



STANDING COMMITTEE ON PUBLIC ACCOUNTS

Review of the Performance Audit Reports on:–

1. Audit on Management of the Workers Compensation Trust Fund
2. Audit of Social Welfare Schemes
3. Audit of Fiji Procurement Office and the Construction Implementation Unit



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CHAIRPERSON'S FOREWORD



I am pleased to present the Committee review report on the Performance Audit undertaken by the Office of the Auditor General on the;

1. **Management of Workers Compensation Trust Fund;**
2. **Audit of Social Welfare Schemes; and the**
3. **Audit of Fiji Procurement Office and the Construction Implementation Unit.**

However, the Committee also take note of the performance audit that was also conducted for the Rotuma Government Subvention Fund (RSF) – Council of Rotuma. The funds are allocated to meet the Council's operational costs as well as the funding of development projects. Given that there was no Council during the time of audit, the Committee have noted the Audit Findings and strongly recommend that the current Council takes note of the audit recommendations and take necessary actions in addressing those audit issues that were highlighted so that it is not repeated.

With regards to the other focused audit areas, the Management of Workers Compensation Trust Fund is the responsibility of the Ministry of Employment, Productivity and Industrial Relations, the provision of Social Welfare Scheme is the responsibility of the Ministry of Women, Children and Poverty Alleviation and lastly, the Ministry of Economy which oversees the Fiji Procurement Office and the Construction Implementation Unit.

At the outset, the contents of the Performance Audit Report on those three (3) key audit areas were thoroughly examined and scrutinised by the Committee prior to the consultations being conducted with those relevant departments as I have stated earlier. The consultations were carried out through interviews, collection of evidences and information from individual files, access to database and review of the individual Ministry's standard operating procedures and establishing whether compliance to the relevant legislations and regulations were adhered to.

The questions that were raised to these Ministries during the deliberation process were fully answered and the responses received were exceptionally positive. The Committee had proposed few recommendations for these government Departments takeaways, particularly on the audit focused areas that were highlighted by the auditors which need improvements.

The Standing Committee on Public Accounts acknowledges the efforts and responses of those responsible Ministries and further recommends that Parliament takes note of the Committee recommendations.

Furthermore, I wish to extend my appreciation to all the Honourable Members of the Committee who were part of the successful compilation of this bipartisan report namely Hon. Joseph Nand, Hon. Vijendra Prakash, Hon. Aseri Radrodro and Hon. Ro. Teimumu Kepa.

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

With those few words, I commend this report to the Parliament.

A handwritten signature in blue ink, appearing to be 'Alvick Maharaj', with a stylized, cursive script.

Hon. Alvick Maharaj
Chairperson – Public Accounts Committee

COMMITTEE MEMBERS

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



**Hon. Alvick Avikirit Maharaj
(Chairperson)**



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



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



**Hon. Ro Teimumu Kepa
(Opposition Member)**



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

INTRODUCTION

The Standing Order 109 (2) (d) mandates the Committee to “.... – *including examining the accounts of the Government of the Republic of Fiji in respect to each financial year and reports of the Auditor-General, and for any other matter relating to the expenditures of the Government of the Republic of Fiji or any related body or activity (whether directly or indirectly) that the committee sees fit to review. The Committee must only examine how public money has been dealt with and accounted for in accordance with the written law and must not examine the merits of the underlying policy that informs public spending*”.

This committee inquiry on the Performance Audit Report was established by resolution of Parliament when it was referred to the Public Accounts Committee on Friday 22 November, 2019. It is part of the Committee's responsibility to gather information from the relevant stakeholders regarding the findings in the Audit Report.

The purpose of this inquiry is to:–

- (i) Allow witnesses to present and produce relevant documents/information in line with the findings in the audit report;**
- (ii) Allow the Committee to ask questions specific related to the Ministry functions as far this audit report is concerned;**
- (iii) Allow the witnesses to respond to the Committee's questions; and**
- (iv) Provide important information that will assist the Committee in the formulation of its report to Parliament, particularly on our findings with recommendations that will be debated on.**

Committee Procedure

The Committee on 9th and 10th March 2020 had conducted its public hearing with the following entities to review the performance audit reports prepared by the Office of the Auditor General in relation to the Management of the Workers Compensation Trust Fund, Audit of the Social Welfare Scheme and the Audit of the Fiji Procurement Office and the Construction Implementation Unit. We received evidences from the following witnesses representing their respective agencies:–

Audit on Management of the Workers Compensation Trust Fund

Ministry of Employment, Productivity and Industrial Relations

1. Mr Osea Cawaru, Permanent Secretary
2. Mr Tomasi Kama, Director Occupational Health & Safety
3. Mr Lui Mario, Director National Employment Centre
4. Mr Pramendra Nair, Manager Finance
5. Ms Shabana Khan, Senior Labour Officer

Audit of Fiji Procurement Office and the Construction Implementation Unit

Ministry of Economy

1. Mr Saimoni Veramu, Head of Procurement

2. Mr Mohammed Shah, Head of Construction and Implementation Unit
3. Mr Noelon Raj, Manager Finance
4. Mr Seru Tagimaibau, Manager Projects
5. Mr Bali Kauthil, Finance Associate
6. Mr Ashwin Singh, Senior Procurement Analyst
7. Mr Kaushil Bali, System Analyst
8. Mr Ravinath Reddy, Project Coordinator

Office of the Auditor General

1. Mr Moshni Ali, Director Audit
2. Mr Emosi Qiokacikaci, Senior Auditor
3. Mr Aminiasi Koroi, Senior Auditor

Audit of Social Welfare Scheme

Ministry of Women, Children & Poverty Alleviation

1. Ms Jennifer Poole, Permanent Secretary
2. Mr Rupeni Fatiaki, Director Social Welfare
3. Ms Rozia Bi, Senior System Analyst
4. Ms Raijeli Erasito, Assistant Director Family Service
5. Ms Venina Duvuduvukula, Acting Principal Accounts Officer

Office of the Auditor General

1. Mr Abele Saunivalu, Director Audit
2. Mr Mohammed Firoz, Audit Manager
3. Ms Lee Filipe, Auditor

BACKGROUND

The Office of the Auditor-General ('Office') is established as an independent office of the constitution of the republic of Fiji. Its roles and responsibilities include carrying out performance audits to determine whether an entity is achieving its objectives effectively, economically and efficiently and in compliance with relevant legislation. These audits are carried out by the Auditor General on behalf of Parliament.

The Auditor- General must submit a report on performance audits carried out to Parliament. In addition, a single report may include two or more audits. The Office notes the impact of its reports to Parliament on the ordinary citizens and strives for accuracy and high quality reporting including recommendations which are not only value-adding to the entity subject to audit but its customers and the general public as well.

Audit on Management of the Workers Compensation Trust Fund

The overall objective of the audit was to assess the effectiveness of the Workmen's Compensation Unit under the Occupational Health and Safety Division of the Ministry of Employment, Productivity and Industrial Relations in the processing of the workmen's compensation payments for the period Aug 2017 to May 2018. The audit had examined a total of 84 compensation case files. Of which 48 were sector injury cases, 17 were government injury cases, 2 private death cases and 17 government death

cases and payments were made during the period of review amounting to \$1.4 million. Another 86 files were separately considered for detailed testing of the IT system to ascertain whether the database is updated and all information is captured. A total of 81 withdrawals had been made between the period of 2016 and 2018 totalling \$67,422 for dependents trust fund bank accounts were separately reviewed.

Following the conclusion of the audit, this report is presented based on the evidentiary hearing as follows:–

1. Whether employment related personal injuries and death cases are reported by the employers to the Ministry in a timely manner and are being compensated accordingly in a timely manner?
2. Did the Ministry consistently comply with the various legislations and policy that have already been mentioned when processing and computing the compensation amount payable and whether payment was made to only those that were entitled for compensation?
3. Did the Ministry maintain proper accounting and related trust records in compliance with the requirements of the Ministry's Finance Manual, Financial Management Act 2004, Financial Management (Amendment) Act 2016, Finance Instructions 2010 and the Finance (Amendment) Instructions 2016 and all information is updated regularly in the workmen's database?
4. Whether the trust accounts records for dependents or minors of the deceased workmen are properly kept and all withdrawals made are acquitted?

Audit of Social Welfare Scheme

The audit focused on assessing the effectiveness of the Ministry in complying with the Standard Operating Procedures for the processing of applications under the Social Welfare Schemes for the period August 2017 to July 2018.

At the time of this audit was conducted, the Department of Social Welfare administers Fiji's recently reformed programmes, which includes the Social Pension Scheme, Poverty Benefit Scheme, Child Protection Allowance and the Food Voucher Program for Rural Pregnant Mothers. In managing these programmes, the Department is responsible for ensuring that those most in need and eliminating corruption and fraud in the system.

The audit reviews the processes from application, verification, approval, notification to payment of social welfare scheme allowances, In addition, the audit was conducted based on the information and records provided by the Department of Social Welfare during the period this audit was undertaken. For information, the Auditors had examined a total of 250 recipient case files (100 case files for Social Pension Scheme, 50 case files for Poverty Benefit Scheme, 50 case files for Child Protection and 50 case files for Food Voucher for Rural Pregnant Mothers) for which payments were made during the period amounting to \$85,246,927

Through this audit, the Auditors had examined whether the Ministry of Women, Children and Poverty Alleviation has complied with the various Standard Operating Procedures and other related financial policy guidelines. In areas where the above regulations are limited in terms of a sound financial management, the Committee was tasked to investigate the following aspects:–

1. Did the Ministry of Women, Children & Poverty Alleviation comply with the SOPs when processing the computing eligible recipients? And
2. Are the SOPs effective in processing of the applications?

Audit of Fiji Procurement Office and the Construction Implementation Unit

The overall objective of the audit was to assess the effectiveness of the Fiji Procurement Office and the Construction Implementation Unit in complying with the Fiji Procurement Regulations 2010, the Procurement (Amendment) Regulations 2012 and the Standard Operating Procedures and relevant guidelines. The audit only covers two main phases that the procurement of capital constructions works goes and these are:–

- (i) the Tender Process Phase; and
- (ii) the Constructions Phase

In terms of the tender process phase, the audit focuses on the general function of the Fiji Procurement Office over the procurement at Whole of Government level as provided under Section 5 of the Procurement Regulation 2010 and the performance of the tender process against the required timelines as provided in the Guide to Tender Evaluation and Process.

In terms of the Construction phase, the audit only focuses on the general function of the Construction Implementation Unit over the procurement and management of construction works and its performance in managing the project against the required timelines as provided in the Government Tender Board approval.

The subject matter for this audit is the procurement process with special emphasis on the procurement of construction works conceded by the Fiji Procurement Office and the Construction Implementation Unit. As such, this report does not cover the technical aspects of the tender's assessed. This report is presented based on the evidentiary hearing as follows:–

1. Whether the Fiji Procurement Office and the Construction Implementation Unit has the necessary resources to operate efficiently?
2. Whether the Fiji Procurement Office and the Construction Implementation Unit with relevant regulations and related policy guidelines while carrying out its functions? and
3. Whether capital construction projects are efficiently managed and delivered by the Construction Implementation Unit.

COMMITTEE REVIEW FINDINGS

AUDIT ON MANAGEMENT OF THE WORKERS COMPENSATION TRUST FUND

1. The process of cases is not effectively tracked to ensure that the processes are completed within the approved timeframe.

1.1 Processing Time for Injury Cases and Death Cases: Government Ministries and Departments versus Private Sector

The audit noted that the progress of cases is not efficiently tracked to ensure that the processes are completed within the approved timeframe. The audit notes that the processing of injury cases and death cases varies between the Government Ministries and the private sector. In terms of efficiently tracking the progress of cases to ensure that the processes are completed within the approved timeframe, the Committee was informed that the Ministry of Employment, Productivity and Industrial Relations ('Ministry') has formed a task force on 27 February 2019 to clear the Workmen's Compensation pending cases. This comprised of 3,276 cases consisting of 2,897 injury cases and 397 death cases.

The Committee was advised that the special task force team has until 14 February 2020 to settle 1,603 cases (equivalent to 49 per cent) which includes 132 death cases and 1,471 injury cases. The total pending cases as at 14 February 2020 stands at 1,673 of which 1,426 are injury cases and 247 are death cases. Out of the 1,426 pending injury cases, 300 workers are on post injury period. This basically means that the injured workers are to wait for full recovery before the final assessment is completed. The Committee was informed that this is mainly the 'healing process' of the injury which is beyond the control of the Ministry.

