

STANDING COMMITTEE ON
PUBLIC ACCOUNTS

[Verbatim Report of Meeting]

HELD IN THE

COMMITTEE ROOM (EAST WING)

ON

TUESDAY, 15TH OCTOBER, 2019

VERBATIM NOTES OF THE MEETING OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS HELD IN THE BIG COMMITTEE ROOM (EAST WING), PARLIAMENT PRECINCTS, GOVERNMENT BUILDINGS ON TUESDAY, 15TH OCTOBER, 2019 AT 12.09 P.M.

Interviewee/Submittee: iTaukei Affairs Board

In Attendance:

1. Mr. Meleti Bainimarama - Permanent Secretary for iTaukei Affairs and Chief Executive Officer for iTaukei Affairs Board
2. Mr. Josefa Toganivalu - Acting Chief Executive Officer
3. Ms. Sereana Matakibau - Director, Finance

Office of the Auditor-General:

1. Ms. Finau Nagera - Director, Audit
2. Ms. Sulueti C. - Manager, Audit

DEPUTY CHAIRPERSON.- Honourable Members, I would like to welcome the Team from the iTaukei Affairs Board, namely, the Permanent Secretary, Mr. Bainimarama, we welcome you. Before we begin, let me introduce the Honourable Members of this (Public Accounts) Committee (PAC).

(Introduction of Committee Members, Committee Secretariat, OAG Staff and Hansard, by Deputy Chairperson)

At this juncture, we also welcome the members of our media fraternity.

Before we begin, just as a matter of interest, while you are deliberating, the Honourable Members may interject from time to time and may ask certain questions and you are expected to respond. If you wish at any given point in time you want to give a written response, you have the liberty to do so later on. So, without further ado, Mr. PS, I request you to introduce the members of your team and you may start with your deliberation, thank you.

MR. M. BAINIMARAMA.- Vinaka, Deputy Chair and the Honourable Members of the Public Accounts Committee, Parliamentary Committee Secretariat and the Office of the Auditor-General (OAG).

Mr. Chair and Honourable Members, the Team from the iTaukei Affairs Board this morning is represented by me, and I will clarify later as Chief Executive Officer (CEO) not as Permanent Secretary, but CEO of iTaukei Affairs Board. Sitting on my left is the Deputy CEO, Mr. Josefa Toganivalu; sitting on my right is Sereana Matakibau, the Director, Finance for iTaukei Affairs Board.

At the outset, Deputy Chair, let me clarify that we have the written confirmation here with us. These two are separate entities: the Ministry of iTaukei Affairs, which is headed by the Permanent Secretary; and the iTaukei Affairs Board which is here before you today represented by virtue of the post of Permanent Secretary, Deputy Chair, and I am also the CEO of the iTaukei Affairs Board.

Just for clarification for the Members, we have two separate accounting systems for the Ministry and also the iTaukei Affairs Board. The Ministry goes through the financial systems with the Ministry of Economy while we, at the iTaukei Affairs Board, run our own accounting system - these are the two different accounting systems, that is all. We have gone through the responses which have been sent to the Public Accounts Committee Secretariat and we are ready to take any questions or you may wish to go through the written responses. Thank you, Sir.

DEPUTY CHAIRPERSON.- Thank you very much, Honourable Members. You may present the responses if you want to.

MR. M. BAINIMARAMA.- We will ask Mrs. Matakibau to present the responses.

DEPUTY CHAIRPERSON.- Yes, you may proceed with your responses, thank you.

MS. S. MATAKIBAU.- Vinaka, Deputy Chair. I believe you have had a copy of our responses in terms of the questions that were sent to the iTaukei Affairs Board pertaining to the audit issues that were raised in the OAG Report for the Provincial Councils, Volume 1.

1.1 Introduction: In terms of the status of the audit for the 14 Provincial Councils and the backlog, the question was: **What questions have been taken by the Ministry and the Board to address the backlog of 2011 to 2018?**

For the information of the Committee, Sir, the 2011 to 2012 Annual Accounts for the 13 Provincial Councils have been submitted, except for Lau, which the Taskforce Team is currently working on with the remaining accounts from 2013 up to 2018.

Business Plan Targets have been set for the current financial year that we are to clear the remaining accounts by the end of the financial year, which will be 31st July, 2020.

Mr. Chair, on **1.2, in terms of the timely submissions of the Financial Statements; 1.2.1, will be the reasons for the delay.** I believe in the past sittings, we have always flagged to the Committee that this was something inherited from past managements, however, the current management can assure the Committee this morning that it will effectively allocate resources to clear the backlog as per the target that I have alluded to in 1.1.

HON. V. PRAKASH.- Deputy Chair, through you, a supplementary question: Thank you, the Chief Executive Officer (and we will also address you as “Permanent Secretary”) and your Team to be here, the iTaukei Affairs, as you know, is one of the most important Affairs of the indigenous population throughout the country and the 14 Provincial Councils we have got, as you have said, up to 2012.

While we were going through the OAG Report, mostly the Provincial Councils say that they do not have the resource people to look after the finances in their Provincial Councils which means there are Provincial Councils that function through your structure but the only problem they were saying that they do not have a proper accountant or a proper finance person to manage those, and that was one of the cause of the delays. Now, here, as you have given your assurances, it is quite influencing, but at the same time to address that, how far have you gone because in mostly all Provincial Councils’ Reports that we have gone through, they said they do not have the specialist at the Provincial Councils’ level. What is your response?

MR. M. BAINIMARAMA.- Thank you, Deputy Chair. It will come out in the Report. I have asked the Director, Finance, to get a list of all the new Provincial Councils’ treasurers. All the Provincial Councils’ treasurers for the 14 provinces have all been interviewed and they have been employed now by the iTaukei Affairs Board. Out of the 14 Provincial Councils’ treasurers, the qualifications now, only four of them have diplomas but the rest of them are all degree holders - they are more than qualified. In fact, right now, they are sitting in Nadave attending a one-week workshop. After this, we will go back to them where we will be taking them through the processes and systems of the iTaukei Affairs Board’s Accounting Systems. But for the information of the Public Accounts Committee, Honourable Members, we have new Provincial Council treasurers.

HON. V. PRAKASH.- Thank you very much for the assurances and I think it will go a long way. Can you give a specific reason as to why Lau Provincial Council is not able to complete this account up to 2012?

MS. S. MATAKIBAU.- Thank you, Deputy Chair. Through you, in terms of the questions that were raised to us this morning, the delay in the submission was mainly due to the missing records that exist at the Provincial Councils and previously, treasurers were not qualified as has been raised by the Honourable Member. In terms of the corrective actions going forward, we have now raised the Minimum Qualification Requirement (MQR) and are now recruiting the treasurers with minimum degree qualifications.

HON. V. PRAKASH.- Can you give assurance as to when you will be able to complete the Lau Provincial Council giving explanation that there were missing records, et cetera, especially up to 2012? Any assurance on that from your side?

MS. S. MATAKIBAU.- Deputy Chair, through you, in terms of the work plan that we have put in place with the Lau Provincial Council up to 2012, the Team should be able to complete this by November.

DEPUTY CHAIRPERSON.- Thank you very much, you may move on. Yes, Honourable Radrodro.

HON. A.M. RADRODRO.- Just a point of clarification, going through this OAG Report, it says that the Provincial Council is a corporate body. Maybe that is where we can start from before we dwell on the issues that have been highlighted by the OAG and also the Ministry's responses to those questions.

On the type of company - **What type of company do Provincial Councils come under - public; private company; shares limited; unlimited?** Now with the changes in the Companies Act, how do those relate to your Audit Report that has just now been published in 2018 in conformance to those Companies Act requirements? We still hear it is a corporate body, but its legislative framework are only the iTaukei Affairs Act, iTaukei Affairs Regulations and the Audit Act, but what type of company this come under - the 14 Provincial Councils?

OAG REP.- Thank you, Deputy Chair, through you, Provincial Councils are "corporate entity" as stated in the regulation that governs or the operation of the Provincial Councils, that is in the iTaukei Affairs Act and the iTaukei Affairs Regulations 1996. It specifically states Provincial Councils are corporate entities.

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

OAG REP.- Provincial Councils do not issue shares but I believe there are business arms of the Provincial Councils that operate but the financials of those business arms are not included in the financials of the Provincial Councils.

HON. A.M. RADRODRO.- May be it is something, Mr. Chair, that could be clarified going forward.

DEPUTY CHAIRPERSON.- Yes, I think probably a thorough research could be done there and feedback afterwards.

HON. A.M. RADRODRO.- May be the Ministry or the iTaukei Affairs Board can assure us on the way forward.

MR. J. TOGANIVALU.- Deputy Chair, if I may just add to that, Honourable Members, I believe that the word in the Act says that it is a "body corporate" and it is seen as a 'statutory authority' - the iTaukei Affairs Board. In the Act, it also states that the only reason why it is stated as such is that, so that it can raise loans and also collect rates from the public. So, that is our understanding of the question, Sir.

DEPUTY CHAIRPERSON.- Yes, Honourable Lalabalavu.

HON. RATU N.T. LALABALAVU.- Deputy Chair, through you and to the CEO and PS of iTaukei Affairs, plus the Office of the A-G, this issue is quite an interesting one because this was done years ago, and it allowed the iTaukei Affairs or the Fijian Affairs Board to operate as such. The question that I would like to raise, CEO, is having that provision, why are we still registering Provincial companies when we already have that provision there?

Secondly, what becomes of the officers, is it still the same as before - they are not civil servants or they are quasi civil servants because that will affect the overall Ministry's budget provisions as well. Thank you, Honourable Deputy Chair.

DEPUTY CHAIRPERSON.- You may note these questions and you can come back later on or a written response if you wish to, or if you want to give a response now, it is all right.

