</sup> MoEHA School Management 2017 Handbook, Section B5.9, p.30.

(i) *Variances between Audit Calculation and FEG pay-out*

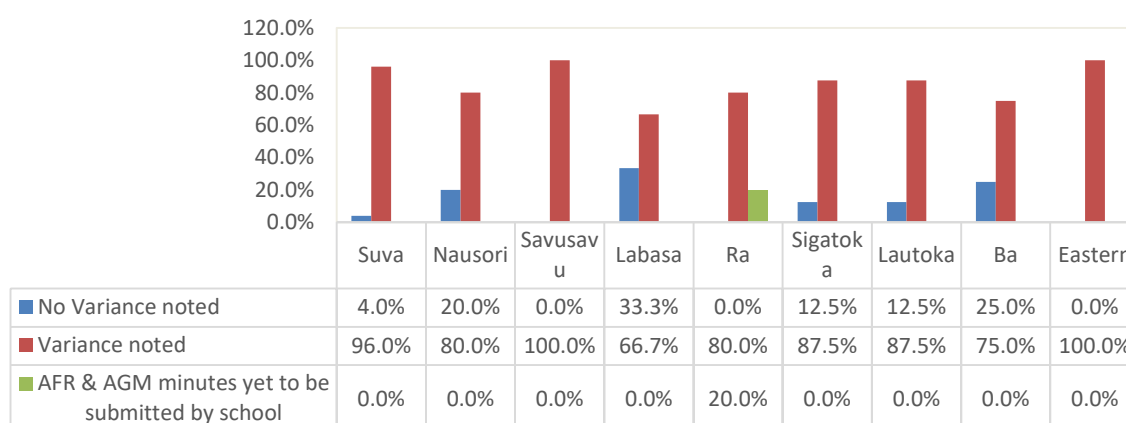
For most of the samples tested, audit calculations differed from the ministry's calculations. As reflected in Figure 4.13 below, variances between the two calculations were noted in more than 50% of schools tested across the nine districts. **Appendix 9** provides details of the two different calculation results.

**Figure 4.13: Percentage of samples with variances**

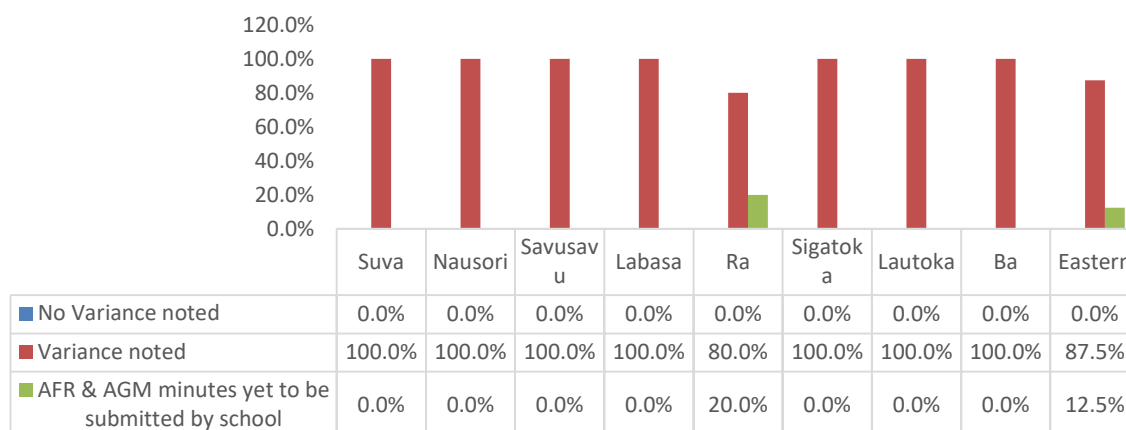
### Term 1, 2018

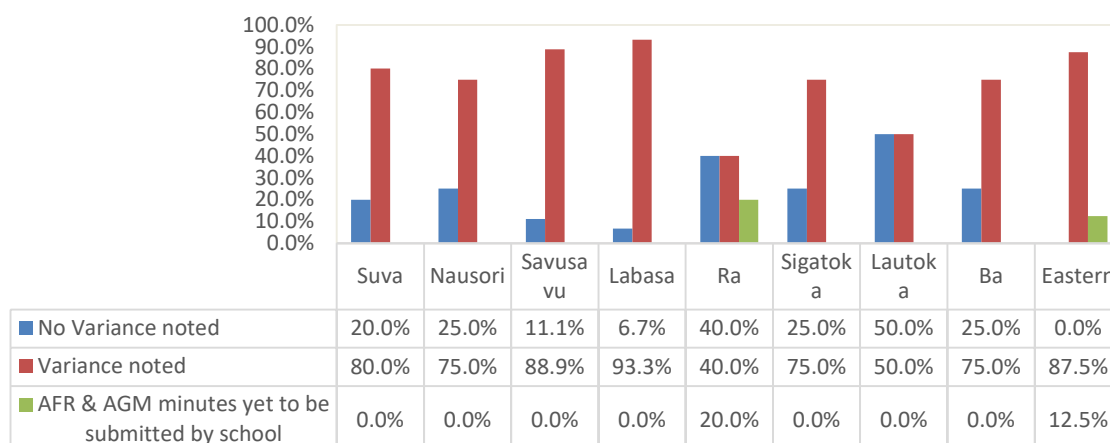


### Term 3, 2017



### Term 2, 2017



**Term 1, 2017**

The main reason for the variances is due to the changes in school rolls at different points in time. This was also confirmed by the AAO at the Secondary Unit. The school rolls used for independent audit recalculation was requested and printed on 20 June 2018, while the school rolls used for the calculation of the grants depended on the dates it was extracted from FEMIS.

It was noted that changes in school rolls were not properly verified or investigated as reasons for changes in school rolls are not determined. For example, changes may be due to students moving from one school to another during the year, expulsions, migration, to name a few, but these factors cannot be determined automatically.

AAO at the Secondary Section has agreed with the audit findings and further noted that only the IT team of the Ministry can determine as to what caused the changes in school rolls.

Director of Finance explained that variances in the FEMIS arise due to timing of recording or input into the FEMIS and these are verified and reconciled by the Ministry. We confirmed verifications and reconciliation carried out by the Ministry by examining documented records attached to the vouchers as well as the FEMIS.

### Recommendation

**The Ministry should raise awareness with the District/Division education officers and at HQ on the importance of timely monitoring and abidance with requirements on 'cut off dates for school inputs into FEMIS'**

#### (ii) *Errors in FEG calculation and pay-out.*

The money received from the Free Education Grant should reconcile with the payments made in expenses allocations.<sup>115</sup>

In addition, we found that some variances were due to incorrect categories being used to calculate grant pay-out. This resulted in overpayment/underpayment of FEG's, examples of which are listed in Table 4.13 below.

<sup>115</sup> Best Practice – MoEHA School Management Handbook 2017, Section B5.7, p. 30.

**Table 4.13: Examples of overpayments/underpayments of FEG**

District Name	School Name	Amount Paid (\$)	(Overpayment)/ Underpayment \$	Explanation
<b>Term 3, 2017</b>				
Labasa	VSS	21,777	(106)	Instead of using Term 3 in the 2nd category for payment of grant, the Term 2 figures were used.
Labasa	AMSS	29,547	748	Instead of calculating pay-out according to Category 2, grant paid was calculated at Category 3.
Labasa	IMC	27,234	8,950	Instead of using the Term 3 in the 3rd category for payment of grant, the Term 3 of the 4th category was used.
Eastern	RFSS	26,172	(136)	Instead of using Term 3 figures to calculate grant pay-out, Term 2 figures were used to determine amount of grant paid.
<b>Term 2, 2017</b>				
Labasa	VSS	26,601	(2,622)	According to the school rolls, grant payment was to be based on term 2 of category 2 as school rolls amount to 114. However, grant payment has been based on term 2 of category 1.
Labasa	WSS	34,500	(2,073)	According to the school rolls, grant payment was to be based on term 2 of category 3 as school rolls amount to 159. However, grant payment has been based on term 2 of category 2.
Ra	NHS	36,724	334	First 50% pay-out was calculated using the Term 3 of the 4th category, but it should have been calculated using Term 2 of the 4th category.
<b>Total Overpayment</b>			<b>4,937</b>	
<b>Total Underpayment</b>			<b>10,032</b>	

From the table above, it is noted that total FEG overpayment and underpayment amounted to \$4,937 and \$10,032, respectively. While it is noted that some of the variances have resulted from the incorrect calculation of FEG's, it confirms that there are errors in FEG calculations which should be rectified immediately to avoid financial losses in future.

Proper checking of calculations will ensure that errors are being minimized.

Discussions with AAO at the Secondary Section revealed that in 2016, when they had used the grant calculator on FEMIS, the school rolls for secondary schools also captured rolls for the vocational students which determined the school grant allocation category that affects the actual grant paid by the MoEHA. Therefore in 2017, the AAO had decided to manually calculate the school grants using the school rolls updated on FEMIS to exclude the vocational rolls. Hence he agreed that

errors have been overlooked. The overpayment of grant will be recovered from the Term 1 2019 grant.

The AAO further explained that he raised the issue with the IT section of the Ministry and for the year 2018, IT has re-programmed the grant calculator on FEMIS so that manual inputs are minimized. He has thus been using this from the beginning of 2018.

The above comments were verified during and no errors were noted for Term 1, 2018 grant payouts.