The main reason for the delay in processing of the compensation cases was due to labour mobility. To locate the workers and dependents, the Ministry had placed advertisements on the Fiji Sun on 15 September 2018 for 688 workers or dependents to visit the nearest office of the Ministry for the finalisation of their cases. Of which, only 388 workers had responded which is equivalent to 56 per cent. The second advertisement was placed on 23 November 2019 for 474 workers and dependents and currently, 76 workers or 16 per cent have responded to the advertisement.

1.2 Enforcement mechanism not effective for delays in reporting of work related injury/death cases

Section 14 (3) of the Amended Act allows the labour inspector to issue demand notices and convict employers that fail to comply with the provisions of Section 14 (1) (2) of the Act. However, despite the delays in reporting by employers, the Ministry advised that there was no evidence provided to indicate legal action was taken against those employers that did not report cases within the legislative timeframe. While there may be many cases for these delays in reporting by employers, the auditors noted that none of the employer from the sample reviewed were convicted in accordance with Section 14 (3) and 14 (3) (e) of the Act for not complying with Section 14 (1) (2) of the Act.

The Committee notes that enforcement mechanism is not effective for delays in reporting of work

related injury/death cases. In terms of the delays in reporting of work related injury/death cases, the Committee was advised that as per the Workmen's Compensation Amendment Act 2017, officers can issue demand notices to obtain documentation. The officers are currently issuing demand notices to both private and public sector for the release of documents such as reporting of cases by filling in the LD Form C1.

It was noted that the Workmen's Compensation Unit has been carrying out awareness jointly with the National Occupational Health and Safety Services to its stakeholders on the provisions of the Workmen's Compensation (Repeal) Act 2018. The Accident Compensation Commission of Fiji (ACCF) has also been doing a lot of awareness to the public on the accident reporting mechanism for accidents sustained from January 2019.

1.3 Medical Reports not available on a timely basis

The audit noted that majority of the time taken to process the compensation cases are during the investigation process and obtaining medical reports on the impairment or percentage of disability. To carry out the impairment assessments, currently there is a full time specialized doctor based at the Ministry that deals with these cases and a total of 91 doctors around the country have also undergone the specialized phase 1 and 2 impairment assessment training in the past years since 2010 to conduct impairment assessment. The audit review noted that the availability of the medical reports mainly depend on the nature and extent of the injury sustained. In most cases, the delay in obtaining the final medical assessments done is due to labour mobility where the workmen changes their initial address and contacts and the unit faces a big challenge in locating the worker to get their final medical assessment done.

During the inquiry, there is now a full time consultant occupational physician who joined in 2010 and an occupational nurse based at the Ministry from the year 2017 who conducts final medical assessments for injury cases and provides medical opinion for death cases. The medical team conducts quarterly assessments to the districts namely Labasa, Savusavu, Lautoka, Ba, Nadi and Sigatoka, including:

- Monthly assessment in Suva for Central and Eastern Cases
- Walking cases are assessed individually on a daily basis
- Medical opinion for death cases outlining whether the deaths are work related or otherwise are provided on a weekly basis, with 5 opinions released in a week.

In addition to the above, from 2010-2019 the Ministry has trained 187 medical doctors to carry out assessments for Workmen's Compensation Cases. These medical doctors are carrying out assessments Fiji wide whereby the Ministry's staff in the respective districts are tasked to follow up and obtain the required medical reports.

2. The Ministry did not consistently comply with the Standard Operating Procedures

2.1 Approval for use of American Medical Association (AMA) Guidelines not Obtained

The Workmen's Compensation Act (Cap 94) provides schedule for types of injuries and the respective Whole Person Impairment (WPI) to be awarded for each nature of injury. However, the schedule does not capture an exhaustive list of all types of injuries. Hence, doctors currently use the 'American Medical Association' (5th edition) as a guideline to provide WPI percentages.

The audit noted that there is no formal documentation maintained by the Ministry as approval to adopt the guideline to be sued for unscheduled injuries. A draft of the Fiji Impairment Guide is under process which has not been submitted for Cabinet endorsement as it is under consultation phase. The Ministry expects to formalize this by the end of the 2018-2019 financial year.

The Ministry advised that the AMA Guidelines are universally available as a published book. The guidelines are used throughout the world as an authoritative text explaining methodology to be used for the assessment of permanent impairment. It is the most commonly used guides for the purposes of justification throughout Australia, as well as elsewhere in the world since there are no equal alternatives available. Hence, approval has never been required from AMA for the use of this guideline by whoever wishes to use them.

The Committee was informed that local approval for the adoption of the AMA Guides was based on the fact that there was no other valid alternative to achieve the Ministry's requirement for a system in the Workers Compensation for assessing the whole person percentage permanent impairment. The American Medical Association Guidelines (AMA 5) is a world widely used guide by medical assessors and no approval was needed since it's not a prescribed document but a guideline.

However, the Draft Work Care Guide is a prescribed document drafted by the Medical Consultants in Fiji has been submitted to the Office of the Solicitor General for vetting and seeks directions on its publication before submission for Cabinet approval. Furthermore, the trained assessors have been advised during the Impairment Assessment Training to use the New South Wales Work Cover Guides as a modifier to the AMA 5 Guides as a substitute for the draft Work Care Guide in the interim until the guide is approved by Cabinet. The medical assessors have also been advised during the Impairment Assessment Training to adopt the Work Cover Guide in the interim as a reference material.

2.2 Requirements of the Standard Operating Procedures not fully complied with.

The Ministry has seven (7) Standard Operating Procedures regarding the processing of injury and death compensation claims whereby each case file goes through a series of steps and authorization process before compensations are paid out. These are:–

- a) Registration Procedure (ME/WC-01)
- b) Injury Case Procedure (ME/WC-02)
- c) Death Case Procedure (ME/WC-03)
- d) Occupational Disease Case Procedure (ME/WC-04)
- e) Workers Compensation Claims Procedure (ME/WC-05)
- f) Employment Relations Tribunal Procedure (ME/WC-06)
- g) Workers Compensation Service Customer Feedback Procedures (ME/WC-07)

The auditors has analyzed 20 claims from the three categories of incapacities to determine if weekly earnings used to calculate the compensation is in accordance with Section 10 of the Act and if claims are properly authorized with proper assessments with the approved SOPs. However, from the 20 sample audit conducted, it was revealed that:–

1. 9 of the case files did not have the 'LD Form C9 (blue copy) signed by the respective labour officers before the files were dispersed for the Permanent Secretary's (PS) authorization. After the PS approvals were sought, the labour officers did not sign on the final documented form attached in the case file;
2. 6 of the case files only has the Senior Labour Officer's approval was obtained on the 'Claim Information Form (ME-WC-05-RF2) whereas there is provision on the form for the Manager Workmen Compensation to verify and place initials; and
3. 1 of the cases did not have the completed questionnaire provided by the employer.

Table 7.4: Case Files with Non-Compliance Issues

ASN Number	Date of Accident/Injury	Observation
53/15	26/01/15	These case files did not have the 'LD Form C9 signed by the respective labour forces before the files were dispersed for the Permanent Secretary's authorization.
2081/15	29/07/15	
1735/16	06/10/16	
1163/15	29/07/15	
841/16	06/10/16	
1894/14	15/10/14	
1493/15	22/09/15	
763/15	26/05/15	
1518/16	18/08/16	
53/15	26/01/15	These case files were approved by the Senior Labour Officer as per the 'Claim Information (ME/WC-05-RF2) Form instead of Manager WC to verify and place initials.
1163/15	29/07/15	
100/16	06/10/16	
1119/16	13/06/16	
801/16	13/05/16	
1518/16	18/08/16	
841/16	16/10/16	Employer did not provide the completed questionnaire.

The Ministry informed the audit that the draft guide to the Evaluation of Permanent Impairment has been completed and working is in progress on the publication of the document. It was noted that the files are vetted by the responsible officers and in cases of repayment; the final approval is given by the Permanent Secretary for Employment. The LD Form C9 which is the discharge liability Form is first endorsed by the PS before it is signed by the workers and the employers and witnessed by the Officer.

During the hearing, the Ministry informed the Committee that Section 16 of the Workmen's Compensation (Repeal) Act 2018 requires the approval of the Permanent Secretary for Employment, Productivity and Industrial Relations on the 'Agreement Forms' which are prepared in triplicate whilst processing of compensation payments. As mentioned in Table 7.4 of the audit report, the agreement forms (LD Form C-9) are to be approved by the Permanent Secretary first before execution by the Labour Officers and are vetted by the responsible officer.

In cases for payments, the final approval is given by the PS. The SOPs has been revised accordingly as required under the Repealed Act 2018 and communicated to all the compensation staffs. The

Worker's Compensation Service has been recertified to ISO 9001:2015 Standard and has been following the SOPs and the Work Instructions to deal with cases.

3. Review of Workmen Compensation Unit Information Technology System

3.1 Limitations of the Workmen Compensation Database

The Workmen's Compensation Unit currently maintains a database for recording each case filed with the Ministry has been used by the Ministry for several years. The review of the database revealed that it has come fairly outdated and has limited information in terms of generating and evaluating data. Key data regarding cases such as WPI percentages awarded, doctor responsible, nature or case of death (natural/fatal), disputed cases information, injury descriptions, nature of incapacity, revenue receipt number and date receipted are some pertinent data which are not included in the database.

The audit noted that currently, records relating to the above are not only kept in the respective hard copy files and cannot be automatically generated from the database as these have not been scanned or uploaded. To retrieve such information, one has to enquire on a case by case basis on the database and the respective files maintained for each workmen which are manually kept by the unit.

The Committee notes that there are no proper records of trust fund receipts issued during the year were maintained. However, the Ministry advised that the Worker's Compensation Unit has held discussions with its IT Team and improvements have been noted on the database. The database is able to generate information on the number of accidents and deaths reported for the actual year.

3.2 Inconsistencies noted in data entry

Audit review of reports from the database revealed that there were errors in the data entered for specific fields or incomplete data were input into the system resulting in gaps in data when reports are extracted. Significant findings identified included:-

- 3 samples from paid out cases noted that the payout detail fields were left blank and only notes were written. As a result, when injury reports were generated, zero payout amounts are shown when in reality payments have been remitted as per the hardcopy case files
- 86 samples were selected for WPI testing of which 3 samples notes no data input under the 'injury description' fields. Samples were tested against the database information whereby it was also observed that detailed information about inquiry or deaths are not input into the database hence limited the audit trails and testing.

4. No proper records of Trust Fund Receipts issued during the year were maintained

The audit noted that the controls over the issue of trust fund receipt books at the Ministry's Headquarters are generally weak. Review of the main register for issue of receipt books noted that the following receipt books were issued but the books could not be located. It was revealed that in most cases, the officers uplifting the books did not sign the register.

Table 7.5: Details of Missing Receipt Books

Book Number	Receipt Number	Signed off by	Date
42	504051 – 504100	Harshika (HQ)	03/07/17
45	504201 – 504250	Not signed off	Not dated

46	504251 – 504300	Not signed off	Not dated
48	504351 – 504400	Harshika (HQ)	16/10/17
54	504651 – 504700	Not signed off	Not dated
56	504751 – 504800	Not signed off	Not dated

The audit further noted that the trust receipt books were not reconciled in a timely manner and the missing receipts sequence from receipt books were not promptly investigated and followed-up with the revenue collectors to ensure that appropriate action were taken.

The Ministry advised that in the past, there were weaknesses in the oversight of the internal controls on the management of the revenue receipt books where revenue receipt books were issued to staff but they failed to sign in the register. However, the Committee was advised that there no receipt books missing or stolen. Now the Ministry maintains a proper main stock register and ensures that staff signs off the main stick register when uplifting the books. For cases where revenue receipt books are posted to locations outside Suva, the delivery courier receipt is attached as evidence that books have been sent to the respective office.