MR. M. BAINIMARAMA.- Vinaka, Deputy Chair. This is a good point raised by the Honourable Members because to say the truth, it leaves us all in a quandary because we have a different system altogether. Perhaps, the system was set up for the inclusiveness of the iTaukei people. That was separate Government but perhaps the comment by the Honourable Member, *Turaga na Tui Cakau*, perhaps it is time we need to start reforms so we can clarify that part about the corporate body. We can clarify the issues about the Provincial Councils making loans, getting Provincial rates from the villages in the provinces. We might need clarification for that but perhaps, Deputy Chair, to put everyone at rest, maybe we can go back and talk with our legal so that they can give us proper advice on the issues that had been raised by the Honourable Members.

DEPUTY CHAIRPERSON.- Thank you, we anticipate your written response later on. Yes, Honourable Prakash.

HON. V. PRAKASH.- Deputy Chair, through you, thank you very much, CEO and the PS. I think your experience with the iTaukei Affairs and the amount of input that you have already put to the nation, I think, it will be very important to bring about the required reforms or to try and see the establishment of the Provincial Council and have all these things clarified. I think you have all the knowledge and indeed with your experience as an expertise, and so we will be looking forward to see that those are clarified.

DEPUTY CHAIRPERSON.- Thank you, Honourable Prakash. You may move on.

MS. S. MATAKIBAU.- Thank you, Deputy Chair, in terms of 1.2.2, the question raised was: **How was the Ministry and the iTaukei Affairs Board intending to address this issue of the delayed submission?**

As I have mentioned in our last appearance, we have provided a list strategies that the Board intends to implement to tackle this backlog. These include:

- i) The Establishment of the Taskforce at the Head Office to solely focus on the preparation of the Annual Accounts;
- ii) Recruitment of qualified personnel to look at the Provincial Councils and their financial operations, and also at the Head Office in Suva;
- iii) We have just purchased the new financial system with DATEC because of the delay in the Audit of Accounts. This has put a lot of challenge for the team to migrate the data into the new financial system and that is currently being worked on;

- iv) We conduct treasurer workshops for our treasurers on a quarterly basis to upskill them and train them with new reporting standards and address emerging gaps, issues that have arisen during our operations;
- v) We have also tried to work with financial institutions although some of these were not possible in the early 2000 Accounts up to 2007. However, for the current accounts, we are working closely with the financial institutions; and
- vi) In terms of the GOVNET connectivity to assist in the roll-out of our new financial systems, we have worked on our GOVNET connectivity and all the Provincial Councils are now connected to GOVNET.

DEPUTY CHAIRPERSON.- There is a question by the Honourable Member. Yes, Honourable Radrodro.

HON. A.M. RADRODRO.- Deputy Chair, just a question on this acquisition of this new financial system that you have, could you advise the Committee as to the total cost of this acquisition of the new financial system?

MS. S. MATAKIBAU.- Thank you, Honourable Member. Through you, Deputy Chair, in terms of the new financial system, it has costed the Board and the Provincial Councils - \$329,000.

HON. A.M. RADRODRO.- When was this purchased?

MS. S. MATAKIBAU.- This was purchased towards the end of 2017 and we are still working on the implementation phase because of the migration challenge that we have.

HON. A.M. RADRODRO.- Deputy Chair, just a supplementary question to that: Was there any existing financial operating system in existence before this purchase, and if it is, why was that not being utilised, now that you will have to purchase another new one.

MS. S. MATAKIBAU.- Thank you, Deputy Chair, through you, there was a system that was used - Service Provider by Pro Systems. The system was not an integrated system that connects the 14 Provincial Councils with the Head Office, and because of the challenge of the current financial system, the Board has gone ahead to acquire an integrated system now that will link up the 14 Provincial Councils and also will help real time reporting and online queries.

HON. A.M. RADRODRO.- When you said "the 14 Provincial Councils" that means the 14 Provincial Councils that contributed to the acquisition of this software?

MS. S. MATAKIBAU.- It was the cost-sharing approach.

HON. A.M. RADRODRO.- Cost-sharing?

MS. S. MATAKIBAU.- Cost-sharing approach, yes.

HON. A.M. RADRODRO.- Can we request for the details of the cost-share for each Provincial Council?

DEPUTY CHAIRPERSON.- Yes, kindly note that, and we will expect that, Mr. Deputy Chair.

MS. S. MATAKIBAU.- We will get back to you, Deputy Chair.

DEPUTY CHAIRPERSON.- Thank you, Honourable Lalabalavu.

HON. RATU N.T. LALABALAVU.- Thank you, Honourable Deputy Chair, through you, CEO, for this audit period, I understand (and this is subject to correction from the Office of the A-G) that that particular Office of the A-G has provided additional staff to cater for the response of the delay in auditing. That delay in auditing may have begun during my time as Minister and it is rolled over, but again this provision of additional staff from OAG, how has that improved your process because I am still seeing the word “delay” here in the response from your Office, Sir.

DEPUTY CHAIRPERSON.- OAG, you may respond.

OAG REP.- Through you, Deputy Chair, there was no additional staff recruited specifically for auditing Provincial Councils. What the Office of the Auditor-General has done was relook at the current resources and we have set up a group which is headed by Director, specifically tasked to audit Provincial Councils because of the enormous task of trying to clear the financial statement. We have received over 130 financial statements and we have to work overtime to complete these audits.

The current Auditor-General, because he is specifically mandated under the iTaukei Affairs Act, has to audit the Provincial Councils, he has to strategise the current resource that is with the Office of the Auditor-General in order to complete the audit. We have received the financial statements up to 2012 for 13 Provincial Councils. We have completed to date about 81 financial statements, financial audit (we are talking about four per month), that is not an easy task, but that is the challenge that the Office of the Auditor-General has taken on and we have included that in our Business Plan and in our Strategic Plan.

We have discussed and we are working together with the iTaukei Affairs Board in order to clear this and make sure that within the next two years, the audits of Provincial Councils are updated. So, basically there was no additional staff recruited by the Office of the Auditor-General. We have worked within the resources that we currently have, thank you.

DEPUTY CHAIRPERSON.- Thank you very much for your response. Any other supplementary question?

HON. RATU N.T. LALABALAVU.- Through you, Honourable Deputy Chair, now they are allowing two more years to address that long delay.

DEPUTY CHAIRPERSON.- Yes, Honourable Prakash.

HON. V. PRAKASH.- Deputy Chair, we have seen the improvement and proposal that Sirs and Madam are proposing here. As you know, in any current modern organisation, the Human Resource Team plays a very important role. The human resource with good qualification, and the team of HR could be really an asset to your Ministry or your Board. I could not see anywhere here where you mention about your HR and HR is quite important because we believe that not only at the Headquarters level but at the Provincial level this HR team can play a very effective role in changing the modern ways of running an organisation.

Secondly, I am very thankful to see that you have improved your ITC and I believe that system would also try to have it centralised. You are controlling from a central place for all the 14 Provincial Councils and also as you know, under the modern accounting system, their receipt books are being sort of removed and any transaction that takes place within a Provincial Council or within any organisation, data is all collected from a centralised centre because it goes through the new system of ITC recording. Those would be for your future if you do not have and these two departments - ITC and HR will be really important, they are quite important. Is there any response to that?

MS. S. MATAKIBAU.- Thank you, Deputy Chair, through you, in terms of the questions and the concerned raised, if I may just elaborate further on the new financial system. This is together with the new HR system that we are actually purchasing to improve the connectivity with the Provincial Councils. So, the \$329,000 that I have explained earlier, this is the cost of both the new financial and the new HR systems.

DEPUTY CHAIRPERSON.- Yes, Honourable Radrodro.

HON. A.M. RADRODRO.- Deputy Chair, just a supplementary question on the new financial system that has been highlighted by the officers of the iTaukei Affairs Board: In terms of the work that you do in deciding the acquisition of that franchise, do you get any recommendations or advice from the Auditor-General's Office on how efficient that system will work? Will it eventually assist in the issues that have been highlighted regarding delays in the preparation of the statements? Did you get any assistance and advice from the Auditor-General's Office?

MS. S. MATAKIBAU.- Thank you, Deputy Chair, through you, in terms of the acquisition process, there were Committees set up - the steering committee as well as the working committee. We had engaged a System Analyst from Fijian Holdings Limited (FHL) to come in and sit in the committees for the decision panel in terms of the acquisition. To answer the question from Honourable Radrodro in terms of getting advice from the Auditor-General, there was no correspondence with OAG in terms of advice, however the gaps that are noted from the previous Audit Reports are used as part of considerations by both committees. Thank you, Chair.

HON. A.M. RADRODRO.- Can you advise what is the name of the new system?

MS. S. MATAKIBAU.- Deputy Chair, through you, it is called SAGE ERP.

HON. A.M. RADRODRO.- ... in your conformance to this GOVNET connectivity that you are highlighting here in your answers?

MS. S. MATAKIBAU.- That is correct, Deputy Chair.

DEPUTY CHAIRPERSON.- Yes, Honourable Naiqama.

HON. RATU N.T. LALABALAVU.- Just a supplementary question on that one, CEO: With this new system in place, will that take care of the need to have the reports in order, in terms of identifying the assets, et cetera, because some of the assets of the respective Provincial Councils have not really been properly formalised, and how are those appearing in this new financial system that you have? Will you continue with that or probably what the CEO has stated that there is the view of doing reforms, et cetera. Will that be part of the reforms? Thank you.

MS. S. MATAKIBAU.- Thank you, Deputy Chair. In terms of the new financial system, there is a Fixed Asset Module that is also included in the financial system that will look into the accounting of all fixed assets of the Provincial Councils and the iTaukei Affairs Board. That includes the Schedule that will be systematically generated.