### Recommendation

**The Finance team should ensure that FEG's are calculated accurately and checked prior to payment.**

## 4.6 Appropriate HR Management

Human Resource Management (HRM) is the term used to describe formal systems devised for the management of people within an organization. Essentially, the purpose of HRM is to maximize the productivity of an organization by optimizing the effectiveness of its employees.<sup>116</sup>

Besides an appropriate framework of standards and regulations, human resource management is an important aspect in the prevention of corruption. In this context the following elements have to be considered:

- Merit-based human resources management;
- Training; and
- Job rotation.<sup>117</sup>

The following paragraphs capture the elements discussed above.

### 4.6.1 Merit-Based Human Resources Management and appropriate documentation of Selection and Promotion

*Merit selection ensures that selection is based only on a person's ability to perform the work. Merit selection aims to choose the best person for the job, resulting in a quality workforce.<sup>118</sup> Merit-based human resources management is a key element in fighting against corruption.<sup>119</sup>*

To be effective, a Merit-based Human Resources Management should essentially include the following components:

- Fair, predefined and clearly documented selection and promotion criteria and procedures. This should include appeal structures and mechanisms so as to ensure effective remediation; and
- Appointment of competent staff to implement procedures and controls.

*To prevent the undue influence of public sector human resources management processes, selection and promotion criteria and procedures need to be fair, predefined and clearly documented, so that*

<sup>116</sup> Best Practice – Inc. website, Human Resources Management. Refer <https://www.inc.com/encyclopedia/human-resource-management.html>

<sup>117</sup> ISSAI 5700, Guideline for the Audit of Corruption Prevention, Section 2.5.1.3, p. 31.

<sup>118</sup> Best Practice – Australian National University, Merit Based Selection. Also available at: <https://services.anu.edu.au/human-resources/recruit/merit-based-selection>

<sup>119</sup> ISSAI 5700, Guideline for the Audit of Corruption Prevention, Section 2.5.1.3, p. 31.



*the margin of discretion and arbitration is limited. Appeal structures and mechanisms also need to be in place to ensure effective remediation.*<sup>120</sup>

The audit team visited the MoEHA website on 20 November 2018 and noted that there was an approved open merit recruitment and selection policy. The policy was approved on 04 September 2017 with effect from the date of approval. In addition, the policy stipulates that it will be reviewed on 04 September 2020.

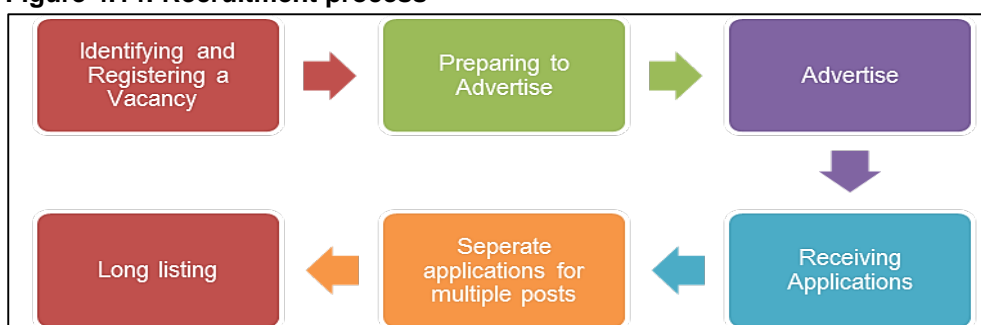
The policy applies to all employees of the MoEHA contracted for a period exceeding one month; appointment to a temporary post which is, or is perceived to a development opportunity; and appointment of secondment. On the other hand, the policy does not apply to: transfers at level; an appointment to a vacancy of less than one month duration.

A review of the provisions of the policy highlighted inter alia the following processes:

- I. Recruitment process;
- II. Selection process; and
- III. Guidelines for the appeals process; and

The following figures 4.14 and 4.15 portray the recruitment and selection process.

**Figure 4.14: Recruitment process**



Source: MoEHA Open Merit Recruitment and Selection Policy

**Figure 4.15: Selection process**



Source: MoEHA Open Merit Recruitment and Selection Policy

<sup>120</sup> ISSAI 5700, Guideline for the Audit of Corruption Prevention, Section 2.5.1.3, p. 31.

In addition, with regards to the appeals process, section 7.1 of the policy stipulates that:

- All appointment decisions for positions exceeding one month shall be open for appeal;
- Unsuccessful applicants other than those previously notified will receive a written notification of the outcome of the selection process within three days of the successful applicant (s). The notification shall include the advice on the appeal procedures;
- Appeals can only be accepted on the basis of a claim of breach of the Recruitment and Selection process;
- Appeals must be lodged within five days of the applicant receiving notification of the outcome of his/her application; and
- Admission to an appointment pool can be appealed on the basis of process. Offers of appointment from the pool must be made in order of merit and can only be changed on the grounds that the merit order was not followed.

We acknowledge the establishment of the open merit recruitment and selection process. The inclusion of the appeals process is also acknowledged. However, we were not able to review these processes as requests for the records of recruitment and selection of some teaching and non-teaching staffs was not provided by the Ministry.

It was highlighted by the Permanent Secretary that the Human Resources Unit was audited by the PSC CSR Unit in which the Open Merit System selection process and Secondary Schools Principals were also included in the sample positions reviewed.

### Recommendation

**The MoHEA should ensure that all documentation in relation to recruitment of staff are made available upon request for audit.**

#### 4.6.2 Job Rotation

*In ensuring that job rotation is sufficient and effective, the following areas should be investigated in order to ascertain the existence of control mechanisms.<sup>121</sup> Refer Figure 4.16 below.*

**Figure 4.16: Important questions to ascertain the existence of control mechanisms**

Does the entity have any policy regarding job rotation?	
• Is its design based on risk analysis?	
Is the policy being implemented?	
Who makes decisions regarding job rotation?	
• Does he/she have the authority?	
Who is eligible for job rotation? Why?	
What action has been taken to ensure that the policy is adhered to in the future?	
Is the policy being reviewed?	
How, when and why is rotation to take place?	
• How much time does it take to choose the right candidate?	
• Are the right people being notified?	

Source: ISSAI 5700 Guideline for the Audit of Corruption Prevention, Section 2.5.1.3 Pg. 33

<sup>121</sup> ISSAI 5700, Guideline for the Audit of Corruption Prevention, Section 2.5.1.3, p. 34.

It was noted that there is no job rotation policy in place for the whole of Ministry of Education.

Discussions with Manager Employee Administration<sup>122</sup> revealed that job rotation exists but only in the HR division and has not rolled out into the other divisions of the Ministry. The Manager added that there are six units within the HR Division, and staffs are being rotated within the units accordingly. However, the Manager confirmed that this is not documented as it is normally delivered and agreed upon verbally.

It was suggested<sup>123</sup> to audit that job rotation should ideally be part of the Professional Development policy as it is seen as more or less of an upgrade of skills, a part of professional development from the Human Resources (HR) perspective. However, the Manager added that even though there is no job rotation policy, the Ministry does have a transfer policy in place. With the transfer policy, once an officer, both non-teaching and teaching staffs, is suspected or found guilty of corrupt practices, the officer is immediately removed from the position and transferred to another position or await disciplinary action. In addition, the Manager stipulated that the transfer policy also applies to the teachers and heads of school who are normally on standard contracts of three years. However, job rotations are only available to non-teaching administration officers.<sup>124</sup>

Overall, the absence of the job rotation policy has been confirmed<sup>125</sup> by Manager Employee Administration. Schools receiving the Free Education Grants are also finding it difficult to implement job rotation given the limited number of staff they employ.

Failure to implement job rotations as a technique of assigning employees to various jobs and departments over a period of time and most importantly a tool for preventing corruption can limit staffs exposure to different experiences and variety of skills that can enhance job satisfaction and cross-training.

It was explained that employee rotation is not done due to the need for maintaining stability of the staff and this is mitigated through leave rotation. Any enquiry is normally referred to internal audit and if serious referred to FICAC. These are mechanisms in place to prevent misappropriation/misconducts from happening.

#### **Recommendation**

**The Ministry should consider implementing job rotations where possible as a tool for preventing corruption and professional development.**

<sup>122</sup> Discussions held on 21 November 2018.

<sup>123</sup> Discussions held on 21 November 2018.

<sup>124</sup> Discussions held on 21 November 2018.

<sup>125</sup> Discussions held on 21 November 2018.

## 5.0 Conclusions

The legal and institutional framework for establishing the FICAC is adequately provided for in the FICAC Act. The legislation adequately provides for the establishment of the FICAC, its powers and independence and accountabilities. It also provides for the resourcing of the ACA to enable it to execute its functions in preventing corruption effectively. Corruption prevention strategies to be implemented in the Education sector are provided for in the FICAC's annual corporate plans.

Corruption prevention strategies for the Free Education Grant (FEG) policy has been implemented by the Ministry of Education in 2017 through the introduction of the *2017 School Management Handbook*. Although there is a lack of awareness of the Policy by some school administrations, most schools abide by the requirements of the Handbook. The penalising mechanisms in place such as the non-release of grants or the centralising of payment are considered effective to ensure proper utilisation of funds. However monitoring of administration are still necessary to ensure other systems controls/ criteria as per the MOEHA Handbook are being complied with.

## 6.0 References

The following documents were reviewed during the conduct of this audit.