ACKNOWLEDGEMENT FORM					
<u>Dispatch of receipts books</u>					
District/Location:					
Department (w/comp, wages dispute, OHS consultancy, ERT Trust/OHS Trust)	Number of books/Debit Note being dispatched	Receipt book/Debit Note sequence	District Officer's name (to whom it is being dispatched to)	Signature & Date	General Remarks

In addition, staffs in the division are now required to sign in the acknowledgement form captured below confirming that the staffs have received the receipt books.

5. No proper Trust Fund Accounting Records for Dependents (Minors) of the deceased workmen were maintained.

The Ministry holds trust accounts on behalf of the beneficiaries for the death compensation cases and acts as trustees for the minor to approve the utilisation of the funds. For the current practice, withdrawals should only be approved for medical and educational purposes.

The audit reviewed the controls on the withdrawals made from the beneficiaries (minors) trust accounts for the period 2016-2018. A total of 81 withdrawals were made amounting to \$67,422.13.

Year	Amount (\$)
2016	\$14,169.07
2017	\$32,379.41
2018	\$20,873.65

However, out of the 81 samples tested, the audit established that in 42 cases for the minor's trust fund withdrawals did not comply with all the requirements of the established criteria and good practice guidelines. Significant findings identified from the audit include:

- 32 of the withdrawals reviewed were not supported with receipts or proper acquittals attached for the withdrawals made. Therefore, the audit was unable to determine whether funds were utilised for its intended purposes. In some instances, the same minors were allowed to withdraw again even through receipts for the previous withdrawals were not provided.
- 3 of the cases approved minutes were not attached with other documentation. Hence, the audit was unable to determine whether the withdrawals were properly authorised.
- The withdrawal passbooks for 20 trust accounts were not available for verification to confirm the bank balances. The audit gathered that the passbooks may not have been returned by the minors.

Withdrawals for all beneficiaries are only approved on production and analysis of three quotations of three quotations for the requested items, verification is also done by relevant schools confirming the enrolment of the student. In certain cases, the dependents have confirmed that receipts have been misplaced, hence declaration has been provided by the beneficiaries.

As part of continuous improvements, documents are maintained and updated on the dependents file whenever changes are made. Receipts are also verified prior to approval for next withdrawal. Further please note that the Ministry will be liaising with the Fiji Public Trustee Corporation Limited and Solicitor General's Office on the possibility of transferring Workman Compensations Trust Funds to Public Trustee of Fiji.

RECOMMENDATIONS

The Committee in its review recommends the following:

- 1. That the processing of cases is more effectively tracked to ensure timely completion and compensation.**
- 2. That the Ministry strictly adheres to the SOP and ensures all consultations on:**
 - (i) The Fiji Impairment Guide; and**
 - (ii) The Work Care Guide are completed and endorsed by Cabinet for implementation forthwith**
- 3. That the Workmen's Compensation Unit upgrades its information technology systems to capture, generate and evaluate data crucial to appropriate and correct compensation.**
- 4. That the Accident Compensation Commission of Fiji's (ACCF) Audit Report be tabled in Parliament.**

AUDIT OF SOCIAL WELFARE SCHEMES

1. Did the Ministry of Women, Children & Poverty Alleviation comply with the Standard Operating Procedures when processing and computing eligible recipients?

Standard Operating Procedures (SOPs) serve as a guideline in ensuring that there is a standard uniformity within the Operations of the Program. Management is responsible for establishing the systems designed to ensure compliance with policies, plans, procedures and applicable laws and regulations.

1.1 Social Pension Scheme (SPS) Issue: Lack of Verification from Fiji National Provident Fund (FNPF)

Section B of the Social Pension Scheme Application Form states that *“To be eligible for the Social Pension Fund, the applicant must not be a recipient of the Fiji National Provident Fund pension”*

The review of the recipients records show lack of verification from FNPF to ascertain that recipients are not beneficiaries of FNPF pension scheme.

The Committee was informed that there was an agreement between the Ministry and FNPF on the sharing of information. This agreement had expired in 2019 and there is current consultation for re-engagement. However, there are several issues that will need to be addressed before the Ministry can sign another Agreement as the expired one had little assistance when trying to verify cases submitted to FNPF. With the past agreement, the Ministry had forwarded a list of applicants' details to be verified against the FNPF system, unfortunately there were no matches. The use of old Birth Certificates number which does not exist or the change in names with some, especially women using their married names. With these types of challenges, the Ministry had to resort to asking applicants to provide a validation letter from FNPF.

1.2 SPS and Poverty Benefit Scheme (PBS): Life Certificates not issued

In accordance with Section 9 of the Standard Operating Procedures (SOPs) for SPS and Section 10.4 of the SOPs for PBS of the Ministry, life certificates are to be issued every 6 months as part of the review process to ensure that the recipients are still alive.

The audit noted that the Ministry did not obtain life certificates for the payments made to recipients in the 2017-2018 financial year.

An explanation provided by the Ministry was that the agency had initially incorporated the Life Certificates in the SOPs as part of its strategies to minimise the fraudulence of the system. This was after consultations were conducted with the Ministry of Economy and the Ex-Servicemen's Unit which have employed this approach. However, the Ministry was advised to seek Cabinet's approval prior to its implementation. Furthermore, the Ministry informed that the Cabinet Paper has been submitted and plans to have this implemented in the first quarter of the 2019-2020 financial year once it is approved.

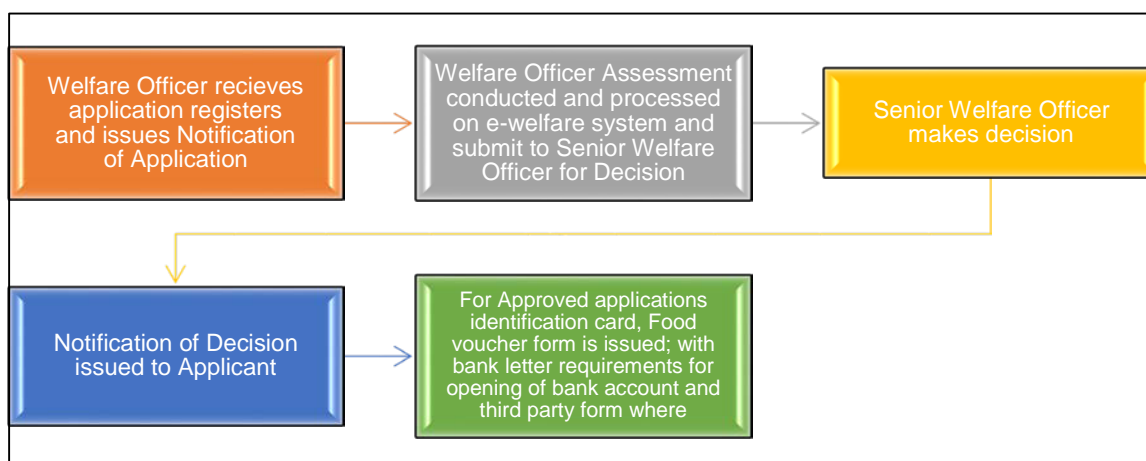
The Committee was advised that in September 2019, Cabinet had approved the Recertification Exercise. This exercise would involve the participation of beneficiaries of the Poverty Benefit

Scheme, Care and Protection Allowance and the Social Pension Scheme. It would require recipients to fill the 'Life Certificates Form' to update their details and return it to the Ministry within a given timeframe. Failure to do so could result in the suspension of allowance or even permanent termination if Forms are not returned. Forms have been developed and welfare officers in the field have been trained. The exercise is in its second phase, and this is the media and community awareness. Beneficiaries are given now (January until July) to fill their Forms and return it to the Ministry. Forms are distributed from all the welfare officers and send to the Post Offices and during welfare visits to communities.

1.3 PBS and Child Protection Issue: Delay in Processing of Application

This process is whereby an application is received, home visited, processed and completed in the system with decision made by the Senior Welfare Officer should take less than 30 days minimum (1 month) and within maximum of 90 days (3 months) if more time is needed in accordance with Section 4.7 of the PBS SOP 2018.

The process of Poverty Benefit Scheme is depicted below:



The audit noted that from the review of a sample of cases that the assessment turnaround time was more than 90 days in some cases. The delay was due to the Ministry accepting applications with pending documentation from the applicants.

The Committee was advised that the Ministry has made every effort to minimise the delays of processing applications. Applications can be processed within the 7 day working period provided that all relevant documents are furnished in the initial submission. Delays often happened when all relevant documents are not provided, home visits not carried out on time and sometimes the misplacement and loss of documents. The SOPs has been amended to include the timeframe given for cases to be completed however, this can be a challenge because of completing priorities and different areas of responsibilities encountered by officers in the field.

1.4 C&P Issue: Non Compliance to SOP Scheme Rates

The Care and Protection Allowance (C&P) is paid to the caregiver on a monthly basis through electronic banking or vouchers with allocations ranging from a minimum of \$29 to a maximum of \$129 regardless the number of children. In 2007, the initial scheme rate for 2013 was revised and

increased by 15 per cent. The audit noted that from the sample cases reviewed, the scheme rates used were inconsistent with that in the SOPs. Although scheme rates were revised in 2017, it was noted that recipients, as at 31 July 2018 were still assisted based on the rates set in 2013. Table below shows the scheme rate allocations:

Scheme Rates Allocation

Monthly Allowance	2013 Amount (\$)	2017-2018 Amount (\$)
Pre School	25	29
Primary School	30	35
Secondary School	40	46
Child with Disability	60	69

Inconsistent Scheme Rates

No.	Case File Ref	Primary Applicant	Amount (\$)	Audit Calculation (\$)	Variance (\$)
1	NAS/CP/AV/126/18	S.L	30	35	5
2	SUV/CP/PT/259/18	A.L	110	127	17
3	NAS/CP/SB/110/17	M.T	70	81	11
4	NAS/CW/AV/69/17	M.L	60	70	10
5	NAS/CW/AV/26/17	V.L	50	58	8
6	101_106775	L.B	69	92	23
7	NAS/CP/RW/119/17	V.B	110	127	17
8	NAS/CW/AV/58/17	T.M	30	35	5

The Committee was informed that the Ministry had amended its SOPs for the different Social Protection Programs and officers in the field have been trained on these changes. Rates and amounts have been updated in the system to reflect the approved new amounts.

1.5 C&P Issue: Lack of reviews of recipients case files

Section 9.1 – Review of Cases of the C&P Amended SOP stipulates that “*all approved cases will be subject for review, this will be done annually (from the date of approval) either through desk review or home visitation*”

From the review of sample cases, the audit noted that Annual Reviews were not carried out in accordance with Section 9.1 above.

The table below shows the sample cases audited by the Auditor-General.

No	Case File Ref	Applicant
1	CW/NSR/LD/185/15	A.N
2	NAS/CP/SB/94/17	M.V
3	NAS/CP/SB/110/17	M.T
4	NAS/CW/AV/69/17	M.L
5	SU/CW/NR/311/17	M.M
6	SU/CW/AD/233/17	E.T
7	SUV/CW/NRR/496/17	S.T

The Ministry advised that the review of case files is an on-going activity conducted monthly by welfare officers which is factored in the Ministry’s costed Operational Plan, the Department of

Social Welfare's Business Plan, Divisional Plans and Individual Work Plans. This is recorded monthly and the outcome can result in the termination of cases if discovered that beneficiary has deceased, economic status has changes or it can be recommended for an increase or transfer to another scheme of the need continues to exist or family has within its ranks persons with disability or elderly persons. However, after every 5 years the Ministry carries out a major review on all its social protection programs as it is currently doing with the 'recertification exercise'

The Table below shows the total number of cases in the last financial year (2018-2019) including new applications, number of approved cases, no. of cases reviewed in the duration of the financial year and no. of terminated cases as an outcome of the review conducted.

Program	Total No.	New Applications	New Approvals	No. Reviewed	No. Terminated
Poverty Benefit Scheme	26,627	6,397	5,544	5,562	4,396
Care & Protection	8,106	2,566	2,906	1,786	435
Social Pension Scheme	44,547	7,725	8,400	14,258	3,034
Disability Allowance	7,003	3,411	4,425	623	237

1.6 C&P Issue: Maintenance of Case Files

Section 8.1 – Maintenance of Case Records (Child Protection Amended SOP) stated that once applications are complete in the system (approved or decline), the case officer must ensure that a hard copy of the completed application is printed out and kept in a case file (clearly labelled) together with the copies of documents.