DEPUTY CHAIRPERSON.- Thank you very much, you may move on.

MS. S. MATAKIBAU.- 1.2.3, in terms of the Committee's question: **What is the current progress?**

In terms of the total submission that the iTaukei Affairs Board needs to work on for the iTaukei Affairs Board's Accounts and the Provincial Councils, there are 254 pending accounts altogether. As at today, we have

submitted to the Office of the Auditor-General - 156, including the iTaukei Affairs Board's Accounts and the Team is currently working on the remaining 98 Annual Accounts.

DEPUTY CHAIRPERSON.- There is a question by Honourable Radrodro.

HON. A.M. RADRODRO.- Thank you, Deputy Chair, through you the question regarding this preparation of accounts: We are talking about 254 accounts but this is specifically for this Audit Report. There are five Provincial Councils that have been under scrutiny by the Auditor-General's Office and some of these Provincial Councils have Provincial Holding Companies Limited. Have those also being captured in the Provincial Councils Audited Financial Statements?

MS. S. MATAKIBAU.- Thank you, Deputy Chair, through you in terms of the investments of the Provincial Councils into the Provincial Holdings, those investments are reflected in the books of the Provincial Councils, however we are facing difficulties trying to obtain the confirmation of investments from the Provincial Companies, and that is what we are currently working on.

HON. A.M. RADRODRO.- Deputy Chair, just a clarification in terms of investments: I am talking about Provincial Holding Companies. Just say, for example, for Rewa, Macuata who have Provincial Holding Companies, are those part of your reporting requirements in the Provincial Council Audits, Financial Statements? May be OAG can elaborate on that.

OAG REP.- Thank you, just a clarification, the Financial Statement of the Provincial Councils does not consolidate the financials of the Provincial Companies. What is reflected in the Provincial Councils' Accounts is their investment in the Provincial Companies.

HON. A.M. RADRODRO.-Who are the owners of these Provincial Companies?

OAG REP.- The iTaukei Affairs Board and the Provincial Councils are the best to respond to that question.

MS. S. MATAKIBAU.- Thank you, Deputy Chair, through you, in terms of the shareholding interest, some of our Provincial Companies are owned by the Provincial Councils and some are open to the members of the provinces.

DEPUTY CHAIRPERSON.- Yes, Honourable Lalabalavu, you may ask your question.

HON. RATU N.T. LALABALAVU.- A supplementary question on that, Honourable Deputy Chair: CEO, are Roko Tuis able to hold shareholding positions in entities as such, given the explanation given by your Finance Manager?

MS. S. MATAKIBAU.- Deputy Chair, through you, in terms of the Provincial Council Funds that was diverted into the Provincial Companies, that has given the shareholding interest of the Provincial Councils and Roko Tuis and the Provincial Council Chairman sit in the Board of Directors of the Provincial Companies, thank you.

DEPUTY CHAIRPERSON.- Thank you for your response.

HON. RATU N.T. LALABALAVU.- In that capacity, are they able to legally sit there given their positions as probably civil servants?

MR. J. TOGANIVALU.- Vinaka. Honourable Deputy Chair, the Provincial Council Holdings Company vary in nature - according to their setup. Some gave in their assets such as buildings for which amount as their contribution and also the shares. Sometimes that is solely the shares in the company - 100 percent-owned by or reports to the Provincial Council. In some cases, they have sold off or got out some shares that were bought, for example, through share drives and also through other means that were acquired and so the Provincial Council Company does not have the shareholding interest in that company or just partly, it has this part shareholding interest in that company.

In a few cases, the Provincial Council does not have any shares in the Holdings Company, so that is the status right now. As of now, we are currently working, starting with five provincial companies, trying to see how they were set up and the funds that went into these companies who own the properties. The shareholding certificates, as Director Finance has said, is something that we are currently working on.

DEPUTY CHAIRPERSON.- Thank you very much for your response, Sir.

OAG REP.- Deputy Chair, if the Office of the Auditor-General can clarify or further provide explanation to 1.2.3 on the status of the current progress of the audits - the 254 pending accounts include the iTaukei Affairs Board.

For the pending accounts for the Provincial Councils up to 2018 is 235; out of the 235, we have received 149 draft financial statements; out of the 149, we have completed 81 and we are currently finalising 42. So by the end of 2019, we would have completed 123 audits of the 149. That is just to provide the Committee an idea of the work that has gone into trying to work with the iTaukei Affairs Board and complete these audits. So, the remaining 26 (accounts for 2011 and 2012), the audit of that is scheduled for 2020 because apart from Provincial Councils, we have other audits that we have to do. So that is scheduled for the first quarter of 2011 and 2012 for the 13 Provincial Councils that we have received, that is about 26.

DEPUTY CHAIRPERSON.- Yes, Honourable Radrodro.

HON. A.M. RADRODRO.- I have a question to the Auditor-General's Office, do you have any timeline as to when will you bring those audited accounts uptodate? It is very important.

OAG REP.- Deputy Chair, for this current financial year, we would have updated the audits up to 2012 because that is the financial statement that we have received up to date.

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

OAG REP.- Because the 149 are still pending draft that have yet to be submitted by the iTaukei Affairs Board, they have indicated in the morning that that will come to the Office of the Auditor-General by the end of this financial year. So, for the Office of the Auditor-General, by the end of the Financial Year 2019 which ends in July 2020, the audit would have been updated up to 2012 for all the 14 Provincial Councils.

HON. A.M. RADRODRO.- Can we get an update, Honourable Deputy Chair, from the iTaukei Affairs Board on when will we get an update of the accounts for the 14 provinces to be submitted for auditing and get everything up to date?

MS. S. MATAKIBAU.- Thank you, Deputy Chair, through you, I believe in my opening remarks that we are confirming to the Committee that we should be able to get all the Provincial Councils' accounts updated, ready for audit by end of the Financial Year 2019/2020 which will end on 31st July, 2020.

DEPUTY CHAIRPERSON.- Yes, Honourable Prakash.

HON. V. PRAKASH.- I would like to compliment the Auditor-General's Office for taking a very keen interest to see that accounts are updated and at the same time also, the Sirs and Madam sitting here, I think, you have equal responsibility to see that Provincial Councils are able to comply. You know they have given so many reasons as we have seen in the Audit Report but through you, I think, it is important that they comply and try to submit those things in a timely manner because as it is, this Public Accounts Committee would like to see that we have financial accounts which are current or very near to current, then we can raise questions then people who have done some mistakes can be taken to task.

We are doing something for years ago when people are not even there but still we are obliged to see that public accounts which has public interest must be transparent and there is accountability. So, it is important, through you, Sirs and Madam, that Provincial Councils are able to comply, and that includes the submission of those things because otherwise it may drag again. We are looking forward to see that as fast as possible that we are able to come towards the nearest years of auditing accounts.

DEPUTY CHAIRPERSON.- Thank you, Honourable Prakash. You may move on.

MS. S. MATAKIBAU.- Deputy Chair, in terms of the questions raised on Section **2.0 Financial Reporting; 2.1. Is there any financial manual in place?**

There is a financial manual in place however it is currently under review to include the processes of the preparation of the financial statements and new emerging issues that have arisen.

2.2. Financial Statements of the Provincial Councils was considered to be ineffective and requires improvement? Why is the overall quality of the financial reporting ineffective and requires improvement?

The major drawback that the Taskforce is currently facing is the issue of missing records. Since these accounts were dated back to 2000 and even 1999 up to 2007, the auditors were provided with the available information in order for us to move up with the audit.

2.3 Are there any plans by the iTaukei Affairs Board to improve the capacity of staff?

I believe we had elaborated briefly on that earlier on in terms of the qualifications. We have raised the Minimum Qualification Requirements (MQR) for our provincial treasurers that will be in charge of the financial affairs of the Provincial Councils and right now, majority of our provincial treasurers are now qualified. When I referred to the word 'qualified' they are now sitting at degree level from the University of the South Pacific (USP) and the Fiji National University (FNU).

Also in terms of the query raised on the Financial System acquired, this is a double entry and an integrated system that will link up the 14 Provincial Councils and it will allow online reporting with online queries as well from the Head Office which is the centralised control locations.

DEPUTY CHAIRPERSON.- Yes, Honourable Radrodro.

HON. A.M. RADRODRO.- Deputy Chair, in terms of the recruitment of personnel at the iTaukei Affairs Board, can you just advise the Committee in terms of your commitment towards the SDG 5 on gender issues whether that has been taken into account in terms of the recruitment of personnel?

MS. S. MATAKIBAU.- Thank you, Deputy Chair, through you, yes, in terms of gender, we have quite a mix in terms of male and female provincial treasurers. Also in terms of ethnic groups, we also have our Indo-Fijian brothers and sisters working in the Provincial Councils as Provincial treasurers.

DEPUTY CHAIRPERSON.- A question by Honourable Lalabalavu.

HON. RATU N.T. LALABALAVU.- Through you, Deputy Chair, CEO/PS, just a supplementary question on the question raised by Honourable Radrodro on these reforms that you are doing in the improvement of the financial assistance and the training of personnel. I understand through the OAG that the accountability rests with the Provincial Councils, Sir. That is where the fiduciary care sits as well. Now we are talking about the staff. What about the composition of the Provincial Councils? Will they be part of this requirement for highly qualified people to be there? Because I understand, PS, that reading financial statements is one thing and understanding the statement is another different thing. So, is it a wholesome reform that we are doing here. Thank you.

DEPUTY CHAIRPERSON.- Thank you, Honourable Member.