1. 2013 Constitution of Fiji
2. Fiji Independent Commission against Corruption Act 2007
3. Fiji Independent Commission against Corruption Annual Reports for the years 2014, 2015, 2016, 2016/2017
4. Fiji Independent Commission Annual Corporate Plans 2014, 2015
5. Fiji Independent Commission against Corruption Strategic Intents 2014, 2015
6. Ministry of Education Handbook 2017
7. Ministry of Education Annual Corporate Plans 2014, 2015
8. Ministry of Education Annual Reports 2016-2017
9. ISSAI 5700 –Guideline for the Audit of Corruption Prevention
10. UNDP –Fighting Corruption in the Education Sector

## Appendix 1: Details of offence to which the FICAC Act 2007 applies

Extract [FIC 2A] Offences to which this Act applies

### [FIC 2A] Offences to which this Act applies

2A This Act applies in relation to—

- (a) any offence under this Act;
- (b) any offence under the Prevention of Bribery Act 2007;
- (c) any offence of corrupt or illegal conduct pertaining to any election;
- (d) any offence of blackmail committed by a prescribed officer by or through the misuse of his or her office;
- (da) [Repealed]
- (e) the offence of perverting or obstructing the course of justice;
- (f) the offence of perjury;
- (g) any offence under the Penal Code (Cap 17);
- (h) any offence under the Crimes Act 2009;
- (i) the offence of conspiracy to defraud;
- (j) to the extent they are not included in the foregoing paragraphs, the offence of conspiracy to commit any of the offences referred to in this section;
- (k) to the extent they are not included in the foregoing paragraphs, any attempt to commit an offence referred to in this section or the offence of aiding, abetting, inciting, counselling or procuring any of those offences;
- (l) any offence which the Commissioner may prosecute under any written law,

and in this Act the expression "offence to which this Act applies" shall be construed accordingly.

[s 2A substituted Promulgation 28 of 2007 s 2, opn 14 Sep 2007; am Promulgation 2 of 2009 s 2, opn 16 Jan 2009; Decree 22 of 2010 s 2, opn 23 Apr 2010; Act 13 of 2016 s 3, opn 10 June 2016]

## Appendix 2: Relevant Sections of the Education Act 1978

Sections within the Education Act	Aspects of the Act
Part IV, s.12 (1)	The management of every registered and recognized school or group of schools shall be vested in a properly constituted controlling authority which shall appoint a manager and submit his/her name and, if a manager is appointed ex-officio, his/her title, to the Permanent Secretary (PSE) for registration."
Part VI, s.12 (2)(3)(4)	Describes the authority of the Permanent Secretary regarding the registration of school managers.
Under S.12 (2)	The Permanent Secretary may register a manager or refuse to register a manager if he/she is a person "...who has been or is liable to be prohibited from managing or assisting in the management of a school".
S.12 (3)	Describes the circumstances under which the Permanent Secretary may prohibit a person from managing or assisting in the management of a school. These circumstances are if the person: <ul style="list-style-type: none"> <li>✓ has been convicted of an offence involving dishonesty, fraud, violence or immorality; or</li> <li>✓ is an undischarged bankrupt; or</li> <li>✓ had been a manager or assisted in the management of a school which: <ul style="list-style-type: none"> <li>• was conducted in a manner construed as detrimental to the physical, mental or moral welfare of pupils attending</li> <li>• imparted instruction therein to pupils which was prejudicial to the peace, good order or good government of Fiji</li> <li>• persistently or materially departed from the basic curriculum approved by the Permanent Secretary</li> <li>• Knowingly used or referred to any publication declared unsuitable for use in schools by the Permanent Secretary.</li> </ul> </li> </ul>
S.12 (4)	States that any person who manages or assists in the management of a school when he/she has not been registered as the manager or after he/she has been prohibited from doing so, shall be guilty of an offence. The penalty is a fine of up to two hundred dollars or, in default of payment, imprisonment for a term of up to six months.
Part VII	Concerns the Control of Schools. This Part includes: <ul style="list-style-type: none"> <li>✓ classification of schools;</li> <li>✓ establishment of schools;</li> <li>✓ health and safety;</li> <li>✓ inspection of schools;</li> <li>✓ closing of schools; and</li> <li>✓ Offences in relation to school opening or reopening.</li> </ul>
Part IX	Deals with fees.
Part XV	General includes sections dealing with unsuitable publications and the penalty for disturbing any school or insulting or abusing any teacher in the presence of students.
Part XII	Provides the Permanent Secretary, with the approval of the Minister, powers to make regulations in a range of matters. These are described in the following section on Regulations.



## Appendix 3: Roles of key stakeholders in the education system

Key	Role
<i>Ministry of Education Heritage and Arts</i>	Develop policies, procedures and guidelines for schools. School's responses are monitored at district/divisional level and reported to Ministry headquarters. These processes ensure that the Ministry can make informed decisions concerning policy review and the development of new policies that are required.
<i>Head Teachers, Teachers and Staffs</i>	<p><u>Decision Making Role:</u></p> <ul style="list-style-type: none"> <li>✓ Provide appropriate opportunities for staff, the committee, parents and other stakeholders to participate in developing, implementing and reviewing the school's vision, mission, goals and priorities.</li> <li>✓ Provide stakeholders with information that enables them to participate meaningfully in school decision-making.</li> <li>✓ Clarify with staff, parents and other stakeholders the nature and extent of their involvement in decision-making concerning the school's educational plans and programs.</li> <li>✓ Communicate information about school and MoE policies, regulations and other staff, managers, committee members and parents.</li> <li>✓ Foster and maintain professional relationships between school management, the MoE and other stakeholders.</li> <li>✓ Involve staff in processes to review and develop the school's educational plans, priorities, programs and budget.</li> </ul> <p><u>Planning Role:</u></p> <ul style="list-style-type: none"> <li>✓ Work in partnership with the committee to develop and implement a strategic plan and an annual plan that combines educational planning and the committee's planning for facilitates and resources, in order to focus on achievement of the school's vision, mission and goals.</li> <li>✓ Monitor curriculum implementation and report on school performance to staff, parents and the committee in a timely manner.</li> <li>✓ Ensure that FEMIS data is kept up to date and provided to the management for evidence based decision making.</li> <li>✓ Monitoring of attendance and out of school children, advising teachers and management on strategies to improve.</li> <li>✓ Foster and maintain positive and productive relationships between school staff and parents.</li> <li>✓ Foster and maintain a learning environment that promotes excellence in learning and teaching.</li> <li>✓ Foster and maintain professional relationships with school management based on mutual respect and understanding.</li> <li>✓ Participate as a member of the management committee.</li> </ul> <p><u>Financial Planning and Management Roles:</u></p> <ul style="list-style-type: none"> <li>✓ Involve staff in processes to review the allocation for the school budget and to make recommendation for the next budget.</li> <li>✓ Plan in collaboration with the committee and advise the committee on staffing and other resources required to maintain and expand the school's educational programs.</li> <li>✓ Monitor expenditure of the school budget in liaison with the treasure to ensure that educational programs are maintained.</li> <li>✓ Approve all payment vouchers.</li> <li>✓ Ensure the financial process is followed and report discrepancies to the District Office/Finance Office.</li> <li>✓ Compulsory reporting of corruption and mismanagement.</li> <li>✓ Ensure finance data and inventory are up to date in FEMIS.</li> </ul>

Key	Role
<i>Parents and Community</i>	<p>Parents should be encouraged to attend the AGM where management reports on the committee's achievements during the previous year and accounts for the management of the school budget. At this forum, parents have the opportunity to decide who will represent them on the new committee.</p> <p>It is important, therefore, that throughout the year, committees provide parents with information about their activities and report on any issues and actions taken to address these. Keeping parents informed through open and sensitive communication provides them with confidence in the committee members.</p> <p>Involving parents in decision-making concerning activities such as school planning and fundraising shares responsibility, develops mutual respect and understanding, and motivates interest and involvement in their children's schooling. For these reasons, it is advisable to keep parents informed through newsletters and to hold meetings and involve parents in school management activities at various times of the year, in addition to the AGM.</p>
<i>School Management Committee</i>	<p><u>Decision Making Role:</u></p> <ul style="list-style-type: none"> <li>✓ Provide parents with appropriate opportunities to participate in decision-making processes to develop, implement, monitor and review plans for the school's physical and financial resources.</li> <li>✓ Provide parents with timely information that enables them to contribute meaningfully to decision-making.</li> <li>✓ Regularly inform parents of committee decisions and activities.</li> <li>✓ Appoint and dismiss non-civil service positions in the school following a proper and transparent process.</li> <li>✓ Ensure equity on the committee and encourage diversity of members, including parents of disadvantaged children, people of different ages, genders and socio-economic backgrounds.</li> <li>✓ Work collaboratively with the School Heads to resolve conflicts which may arise in the school community.</li> <li>✓ Consult with the Head Teacher about – finance, attendance, at risk children, exam results and use of FEMIS data to make decisions.</li> <li>✓ Liaise with the MoE on building matters.</li> <li>✓ Conduct the AGM.</li> <li>✓ Conduct elections for committee office bearers.</li> <li>✓ Conduct meetings according to the school constitution.</li> </ul> <p><u>Planning Role:</u></p> <ul style="list-style-type: none"> <li>✓ Work in partnership with the school head to link all school planning to the school vision, mission, goals, priorities and budget.</li> <li>✓ Consult the school heads; parents and other members of the school community to plan the maintenance and development of school buildings, facilities and resources.</li> <li>✓ Ensure that school land lease documents are kept updated – these should be stored in the school head's office.</li> <li>✓ Maintain staff quarters and school buildings at standards established under MoE and Occupational Health and Safety (OHS) requirements.</li> <li>✓ Ensure security of the school compound.</li> <li>✓ Maintain and improve the school grounds.</li> <li>✓ Provide safe and sufficient drinking water, hygienic toilets and power supply.</li> <li>✓ Ensure proper records are kept:</li> </ul>