From the selected samples audited, it was revealed that certain case files were not properly maintained in accordance with Section 8.1 above. The absence of important documents from case files is an indicator of weak controls implemented by the Ministry.

The table below shows the anomalies in case files.

No.	Case File Ref	Primary Applicant	Anomaly
1	NAS/CW/AR/68/17	T.K	No evidence of source of fund (Pay slip)
3	101_106775	L.B	No confirmation of children's education status
4	SUV/CP/PT/276/18	S.R	Bank Account details of recipient not on file
5	CW/NSR/LD/185/15	A.N	
6	SUV/CP/PT/259/18	A.L	

The Committee was advised that the Ministry conducted a file audit exercise in 2017. This resulted in the archiving of old files, the purchasing of new file cabinets and the updating of recipients information case files. This current 'Recertification Exercise' will again assist the Ministry in updating information in recipients' case files as 'Life Certification Forms' will capture their current addresses, if the applicant has moved to new address, it will also capture their current economic status and inform the Ministry on the status of those that may have deceased.

One of the challenges that the Ministry continues to face is the lack of office space which have resulted in congested work stations with files piled up all over the place.

1.7 C&P Issue: Non-termination of allowance to 18 year old recipients

In accordance with Section 1.4 of the Care and Protection Allowance Amended SOP, 'the assistance can be given until the child/children turns 18 years after which the allowance will be terminated without notification'

The findings from the review of a sample of cases selected indicated that despite children having reaching the age of eighteen years and above, recipients were still being paid the Care and Protection Allowance. This finding implies that there is lack of proper review and monitoring of payments for beneficiaries, resulting in overpayment of allowances by the Ministry.

The table below shows the Non-Termination of allowance to 18 year old recipients.

No.	Case File Ref	Caregiver	C&P Recipient	D.O.B	Age as at 31/07/2018	Amount Paid (\$)
1	NAS/CP/SB/94/17	M.V	S.C	07/03/2000	18 YRS	70
2	CP/NSR/SS/211/16	F.B	S.K	12/04/2000	18 YRS	115
3	SU/CW/SR/97/11	M.M	A.R	1/4/2000	19 YRS	69
4	NAS/VW/01/12	S.R	S.B	28/07/1997	21 YRS	81
			J.D	02/05/1994	24 YRS	

The Committee was advised that the Ministry has reviewed and analysed its data on the Care and Protection Scheme and has removed cases that have been identified to be over 18 year old. This was done manually and it is yet to have a centralised system. Reviews have been conducted annually by the Officers in the field and cases identified under this category were systemically removed from the monthly pay list. Also, awareness programs are conducted in the communities as officers carry out their visits.

2. Are the Standard Operating Procedures effective in the processing of Applications?

Section 59 (1) of the Finance Instructions 2010 states that each agency must have in place a cost effective system of internal controls which safeguards money and property against loss, avoids or detects accounting errors and avoids unfavourable audit reports.

2.1 SPS Issue: Payment made to deceased recipients

The Department of Social Welfare SPS Procedure Section 1.1 states that the Social Pension Scheme (SPS) is for elderly persons in Fiji who have attained the age of 65 years with no source of income, and not receiving Government Pension, Ex-Servicemen Funds or FNPf pension or any other superannuation.

Independent confirmation obtained from the Registrar General of Births, Deaths and Marriage Services during the audit revealed that some of the recipients were deceased but the Ministry was still paying the Social Pension Allowance as of July 2018.

Table below shows the overpayment of Social Pension Allowances to Recipients.

Overpayment as at 31 July 2018				
Na me	Date of Death	Case No.	Months	Amount (\$)

Overpayment as at 31 July 2018				
Na me	Date of Death	Case No.	Months	Amount (\$)
R	23/03/2015	SU/SPS/758/14	40	4,000
A.V	14/01/2018	SU/SPS/1368/15	6	600
M.T	18/10/2015	NSR/SPS/152/15	33	3,300
J.T	20/02/2016	Lau/SPS/338/15	29	2,900
G.M	06/04/1993	NSR/SPS/122/15	67	6,700
L	15/09/2017	NSR/SPS/206/15	10	1,000
Total				18,500

The Committee was informed that reviews are on-going and once beneficiaries were discovered to have deceased, cases were then closed in the system. On the other hand, the Ministry also relies on families and relatives to inform on the passing away of their family member. The Ministry has a working relationship with the Births, Deaths and Marriages Office in checking with the death registrations, however, this can only be effective if deaths are registered on time because in some cases, especially in rural and maritime locations, registrations are often delayed therefore it will be difficult to match the names. The use of social media (Facebook) is another avenue which the Ministry have used to remove cases that have deceased because Families sometimes post names of deceased relatives and once identified and verified, payments are withheld. With the introduction of the Fiji Care Insurance Scheme, whereby recipients are insured and re entitled for a \$1,000 Funeral expense has enhances the reporting of such cases as families are always quick to report so that they can make those claims. The current 'Recertification Exercise' will help in identifying such cases because if Forms are not returned after the grace period, it will be assumed then that beneficiaries have deceased and therefore payments will be stopped.

2.2 PBS Issue: Inconsistent determination of eligible income and recipients

Based on the Household, Income and Expenditure Survey, the average members of a household is made up of 4. With this new information, the new Poverty Benefit Scheme (PBS) will consider assisting four members in the household. This means that when assessing a case, only four members in the household will be included although there maybe more than four members in that family.

In 2017, the initial rate set in 2013 was increased by 15%. Refer to the table below for details.

Monthly Allowance	Amount (\$) 2013	Amount (\$) 2017
1 Person per household	30	35
2 Person per household	50	58
3 Person per household	80	92
4 Person per household	110	127
Monthly Food Voucher	50	50

From the review of sample of cases, the audit noted that there were inconsistencies in the eligible amounts and recipients. Refer to the table below for details.

No.	Case File Ref.	Primary Applicant	Amount Approved (\$)	Audit Calculation (\$)	Comment
1	SUV/PBS/1109/18	E.R	127	120	<ul style="list-style-type: none"> Incorrect entry for an extra adult. Only six household members consisting of 1 adult and 5 children Overpayment of \$7 per month
2	LAU/PBS/195/17	F.L	80	104	<ul style="list-style-type: none"> Date approved 04/10/2017. Note that the youngest child is the 4th member. There is a need to review to pay the correct amount
3	SUV/PBS/1224/18	E.V	92	104	<ul style="list-style-type: none"> 2 adults and 2 children calculated to receive the amount of \$94. There is a need to review and re-adjust.
4	SUV/PBS/1069/18	L.V	75	87	<ul style="list-style-type: none"> 2 adults and 1 child is calculated to receive \$87.00. There is a need to review and re-adjust
5	PBS/NSR/SS/406/14	N.D	30	This is a Care & Protection scheme	<ul style="list-style-type: none"> The case to be re-assessed under the new DAS scheme or CP scheme. Case required immediate intervention, was entered to PBS.
6	NAS/PBS/AV/64/17	R.P	50	This is a Disability Allowance Scheme	<ul style="list-style-type: none"> Case officer recommended for \$50 as the client lived alone and was physically disabled. Recipient should have been paid from Disability Allowance Scheme

The Ministry advised that it has updated all the amounts, especially the Poverty Benefit Scheme and Care & Protection Allowance to bring it to the new approved amounts. It has updated its SOPs and approved officers have been trained on these new amendments.

2.3 Food Voucher Programme Issue: Un-updated SOPs

The audit noted that the SOP for the Food Voucher Programme – Rural Pregnant Mothers was not updated to reflect the changes in the allowance as announced in the 2017-2018 Budget. There was an increase in the allowance from \$30 - \$50 which was not updated in the SOP. The lack of review of the SOP can lead to incorrect payments to Food Voucher Program Recipients.

The Committee was informed that this has been the plan for the past several years because the Ministry is absolutely certain that once the Ministry has a centralised computerised system, many of the issues highlighted in the Audit Reports will be addressed. Meanwhile, payments and updates are done manually and with the increasing number of recipients every year, there are bound to be mistakes and miss outs as often identified in the audit exercises.

Proposals and work has been done with ITC on the new system and it was ready to be implemented last year, only to be told that the Ministry cannot use the system. Consultations have been conducted with Government's new IT Contractor (Digital Fiji) but nothing has been confirmed on when work can begin. The World Bank has also come in to help and have assisted the Ministry in conducting its Business Planning Processes Reviews. It is estimated that the new system will cost about USD\$600,000 to develop.

RECOMMENDATIONS

The Committee in its review recommends the following:

- 1. That the Ministry of Women, Children & Poverty Alleviation (MWCPA) re-engages in a Memorandum of Agreement (MOA) with the Fiji National Provident Fund (FNPF) to verify the identity of the recipient to ensure that no person double dips into the system.**
- 2. That the MWCPA review and amends its SOPs for the various Social Protection Programs, also ensures that the scheme rates are consistent with those in the SOPs.**
- 3. That the Ministry expedite its process of its digital programme, acquiring from manual to computerised system so that issues faced are minimize and address.**
- 4. That the Food Voucher Programme be updated by ITC and the Ministry need to have centralised system which is funded by the World Bank.**
- 5. That the Ministry engages the Turaga ni Koro, Mata ni Tikina and Social Workers on the verification of Life Certificates and submission back to the Ministry and be done on every 6 months.**

AUDIT OF FIJI PROCUREMENT OFFICE (FPO) AND THE CONSUTRCTION IMPLEMENTATION UNIT (CIU)

1. Do the FPO and CIU have the necessary employee capacity to operate efficiently?

1.1 Capacity Management Challenges

At the time of this audit was conducted, the following was revealed:–

- Both FPO and CIU were yet to undertake a proper capacity assessment to ascertain its existing capacities against desired capacities
- According to the FPO, it has the capacity to process around 350 tenders per annum. This level of capacity was based on past records and experience.

The FPO had indicated that it faced challenges with capacity at different point in times during the year than in its capacity as a whole. The CIU had indicated that it is impracticable to ascertain the capacity level in which it needs to operate as it is reliant on factors that were beyond its control.

Tabulated below are the details of vacant positions at the FPO and CIU respectively.

Fiji Procurement Office			Construction Implementation Unit		
Post Title	Status	No. of Post	Post Title	Status	No. of Post
Manager Tender	Vacant	1	Manager Projects	Vacant	2
Senior Procurement Analyst	Vacant	2	Manager Finance and Compliance	Vacant	1
Procurement Analyst	Vacant	1	Associate Coordinator – Projects	Vacant	1
Driver	Vacant	1	Senior Technical Officer	Vacant	2
Total		5	Technical Officer	Vacant	5
			Executive Assistant	Vacant	1
			Technical Assistant	Vacant	7
			Office Assistance	Vacant	4
			Total		23

The Ministry advised the Committee that the vacant positions highlighted by the Office of the Auditor General (OAG) were subsequently filled by both FPO and CIU. While the OAG had focused its capacity assessment recommendation on FPO & CIU, both divisions are just cogs in the whole procurement machine so a holistic approach is needed when looking at capacity assessment. Capacity development must target whole of Government as efficiency at FPO and CIU is dependent on capacity at line ministries. As a way forward, the Ministry is seeking assistance from development partners to carry out an independent capacity assessment exercise and provide a capacity development plan. The reliance is not on assistance from donors only. The Ministry also understands that it needs to work towards capacity development locally and have the following strategies in place that takes into account a holistic approach to capacity development.

Training is at the center of the capacity building strategy. Specialised procurement related training is not available in Fiji. As part of Procurement Reforms, FPO is working with donors and Ministry of Civil Service to assist us with access to the opportunities. Professionalizing Procurement is important to ensure proper standards are in place and that practice in the profession is properly regulated to perform

within legal, technical and professional expectations. As part of this strategy, FPO are focusing on partnership with global professional bodies such as Chartered Institute of Procurement & Supply to help raise procurement standards across whole of Government and deliver results. In most Ministries, there are no specialised procurement positions. Procurement is seen as a transactional task which means the responsibilities are assigned to technical officers. With the establishment of Procurement Category Management and with the many changes which are taking place in procurement both in professional practice and the work towards modernizing our Procurement Regulations, FPO are closely working with Procurement contacts in the line ministries to meet the new requirements. The FPO also encourages the appointment of specialised procurement personnel in the Ministries who can shift Ministry procurement thinking from a transactional to strategic one. A procurement system is efficient when it spends the least amount of resources in the procuring of goods, services and works. Removing administrative waste has been a key strategy for FPO since 2018. During busy periods, administrative waste has been identified as a hindrance to efficient and effective work. Like CIU, FPO introduced the e-Tender portal in 2018 which helped increase efficiency and made positions that would have normally been needed redundant. In addition, FPO has been releasing various standard templates to improve work speed and remove ambiguity. The templates range from Evaluation meeting minutes to checklists. We have also worked hard in removing administrative tasks that are deemed to be non-value add work. An example is the removal of Board papers (prepared by FPO) and replaced with an Evaluation Report. The Evaluation Report prepared by the agency replaces both the Evaluation minutes and the FPO Board paper. As such the focus of the Ministry of Economy in procurement is improving performance with the same resources by removing non-value administrative steps.