MR. J. TOGANIVALU.- Vinaka. Honourable Members, we are looking at the changes that have taken place as we have already alluded to in the last sittings. We are trying to get the wholesome changes as the Honourable Member has raised. It also includes our Provincial Councils as well. For the Provincial Council Office, it does not only include the treasurers, it starts from the Roko Tuis and on to the staff. We have the benchmarks that are set and we also use the Open Merit Recruit System (OMRS) that is effected by the Ministry of Civil Service, and we take our cue or standard from there in terms of the recruitment of our staff and we see that there is fairness in the recruitment. As I speak, there are about five Roko Tuis with Masters Degree in our various Provincial Council offices.

I also wish to state that in our Provincial Council membership, we are trying to get in qualified personnel to be part of the various Provincial Councils in terms of what the Honourable Member had raised. With the issues that are there to be understood, the emerging issues that occur every now and then which need to be taken into account are the new dimensions into leadership and governance and all of these, we would need people that are there in the Provincial Councils as members to understand. So, Deputy Chair, we are going in that direction.

As for gender, we have started that in 2013 as we have answered in one of the questions there which I would like to clarify, *vinaka vakalevu*.

DEPUTY CHAIRPERSON.- Thank you very much for your response.

MS. S. MATAKIBAU.- Thank you, Deputy Chair. In Question 2.4: **Is there any provision to separately audit sources of annual income received by the Provincial Councils apart from the Government grant?**

For the information of the Committee, Sir, the Financial Statements that are submitted to the Office of the Auditor-General do not only cover the Government subvention but includes all other sources of income, including provincial rates, the return on investments and interest income.

DEPUTY CHAIRPERSON.- Yes, Honourable Lalabalavu, you may ask your question.

HON. RATU N.T. LALABALAVU.- OAG, you were mentioning the Ministry of iTaukei Affairs Board, is that a separate audit apart from the Provincial Councils or will that be part of it?

OAG REP.- Thank you, Deputy Chair. When I was clarifying the state and the progress of the audits, the number that they provided was “254”. That “254” includes the iTaukei Affairs Board. The “235” that I mentioned is just for the Provincial Councils. So, currently we are just auditing the Provincial Councils, the iTaukei Affairs Board submits separate Financial Statements for audit.

HON. A.M. RADRODRO.- Can you just clarify for the Committee as to when was the last iTaukei Affairs Board’s audited Report?

OAG REP.- The last audited Financial Statement for iTaukei Affairs Board was for 2002.

HON. RATU N.T. LALABALAVU.- A supplementary question on that, Honourable Deputy Chair.

DEPUTY CHAIRPERSON.- Yes, Honourable Lalabalavu, you may ask your question.

HON. RATU N.T. LALABALAVU.- Why we are quite interested in that is because of the investment return that the Board has in Fijian Holdings, et cetera, since the last audit was done in 2002, it will be quite interesting to see, perhaps the CEO would like to submit a report later on, but where have all those dividends been going to? Thank you.

DEPUTY CHAIRPERSON.- Yes, you may respond to that.

MR. M. BAINIMARAMA.- Through you, Deputy Chair, we will provide a written response on that, please.

DEPUTY CHAIRPERSON.- Thank you very much, we anticipate it later on. You may move on.

MS. S. MATAKIBAU.- Thank you, Deputy Chair. In terms of 2.2, for the Provincial investment in Cooperative Limited, Provincial Companies, usually “Roko Tuis” is one of the shareholders of this investment, can the Committee be advised on the approval process?

In terms of the questions raised,

DEPUTY CHAIRPERSON.- Honourable Radrodoro.

HON. A.M. RADRODRO.- Can you just reconfirm what you have stated?

MS. S. MATAKIBAU.- Thank you, Deputy Chair, I think we were just quoting from the list of questions that were supplied to the iTaukei Affairs Board.

In terms of the response to the **Question raised on 2.5 - The dividend returns from the Provincial Companies are paid to the Provincial Councils** and these are accounted as income from investments which are used to assist the Provincial rates and fund the operational cost of the Provincial Councils.

DEPUTY CHAIRPERSON.- Honourable Lalabalavu, you may ask your question.

HON. RATU N.T. LALABALAVU.- PS/CEO, on that particular issue, the interest coming in from shares as you have stated earlier on that this was shares derived from the participation of the Provincial Council members of the Province for that matter, when it comes to selling of shares, does it go back to the people that provided the earlier funding or it just sits with the people that have been selected through the process - the Roko

and the Chairman for the Board for that matter? The fate of the beneficiaries is the issue that I am trying to drive at here, thank you.

MS. S. MATAKIBAU.- Thank you, Deputy Chair, in terms of the questions raised by the Honourable Member, the process of selling shares of the Provincial Councils, this needs the endorsement of the Staff, the Finance Committee of the Provincial Councils and the Provincial Council meeting.

DEPUTY CHAIRPERSON.- Thank you for your response, you may move on.

MS. S. MATAKIBAU.- Deputy Chair, in terms of **2.6, Dividend Returns**, I believe our CEO had requested that we come back with the written response to the earlier questions by the Honourable Member.

DEPUTY CHAIRPERSON.- That is noted, thank you.

MS. S. MATAKIBAU.- **2.7, In terms of the Fixed Assets, how are these accounted for in the books of the Provincial Councils?**

These are accounted as fixed assets in the Balance Sheet with annual depreciation. There is investment registered that are now being maintained at the Provincial Councils Annual Board of Survey. This is currently being worked on and there are processes in place to ensure that our assets are in good working conditions.

HON. A.M. RADRODRO.- Deputy Chair, on the fixed asset issues regarding Provincial Councils, just a question to the CEO regarding the maintenance of the fixed assets of the Provincial Councils?

Firstly, the approval process for the acquisition of fixed assets by the Provincial Councils, does the iTaukei Affairs Board have any final supervision or authority in terms of the final decision of acquisition? Also some of the acquisition that are done by the Provincial Councils are done from dividends received from the investments and what role does the iTaukei Affairs Board play in the acquisition process of those fixed assets, for example, motor vehicles?

MS. S. MATAKIBAU.- Thank you, Deputy Chair, in terms of the acquisition process, these capital items, there is a Capital Expenditure (CAPEX) process. The Provincial Councils obtain endorsements from the Provincial Councils and the staff and Finance Committee. These are sent up to the Head Office for assessment before the request is provided to the Office of the Permanent Secretary for final approval.

DEPUTY CHAIRPERSON.- Thank you for your response, you may move on.

MS. S. MATAKIBAU.- **2.8: Does the Provincial Council carry out Annual Board of Survey, Valuation and Stock-Taking?**

Yes, there is a process of Board of Survey (BOS) that is done on an annual basis. Stocktaking is a monthly process while the valuation, as we speak, there is a recent valuation that is currently happening where the Ministry of Lands has come on board to assist us in terms of this process.

DEPUTY CHAIRPERSON.- Yes, Honourable Lalabalavu.

HON. RATU N.T. LALABALAVU.- CEO, I understand that this one here is quite a difficult one because most of the assets were done on a *vakavanua* basis and yet they have been identified on paper reflecting it as an asset. It will be interesting to see the outcome of that joint work with the Ministry of Lands to see how best they can be regularised.

MS. S. MATAKIBAU.- Deputy Chair, in terms of **2.9, on the details of liabilities of the respective Provincial Councils:** As I had briefly explained, the missing records continue to be the greatest challenge. So, in terms of the records that we have, these have been provided to the Office of the Auditor-General during the audit and the ones that could not be located were classified as missing records in terms of the Provincial Council Loans and Liabilities.

HON. A.M. RADRODRO.- Deputy Chair, it will be interesting to note the reasons why those records went missing; and what is the data system that you currently have now to ensure that there is no repeat of such missing records going forward.

MS. S. MATAKIBAU.- Deputy Chair, through you, in terms of the question from the Honourable Member, the missing records was something that the new team had faced coming on board, so we would not be in a position to really elaborate on the reasons for the missing records however we are focussing on our corrective actions, record management system, we had tried to improve on that at the respective Provincial Councils, including the Head Office where we had purchased a 40-foot container to store our records that are awaiting audit.

DEPUTY CHAIRPERSON.- Thank you and you may move on.

MS. S. MATAKIBAU.- **2.10 Does the Ministry control the borrowing done by the Provincial Councils?**

Yes, this is controlled through the Office of the Permanent Secretaries, Pre-requisite Approvals - endorsements are required from the Staff and Finance Committee before any request is channelled up to the Head Office and approval from our Permanent Secretary on any borrowing that is done.

Currently, in terms of the borrowing, this is mainly on new motor vehicles that are purchased to help the operations of the Provincial Councils.

DEPUTY CHAIRPERSON.- Yes, Honourable Lalabalavu, you may ask your question.

HON. RATU N.T. LALABALAVU.- CEO/PS, just a supplementary question: Through this question that you have answered here, how does that affect the position of the Holding Companies as well because you have the Directors as part of your people in the Provincial Council and your Chairman and the Roko are involved and the overdrafts, et cetera, are done by them, do you have a say in it?

MS. S. MATAKIBAU.- Thank you, Deputy Chairperson, in terms of the loans and the overdraft, currently, we have stopped the overdraft facility of all the provincial councils. The loan of the Provincial Council has nothing to do with the operations of the Holdings Limited as they are separate entities. Thank you.

HON. RATU N. LALABALAVU.- Another supplementary question: This is where the confusion is because we have the Roko and the Chairman plus some members sitting there as directors of the Holding Company. Can we entirely leave that to them to decide or will the iTaukei Affairs Board be playing a role as well there because I must declare my interest, my province has gone beyond the roof in terms of the overdraft it has - The Provincial Holding Company. Thank you, Deputy Chairperson.