Key	Role
	<ul style="list-style-type: none"> <li>• Minutes of meetings;</li> <li>• Auditor's reports;</li> <li>• The Annual budget;</li> <li>• Board of Survey reports, the school master plan and school maps;</li> <li>• The inventory (non-expandable) register; and</li> <li>• The OHS policy for the school.</li> </ul> <p><u>Financial Planning and Management Role:</u></p> <ul style="list-style-type: none"> <li>✓ Manage finances using processes that are aligned to the rules and regulations of the Ministry, controlling authority.</li> <li>✓ Prepare financial reports for the AGM and committee.</li> <li>✓ Work in partnership with the school heads to plan a budget.</li> <li>✓ Involve parents in decision-making at appropriate levels.</li> <li>✓ Approve all financial transactions and ensure that proper records are kept.</li> <li>✓ Identify sources of funding for school projects.</li> <li>✓ Recommend the level of boarding fees for students boarding at the school.</li> <li>✓ Inform parents and other stakeholders of decisions concerning the expenditure of funds.</li> <li>✓ Compulsory reporting of corruption and mismanagement.</li> </ul>

## Appendix 4: Responses from schools on the lack of awareness

No.	School Name	Date of school visit	Responses from schools
1	SNSS	31/08/18	According to the Bursar, the school has not attended any awareness sessions or trainings.
2	SJC	31/8/18	The current Manager has just started in office on August 2018, since then no awareness has been done.
3	NLHS	30/08/18	Bursar revealed no awareness has been done so far.
4	SAMC	30/08/18	Admin officer has attended training only for FEMIS and none on the handbook.
5	SRSC	30/08/18	Bursar has attended training on FEMIS only and none on the handbook.
6	NLMS	29/08/18	No awareness as the bursar has just started in term 3 28/08/17.
7	NBHS	29/08/18	Bursar explained that no awareness have been done.
8	NTHS	29/08/18	Bursar revealed that they did not attend any awareness since they do not have a handbook.
9	NDSS	29/08/18	No trainings on handbook and on FEMIS have been done.
10	SJWC	28/08/18	Bursar revealed that no training has been done for the school.
11	SSSC	28/08/18	Bursar revealed no awareness or training have been done on the handbook..
12	SDAVGS	27/8/18	No training on hand book however Manager attended training on FEMIS.
13	SJNC	27/08/18	No training on handbook only on FEMIS.
14	SMBHS	27/08/18	No training on handbook only on FEMIS.
15	LTNSKMC	29/08/18	Principal stated that as far as she is aware, there has been no awareness done but later stated that the Manager would have undergone the workshop.
16	LTMSC	29/08/18	No awareness done so far.
17	LTSC	29/08/18	No awareness done so far.

## Appendix 5: Monitoring Criteria Matrix

Secondary Section Schools Management Monitoring Checklist:

Date of Check:	Name of School:	District:	*Name of School Manager:

A. Management Profile:

No.	Description	Evidence:		Remarks
		Yes	No	
1	Does the School have a Constitution?			
2	Does the school have a Manager?			
3	Does the School have a Treasurer?			
4	Does the School have a bursar?			
5	Does the School have a committee? How many members are there?			
6	Does the School have an Account? How many?			
7	Type of Account (Cheque/Passbook)?			
8	Who are the signatories of the account(s)?			
9	Does the School have an Annual Budget?			
10	Does the School have a Procurement Plan?			
11	Does the School have a school safe?			
12	Who prepares the Financial reports?			
13	Does the School have an AGM?			
14	How often is the school account audited?			
15	How often is the financial statement presented to the committee?			

B. Financial Management:

No.	Description	Evidence:		Remarks
		Yes	No	
1	What type of grant is the school receiving? (TFFG/ Per Capita Boarding/ Remission/ Vocational)			

No.	Description	Evidence:		Remarks
		Yes	No	
1	Does the School receive funds from other sources? If Yes, from who, what for and how is it accounted for?			
2	Does the school have non-resident (NR) students? If yes, how many?			
3	How much fees is each NR student paying?			
4	Is the TFFG loaned to any person? Who to?			
5	Does the School have a cash book?			
6	Does the school have separate files for the grant allocations? TFFG = 6/ VG = 4/ Rem = 1/ PCB = 1			
7	Does the school have payment voucher forms?			
8	Does the school have acquittal record sheets?			

## C. Financial Procedures and Processes:

No.	Description	Evidence:		Remarks
		Yes	No	
1	Does the school have a Receipt Book affixed the school TIN number?			
2	Are all Payment Vouchers Completed?			
3	Any cases of purchases over \$1,000? If yes, evidence of 3 quotations available? (2 V/ 1W)			
4	Does the school prepare a separate payment voucher and separate cheque for every purchase made? If No, explain the school process.			
5	Who authorises the payment vouchers?			
6	Who approves the payment vouchers?			
7	Are cash cheques written in the school? If Yes, give a reason why this is done.			
8	Are Blank cheques written? If yes, give a reason why this is done.			
9	Does the school strictly follow the procurement process (Steps 1 to 4 on page 33) or its reverse?			
10	Does the school have a Petty Cash Fund that is guided by the School Constitution?			
11	How often is the FEMIS financial information updated for your school?			
12	How many school staff are paid from the school grant? Explain.			
13	Submitted the AGM for 2017?			
14	Submitted the AFR for 2017? When?			
15	Are there any indications of breaches? Specify area?			
16	Are there any indicators of good/best practices? Specify areas.			

## Appendix 6: Payment Anomalies

Name of School	Anomalies noted on the payment vouchers
BTBMHS	Audit noted that the payment vouchers are not numbered. Audit was informed that when the current bursar was still new, the former Principal was preparing the PV's. Also, fields on the PV;s were not completed properly, for instance the total budget value for each allocation, total amount so far spent on budget allocation and the allocation running balances. In addition, audit noted that many payment vouchers was not authorized and approved.
NNLSS	Audit noted that the payment vouchers are not numbered, only cheque numbers are captured. Also, fields on the PV;s were not completed properly, for instance the total budget value for each allocation, and total amount so far spent on budget allocation not entered.
SBMS	Audit sighted a payment voucher used to pay two or three separate and distinct suppliers. Thus, cash cheques were raised for these payment. Audit has advised Bursar that this should be prohibited and she has acknowledged it. In addition, audit sighted a few payment vouchers that have not been authorised and approved.
SRLSS	Authorized sections of the payment voucher not properly filled.
BTDS	Audit noted that some payment vouchers were did not have the manager's approval.
LTNMC	Audit noted that some payment vouchers have not been authorized as Principal is out of the office.
LTSC	Fields on the payment voucher not completed, such as budget allocation and budget amount spent.
BXC	Fields on the payment voucher not completed, such as budget allocation No. total budget allocation and budget amount spent.
LTMSC	Audit noted that the budget allocation and its running balances are not captured on the payment voucher. However, the acquittal record sheets does capture the above required information.
NNASS	Audit noted that not all fields are properly completed.
LTRNC	Audit noted that budget allocation and budget amounts are not completed.
LTNSKMC	Audit noted that the budget allocation, its running balances and amount spent so far are not captured on the payment voucher.
LTJWSS	Audit noted that the running balances are not captured on the payment voucher.
NTNC	Payment vouchers not properly completed.
SNSS	Payment vouchers not properly completed.
SBC	Payment vouchers not properly completed.
SJNC	Payment vouchers not properly completed.
SDAVGC	Payment vouchers not properly completed.
SCC	Payment vouchers not properly completed.
NLHS	Payment vouchers not properly completed.
SWCC	Payment vouchers not properly completed.
SAMC	Payment vouchers not properly completed.
SRSC	Payment vouchers not properly completed.



NBDC	Payment vouchers not properly completed.
NLMS	Payment vouchers not properly completed.
NBHS	Payment vouchers not properly completed.
NDSS	Payment vouchers not properly completed.

## Appendix 7: Responses from schools on reasons for delay in submission of AFR and AGM minutes

No.	School Name	Date of Submission	Reasons for delay in submitting Schools AFR and AGM minutes to MoEHA	Monitoring from District/Division
1	RNAHS	Pending	Principal who was new to the school in 2017 informed audit that according to the former Principal, all records were submitted to the controlling Authority. The accounts submitted to the MoEHA were prepared in power-point presentation format and was not accepted by the Ministry. No response received to the MoEHAs queries regarding the progress of the AFR so school grants have then been centralized till date of the audit visit.	District/Divisions do not monitor. More emphasis placed on investigations.
2	BTPSHS	17 April 2018	According to the Principal, they had submitted their AFR and AGM minutes on 26 March 2018 to the Ministry. Date received stamp at the Ministry was 17/4/18	Yes, proper procedures to be followed are highlighted during district visits. However, no confirmation provided on the last date of the district visit.
3	BTBC	24 May 2018	Audit did not query	Visitation is only during the district visits or if there's a complaint
4	BTTDS	24 April 2018	Audit did not query	Visitation is done only during the district visits
5	BTADPC	16 April 2018	Audit did not query	Yes, there was a visit from MoEHA Auditor (Western Division) before the end of school year in 2017.
6	BTKMC	14 May 2018	The school had sent its AFR to the Divisional Office for onward submission to the MoEHA. The AFR was ready 2 days before the due date of 31 March 2018 and was submitted to the district as per instructions from the district. Date received stamp at the Ministry was 11/5/18	Visitation to the school when there is a complaint lodged to them.
7	BTXC	30 May 2018	Audit did not query	Last school visit from district was on 13 June 2018. Purpose of the visit was to conduct staffing survey in which the vice Principal and Principal provided