1.1.1 Current status on the implementation of the electronic database (PMWeb) at the CIU.

The Committee was informed that leveraging technology is key in increasing value with current or reduced resources. CIU had implemented Electronic Database system (PMWeb) which streamlines processes through workflow and retained information in real time. As a result, CIU now has to slowly adjust its human resources needs due to the efficiency of the system introduced. With the system in place, multiple users can now have access to the database and carry out their processes immediately without waiting in queues to access the hardcopy of the required documents. Officers on site can load information directly to their laptops provided network is available. In terms of staff levels, CIU is targeting to maintain the current numbers and work within its current resources. A self- assessment on capacity will be undertaken to see optimal staff levels.

The Ministry is mindful of the fact that the massive rehabilitation works for Tropical Cyclone Winston is almost completed. Their focus has shifted to other capital projects and other rehabilitation works for Tropical Cyclone Keni, Gita and Josie. These projects will have a different capacity need, which will be different from the massive Tropical Cyclone rehabilitation programme. As an on-going capacity development strategy, CIU is liaising with training providers to up skill officers to be on par with market requirements and technological progress and ensure improved productivity and efficiency. The electronic database has been implemented and is live now. The system is currently being updated with current projects status. Previous project updates are also being loaded into the system.

The system will improve the service delivery of CIU in terms of Project Management as discussed below:

1. Initiatives – Assist in the creation of projects and undertake planning with the relevant agencies in terms of score, rate, prioritize, review and approve potential projects in a shared environment;
2. Estimates – Assist determining the projects estimation or quantity surveying;
3. Submissions for Public Sector Investment Program - Assist in the project appraisals during the budget consultation.
4. Budgets - Upon the approval of the budget, the cash flows of each project is loaded into the system for forecasting cost of construction cost, consultancy cost and other regulatory fees.
5. Commitments and Payments – Ability to generate commitments and monitor progressive payments against the commitment;
6. Workflow – Keep tracks of approval trails at various stages or processes, which leads to accountability and transparency;
7. Contract Management – Ability to administer and manage contracts such as automated notifications are sent to relevant stakeholders and proactive approach for extension of time or any associated risks;
8. Scheduling – Keep track of projects based on the project milestones such as Gantt Charts;
9. Document Management – Centralise record keeping of all projects related documents;
10. Web Based System – Can be accessible at any locations via internet access;
11. Security Features – Controlled through security measures, users and modules;
12. Asset Database – Captures in-depth details of building which includes locations, spaces, respective levels, inventory details including equipment's and fittings tied to premises;
13. Rental [Office & Quarters] - It includes Leases for government quarters owned by the government and office space rented from Private Stakeholders;
14. Housing Allowance – PMWeb has a feature which can automatically calculate Housing Allowance for respective eligible recipients as per the outlined Criteria as per PSC Circular;
15. Reports – The system allows various forms of reports such as Dash boards, Cost Reports, Customised reports and Reports for various modules generated through filtering and sorting functions; and
16. Game Changer in terms of real-time information available at point in time
17. The database not only stores data but captures the life cycle of the projects from its planning phase to completion as well as periodic maintenance.

2. Do the FPO and CIU comply with the relevant regulations and related policy guidelines while carrying out its functions?

2.1 Absence of the compliance assessment function of the FPO

As stipulated under Section 5.1 of the Procurement Regulations 2010, the function of the FPO is to regulate and administer the procurement of goods, services and works for the Government of Fiji. From 1 August 2018, the FPO undertook a restructure that sees the Compliance Unit being absorbed into the Internal Audit and Good Governance (IAGG) Division. Upon audit enquiry, it was noted that only the officers/posts were transferred but no instructions from IAGG Division on the function carried out by the Unit. It was also noted that the role and functions of the Compliance Unit has been changed, as it no

longer carries out the function it was established to perform but taking up the functions of the IAGG Division. The result is that the FPO has been unable to perform its functions under Section 5.2 (iv) and 8.1 (e) of the Procurement Regulations 2010 ever since the restructure took place.

The Committee was informed that the Ministry of Economy is working on an amendment bill for the Financial Management Act (FMA) for review by Solicitor General's Office. The work on the FMA has been in consultation with relevant donor partners. The Procurement Regulations amendments are at drafting stage with SGs Office. The regulations will be finalised once the updated Financial Management Act is confirmed. The Ministry is targeting the completion of the review by Mid-year 2020.

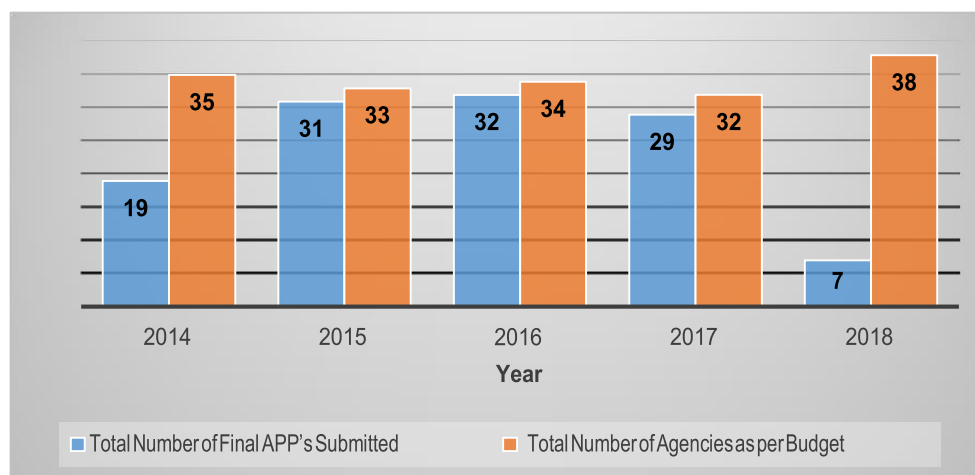
The Procurement Centre of Excellence ('PCoE') team is currently in operation with 7 staff. The PCoE replaced the compliance function and a policy department of FPO in 2018. The PCoE carries out the policy and compliance function required under Procurement Regulation 2010. Historically, FPO compliance has been an audit based approach where procurement audit and special audits were a primary role. There is now a change in our approach to compliance. The PCoE works on a Compliance Management Programme which targets to create a strategic and consistent approach to the management of the compliance obligations. The Programme relates to the definition, prevention, detection, collaboration and enforcement of compliance obligations. The four main compliance tasks we currently carry out under the Compliance Management Programme are as follows:

1. **Policy and guideline review:** A key task for the team is to review and modernize current policies and guidelines in association with the Policy team at the Treasury Division. Policies and guidelines need to be reviewed to ensure they are on par with the changing procurement landscape and remove administrative non-value add work.
2. **Training:** Key to compliance is education and training to ensure procurement personnel are knowledgeable of compliance requirements. A whole of Government training on procurement regulations and public procurement basics is held monthly. So far, more than 1000 civil servants have been trained. In addition, FPO runs an internal refresher program for staff to ensure procurement advisory officers are adequately educated on current regulations, policies and guidelines.
3. **Compliance Advisory Support** – Officers from the FPO Tender Unit are part of all evaluation committee meetings and provides procurement and compliance advice to agencies. They review all compliance aspects of the tender before this is submitted to the Government Tender Board.
4. **Monitoring** - Key to our monitoring function is our Procurement Data Analysis team in the PCoE. Tender procurement data is analysed and a report shared with GTB and relevant PSs. The team collects and analyse tender award data which is used in risk assessments, training and due diligence processes. Specific data on the procurement categories are shared with our Tenders Unit who uses this data in their advisory role.

2.2 Fluctuations in the number of Annual Procurement Plan submitted in the past 5 – 10 years

Pursuant to Section 26 (1) of the Procurement Regulations 2010, the Annual Procurement Plan (APP) for each year must be prepared by the Permanent Secretary of each Ministry of Department and submitted to the Fiji Procurement Office after the announcement of the Budget and in accordance with Finance Circulars issued by the Permanent Secretary for Economy.

The graph below shows the actual and expected annual procurement plan submission from Government Ministries and Departments.



The Committee notes that the government agencies procurement planning has been steadily decreasing in the past three years with the most significant decrease in 2018, which has heavily affected the operations of the FPO.

The lack of procurement planning at agency level heavily affects the operations of the FPO. This has resulted in inconsistent flow of procurement projects flowing through the procurement process during the period under audit. It also puts pressure on the capacity of FPO at different times and creates bottlenecks along the procurement process at certain times which has resulted in prolonged time taken to process procurements at times.

The Committee was informed that the FPO is working with Budget Division to improve this. Currently, the APP is prepared after the budget announcement. FPO is working with the Budget Division to add the APP as an input to the budget process for the next budget year. This will improve the submissions rate and reduce complexities in the planning process.

At the time of this audit was carried out, the Ministry of Economy agreed that the submission of the APP has not been consistent by the Permanent Secretaries. It was further noted and agreed that the FPO was not directly responsible for this, however, the lack of priority planning by agencies impacts service delivery of the Fiji Procurement Office. As a way forward, the FPO is working towards providing a structure to Government procurement planning.

During the hearing, it was revealed that the first draft of the Planning Procurement Framework (PPF) has been completed and this is now under a review process within the Ministry. The PPF work is running concurrently with the review of the Finance Management Act and its Procurement Regulations. It is important that planning framework is aligned to the proposed FMA Act and amended Procurement Regulations. Nevertheless, improvement work must continue in planning. The tender advisory team is promoting the adoption of the best practices mentioned in the PPF to ensure there is a continual growth in procurement standard.

2.3 Assessment of the Different Stages of Tender Process Phase

In accordance to the Tender and Evaluation Process 2010 (Appendix 1), the function of the Fiji Procurement Office in the procurement process can be divided into 4 main components:

- a) *Tender Calling Stage* – initiated when request for proposal or tender are received from government agencies. The requests are advertised in the daily newspaper at least twice and bidders are allowed time to prepare submissions. When tenders are closed, tender box are opened and bids received are recorded and sent for evaluation. The timeframe is maximum of 36 days.
- b) *Tender Evaluation Stage* – commence when bids received are shortlisted and evaluated according to the evaluation criteria set out in the tender specification. An evaluation report is prepared by the Tender Evaluation Committee and submitted to the Fiji Procurement Office. The timeframe is maximum is 3 week.
- c) *Preparation of Government Tender Board Submission Stage* – Commence when the evaluation report is received from the Evaluation Committee. The Fiji Procurement Office verifies and prepares submission report for the Government Tender Board Approval. The timeframe is maximum of 5 days.
- d) *Government Tender Board Approval Stage* – Commence when the Government Tender Board receives the submitted report for decision making. The Government Tender Board convenes a meeting to deliberate and decide matters on the matters submitted. The timeframe is maximum of 10 days.

In view of the above, the FPO has established the following mechanisms to help ensure that timeframe is stipulated in the Procurement Regulations 2010 for each stage are adhered to:

1. **Setting Deadlines:** FPO has since January 2020 indicated deadline dates for each stage of the process in its initial letter sent to Agencies after tender electronic box opening. The FPO tender advisory team follows up with the agencies before the deadline to confirm status of tender evaluation.
2. **Streamlining Process:** The FPO Procurement Centre of Excellence has been implementing innovative ways to reduce administrative waste in process. This includes the release of checklist and standard templates to help standardise and streamline process. In addition, they are working on removing non value add administrative process. One examples of the work done so far is the conversion of the evaluation minutes to the Evaluation Report which is directly submitted to the Board. Previously FPO prepared a Board Paper in addition to the evaluation minutes. Other examples include contract standardisation, introduction of eTender which streamlined tender process.