MS. S. MATAKIBAU.- Deputy Chairperson, in terms of the question from the Honourable Member, the control of loans for the Provincial companies, if I am correct, how is it controlled by the iTaukei Affairs Board? For the information of the Committee, the Roko Tui and the Provincial Council Chairman sit in the Committee with other members that make the decision.

In terms of any loan undertaking that must be passed through the AGM of the Company and then consultation with the iTaukei Affairs Board, the issue must be referred to the Permanent Secretary through the Roko Tui and the Provincial Council Chairman for final endorsement.

HON. RATU N. LALABALAVU.- CEO/PS, *drau vosota*, the holding of AGMs, is it consistent or is it a one-off thing? Again I must declare my interest, I have not been invited to any AGM of my Provincial Holding Company.

MS. S. MATAKIBAU.- Deputy Chairperson, in terms of the AGM, this is one of the weak spots that we are trying to address going forward. That is why in the Deputy CEO's remarks earlier on, we are working closely with five Provincial Councils to clear out the grey area between the Provincial Councils and the Provincial Companies, including the conduct of the AGM. Thank you, Deputy Chairperson.

DEPUTY CHAIRPERSON.- Thank you for your response, you may move on.

HON. V. PRAKASH.- AGM is very important to any organisation. Do you have anything in place for those who are not conducting AGM as advised by your Office, because there must be a certain timeframe that they should be able to conduct the AGM.

MR. J. TOGANIVALU.- For Holding Companies, Honourable Member, really the iTaukei Affairs Board does not have much control on that, it is determined by the Board of that Provincial Holdings Company when they hold their AGM. *Vinaka*.

HON. V. PRAKASH.- Who is responsible if they do not do the AGM?

MR. J. TOGANIVALU.- Honourable Member, as we have been alluding to, there is a lot of grey areas that we have to clear. We have started with 5 provincial councils and we have seen that there has been a lot that was done in common, especially the properties.

I just want to raise that in some instances, the properties were with the Provincial Council and then it was transferred by way of maybe meeting resolutions to the Provincial Holding Companies without any commercial transaction. So, we are going back to try and address how this can be done or captured in the books also, the various other issues that are there between the Councils and the Holdings Company. It also rests with how the Holdings Company cooperates with us. As I have said, we really do not have much control over them now. *Vinaka*.

DEPUTY CHAIRPERSON.- Thank you very much for your response. Is there any other supplementary question?

HON. A.M. RADRODRO.- Mr. Deputy Chairperson, can we just be informed by the Deputy CEO as to which five provincial councils are currently taking a lead role in terms of this sort of arrangement?

DEPUTY CHAIRPERSON.- You can give the list later on if you want.

MR. J. TOGANIVALU.- Thank you, Deputy Chairperson, the Councils are Ba, Bua, Tailevu, Serua and Macuata that we are currently working on.

DEPUTY CHAIRPERSON.- Thank you very much for that response. You may move on.

MR. J. TOGANIVALU.- Thank you, on **2.11 – The formula for calculating the provincial rates based on the land rates as per the Regulation of 1996, Section 35.** We were asked to provide a comment. The comment is that, the formula for land rates used is based on the Unimproved Capital Value (UCV). You see we have the land, Ba was the last Province to use the rates till 31st December, 2010 where the equal distribution of lease monies came into force. The last gazetted rate for Ba was in January, 1st 1971 and was set at a rate of 1 cent in every \$2 on the UCV. So, this is equivalent to 0.05 cents in every dollar.

Till 2010, from our records, Ba was using the rate of 0.03 cents in every \$1 - that is the land rates. In the provincial rates, these are two separate issues - Section 47 of iTaukei Affairs, PC and TC Regulations give the Provincial Councils power by way of resolutions to impose the provincial rates at the rate, method and time the PC determines. Every male from 21 years to 60 years who is not exempted through Section 49, for example, through disability, is considered as a ratepayer of the Province.

The Provincial Council is given the option in Section 34 to levy provincial rates to members by way of;

1. Land rate system;
2. Provincial rate system; or
3. By the way of the *solu vakavanua* system.

HON. A.M. RADRODRO.- Just a supplementary question, just a clarification so we have three options that can be used by the provincial councils. By the way I am reading this - the land rate system is no longer validly applied now and the provincial rates still also no longer validly applied now. What is the status now?

MR. J. TOGANIVALU.- The provincial rates and the *solu vakavanua* system are still applied. The land rate system is still being discussed on how best we can accommodate this. *Vinaka*.

DEPUTY CHAIRPERSON.- Thank you. You may move on.

2.12 What are the basis of the determination of the amount or the *solu vakavanua* levied to the provincial members? Section 51 gives the power to the PC by way of resolution to impose this collection. The resolution also states the exact amount of *solu* and the time of collection and the collection is done on a *tikina* basis - this is the *solu vakavanua* system.

2.13 The PCs have the records of their provincial members and how often do they reconcile with their rates collection register? Subject to the PC resolutions, reconciliations are carried out in line with the collection method and also the criteria. Collection is further monitored by the iTaukei Affairs on a quarterly basis.

HON. V. PRAKASH.- Those that do not comply with paying the *solu*, what are the strategies that you have to try and recover that - at the provincial council level?

MR. J. TOGANIVALU.- In some instances to address this, we also have the issue of non-collection of rates, mostly not reaching the target. Whilst some provinces reach the target, this is an issue that we face now that most of the targets are not collected on time or mostly the percentage of collection does not reach 100 percent, in this way we look at other strategies that we can use instead of maybe getting every member in the VKB to be taxed or rated per person, we do it by villages on a set amount according to the number of villagers that are in that particular village. But this has also to go through the provincial council meeting as a resolution.

HON. V. PRAKASH.- You must have a success rate percentage of rate collection, what are your success rates?

HON. A.M. RADRODRO.- Meeting the target or collection from all the village members?

HON. V. PRAKASH.- To meet the target.

MR. J. TOGANIVALU.- Yes, there are provinces that always reach 100 percent while others are around 70 percent to 80 percent.

HON. V. PRAKASH.- This is good. Thank you.

MR. J. TOGANIVALU.- Yes.

HON. RATU N. LALABALAVU.- Not the Province?

HON. A.M. RADRODRO.- Deputy Chairperson, a question regarding this rate collection, I think it is a combination of issues regarding those that pay and those that do not pay. In terms of accountability issues in the provincial councils, you highlighted that the provincial councils, by way of resolutions, impose a levy to be collected, but what happens after collection? That is a very important process - the utilisation of the funds, even these audited reports, the delays in these audited reports point to the lack of accountability by the provincial councils back to their provincial council members.

On the process of accountability, when you collect, whether it was utilised as per presented to the respective members of the provinces or whether it was utilised by some other means; the effectiveness of the accountability even by the delay in the processing of the audited accounts; what are the tools of accountability that the provincial council have to ensure that accountability is properly prepared and properly presented to the provincial members?

MS. S. MATAKIBAU.- Thank you, Deputy Chairperson, in terms of the accountability process, we fully understand that the audit process is quite delayed and we might not be able to produce to the provincials councils a current audited financial statement, however, that does not deter us from maintaining our internal controls within the provincial councils. Currently, we have provincial rates. These are registers that we maintain in-house that we match the collection with the target that we have set so far. Once they pay, we account this as income in the current financial period and the manual rate reports by villages or by *tikina* depending on the level of collection is maintained and this is communicated back through our provincial council rates drive.

We organise rates drive to push collection because we understand this is the main source of our operational cost. So, during the awareness we present the rates report to the members and even this is also presented in the *Bose ni Yasana* back to the members.

HON. A.M. RADRODRO.- One of the main issues here is the non-updating of the rates register. So, has the iTaukei Affairs Board ensured that the rates register in the respective provinces are updated?

MS. S. MATAKIBAU.- Thank you, Deputy Chairperson, I believe the audit findings are the accounts for 2000 to 2007, with the current system that we have in place, the rates registers are now updated and these are circulated to the Head Office for monitoring on a quarterly basis. Thank you.

HON. A.M. RADRODRO.- Deputy Chairperson, what are the processes that you may enlighten them that they have yet to pay their *solu* during a certain period, whether that is also part of the process of your monitoring?

MR. J. TOGANIVALU.- *Vinaka*, Deputy Chairperson, the issues are undertaken during awareness drives. We identify villages or the various districts through analysis at Head Office and we advise the provincial councils' offices and they undertake awareness drives to these various villages or districts that are usually not up to date in the collection of the rates. Also we inform them of the other strategies that are available to get the rates collected from the various provinces, districts and villages.

HON. V. PRAKASH.- That is quite interesting as well as important and a learning exercise for me as well as a villager also. What about those that stay out of the province since the Director, Finance has assured that now they have got a register, do you include those that are not staying in the same province or village but they are attached? Do you have a record and are they paying whatever they have to pay on an annual basis to the provincial council that they belong to?

The other question is, what is your rate on those people that are not paying? As raised by the Honourable Member, accountability is very important also to get your 100 percent collection. But you are trying your best to see that you do that. My question is on those that stay out of the village or are in other provinces, how do you have a record of those people?

MR. J. TOGANIVALU.- Thank you, for those that are in the other provinces, especially in the urban areas, they have a representative in the district councils and also in the provincial councils. He is the link that provides information back to those in the urban areas or those that this representative represents. We call them “*Mata ni tu vakacakacaka*”. So, we always inform them of the resolutions and also that he is responsible for the collection of rates for those in the urban areas. For those that use the VKB or the *Vola ni Kawa Bula* as their source of information, this issue is taken care of because all those in the village and also those in the urban areas are all captured in the *Vola ni Kawa Bula*.

HON. V. PRAKASH.- Very important. What about those that stay offshore? Do you have any record?