No.	School Name	Date of Submission	Reasons for delay in submitting Schools AFR and AGM minutes to MoEHA	Monitoring from District/Division
				responses for factors that increased staff rolls at the school.
8	BTBMHS	02 May 2018	Audit did not query	Principal and treasurer are both new to the school and are not aware of any visitation from the Divisional education officers
9	LTNJWHS	16 April 2018	Audit did not query	Divisional education officers only visit the schools if there is a complaint lodged with them.
10	LTNNSKMC	03 July 2018	Audit did not query	Divisional Educational Office last visited the school during the last two weeks of term 2 but they did not fill the visitors log book.
11	LTNRNC	03 July 2018	Audit did not query	Last district/divisional visit was in 2016. No school visits/monitoring conducted for the year 2017 and 2018.
12	LTNNMC	13 April 2018	Audit did not query	Last audit visit by the Division was conducted in 2017 to check 2016 accounts and brief check was done in term of 2018 in which the main focus on the e-ticketing top up.
13	LTNMSC	11 June 2018	Audit did not query	Principal joined the school in 2015 and there has been no monitoring conducted so far from the district/division.
14	LTNSC	03 July 2018	Audit did not query	Visit was done in 2017 by the MoEHA Divisional Auditor, however, there were no indication of any awareness on the Management Handbook during the visit.
15	NNLSS	15 June 2018	Audit did not query	Audit did not query
16	NNNAC	11 June 2018	Audit did not query	No monitoring done so far from the District/Division.
17	NNKSS	15 June 2018	Audit did not query	Last visit was on 13 July 2018 to inspect MAR's on League and highlighted issues on New Procedures and Transparency.
18	SRLSS	14 June 2018	Audit did not query	Last visit was conducted in 2016.
19	SBMS	14 May 2018	According to the Principal they were informed by the School's Auditor that only 1 staff was handling so many school audits, hence the delay.	Last visit was conducted in 2016 but none in 2017 till date.
20	SSAHS	09 July 2018	According to the Bursar, the school received their term 2 grant in week 13 of term 2 2018. The main reason for the delay in submission of AFR and AGM minutes is that they were not aware of the	Audit did not query

No.	School Name	Date of Submission	Reasons for delay in submitting Schools AFR and AGM minutes to MoEHA	Monitoring District/Division from
			provisions of the School Management Handbook, however, the new principal has clarified processes with the bursar and the administration staffs at the school, who are now aware of the processes. But this could not prevent the delay in preparation of their school accounts for submission to the school management. School records were submitted to the School management on the second week of June and the audit of the school accounts was completed on 04 July 2018.	

## Appendix 8: Details of variances between sampled AFR and FEG payout

No.	District	School Name	FEG Pay-out	Income on AFR	Variances
1	Nadroga-Navosa	NNBCSS	68,732	75,352	(6,620)
2	Nadroga-Navosa	NNNCC	113,875	116,875	(3,000)
3	Nadroga-Navosa	NNSAS	117,795	205,202	(27,407)
4	Nadroga-Navosa	NNCC	280,972	280,992	(20)
5	Lautoka	LTNKC	219,648	219,688	(40)
6	Lautoka	LTNVC	238,241	238,301	(60)
7	Lautoka	LTNRNSS	337,181	339,426	(2,245)
8	Lautoka	LTNJWHS	344,071	350,712	(6,641)
9	Lautoka	LTNNMC	374,015	374,290	(275)
10	Lautoka	LTNSSKMC(N)	438,006	439,808	(1,802)
11	Lautoka	LTNPVDM	316,361	303,301	13,060
12	Lautoka	LTNSVC	400,156	373,813	26,343
13	Lautoka	LTNMSS	14,980	23,460	(8,480)
14	Cakaudrove	CVKSS	89,494	93,694	(4,200)
15	Cakaudrove	CSHS	89,234	103,041.56	(13,807.56)
16	Cakaudrove	CUSS	107,067	119,317	(12,250)
17	Cakaudrove	CVSS	103,285	103,605	(320)
18	Cakaudrove	CNMHS	124,980	126,364	(1,384)
19	Cakaudrove	CSSS	339,363	365,888	26,525
20	Suva	SWSS	38,999.09	57,307	(18,307.91)
21	Suva	SRLSS	100,922	100,822	100
22	Suva	SLHS	109,004	108,924	80
23	Suva	SNSS	162,093	141,655	20,438
24	Suva	SWCC	156,467.50	156,893	(425)
25	Suva	SBMS	234,918	176,143	58,775
26	Suva	SSSC	190,783	190,733	50
27	Suva	SSMC	239,313	239,293	20
28	Suva	SAGHS	314,936	320,044	(5,108)
29	Suva	SJWC	194,323	194,084	239
30	Suva	SDAVGC	144,500	205,811	(61,311)
31	Suva	SGHS	271,865	325,310	(53,445)
32	Suva	SVMC	183,754.54	275,566	(91,811.46)
33	Suva	SMBHS	333,428	317,934	15,494
34	Suva	SJNC	355,680	363,847	(8,167)
35	Suva	SDHS	429,120	411,097	18,023
36	Suva	SNSS	274,969	332,521	(57,552)
37	Suva	SRSC	445,134	445,732	(598)
38	Suva	SBC	122,667	122,567	100
39	Suva	SDAVC	328,157	266,765	61,392
40	Suva	SAHS	41,714.35	93,630	(51,915.65)
41	Nausori	NMC	86,440	86,290	150
42	Nausori	NRSS	85,716	85,843	(127)
43	Nausori	NNHS	112,306	106,029	6,277
44	Nausori	NDSS	104,357	104,057	300
45	Nausori	NBHS	117,544	117,484	60
46	Nausori	NSVC	153,919	153,918	1
47	Nausori	NLHS	154,603	145,201	9,402

No.	District	School Name	FEG Pay-out	Income on AFR	Variances
48	Nausori	NDMHS	236,971.25	260,179	(23,207.75)
49	Nausori	NTNC	332,652	302,562	30,090
50	Nausori	NLMS	506,877	500,777	6,100
51	Nausori	NBDAC	334,705	334,645	60
52	Ba	BTBSC	133,155	133,135	20
53	Ba	BTNHS	62,707	44,392	18,315
54	Ba	BTKC	169,847	169,827	20
55	Ba	BTTDSS	141,261.50	120,803	20,458.50
56	Ba	BTNHS	110,379	102,879	7,500
57	Ba	BTKMC	272,163	271,823	340
58	Ba	BTBHS	98,098.75	106,612	(8,513.25)
59	Labasa	LBDSS	42,775.00	39,685.00	(3,090.00)
60	Labasa	LBVSS	80,083.00	69,563.00	(10,520.00)
61	Labasa	LBAMSS(V)	94,928.27	90,215.00	(4,713.27)
62	Labasa	LBWSS	94,350.00	94,303.00	(47.00)
63	Labasa	LBNSS	152,316.00	112,116.00	(40,200.00)
64	Labasa	LBICC	122,521.00	96,520.00	(26,001.00)
65	Labasa	LBLSS	172,950.00	107,240.00	(65,710.00)
66	Labasa	LBBSC	106,658.00	106,640.00	(18.00)
67	Labasa	LBLMC	117,557.00	117,542.00	(15.00)
68	Labasa	LBDHS	157,675.00	149,970.00	(7,705.00)
69	Labasa	LBNSS	174,884.00	174,818.00	(66.00)
70	Labasa	LBSCC	206,234.00	206,134.00	(100.00)
71	Labasa	LBSKMC	307,381.00	307,661.00	280.00
72	Labasa	LBNC	124,388.00	124,348.00	(40.00)
73	Eastern	EYMC	64,516.00	61,726.00	(2,790.00)
74	Eastern	ERFSS	81,562.00	81,061.00	(501.00)
75	Eastern	EGSS	107,377.00	104,081.00	(3,296.00)
76	Eastern	ECSS	84,413.00	81,083.00	(3,330.00)
77	Eastern	EAMSS	94,111.70	72,664.00	(21,447.70)
78	Eastern	ESMHS	108,679.00	104,538.00	(4,141.00)
79	Eastern	EKIHS	114,918.87	111,026.00	(3,892.87)
80	Ra	RSFC	71,797.00	71,751.00	(46.00)
81	Ra	RNHS	108,295.00	115,956.00	7,661.00
82	Ra	RRHS	167,706.00	166,861.00	(845.00)

## Appendix 9: Variances noted between audit calculations and FEG-Payout

No.	School Name	Audit Calculation	TFFG Pay-out	Variances
<b>TERM 1, 2018</b>				
<b>LABASA</b>				
1	LBAMSS(V)	29,754	29,547	207
2	LBICC	35,515	35,306	209
3	LBLSS	32,946	33,090	-144
4	LBBSC	34,927	35,086	-159
5	LBLMC	38,015	37,886	129
6	LBDHS	46,395	46,554	-159
7	LBSCC	64,090	64,495	-405
8	LBSKMC	100,567	100,707	-140
<b>EASTERN</b>				
1	ECSS	28,227	28,434	-207
2	EAMSS	25,827	24,954	873
3	EDMS	41,456	40,318	1,138
4	EKIHS	33,623	33,782	-159
5	ESJC	79,132	73,729	5,403
<b>RA</b>				
1	RSFC	23,865	22,899	966
2	RNSS	42,380	40,527	1,853
<b>NADROGA/NAVOSA</b>				
1	NNBCSS/STLC	18,962	18,732	-230
2	NNLSS	36,811	36,561	-250
3	NNNCC	37,907	38,325	418
4	NNSASC	60,714	60,411	-303
5	NNCC	90,072	89,932	-140
<b>LAUTOKA</b>				
1	LTNMSS	38,213	37,392	-821
2	LTNSSS	45,048	44,586	-462
3	LTNDSS	61,283	61,586	303
4	LTNCCL	74,430	71,673	-2,757
5	LTNVC	76,152	74,607	-1,545
6	LTNRNSS	102,421	100,736	-1,685
7	LTNJWHS	114,388	110,511	-3,877
8	LTNNMC	121,695	120,495	-1,200
9	LTNSSKMC	145,804	143,089	-2,715
10	LTNTHS	138,392	136,817	-1,575
11	LTNPVDMC	101,796	101,376	-420
12	LTNSVC	132,957	130,670	-2,287
13	LTNYNSS	9,430	9,660	230
14	LTNMSS	9,660	11,730	2,070
<b>CAKAUDROVE</b>				
1	CVKSS	25,860	26,289	429
2	CVSS	40,311	39,225	-1,086
3	CNMHS	41,533	41,215	-318
4	CBSS	57,163	56,845	-318
5	CSBC	61,265	61,106	-159
6	CHCC	63,499	63,299	-200
7	CSSS	109,259	108,380	-879
<b>SUVA</b>				
1	SWSS	16,781	17,746	-965
2	SCMFSS	30,906	31,050	-144
3	SLHS	31,378	31,204	174