2.4 Assessment of the Tender Process as a Whole

Section 30.1 of the Procurement (Amendment) Regulation 2012 states that a tender must be called for the procurement of goods, services or works valued at \$50,001 and more. After examining the

individual components of the tender process for the tender tested by the auditors, the following was determined:–

- a) The actual time taken to process tender varies significantly between tenders. The tender process can be swift as 40 days or can be extended as long as one 131 days.
- b) There were 10 instances where the time taken to process tender exceeded the required timeframe of 66 days. The required time exceeded was mainly due to the delays or exercise time taken at the tender evaluation stage of the process.
- c) Majority of the tender processing time is consumed during the tender evaluation stage. The tender calling stage recorded the second highest time spent which was followed by preparation of the Government Tender Board Submission and Approval Stages.

The audit noted that as far as the timeliness is concerned, the Ministry defended its position that the actual timelines followed by Government Ministries and Departments in their projects may vary depending on the complexity of the project. It is difficult to establish a “one size fits all” timeline for projects given their differences.

The Ministry further stated that in the construction industry, low number of skilled and compliant contractors and consultants also contribute towards timeliness issues. The Ministry further clarified that, should there be variance in the timelines, the agencies to ensure the process (from tender advertisement to GTB approval) is completed within 90 days. It was noted that the current guidelines was being reviewed to add in flexibility for Government Ministries and Departments. With flexibility, the best combination of scope/quality, time and cost can be managed to ensure the five guiding principles of procurement are met.

3. Are the Capital Contraction Projects effectively managed and delivered by the CIU?

3.1 Lack of Intent for CIU

Pursuant to Section 7 of the Financial Management Act 2004, the responsible authority for a state entity is responsible for managing the financial affairs of the entity in accordance with the requirements of this Act and with due regard to the principles of responsible financial management. The Construction Implementation Unit was established for effective management of capital construction projects and maintenance of government housing and quarters. The unit became instrumental in the implementation and rehabilitation of schools and public buildings after Tropical Cyclone Winston as highlighted in the 2017-2018 Budget Estimates.

At the time of this audit was conducted, the auditors enquired whether there is a documented mandate or intent of the Unit which could be used as a reference point during audit. In addition, the auditors enquired whether the Unit was required to process all government agencies construction projects however were not able to substantiate any documented mandate or intent of the Unit except in the Ministry of Economy’s Strategic Plan that validates the existence of the CIU. Similarly, the auditors were not able to substantiate any documented requirement that obliges the Unit to process all government agencies construction projects in order to properly assess and understand the nature and environment of operating the Construction Implementation Unit.

In view of the above, below are the actions taken by the CIU to ensure that its functions or intent are clearly documented and proper governance framework are in place that ensures the proper functioning of the unit:–

- CIU commenced its operations in 2016 through the 2016 Budget, which was approved in the Parliament with functions to facilitate and improve implementation of capital projects.
- There are no new rules and regulations created by CIU, however CIU ensures that all relevant regulations and policies are adhered at all times during the project life cycle.
- The Unit has its own Standard Operating Procedure, which is in line with relevant policies, rules and regulations to guide the project implementation.
- CIU is part of the Ministry's Strategic Plan and CIU's Key Performance Indicators ('KPI') are clearly outlined in the Ministry's Costed Operational Plan.
- CIU also reports the achievement of KPIs in the Ministry's Annual Report that ensures that CIU carry out its functions as planned with allocated resources.

3.2 Assessment of Different Stages of the Post Tender Process Phase

The post tender process phase is managed by the CIU. The process can be divided into two (2) main components.

- a) *Contract Document Preparation Stage* – Commence after GTB approval is made. All GTB approval is subject to a legally binding contract that is vetted by the Solicitor General's Office. The project commencement is reliant on the finalisation of the contract. The project will only commence when contracts are entered by both parties.
- b) *Construction Stage* – The actual construction of buildings and/or infrastructure by the engaged contractor. This should be done in accordance with all conditions stipulated in the contract agreement.

To determine the effectiveness of project management performed by the CIU, the timeliness of project completion against the expected time frame as provided in the GTB approval were measured.

In relation to the current status on the standard template for standardizing the contract process that the FPO and Solicitor General's (SGs) Office were working on, the Committee was informed that the FPO has received the finalized standard contract from SGs office which is now in use. The standard contract allows for faster reviews by SGs office thus reducing contract review times. This has just been introduced in 2020.

3.3 Assessment of the Post Tender Process as a Whole

After examining the two stages involved in the post-Government Tender Board phase for the selected projects, the following was noted:

1. There was a lack of proper maintenance of project documents. The audit was unable to ascertain certain line of enquiries due to lack of information available in the project files examined. This

information includes the GTB approval, contract documents, project progress reports and independent inspection reports.

2. The actual time taken at the preparation of contract document stage is noted to be significant and varies considerably between projects. It can be as swift as four days and can prolonged as much as ninety seven days. The audit noted that this is the only stage in the whole process from tender calling stage to construction stage that is not governed or guided by a standard turn-around- time to complete the task. This increases the risk of delay at this stage given the fact that there is no mechanism in place to ensure that the process are completed in an acceptable timeframe
3. In all instances, extension of time for project completion was approved based on the justifications provided. However, we noted instances where projects were delayed based on reasons that indicates improper planning
4. There were limited documented manuals and guidelines in place at CIU to provide guidance on how the operations were conducted.

The Ministry discussed with Solicitor-General's Office on way forward. CIU uses the Australian Standard Contract (AS4000) that has been adjusted to suit the laws of Fiji for projects with large magnitude while projects with short durations also have the same format. In addition to the standardized adjusted Australian Standard Contract (AS4000) that is being used for constructions projects, the Fiji Procurement Office is working with Solicitor-General's Office in standardizing the contract process further together with a standard template. The plan is to have the standard contracts to be part of the tender documents to allow the suppliers to review the draft contract in advance.

RECOMMENDATIONS

The Committee in its review recommends the following:

- 1. That the monitoring and implementation of projects be strengthened.**
- 2. In considering the current situation in Fiji, the FPO to come -up with a contingency plan on the Tender Process, Procurement Process etc.**
- 3. FPO and CIU to revised its current Staffing structure as the 23 vacant positions captured in the Audit Report does not show a good reflection of the two Section.**

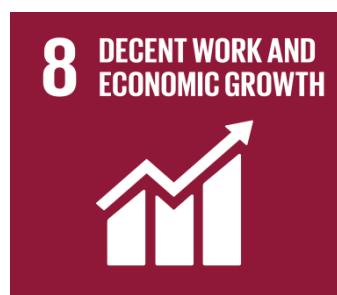
SUSTAINABLE DEVELOPMENT GOALS



Pursuant to SO 110 (2), “where a committee conducts an activity listed in clause (1), the committee shall ensure that full consideration will be given to the principal of gender equality so as to ensure all matters considered with regard to the impact and benefit on both men and women equally”

The Fijian Parliament has taken the initiative to mainstream gender issues in its legislative process and oversight functions. The inclusion of gender-based analysis when scrutinizing government expenditure is a central part of the work of the Public Accounts Committee. The goals of gender equality and empowerment of women have become important components of the Sustainable Development Goals (SDGs) and each target require the action of the Government and stakeholders.

Based on the findings gathered during the public hearing, as part of the Committee’s oversight function, which is a cornerstone of democracy and a vehicle for holding the Executive to account, the Public Accounts Committee is tasked to monitor how effectively Government is implementing the SDGs and Parliament is the key institution in these processes.



MINISTRY OF EMPLOYMENT, PRODUCTIVITY AND INDUSTRIAL RELATIONS

How is the Ministry of Employment, Productivity and Industrial Relations (‘Ministry’) supporting entrepreneurship, creativity and innovation, and encouraging the formalisation and growth of micro, small and medium sized enterprises in line with SDG Target 8.3?

The Committee was informed that the Ministry supports the initiative by supporting Small Medium Enterprises (SMEs) agenda under the Ministry of Industry, Trade and Tourism with the SME initiative since this support is under the Ministry of Industry, Trade and Tourism portfolio.

The Ministry supports entrepreneurship through the season works program where returning workers that have stated their small businesses are trained through the Ministry of Industry and Trade’s Cooperatives Unit on how to manage their small businesses in a sustainable manner.

Under SDG Indicator 8.3, what is the proportion of informal employment in non-agriculture employment, by sex?

The Committee was advised that the informal agenda is responsibility of the Ministry of Industry and Trade. The Ministry of Employment's portfolio covers mainly formal employment. Whilst the Ministry

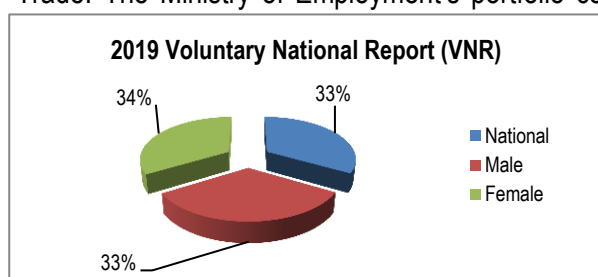


Figure 1: FBOS 2015

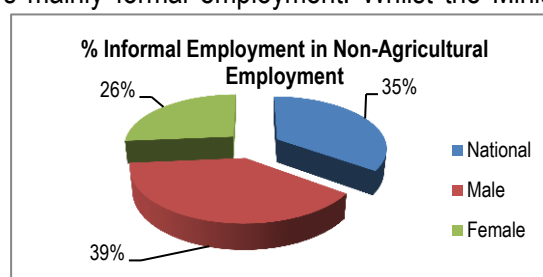


Figure 2: FBOS 2017 Census

The percentage shows that there is slight improvement in the reduction of proportion of informal employment in non-agricultural employment, only declined by 0.3 per cent for the period 2015-2017. Improvement is noted in the female category which has declined from 28.7% to 21.1% in 2017. However there is an increase in the male category from 28.2% to 31.1% which is estimated to be engaged in the informal employment in the non-agricultural employment.

Does the Ministry have a programme in place to create jobs in sustainable tourism in line with SDG Target 8.9? If yes, what are the results so far and what is the budget allocated for this programme? If not, how does the Ministry plan to address this issue?

In sustaining and creating jobs for the tourism industry, the Ministry in collaboration with stakeholders and social partners implemented the National Employment Policy (NEP) that was launched in 2018 that primarily aims to create jobs and reduce unemployment and offers 10 policy priorities. Policy priority 3 focuses on green jobs and adapting to climate change, focuses on eco-tourism. Other strategic actions which the Ministry has planned and budgeted for is the Pacific Labour Scheme that has an allocation budget of \$191,743. The scheme allows temporary access of low-semi skilled workers to entry Australia for up to 3 years and work and gain skills that can contribute to Fiji's economy through remittances and contributes to the Tourism Industry with returning skilled workers.

Regarding SDG Target 8.5, (by 2030, achieve full and productive employment and decent work for all men and women, including for young people and persons with disabilities, and equal pay for work of equal value. The Committee notes that the Ministry is committed to supporting the creation of employment for the marginalised unemployed population and improving working conditions, wages and productivity. It takes notes of the positive results (i.e. increase in the number of Fijians registered with the National Employment Centre who are finding jobs, organisation of technical skills and trainings, launch of the project on Community Based Emergency Employment (CBEE) targeting women and people with disabilities in the three villages. Can the Ministry advise what is the budget allocated for the CBEE project?

The funding component of CBEE Project is funded from the Fiji Volunteer Service Budget allocation with the payment of weekly allowances and total allowances committed was approximately \$7,000.

For SDG Indicator 8.5.2, what is the unemployment rate of persons with disabilities in Fiji? If there is no data available, can the Ministry commit to ensuring unemployment data is desegregated to reflect the status of persons with disabilities?