MR. J. TOGANIVALU.- Thank you. There are also visits from the provinces, also communication is done to those members overseas. You can see in some of these *solu vakavanua* that those are from USA, Australia and they are coming to open or either close the *solu* or the collections, and this is how they take part in the drive.

HON. RATU N. LALABALAVU.- A supplementary question, Mr. Deputy Chairperson, PS/CEO, this is quite an interesting topic that you have just been addressing here, Mr. CEO, the accountability aspect of not giving your *solu*. I stand to be corrected, I think there is a provision under the Fijian Affairs Act or probably one of the regulations that if you are not active in meetings, whether it is *mataqali*, *koro* and you do not actively participate in the *solu*, you can be excluded from being invited into future *mataqali* meetings or whatever, that is a way of penalising these people for deliberately abstaining in payment of their dues. Is that still in force?

MR. J. TOGANIVALU.- Deputy Chairperson, just to answer that question. That is not enforced now.

HON. RATU N. LALABALAVU.- But the provision is there, Honourable Deputy Chairperson.

MR. J. TOGANIVALU.- We cannot do that under the current regulations, Deputy Chairperson. *Vinaka*.

MS. S. MATAKIBAU.- Thank you, Deputy Chairperson, in terms of **3.0 – Internal Controls. 3.1 What are the internal controls in place for the provincial councils for its cash management, journals and reconciliation, purchases and payments that were considered by OAG as ineffective? What the Board has done to improve on its internal controls?** Currently the Board has organised and strengthened our internal audit team to go down and conduct surprise spot checks even there are spot checks carried out internally within the provincial councils. Reconciliations and journals are only passed once we have sufficient supporting documents. We have set up Standard Operating Procedures (SOPs) to define the payment and the receipting cycles.

Payroll registers have been developed as well and in terms of reconciliations, these are carried weekly and fortnightly. As I have mentioned, the internal audit team have been strengthened to conduct both the normal and the surprise audit visits to the provincial councils. These audit reports are tabled to our Permanent Secretaries where we organise our audit meetings to discuss the actions that they have taken on the audit recommendations and also we set up action plans for the audit issues that have not been addressed to be addressed with the timelines set.

HON. A.M. RADRODRO.- Just a question on these issues: Does the iTaukei Affairs Board engage the Ministry of Economy Internal Audit Team to conduct this exercise as well?

MS. S. MATAKIBAU.- Deputy Chairperson, through you, the iTaukei Affairs Board has its own internal audit team. We have a 3-men team that is under the establishment of the Board.

3.2 Are the Provincial Councils staff being provided with needed training on internal controls through specialised HR personnel? Quarterly workshops are organised for provincial Treasurers and also the Assistant Treasurers, where we raise all these audit issues during workshops, also awareness on finance manuals

and new SOPs that may have come on-board and internal controls are communicated to them during the workshops. These trainings are done by our senior officers of the iTaukei Affairs.

HON. V. PRAKASH.- The specific answer is not given for specialised HR personnel. Do you have a specialised HR team?

MS. S. MATAKIBAU.- Deputy Chairperson, through you, in terms of the specialised HR personnel, we currently do not have in the office however, that is something that we will look into to improve on the process.

HON. V. PRAKASH.- As I mentioned before that now, for any organisation to move forward, they need a very strong HR team to link up and then to try and promote, so it is important to have that.

DEPUTY CHAIRPERSON.- Yes, you may give your response.

MS. S. MATAKIBAU.- Deputy Chairperson, in terms of that, we have just come on board with the OMRS process and in terms of our HR team, we will look into getting a specialised financial person in HR, I believe that is where the question from Honourable Member is coming from. Thank you.

DEPUTY CHAIRPERSON.- Thank you. You may move on.

MS. S. MATAKIBAU.- Deputy Chairperson, if I can just make a comment.

DEPUTY CHAIRPERSON.- Yes, you may do so.

OAG REP.- Regarding the training of provincial Treasurers and the workshops, perhaps the *iTaukei* Affairs Board can also take that up because we have raised our hands a couple of times to be involved in the workshops for treasurers. We have yet to receive invites, probably in the next quarter if we can be involved, because we would like to talk directly to the Provincial Treasurers also so that would be a good forum for us to be involved. *Vinaka*.

HON. A.M. RADRODRO.- As long as you are not compromised.

DEPUTY CHAIRPERSON.- You may move on.

MS. S. MATAKIBAU.- Thank you, Deputy Chairperson. That is noted. **3.3 – I believe we have covered that in terms of the ITC connectivity.**

MR. J. TOGANIVALU.- 3.4 - Can the Ministry advise how effectively is it monitoring the PC carrying out its mandated functions, eg. maintaining health, order and welfare on a iTaukei residing in the province and promoting economic and cultural development in the Province?

The *iTaukei* Affairs Board is mandated under the iTaukei Affairs Act 1944 to oversee the good governance and wellbeing of the iTaukei. The existing structures under the Act and the Regulations is to implement this role, namely, the village, district and the provincial councils. Provincial council offices are headed by the Roko Tui to see that the mandated functions of the three councils are carried out in consultation with the existing machinery of the *vanua*, the board and its current strategy and align to the National Development Plan operationally focuses on 5 platforms:

1. Good governance;
2. Well-being;

3. Economic Empowerment;
4. Conservation and Climate Change; and
5. Traditional Leadership of the *Vanua*.

Targets are set operationally on a yearly basis and achievements by the PCs and units at HQ are monitored on a monthly and quarterly basis. Progress Reports with evidence are submitted on a monthly basis by the PCs to our Monitoring and Evaluation team. The Board is currently completing the village profiling exercise for all the 1,171 villages in Fiji and the analysed results and data will assist in the formulation of the Village Development Plans to address socio-economic gaps and current emerging issues.

DEPUTY CHAIRPERSON.- The Honourable Lalabalavu, you may ask your question.

HON. RATU N. LALABALAVU.- Thank you, Deputy Chairperson, through you, I seek some clarification from PS/CEO on this particular role of the *iTaukei* Affairs Board and the Provincial Councils. What is the present position of the *iTaukei* Affairs Board and the Provincial Councils for that matter, on issues like the building code. We are talking about these climatic changes that we are going through and there have been lots of talks in Parliament regarding how to ensure that we are resilient to nature, so to speak, but again what is the present position? Because I understand we are exempted from it but when it comes to building codes, I say we are exempted from that because it does not apply to the village areas but again there are houses there.

How do we ensure that they be part of the new building code that we are trying to introduce or implement? Thank you.

MR. J. TOGANIVALU.- Thank you, Deputy Chairperson, in addressing the question from the Honourable Member, the Board had sat together with a Taskforce and we have put in our inputs and concerns on how best we can address the building codes in the villages. I believe the building code that was formally used was not applicable in the boundaries of these villages because of the status of the villages being under the *iTaukei* Affairs Board so that is the current status - we have put in our input and we believe that a paper was already being presented, either to Cabinet or to Parliament on the issue. We have already put in our inputs to that paper and we are awaiting the responses. If it comes then we will comply.

We have also been addressing this through our *Tikina* councils and also our village councils that we have gone into - the need to build under the building code houses that can withstand or it is safe and also resilient during the various natural disasters that are common to Fiji. So, this is the stand that we have, Deputy Chairperson. *Vinaka*.

DEPUTY CHAIRPERSON.- Yes, you may respond.

MR. M. BAINIMARAMA.- Deputy Chairperson, just a clarification again on the points raised by DCEO. Apart from that paper as he has mentioned, all requests for any development works, for example, roads or seawalls or drainage, still comes through the village council to the *tikina* council then to the provincial council and to the Provincial Development Board where it is prioritised and then to the Divisional Development Board where it is further prioritised. Perhaps a point of interest for the Honourable Members, DCEO has just mentioned the village profile, that should be completed by the end of October. They have completed almost 98 percent of all the villages in Fiji with all their profiles.

Profiles by villages, by districts, by province and the whole of the 4 divisions. We were presented with the presentation yesterday, perhaps as the Honourable Member Ratu Naiqama has alluded to, perhaps that will help in further assisting the villages on their priorities. We have found out from the presentation yesterday that

for the maritime islands, most of their priorities are on seawalls because of the encroachment of seawater - climate change.

Some of them want energy (power), in the interior villages, they are going for better roads, they want prioritised roads and they want the electricity grid to extend. Those are some of the priorities, not alienated to certain province or district but those are the issues that come out of the village profile. One thing that will help the iTaukei through the village profile is that, first of all, we intend to get the Cabinet Paper across so that it will give policy advice to the Government on the issues affecting them.

Because this village profile, Deputy Chairperson, not only goes for development, it goes right down to cultural development. The information that cultural values, cultural knowledge in the villages are disappearing, it is coming out of the village profile that has been set up by DCEO and his team.

First of all, if we take it to Cabinet, it will assist Cabinet in making policy decisions on the best way forward on how to assist the iTaukei and perhaps we can start looking at the budget. We need to have more seawalls here, better roads, extend the grid, better water supply systems for the villages – that is at the national level. At divisional level, it will assist the divisional commissioners in their planning, because they have the figures for the multi-ethnic groups so now they have the village profile for the iTaukei villages, and that will assist them in planning for the division. As I said earlier it will filter down to the provincial level. The provincial administrators and the Roko will be able to work together to prepare the submission so that when it reaches the Divisional Development Board, it gets prioritised. *Vinaka saka vakalevu.*

DEPUTY CHAIRPERSON.- Thank you very much for the information. Any comments? The Honourable Lalabalavu.