No.	School Name	Audit Calculation	TFFG Pay-out	Variances
4	SNSS	46,556	46,356	200
5	SBMS	61,354	52,762	8,592
6	SSSC	60,719	56,640	4,079
7	SSMC	76,883	74,467	2,416
8	SAGHS	100,249	99,522	727
9	SJWC	66,962	58,307	8,655
10	SDAVGC	46,680	45,992	688
11	SGHS	106,084	104,759	1,325
12	SMBHS	107,694	102,646	5,048
13	SJNC	124,196	115,494	8,702
14	SDHD	133,733	131,848	1,885
15	SYSSS	51,145	45,007	6,138
16	SNSS	81,134	80,089	1,045
17	SRSC	146,333	145,606	727
18	SKSS	32,635	32,426	209
19	SDAVC	107,147	105,602	1,545
20	SAHS	47,958	44,872	3,086
<b>NAUSORI</b>				
1	NNHS	32,469	32,325	144
2	NDSS	36,355	36,105	250
3	NBHS	40,905	40,761	144
4	NNHS	45,523	45,220	303
5	NSVC	50,454	47,860	2,594
6	NLHS	52,815	49,011	3,804
7	NSC	52,108	59,358	-7,250
8	NDMHS	80,763	80,498	265
9	NTNC	96,053	95,928	125
10	NLMS	158,808	156,101	2,707
11	NBDAC	111,963	111,641	322
12	NVHS	142,504	142,084	420
<b>BA/TAVUA</b>				
1	BTXC	102,965	102,825	140
2	BTNHS	21,199	22,119	-920
3	BTKC	52,919	52,719	200
4	BTTDS	31,806	41,662	-9,856
5	BTNLS	33,180	35,100	-1,920
6	BTKMC	88,123	86,475	1,648
<b>Term 3 2017</b>				
<b>LABASA</b>				
1	LBVSS	23,644	21,777	1,867
2	LBAMSS(V)	30,295	28,381	1,914
3	LBNSS	36,123	36,330	-207
4	LBICC	35,564	27,234	8,329
5	LBLSS	34,372	34,514	-142
6	LBBSC	34,541	34,840	-299
7	LBLMC	38,557	38,714	-157
8	LBDHS	45,915	47,881	-1,966
9	LBNSS	55,532	55,812	-280
10	LBSCC	63,915	66,078	-2,163
<b>EASTERN</b>				
1	EYMC	19,132	20,067	-935
2	ERFSS	25,156	26,172	-1,016
3	EGSS	37,218	37,882	-664
4	ECSS	28,734	28,940	-206
5	EAMSS	25,696	23,798	1,898

No.	School Name	Audit Calculation	TFFG Pay-out	Variances
6	EDMHS	40,906	40,363	543
7	EKIHS	34,131	34,288	-157
8	ESJC	80,681	75,157	5,524
<b>RA</b>				
1	RSFC	23,997	23,013	984
2	RNHS	40,245	39,462	783
3	RRHS	50,551	54,195	-3,644
4	RPSHS	97,812	97,547	265
<b>NADROGA/NAVOSA</b>				
1	NNBCSS/STLC	23,302	21,813	(1,489)
2	NNNSS	30,401	28,447	(1,954)
3	NNLSS	36,253	36,652	399
4	NNNCC	38,599	40,223	1,624
5	NNSASC	60,189	60,473	284
6	NNCC	92,560	92,700	140
7	NNNAC	49,128	52,720	3,592
<b>LAUTOKA</b>				
1	LTNMSS	39,495	38,682	-813
2	LTNSSS	45,371	45,072	-299
3	LTNDSS	55,570	55,835	265
4	LTNKC	72,621	72,496	-125
5	LTNCCL	76,097	73,326	-2,771
6	LTNVC	77,711	76,166	-1,545
7	LTNRNSS	109,525	108,230	-1,295
8	LTNJWHS	114,083	112,342	-1,741
9	LTNNMC	124,047	122,847	-1,200
10	LTNSSKMS	147,102	144,251	-2,851
11	LTNTHS	141,326	139,891	-1,435
12	LTNPVDMC	101,700	99,750	-1,950
13	LTNSVC	133,848	131,312	-2,536
14	LTNMSS	9,890	11,730	1,840
<b>CAKAUDROVE</b>				
1	CVKSS	25,303	28,910	3,607
2	CSHS	30,497	30,654	157
3	CUSS	31,528	32,311	783
4	CVSS	39,766	28,390	-11,376
5	CNMHS	41,079	41,148	69
6	CBSS	57,381	57,209	-172
7	CSBC	62,041	61,884	-157
8	CHCC	57,803	58,027	224
9	CSSS	111,206	110,900	-306
<b>SUVA</b>				
1	SWSS	17,223	17,961	-738
2	SCMFSS	31,340	31,482	-142
3	SNSS	18,459	18,689	-230
4	SLHS	35,613	35,695	-82
5	SNSS	46,038	46,365	-327
6	SWCC	50,971	52,610	-1,639
7	SBMS	60,906	59,568	1,338
8	SSSC	62,643	58,747	3,896
9	SSMC	78,766	76,353	2,413
10	SAGHS	104,797	103,836	961
11	SWC	65,916	58,491	7,425
12	SDAVC	47,473	48,157	-684
13	SGHS	108,573	106,998	1,575

No.	School Name	Audit Calculation	TFFG Pay-out	Variances
14	SVMC	92,005	91,880	125
15	SMBHS	106,942	105,220	1,722
16	SJNC	125,333	117,012	8,321
17	SDHS	137,044	137,034	10
18	SYSSS	51,117	45,367	5,750
19	SNSS	111,225	110,040	1,185
20	SRSC	147,530	146,804	726
21	SBC	38,187	38,329	-142
22	SKSS	32,729	32,522	207
23	SDAVGC	108,181	106,901	1,280
24	SAHS	49,653	46,448	3,205
<b>NAUSORI</b>				
1	NMC	27,737	27,958	-221
2	NNSS	26,577	27,356	-779
3	NNHS	32,127	31,985	142
4	NDSS	36,686	37,633	-947
5	NNHS	44,930	44,631	299
6	NSVC	52,136	49,688	2,448
7	NSVC	47,639	48,506	-867
8	NLHS	80,049	84,815	-4,766
9	NTNC	99,020	99,130	-110
10	NLMS	166,825	164,705	2,120
11	NBDAC	110,794	110,333	461
12	NVHS	142,754	143,439	-685
<b>BA/TAVUA</b>				
1	BTXC	104,099	110,897	-6,798
2	BTNHS	21,386	22,796	-1,410
3	BTKC	56,005	56,580	-575
4	BTTDS	39,973	39,589	384
5	BTNHS	32,900	36,366	-3,466
6	BTKMC	90,284	89,015	1,269
<b>TERM 2 2017</b>				
<b>LABASA</b>				
1	LDSS	13,080	9,238	3,842
2	LVSS	23,418	26,601	-3,183
3	LAMSS(V)	31,572	36,496	-4,924
4	LWSS	30,888	34,500	-3,612
5	LNSS	38,053	39,651	-1,598
6	LVISS	33,617	34,282	-665
7	LICC	35,694	31,964	3,730
8	LLSS	36,118	40,842	-4,724
9	LBSS	34,768	33,831	937
10	LLMC	39,605	40,951	-1,346
11	LDHS	46,395	52,365	-5,970
12	LNSS	56,239	62,116	-5,877
13	LSCC	63,965	73,377	-9,412
14	LLSKMC	103,873	88,348	15,525
15	LNC	41,424	42,548	-1,124
<b>EASTERN</b>				
1	EYMC	19,139	17,851	1,288
2	ERFSS	24,000	32,172	-8,172
3	EGSS	37,526	35,880	1,646
4	ECSS	29,601	19,885	9,716
5	EAMSS	24,954	23,916	1,038
6	EDMHS	39,441	32,427	7,014