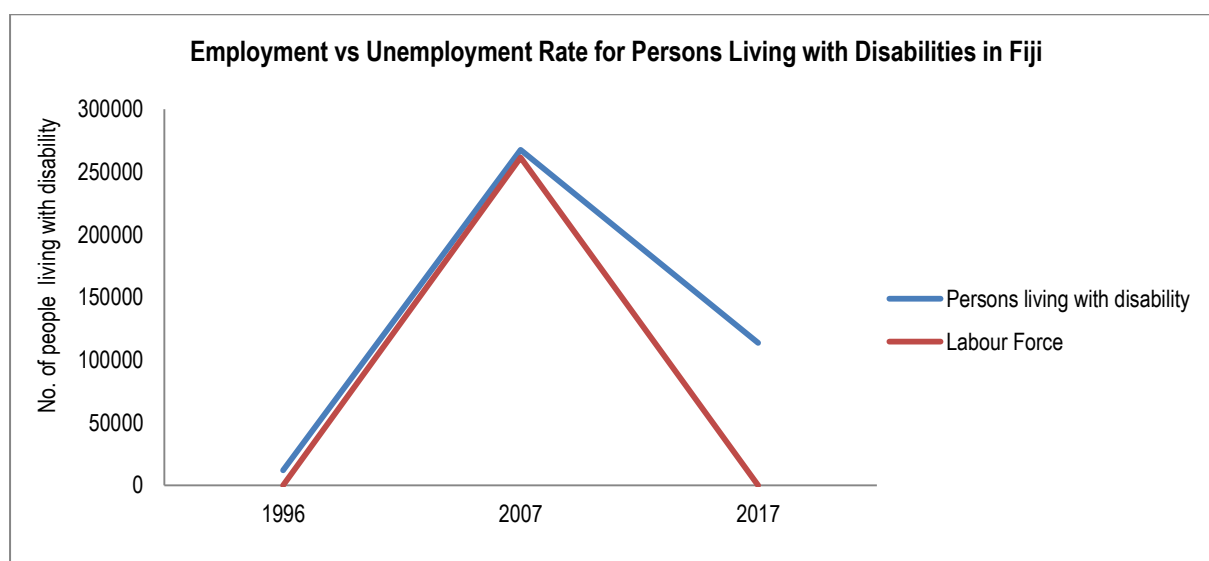
The National Employment Centre (NEC) registration of unemployed persons includes people with disabilities or physically challenged and the National Employment Policy (NEP) Policy Priority 8 states “provides a path making it easier for disabled persons and the elderly to earn an income”

The registration of unemployed persons under the NEC includes people with disabilities. In the registration form, questions are asked for any physical impairment. Perry (2002)¹ elaborated that in 1996 Bureau of Statistics Survey recorded that 12,000 people were physically challenges which represented 1.5 per cent of the population. The 2007 Bureau of Statistics Survey on Economy Activity Report recorded that those were physically challenges that were not active in labour force stood at 6,181 of the total 267,660 which accounts to 2.3 per cent.

JICA Planning and Evaluation Department (March 2002) mentions that the Fiji Disabled Peoples Association, a self-help group of persons with disabilities, defines disability as –

“Disability applies to anyone who by virtue of their physical mental, sensory and emotional disposition is prevented from enjoying equal opportunities and exercising the same rights as the rest of the society due to social and physical barriers”

The term “disability” means the loss or limitation of opportunities to take part in community life on equal terms with others. It describes the encounter between a person with a disability and the environment. The purpose of this term is to emphasize the shortcomings in the environment or the many organized activities in society such as information, communication or education that prevent persons with disabilities from equal participation in society.



The line graph above depicts the number of persons living with disability since the 1996 Census was conducted in Fiji. Since the enactment of the Rights of Persons Disability Act 2018 (Act No. 4 of 2018) that makes provisions of the protection of the rights of persons with disabilities in accordance with the United Nations Conventions on the Rights of Persons with disabilities, the number of persons living with disability has increased to 13.7 per cent compared to 2.3 per cent in the 2007 census.

Note: There was no data available on the number of persons living with disability who were active in the labour force market however, the Fiji Bureau of Statistics stated that the 13.7 per cent of population aged three and above reported at least one functioning challenge (disability) and that the international benchmark is 15 per cent.

¹ Perry, Debra A (2002), Training and Employment of People with Disabilities: People with Disabilities

The Committee welcomes the effective measure taken by the Ministry to meet SDG Target 8.7 (eradicate forced labour, end modern slavery and human trafficking, and secure prohibition and elimination of the worst forms of child labour, and by 2025 end child labour in all its forms) including *the reduction of child labour cases from 2011 to 2016 with 182 child labour cases from 2011- 2016 returning to school and enrolling into technical and vocational training*. Can the Ministry specify what is the proportion and number of children aged 5-17 years still engaged in child labour, by sex and age (SDG indicator 8.7.1)?

The Ministry advised that there were a total of 241 cases reported between 5 and 17 years old. These children have been withdrawn from child labour and referred to the school and other educational institute. As of 2020, there are no reported cases of child labour.

The Committee notes that the Ministry is on track regarding SDG Target 8.8 (Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment) In particular, the Committee takes note of the positive results: *removal of the complaint against Fiji from the ILO Agenda; training and awareness programmes conducted to reduce workplace injuries and deaths; compulsory registration of industrial chemicals used at workplaces; conducting of occupational hygiene consultancies; vetting/inspections of plant/machinery designs to ensure their compliance with safety standards*).

Please provide the desegregated data by sex on the number of fatal and non-fatal injuries and migrant workers (SDG Indicator 8.8.1)? If the data is not available, please provide the reasons why?

The Workers Compensation database has records of workplace injuries and deaths arising out of and in the course of employment reported through the LD Form C-1 which is the 'Notice by Employer of Accident Causing Injury/Death of a Workman from any Cause Whatsoever'

For the period of 1996-2008, there has been 2,853 death cases recorded which consists of 2,704 deaths occurring from natural causes and 149 fatalities in the workplace. 20,581 workplace injuries were recorded. In totality, there are 34,434 cases have been reported and there is only 1,694 cases is still pending as of March 2020.

Sources:

Japan International Cooperation Agency (JICA) Planning and Evaluation Department (March, 2002) "Country Profile on Disability Republic of the Fiji Islands", Suva, Fiji, p.7 viewed on Friday 24 April 2020 http://siteresources.worldbank.org/DISABILITY/Resources/Regions/East-Asia-Pacific/JICA_Fiji.pdf

The Government of the Republic of Fiji, (2018), "Draft Country Statement at the Mid Term Review of the Asian and Pacific Ministerial Declaration of Population Development", Bangkok, Thailand, p. 3 viewed on Friday 24 April 2020 <https://www.unescap.org/sites/default/files/Fiji%20%286th%20APPC%20Item%20%29.pdf>

Fiji Bureau of Statistics, <https://www.statsfiji.gov.fj/index.php/statistics/2007-census-of-population-and-housing>

Parliament of the Republic of Fiji, <http://www.parliament.gov.fj/wp-content/uploads/2018/03/Act-4-Rights-of-Persons-with-Disabilities.pdf>

Fiji Government Media News Centre Release, <https://www.fiji.gov.fj/Media-Centre/News/Fiji-Bureau-of-Statistics-Releases-2017-Census-Res>



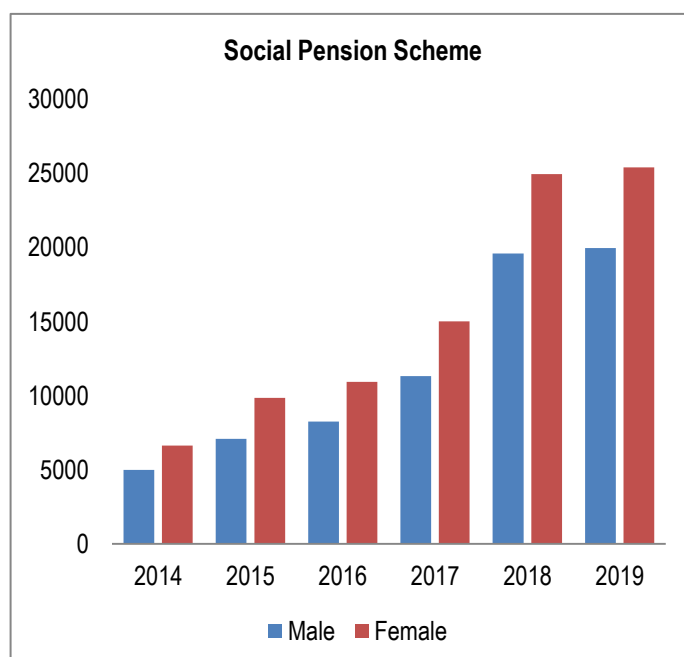
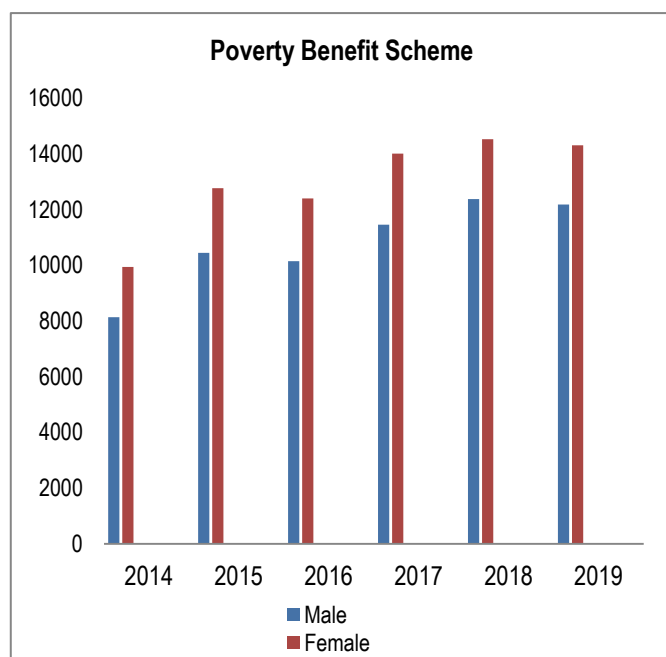
MINISTRY OF WOMEN, CHILDREN & POVERTY ALLEVIATION

Please provide the desegregated data by sex, age and persons living with disability the beneficiaries of the social pension scheme, poverty benefit scheme, child protection and food voucher for rural pregnant mothers?

Program	Target/Criteria	Male	Female	Total
Poverty Benefit Scheme	Poor Households – targeting 10% poorest of the poor	12,386	14,540	25,696
Care & Protection	Children in poor single parent/guardian households	3,485	4,620	8,103
Social Pension Scheme	Old Persons 65 years and above with no superannuation or source of income	19,600	24,946	44,547
Food Voucher for Rural Pregnant Mothers	Pregnant Mothers in Rural areas		3,747	3,747
Bus Fare Subsidy	Old Persons 60 years and above	5455	5836	11,291
	Persons with Disability	636	348	984

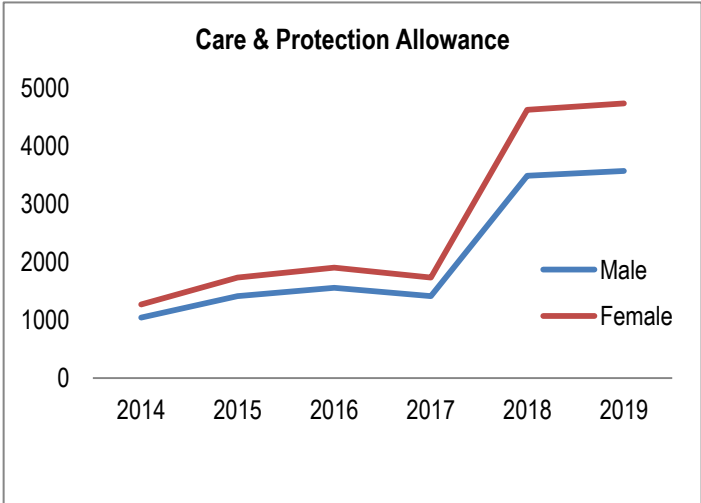
The figure above was extracted from the 2018-2019 Annual Report of the Ministry. Unfortunately without the centralised system, it is very difficult to capture the age of recipients. This will have to be done manually.

The graphs below show the number of males and females who have been assisted with the various welfare schemes since 2014.



The target/criteria for Poverty Benefit Scheme (PBS) are for Poor Households – targeting 10% poorest of the poor.