HON. RATU N. LALABALAVU.- Deputy Chairperson, CEO/PS, thank you for those comments, it is quite reassuring that we are on the right track to ensure that a building code is being absorbed. The question that I would like to raise follows on from this building code, on the issue of loss and damage under COP 23. This topic of insurance cover and about 32 percent of our population live in the rural areas and most of them in the villages. What I want to ask is in your preparation on these papers that you are hoping to be presented, does this include this loss and damage because that is the way we read climatic change, when a cyclone or flood hits us, when there is loss and damage, we tend to think that we can access this fund especially for this one here - it is a global funding one that involves US\$150 million but how and when that is going to come our way, I really do not know. But the preparation part, CEO, are we going that way as well?

MR. M. BAINIMARAMA.- Deputy Chairperson, *vinaka saka vakalevu na taro.* We are going that way Deputy Chairperson. As I said, when we went through the statistics for the village profiles, as I said, it comes through the village, it gets the full profile of the village down to the families and whether they have retaining walls for rivers if there is flooding, if they have a proper seawall. On loss and damage, the statistics that is coming out will be able to assist us in getting funding from the NGOs and other stakeholders, apart from the Government.

On insurance, that is an issue that we are working on too. Presently, we are planning to have the iTaukei Forum next week where we will discuss these issues on insurance on loss and damage because this will need to include iTaukei Trust Fund Board, will need to include iTaukei Affairs Board, the Ministry will need to include iTaukei Trust, the Land Trust Board. These are the 4 iTaukei forums that need to meet together to discuss and one of the issues that we will discuss is insurance on loss and damage. Thank you, Sir.

DEPUTY CHAIRPERSON.- Thank you very much for your response, Sir. Is there any other question or comments?

HON. V. PRAKASH.- I am very much interested and very happy to note that the Board is currently completing village profiling and there are 171 villages. Do you anticipate that there will be more villages coming in in the next decade?

MR. M. BAINIMARAMA.- The village profile also includes settlements going out of the villages. Some of them have applied to be registered, they have already come. The remaining villages that come under the completed profile by the end of October also has settlements. The settlements can vary from say 2 to 3 dwellings to 10 or 15 households. So, that is a considerable number but they are also included in the village profiles.

HON. V. PRAKASH.- CEO/PS, we are very convinced and I think there will be more villages. I am trying to now refer as a “village” that I visited recently, that was Vio Island in Lautoka. Now they have got 66 households and they have got everything in that area I saw was just similar to any village that you go to, and I was so impressed even though people may have come from neighbouring islands but they call that special island as their home. Then I had an opportunity to interact with the *Turaga-ni-Koro*, a man who is playing a very important role there and trying to see that the mixture of people there are able to follow all the protocol that a village should be following. It was unfortunate for me to know that he was not paid for the last so many years and the reason given was because the island belongs to the State and it is not classified as a “village” and to me I feel that through your Board, those are some of the very important issues - with 66 houses and everything is in the setup. They should have the status of a “village” and those people like the *Turaga ni Koros* who are looking after the protocols, cultural aspects, trying to keep up the tradition, et cetera, I feel they should be recognised because they have 66 houses and they have a place they call “home”.

There are some growth also and I think Government has also invested some of the Climate Change Fund there so there will be extension of a few houses. What is your future plan for villages and *Turaga-ni-Koro* like that who has been doing the job there for about 15 years to 16 years without any sort of monetary gain?

MR. M. BAINIMARAMA.- Deputy Chairperson, the comment by the Honourable Prakash, when I talk about settlements, these are settlements emanating out of villages. Some of the villages have people moving out to their own land and setting up settlements - these are the settlements I am talking about. This one will also be assisted through the profiles but they will come under the jurisdiction of the provincial administrator for that division, because they come from separate villages. The settlements that emanate out of the villages belong to that village, everyone belongs to that village. There might be 15 houses or 16 houses but they all come from that same village. They have just decided to move together.

HON. V. PRAKASH.- And there must be a reason

MR. M. BAINIMARAMA.- Yes, there are reasons but for those sort of villages they will come under the divisional commissioners and the provincial administrators but they will also be looked after under the profiles.

HON. V. PRAKASH.- Thank you very much, CEO, which means that a person who is trying to give his service as a *Turaga-ni-Koro* will be recognised and he will be rewarded or he will go out without getting anything, like advisory councils they are getting something, the original village councils where the *Turaga-ni-Koros* are being paid. Will people of that calibre who are trying to

MR. M. BAINIMARAMA.- As I mentioned, Deputy Chairperson, that is not delicate, it is just that it is not a registered village, he would not be recognised as a *Turaga-ni-Koro*. The *Turaga-ni-Koros* are only for registered villages. As I said, the settlements that have come up from the villages, they also have *Turaga-ni-Koro* but they are still not paid because they have not been registered. Once they register them then the *Turaga-ni-koro* can be paid through Government funds.

HON. V. PRAKASH.- Thank you very much. What I am suggesting is that a person who is carrying out those activities that any

MR. M. BAINIMARAMA.- Perhaps, Deputy Chairperson, that will be a matter for Government to look at, whether we can pay the *Turaga-ni-Koros* of informal settlements. Thank you.

DEPUTY CHAIRPERSON.- Thank you very much for your response, Sir. The Honourable Aseri Radrodro.

HON. A.M. RADRODRO.- Thank you very much, Deputy Chairperson, thank you very much, PS, for this answer to the questions regarding the functions of provincial councils that you have highlighted - 5 platforms, but the question I would like to ask is the monitoring part.

When issues are brought up as you have highlighted through the village council meeting, the provincial and *tikina* council meeting regarding issues of climate change, river alignment issues are our requests, let us say in the Wainimala River. This has been brought up previously through the Provincial Council Development Board meeting, I think, in 2018. These are eminent issues that come out of the climatic change activities.

When these issues are being brought up, they are brought up through the Commissioner Central's Office and these issues are still not being resolved now but they have been brought up through the Provincial Councils Office. So, how effective is the Provincial Council meeting despite what you have highlighted regarding the survey that you have carried out. These issues are still there, still occurring. Does the Ministry do follow-up on issues with the respective line-Ministries in terms of issues that have been brought up through the respective provincial councils, through the village *tikina* council meeting?

MR. M. BAINIMARAMA.- Deputy Chairperson, *vinaka* for that comment. The Provincial Councils submit all their requests to their 14 Provincial Development Boards, at the Provincial Development Boards then they start to prioritise - the districts within that province prioritise. When I say "prioritise" at the Provincial Development Board, it becomes a tussle because the advisory councils come with their requests and the provincial representatives come in with the members of their Provincial Development Board. Then they discuss and prioritise and if they think that perhaps it is better to build a road than do this river alignment but meanwhile the river alignment, if it is a matter of concern and I know it is, because I have seen interior villages over-running the banks.

If it is a matter of concern, it goes directly to the National Disaster Management Office (NDMO) which is now under the Ministry of Infrastructure and Transport. They will look at their funding. Their funding will decide on the seawalls that they construct that they fund or on the river bank construction that they will fund. Otherwise NDMO, through its machinery, can take it up to other statutory bodies like SPC or other NGOs or other international UN organisations to look for funding. But that is the process and I know it is cumbersome, it is too long because people wait.

Perhaps if we put out the information that comes out of the village profiles, as I said, it will assist the Government in making better policy decisions from that level, with regards to the budgetary provisions for the Ministries and how they fund all these applications that come from the district. Say for Bua Province, there are 9 districts, and if that is the average in any province, we have about 14 provinces times 10 districts, which is a large number and then the villages come in.

So, I am very excited by the fact that the information that comes out of the village profile will assist us in giving Government through the Cabinet Paper better policy advice on how it can divert funds to assist all these applications, especially, the ones that come through the provincial councils. Thank you, Deputy Chairperson.

DEPUTY CHAIRPERSON.- Thank you very much for your response. Is there any other comments or questions?

HON. A.M. RADRODRO.- Another question, CEO, regarding the platforms that you identified. Are there any costs associated with these platforms? Will it be borne by the provincial councils themselves or shared between provincial councils and Government in terms of the 5 platforms that you have identified. Is there any associated costs attached to it?

MS. S. MATAKIBAU.- Thank you, Deputy Chairperson, in terms of the 5 platforms that are listed, this is basically the pillars of our operations so our focus of service is classified under these categories and we have also adopted Performance Budgeting Format hence our programmes are classified under these pillars of operations. So, in terms of the questions raised on associated costs, there are no costs but the operational costs and programmes are classified under these pillars.

HON. A.M. RADRODRO.- Deputy Chairperson, can we just get some hindsight into No. 3 – the economic empowerment that you have highlighted here. How is the Ministry going to carry out this activity?

MR. J. TOGANIVALU.- Thank you. At the moment, on the economic empowerment platform, we have established a unit under this economic empowerment platform known as the Commercial Unit. As of now, they are doing networking and also we are undertaking financial literacy with the villagers. We are also building on success stories that are there for the iTaukei communities and also iTaukei entrepreneurs so that they set up a framework and also through a concept that we can show the other villages and maybe replicated to the other villages with a similar interest and also resources to undertake some of these initiatives.

So, this is currently what we are doing under the economic empowerment and also we are going on to other various success stories that are already there that the iTaukei can learn from. *Vinaka*.

DEPUTY CHAIRPERSON.- Thank you very much for your response. You may move on.

MR. J. TOGANIVALU.- Thank you. I believe, Sir, 3.5 has already been answered - how we are engaged with the members of the Province living in urban centres, other provinces and also abroad. So, we will move on to 4.0.

MS. S. MATAKIBAU.- Thank you, Deputy Chairperson, **Section 4.0 on Other Significant Matters.**

The Board was requested to explain the Plan of Action to address the following priority audit areas with timelines that have been raised in the Audit Report.

In terms of our response to that, as a strategy to move forward and clear the audit backlog, corrective actions have been provided to the Office of the Auditor-General through the provision of the draft management letters. These action points are monitored and the provincial councils comply to this.