No.	School Name	Audit Calculation	TFFG Pay-out	Variances
7	EKIHS	34,906	50,854	-15,948
<b>RA</b>				
1	RSFC	24,453	28,908	-4,455
2	RNHS	39,188	49,144	-9,956
3	RRHS	50,963	55,649	-4,686
4	RPSHS	99,491	100,251	-760
<b>NADROGA/NAVOSA</b>				
1	NNBCSS/STLC	23,079	24,489	1,410
2	NNNSS	32,517	36,324	3,807
3	NNLSS	37,893	39,300	1,407
4	NNNCC	31,998	38,254	6,256
5	NNSASC	54,703	57,488	2,785
6	NNCC	94,416	104,099	9,683
7	NNRLMSI	7,540	9,240	1,700
8	NNNAC	49,408	59,471	10,063
<b>LAUTOKA</b>				
1	LTNMSC	24,819	33,106	8,287
2	LTNMSS	32,138	33,843	1,705
3	LTNSSS	46,950	49,939	2,989
4	LTNDSS	56,320	62,942	6,622
5	LTNKC	73,966	79,234	5,268
6	LTNCCL	78,979	82,156	3,177
7	LTNVC	81,740	79,043	-2,697
8	LTNRNSS	117,093	109,217	-7,876
9	LTNJWHS	112,438	123,032	10,594
10	LTNNMC	126,059	126,217	158
11	LTNSSK	149,280	160,035	10,755
12	LTNTHS	145,046	138,261	-6,785
13	LTNPVDMC	103,152	101,581	-1,571
14	LTNSVC	137,308	133,280	-4,028
15	LTNYNSS	9,890	11,960	2,070
16	LTNMSS	9,890	11,730	1,840
<b>CAKAUDROVE</b>				
1	CVKSS	25,224	34,499	9,275
2	CSHS	31,527	32,985	1,458
3	CUSS	32,666	38,908	6,242
4	CVSS	40,102	37,164	-2,938
5	CNMHS	41,533	43,048	1,515
6	CBSS	58,012	66,252	8,240
7	CSBC	56,256	70,542	14,286
8	CHCC	58,769	60,318	1,549
9	CSSS	115,297	115,908	611
<b>SUVA</b>				
1	SWSS	18,837	22,743	-3,906
2	SCMFSS	33,543	45,630	-12,087
3	SNSS	20,247	18,022	2,225
4	SRLSS	34,224	33,687	537
5	SLHS	36,364	36,377	-13
6	SNSS	46,397	54,788	-8,391
7	SWCC	50,743	46,196	4,547
8	SBMS	55,898	57,050	-1,152
9	SSSC	64,034	59,807	4,227
10	SSMC	82,888	85,611	-2,723
11	SAGHS	108,125	79,800	28,325
12	SWC	64,765	66,963	-2,198

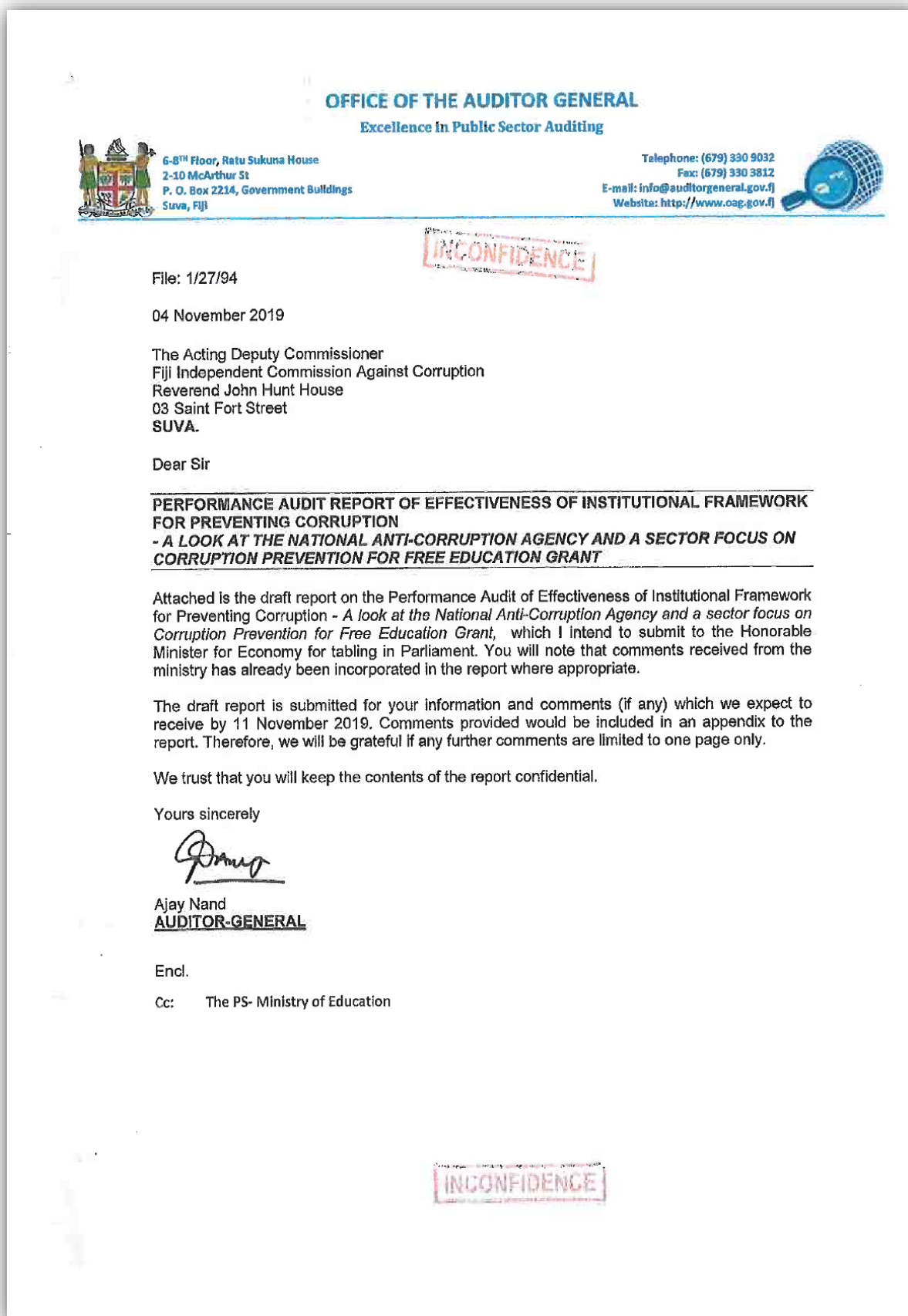
No.	School Name	Audit Calculation	TFFG Pay-out	Variances
13	SDAVC	111,477	104,286	7,191
14	SGHS	110,203	106,803	3,400
15	SVMC	93,012	88,544	4,468
16	SMBHS	104,854	102,577	2,277
17	SJNC	126,990	114,095	12,895
18	SDHS	136,763	140,240	-3,477
19	SYSSS	51,719	47,219	4,500
20	SNSS	109,196	164,929	-55,733
21	SRSC	149,898	149,948	-50
22	SBC	43,486	41,842	1,644
23	SKSS	35,124	33,721	1,403
24	SDAVGC	47,978	42,934	5,044
25	SAHS	51,635		51,635
<b>NAUSORI</b>				
1	NMC	29,031	29,673	-642
2	NNSS	26,709	33,454	-6,745
3	NRSS	30,603	24,915	5,688
4	NNHS	32,022	35,473	-3,451
5	NDSS	36,120	33,810	2,310
6	NBHS	38,694	35,686	3,008
7	NNHS	46,645	52,686	-6,041
8	NSVC	54,099	57,374	-3,275
9	NLHS	47,038	42,363	4,675
10	NSC	57,350	55,244	2,106
11	NDMHS	78,991	93,113	-14,122
12	NTNC	98,904	105,130	-6,226
13	NLMS	169,931	168,994	937
14	NBDAC	111,058	110,723	335
15	NVHS	143,932	153,805	-9,873
<b>BA/TAVUA</b>				
1	BTXC	105,549	111,014	-5,465
2	BTBSC	45,149	49,533	-4,384
3	BTNHS	21,157	2,022	19,135
4	BTKC	57,179	57,200	-21
5	BTTDS	40,270	41,423	-1,153
6	BTNHS	33,180	34,737	-1,557
7	BTKMC	92,899	92,097	802
8	BTBHS	32,307	40,371	-8,064
<b>TERM 1 2017</b>				
<b>LABASA</b>				
1	LDSS	17,379	17,372	7
2	LAMSS(V)	24,294	24,172	122
3	LWSS	27,897	29,249	-1,352
4	LNSS	36,455	36,135	320
5	LVISS	32,952	32,666	286
6	LICC	37,664	37,322	342
7	LLSS	32,288	31,884	404
8	LBSS	38,383	37,969	414
9	LLMC	38,289	37,877	412
10	LDHS	47,427	49,724	-2,297
11	LNSS	57,530	56,890	640
12	LSCC	66,289	66,679	-390
13	LLSKMC	117,196	117,336	-140
14	LNC	42,488	42,024	464
<b>EASTERN</b>				

No.	School Name	Audit Calculation	TFFG Pay-out	Variances
1	EYMC	23,576	23,808	-232
2	ERFSS	22,724	22,717	7
3	EGSS	32,301	30,319	1,982
4	ECSS	32,214	32,258	-44
5	EAMSS	25,080	24,950	130
6	EDMHS	32,106	31,748	358
7	EKIHS	26,013	25,884	129
<b>RA</b>				
1	RNHS	27,495	27,350	145
2	RRHS	57,669	57,017	652
<b>NADROGA/NAVOSA</b>				
1	NNBCSS/STLC	22,545	22,430	-115
2	NNNSS	26,370	26,240	-130
3	NNLSS	38,404	38,072	-332
4	NNNCC	35,826	35,398	-428
5	NNSASC	60,548	59,834	-714
6	NNNAC	48,853	48,456	-397
<b>LAUTOKA</b>				
1	LTNMSC	16,546	16,783	237
2	LTNMSS	39,094	38,348	-746
3	LTNSSS	43,976	43,458	-518
4	LTNDSS	58,771	58,250	-521
5	LTNVC	82,892	83,032	140
6	LTNRNSS	119,594	119,734	140
7	LTNTHS	149,366	149,911	545
8	LTNPVDMC	101,690	101,970	280
<b>CAKAUDROVE</b>				
1	CVKSS	24,120	26,085	1,965
2	CSHS	25,725	25,595	-130
3	CUSS	36,186	35,848	-338
4	CVSS	38,057	37,731	-326
5	CNMHS	40,180	40,784	604
6	CBSS	50,900	51,544	644
7	CSBC	55,530	55,012	-518
8	CSSS	112,525	112,555	30
<b>SUVA</b>				
1	SWSS	16,371	16,603	-232
2	SCMFSS	30,843	30,694	149
3	SNSS	22,472	22,466	6
4	SRLSS	33,985	33,887	98
5	SLHS	37,284	36,852	432
6	SNSS	40,090	40,502	-412
7	SWCC	57,697	58,087	-390
8	SAGHS	136,268	136,408	-140
9	SJWC	68,490	68,630	-140
10	SDAVGC	53,986	53,368	618
11	SVMC	95,362	95,142	220
12	SMBHS	110,012	110,137	-125
13	SJNC	132,600	132,740	-140
14	SDHS	133,963	133,823	140
15	SYSSS	49,260	48,994	266
16	SNSS	59,190	57,552	1,638
17	SBC	42,882	42,396	486
18	SKSS	35,691	35,363	328
19	SDSVC	116,540	116,930	-390

No.	School Name	Audit Calculation	TFFG Pay-out	Variances
20	SAHS	47,734	47,182	552
<b>NAUSORI</b>				
1	NMC	28,803	28,659	144
2	NNSS	25,905	25,780	125
3	NRSS	31,516	31,445	71
4	NNHS	38,897	38,571	326
5	NDSS	32,490	32,614	-124
6	NBHS	42,020	41,530	490
7	NNHS	40,142	39,843	299
8	NSVC	47,402	46,856	546
9	NLHS	54,189	54,332	-143
10	NBDAC	113,449	113,589	-140
11	NVHS	134,294	135,006	-712
<b>BA/TAVUA</b>				
1	BTBSC	40,765	40,305	460
2	BTNHS	22,569	19,574	2,995
3	BTKC	56,629	56,047	582
4	BTTDS	40,117	39,791	326
5	BTNHS	31,932	31,776	156
6	BTBHS	34,531	34,133	398



## Appendix 10: Letters to FICAC and Ministry of Education



## OFFICE OF THE AUDITOR GENERAL

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File: 1/27/94

04 November 2019

The Permanent Secretary  
Ministry of Education  
Senikau House  
Gordon Street  
SUVA.

Dear Madam

**PERFORMANCE AUDIT REPORT OF EFFECTIVENESS OF INSTITUTIONAL FRAMEWORK  
FOR PREVENTING CORRUPTION  
- A LOOK AT THE NATIONAL ANTI-CORRUPTION AGENCY AND A SECTOR FOCUS ON  
CORRUPTION PREVENTION FOR FREE EDUCATION GRANT**

Attached is the draft report on the Performance Audit of Effectiveness of Institutional Framework for Preventing Corruption - *A look at the National Anti-Corruption Agency and a sector focus on Corruption Prevention for Free Education Grant*, which I intend to submit to the Honorable Minister for Economy for tabling in Parliament. You will note that comments received from the ministry has already been incorporated in the report where appropriate.

The draft report is submitted for your information and comments (if any) which we expect to receive by 11 November 2019. Comments provided would be included in an appendix to the report. Therefore, we will be grateful if any further comments are limited to one page only.

We trust that you will keep the contents of the report confidential.

Yours sincerely

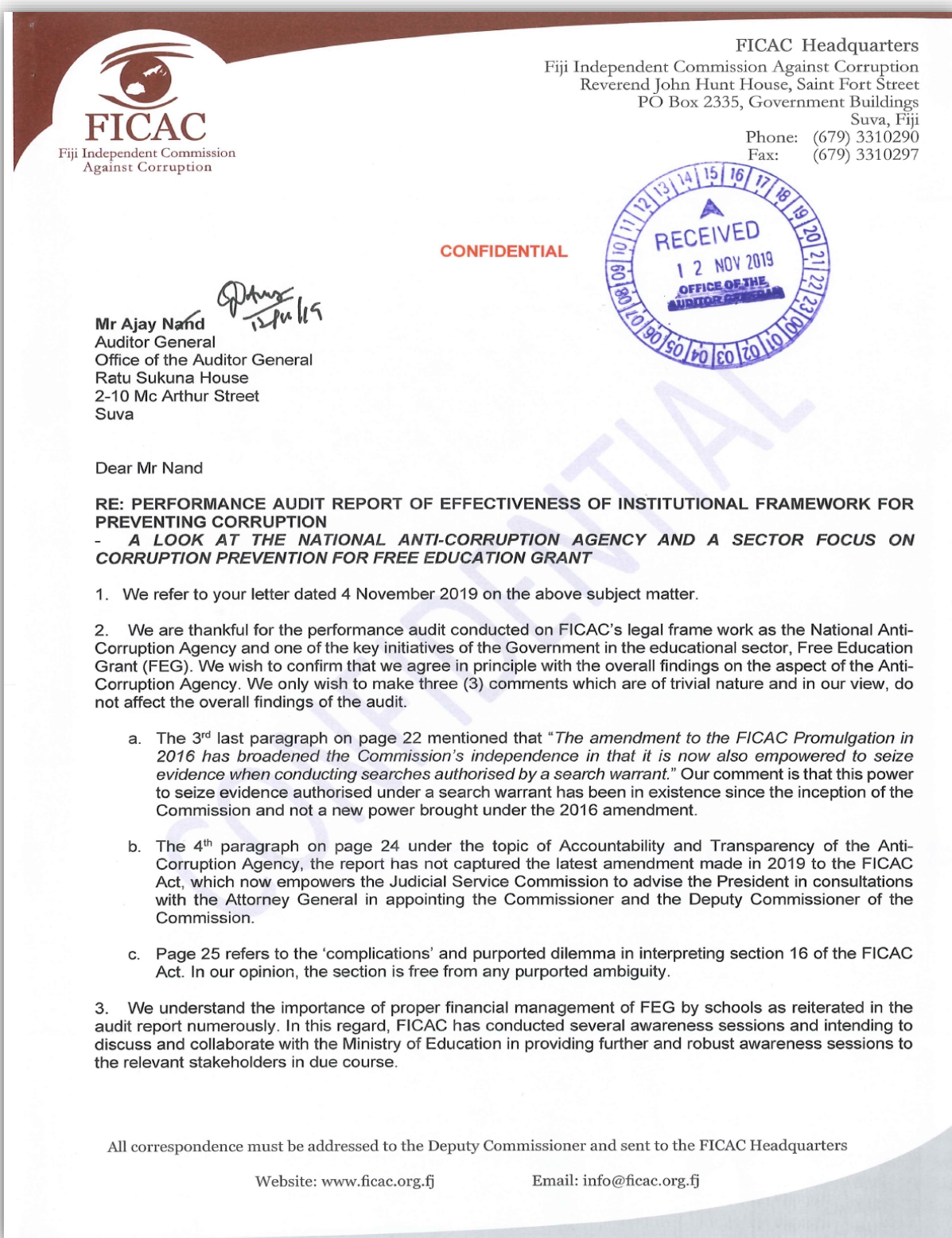
Ajay Nand  
**AUDITOR-GENERAL**

Encl.

Cc: The Deputy Commissioner FICAC

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## Appendix 11: Comments from FICAC and Ministry of Education



4. We greatly appreciate your endeavour in performing this audit.

Thank you.

Yours sincerely



**Rashmi Aslam**  
Acting Deputy Commissioner

cc: *The Permanent Secretary*  
*Ministry of Education, Heritage and Arts*  
*Marela House*  
*Suva*

CONFIDENTIAL

## Email response from the Permanent Secretary Ministry of Education, Heritage and Arts.

From: Alison Burchell <[pscha@govnet.gov.fj](mailto:pscha@govnet.gov.fj)>  
Date: 8/11/19 6:20 PM (GMT+10:00)  
To: Makereta Konrote <[makereta.konrote@economy.gov.fj](mailto:makereta.konrote@economy.gov.fj)>, Ajay Nand <[ajay.nand@govnet.gov.fj](mailto:ajay.nand@govnet.gov.fj)>  
Cc: Kelera Kolivuso Ravono <[KKolivuso@economy.gov.fj](mailto:KKolivuso@economy.gov.fj)>, "Geetashni D. Chand" <[geetashni.chand@economy.gov.fj](mailto:geetashni.chand@economy.gov.fj)>, "Sukhendra D. Lal" <[sukhendra.lal@govnet.gov.fj](mailto:sukhendra.lal@govnet.gov.fj)>, Susan Kiran <[susan.kiran@govnet.gov.fj](mailto:susan.kiran@govnet.gov.fj)>  
Subject: Draft School Management Handbook and FEG Policy 08/11/2019

Good evening

We are in the process of updating the Handbook (effectively the public presentation of the FEG policy) and your comments would be welcome. If you could provide them by 15 November 2019 to our Director Finance, that would be very helpful.

Auditor General – we have been working on this for a while and hopefully it will address most if not all of your issues raised in the audit report you recently submitted on FEG. We will respond more formally on that in due course.

Best wishes

Alison

**Alison Burchell**  
Permanent Secretary  
Ministry of Education, Heritage and Arts

**Senikau House**  
**1 Gordon Street**  
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**Fiji**

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