We understand that there is a lot of compliance issues raised and through corrective actions and capacity-building to our provincial treasurers. We will slowly improve on the compliance process. Also Deputy Chairperson, we also wish to highlight that there was a change in management in 2008 where the iTaukei Affairs Board and the Provincial Councils experienced remodel and it was a much-needed transition, it was nothing but timely and a rationale for the board and the provincial councils.

Following the intervention, the loans that used to be issued out to the public and staff were ceased. There were stringent cost-controls implemented on the overall expenditures and there were more monitoring on cash flows and internal controls.

The noticeable unsubstantiated transactions that have been raised, these were the root causes to the change that was needed for the provincial councils. Now, with the recruitment of the qualified officers and the raising of MQRs, we hope to see improvements going forward. From the interventions, improvements

DEPUTY CHAIRPERSON.- There is a question by the Honourable Member.

HON. V. PRAKASH.- These loans, as you have said, have ceased, there must be a reason for it. Are there some outstanding loans that need to be paid? Can we hear the reasons why you have ceased this?

MS. S. MATAKIBAU.- Thank you, Deputy Chairperson, through you, in terms of the loans that existed during the period of audit, the team noted that there were no proper documentations on the loan that were issued and there was no proper monitoring back then. So, for proper management, the management had decided to cease all loans and improve on the collection of these loans. However, most of these clients have passed on so that is another challenge that we face. Thank you, Deputy Chairperson.

HON. V. PRAKASH.- It means that they are outstanding.

MS. S. MATAKIBAU.- They are still outstanding.

HON. MEMBER.- Staff and general public at the provincial level?

HON. S. MATAKIBAU.- That is correct, the general public as well.

HON. V. PRAKASH.- We thank you for putting in the regulation before you are going to implement that because I think those things are quite important for any organisation. There should be provisions to recover those loans. So, we thank you for that. I think it is quite important.

DEPUTY CHAIRPERSON.- Thank you, Honourable Member. You may move on.

MS. S. MATAKIBAU.- Thank you, Deputy Chairperson, following the intervention, some improvements were made and we are still making improvements going forward. The current management is again committed to meet these gradual changes and make improvements on the outstanding accounts.

On 5.0 and the final question, in terms of the Audit, Conclusion and Recommendations, looking at the Audit Opinion that have been issued, this has reflected on the management of the provincial council and the iTaukei Affairs Board in terms of the strategies to ensure that all highlighted issues that have been raised are addressed effectively. Again Deputy Chairperson, in terms of the missing records, this is a constant challenge throughout the process and the records are expected to improve from 2013 onwards. These missing records will impede the effectiveness of reporting by the provincial councils from 2008 to 2010.

The Board expects to receive this disclaimer of opinion from the Office of the Auditor-General given the challenge that we currently face. General improvements are expected from 2012 and the Board and the Provincial Councils, as we have stated, have set targets to update the preparation of annual accounts and have it ready for audit by end of the financial year.

In terms of accountability, once this is updated, we would perhaps be able to improve on our submissions of our financial statements. Thank you, Deputy Chairperson.

DEPUTY CHAIRPERSON.- Thank you very much.

OAG REP.- Can I just make a comment with regards to 5.0. As explained by the representative from the iTaukei Affairs Board, all the financial statements that the Auditor-General have audited and issued audit reports on have been disclaimed because of the significant issues that have been identified. “Disclaimed” meaning that the Auditor-General did not provide an opinion on those financial statements so the current challenge then is because, when it comes to 2013, we still carry forward opening balance of the previous years, in 2012. The challenge then is on the iTaukei Affairs Board on how we are going to deal with the issues, how we are going to resolve the issues, for example, the loans, we do not have records because people who have taken the loans have passed on, whether we are going to write that off, who has the authority to write off?

So when we come and audit, we need that clarified and documented, because certainly we cannot keep disclaiming the financial statements, but that is the big challenge that the iTaukei Affairs Board will have, how we are going to deal with the issues that we have identified to make sure that when we produce the 2013 financial statement, the quality of the financial statement and the records that are provided for audit will be satisfied, in other words, the Auditor-General will be satisfied with that. That is probably a challenge that the iTaukei Affairs Board should take on and be prepared for that also. Thank you.

MS. S. MATAKIBAU.- Honourable Deputy Chairperson, through you, we accept the comments from the OAG and that is something for the management to go back and deliberate on and we will come back here with a much more positive response in our next sitting. Thank you.

DEPUTY CHAIRPERSON.- Thank you very much. Honourable Radrodro?

HON. A.M. RADRODRO.- Thank you, Honourable Deputy Chairperson. Just a question regarding the functions of iTaukei Affairs Board. We see the digitisation process that has currently been undertaken, specifically for birth certificates. There are certain issues that have been brought to our attention regarding members of the *iTaukei* community who could not access their birth certificate details when they got to print their birth certificate at the Registrar of Birth Certificate Office.

Just a question: How can you assure the general public regarding issues confronting them when they do come to the Registrar of Births Office and they have information which are inaccurate or there are certain information which are missing from the birth certificate? How can the Ministry of iTaukei Affairs Board assist when the *iTaukei* members of the public come to face those issues?

MR. J. TOGANIVALU.- *Vinaka*, through the Honourable Deputy Chairperson, Sir, can you ask me the question again?

HON. A.M. RADRODRO.- When members of the *iTaukei* communities go to get their birth certificates printed, certain information are missing from those birth certificates or some do not have the information in their birth certificates because of the digitisation process that is currently being undertaken. How can the Ministry assure the public that, firstly, the information are not missing and secondly, they can be assisted, where do they go to when they come to confront those issues?

MR. M. BAINIMARAMA.- Perhaps just a point of clarification: For any *iTaukei* to be registered in the Vola ni Kawa Bula (VKB), they need to have a birth certificate first, that is if they are new born. I am assuming that the Honourable Member is asking about adult members of *iTaukei*. For adult members of *iTaukei* the rule

applies too. The information that was given when they were born or they were registered at the Births, Deaths and Marriages (BDM), if they fail to do that, then their name would not have appeared on the VKB. It is a matter of going first to the BDM and then that birth certificate is taken to iTaukei Lands and Fisheries Commission (TLFC) where they are registered under their *yavusa* and *mataqali*.

From experience, in certain cases, while I was working in the interiors of both Ra and Vanua Levu, there were cases where adult members of the iTaukei came to ask for a birth certificate, there was no birth registration so, of course, they would not have been entered into the VKB. To do that they need someone who can sign a statutory declaration, perhaps a *Roko* or a District Officer, someone older than the person coming from the village to ask to do a statutory declaration to declare that the person is so and so, he was born at Labasa Hospital or Nasau Hospital in the interior and they were born on such and such a date and their biological father and mother are so and so (I do not know what the system is now), but through that statutory declaration and the letter written by the applicant, they could get a birth certificate. If they do not have birth certificates, we cannot help them from the Ministry.

HON. A.M. RADRODRO.- Honourable Deputy Chairperson, to be more specific, before the digitisation process, everything was printed as required. But with the digitisation process, some information are missing from the birth certificate or some members do not even get their details printed by the BDM officers. How do those members get the right information in terms of missing information?

MR. J. TOGANIVALU.- Now I get it, it is the green form that registers them as a member. For the missing information, sad to say, some adult iTaukei come there knowing only their villages, they do not know their *yavusa*, they do not know their *mataqali*, they do not know their *tokatoka*, that is a problem that we face there, they have to get that to us. But with the digitalisation, the information is transferred straight from BDM to us. When they register a birth they do not put in that particular information - one that is to be supplied by the person entering the name in the VKB.

DEPUTY CHAIRPERSON.- Thank you very much for your response, Sir. How does the Board incorporate or collaborate with the Provincial Council in order for the Strategic Development Plan (SDP) to be in line with the NDP? Is there any plan?

MR. J. TOGANIVALU.- Thank you, Honourable Deputy Chairperson. The Provincial Councils have aligned theirs as a matter of fact under the NDP, then we formulated our SDP. Our SDP is then cascaded down to the Provincial Councils. If they want to do their SDP then it has to be aligned to the iTaukei Affairs Board, otherwise they can still use the iTaukei Affairs Board's SDP which is also applicable to the various Provincial Councils and we formulate their Annual Operation Plans too, so that is how they are aligned to the NDP. *Vinaka*.

DEPUTY CHAIRPERSON.- Thank you very much for your response. Honourable Members, any last concluding remarks. Honourable Prakash?

HON. V. PRAKASH.- Thank you, CEO, and thank you, PS and the team. We have seen that there are quite a lot of challenges ahead of you, and we have also seen the Strategic Plan that you have put forward to try and improve the system. Challenges become more challenging when organisations like to deal with its own problem within itself. But challenges become quite easy and become a helping hand when taken out of our own organisation and get assistance. For example, OAG, it is very important to seek assistance for your future references and also the comments made by OAG regarding 2013 and onwards, the future for their accounts that will be presented and how you are going to be more accountable because I think that is the thing that anyone would like to see. Also from 2020 to 2021 and beyond, there will be a platform put forward so it is quite interesting to note where you are today.

We know that even though you have a lot of challenges, but you are not short of personnel within your organisation who know about the *iTaukei* Affairs and all the challenges that are there. It will be interesting to see in the near future how you are going to work with other organisations like OAG and you try to see that with the backlog and other things, you will be able to come up with a timeframe where we all will be working together.

So, with these words, I would like to thank you, CEO and the team, for all that you have delivered today. Thank you.

DEPUTY CHAIRPERSON.- Thank you very much, Honourable Prakash.

You may wish to add any further comments.

If not, thank you very much, Sir, for your time and for the timely response and we wish our collaboration will continue in the near future.

The meeting adjourned at 2.21 p.m.