The graph above shows that since 2014, more women have been assisted through Government’s Poverty Benefit Scheme compared to Male. In 2019, 12,198 males were provided with PBS compared to 14,319 females. This was a decrease by 0.98 per cent from 2018.

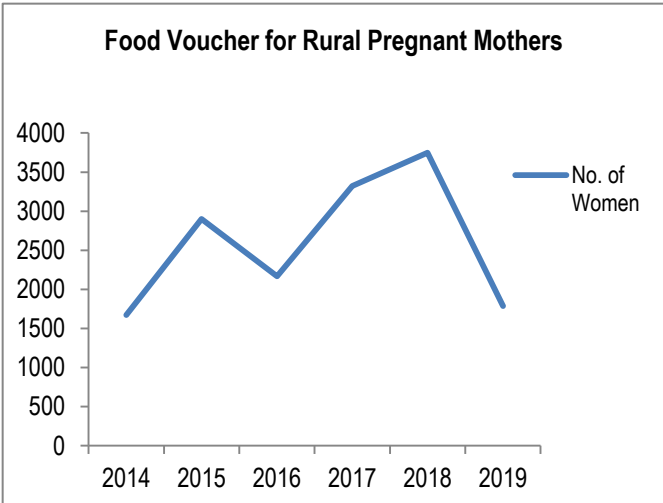


The target/criteria for Care and Protection (C&P) Allowance are children living in poor, single parent/guardian households.

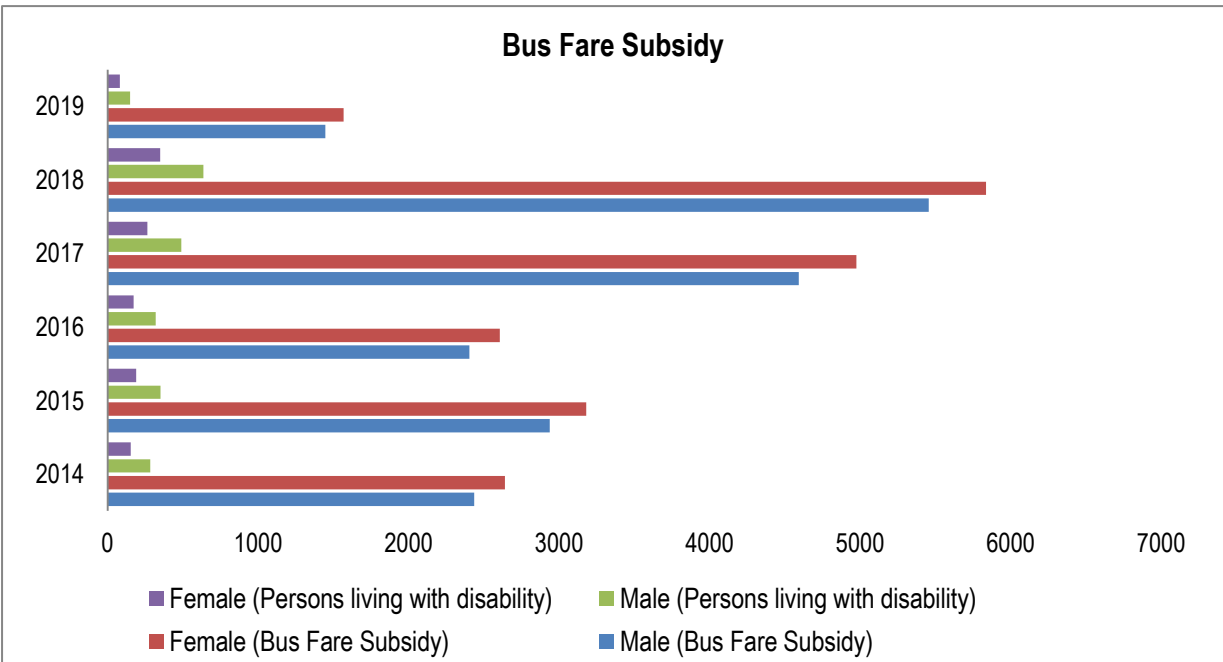
The graph above shows that there are more female children who received C&P Allowance compared to male. Since 2017, the figure indicates that the allowance provided have increased tremendously by 40 per cent whereas females, it has increased by 37 per cent.

The criteria for ordinary Fijians to qualify for the Social Pension Scheme (SPS) is for old persons whose age is 65 years and above with no superannuation or source of income.

With the data provided above and the trajectory of the graph, it can be said that there are more women in Fiji who are above 65 years of age compared to men. The allocation of the SPS provided to men and women have drastically increased since 2014.



This social welfare scheme is specifically for women – pregnant mothers in rural areas. Since 2016, the Food Voucher Assistance for Rural Pregnant Mothers has increased in 2016. However, there was a sharp decrease in 2019 by 47 per cent.



In order for ordinary Fijians including persons living with disability to qualify for the Bus Fare Subsidy, he or she must be 60 years old and above. The graph above shows that there are more women who have been provided with Government’s Bus

Fare Assistance compared to male. Interestingly, the number of male persons living with disability has increased tremendously from 2014 compared to female.

Can the Ministry advise what is the allocated budget provided per scheme since 2014 till to date?

Budget Allocation								
Program	2014 (\$)	2015 (\$)	2016 (\$)	2016-17 (\$)	2017-18 (\$)	2018-19 (\$)	2019-20 (\$)	Total (\$million)
Poverty Benefit Scheme	20,011,220	22,040,000	22,000,000	29,478,355	40,217,757	39,237,767	36,000,000	210
Care & Protection Assistance	4,530,000	2,000,000	3,200,000	5,195,679	7,081,389	9,821,782	8,000,000	398
Social Pension Scheme	3,000,000	8,000,000	13,000,000	13,659,341	37,200,350	50,921,568	46,000,000	171
Rural Pregnant Mothers	1,300,000	1,000,000	50,000	500,000	1,502,510	724,357	900,000	59

Regarding SDG Target 1, (By 2030, end poverty in all its forms everywhere) The Committee notes that the Ministry is committed towards eradicating poverty in Fiji and providing assistance in terms of promoting a caring environment where everyone is safe and protected and improving the lives of vulnerable people (elderly, children and those with special needs). Please advise under SDG indicator 1.2.1, what is the proportion of Fiji population living below the national poverty line, by sex and age.

2013-2014 Household Income and Expenditure Survey

The estimates of Household Income and other particulars provided in this release were based on the information reported by a representative sample of 6,020 Households covered in the 2013-14 Household Income and Expenditure Survey. The details represent the situation in the estimated 184,235 conventional households in Fiji where 845,309 persons live. Persons living in non-private dwellings such as Boarding Schools, Hospitals, Prisons, Works Site Accommodation and Single Officers Barracks were excluded from the survey.

Key Findings:–

- The incidence of Poverty has declined from 31 per cent in 2008-09 to 28.1 per cent in 2013-14, a decrease of 2.9 per cent.
- The poverty rate recoded means that 28.1 per cent of Fiji's Population (237,405) lived in the 41,310 conventional households whose total earnings were below the poverty line
- The number of people living below the poverty line decreased by 15,372 when compared to the estimated 252,777 in the 2008-09 period
- There was a significant decline in the incidence of rural poverty from 43 per cent in 2008-09 to 36.7 per cent in 2013-14
- Urban poverty increased from 18 per cent in 2008-19 to 19.8 per cent in 2013-14
- Between 2008-09 and 2013-14, the incidence of poverty:–
 - a) Declined in the following geographic domains – Northern Urban (38 per cent to 33.8 per cent) and Western Rural (43 per cent to 26.6 per cent)
 - b) Increased in the following geographic locations – Central Urban (16 per cent to 16.9 per cent), Western Urban (17 per cent to 21.6 per cent), Eastern Rural (40 per cent to 42.1 per cent), Northern Rural (51 per cent to 52.6 per cent) and Central Rural (36 per cent to 36.9 per cent)

Source: Fiji Bureau of Statistics No. 98/2015, 2013-14 Household Income and Expenditure Survey, p.1



MINISTRY OF ECONOMY

The **Fijian Government** is driven by the establishment of a modern and inclusive **Fijian Constitution**, along with an unprecedented programme of administrative reforms across **Government**; substantial and consistent public investment in infrastructure, public utilities, education, health and social inclusion; and a concerted effort to position Fiji as the hub of economic activity and regional engagement in the Pacific. The National Development Plan portrays an inclusive socio-economic development and the strategies within are ultimately designed to empower every **Fijian** and widen the reach of programmes, services and networks of infrastructure to transform Fiji for every **Fijian**. At the evaluation stage of the construction implementation, is there a gender impact analysis carried out following the conclusion of the project? How effective was the resource allocated in meeting the needs of both women and men? Is there an understanding of the gender patterns and their impact of achieving the overall goals?

The Committee was informed that currently there hasn't been any gender impact analysis undertaken following the conclusion of a project from Ministry of Economy ('MoE'). However, respective Ministries should be collecting sex-disaggregated data as part of their monitoring and evaluation. To gauge the effectiveness of resource allocation to both women and men can be gauged when gender impact analysis takes place. This analysis is an area that needs to be strengthened. It is important to note MoE is working closely with the MWCPA and with ADB support to introduce Gender Responsive Budgeting ('GRB'). This means that the GRB will be relevant throughout the budget cycle, including in the planning and design of budgetary policies that promotes gender equality, the allocation of resources to implement them, the tracking of resources to ensure that adequate resources are allocated and policies are implemented as intended and the monitoring and evaluation of the efficiency and effectiveness of policies, including the impacts evaluated. Through ADB, a gender specialist was engaged in November 2019 and has been working closely with the Budget and Planning Division of the MoE and the MWCPA to assess the gender responsiveness of the current budget. With this a Public Expenditure and Financial Accountability (PEFA) Supplementary framework for assessing GRB was used. Once this process is in place, then we can formalize gender budgeting and also address gender impact analysis in our Government projects.

In terms of rehabilitation of schools, public buildings, homes/dwellings and home care under the CARE for Fiji, does the Ministry publish its Annual Reports which includes information on gender or related expenditure and the impacts of budget policies on gender equality?

The Committee was advised that at this stage, such gender related expenditure information are not fully realised in the reports. However, the process of introducing gender responsive budgeting (GRB) into the 2020-2021 budget process will facilitate the provision of such information in the annual reports. At this stage, the MoE together with the Ministry of Women is working with two pilot ministries, that is, the Ministry Fisheries and MITT to commence with GRB. They are currently undergoing certain trainings on gender impact analysis. Through this, the Public Accounts Committee should expect to see some form of gender impact analysis and sex disaggregated data to address gender equality in the two ministries reports.

CONCLUSION

Overall, the Workmen's Compensation Unit of the Ministry of Employment, Productivity and Industrial Relations consistently paid bonafide workers compensation claims in correct amounts. However, the progresses of cases are not properly tracked to ensure that the processes are completed within the approved timeframe. Voluntary compliance by employers to report all work related injury or death cases within the legislated timeframe remains a concern exacerbated by the challenges in the practical application of Section 14 (3) of the Workmen's Compensation Act 1964 which needs to be addressed immediately.

Based on the audit conducted for the Ministry of Women, Children and Poverty Alleviation, it can be inferred that the internal controls for processing and documenting applications for the various welfare schemes should be improved. If such controls are not addressed effectively, this can result in material misstatements and possible financial loss for Government in future.

The examination of the Fiji Procurement Office and the Construction Implementation Unit in all material respects have complied with the Fiji Procurement Regulations 2010, Procurement (Amendment) Regulation 2012, Standard Operating Procedures and related policy guidelines. However, with the fully fledged functional teams established within FPO and CIU, there is still a need to improve on the timeframes for the different stages of the Tender Process as provided for in the Guide to the Tender and Evaluation Process 2010.

We, the undersigned Members of the Standing Committee on Public Accounts agree with the contents of this report:



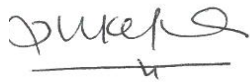
.....
Hon. Alvick Maharaj
(Chairperson)



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



.....
Hon. Vijendra Prakash
(Member)



.....
Hon. Ro Teimumu Kepa
(Member)



.....
Hon. Aseri Radrodoro
(Member)

APPENDICES

APPENDIX 1:

PUBLIC ACCOUNTS COMMITTEE QUESTIONS

APPENDIX 2:
WITNESSES, VERBATIM REPORTS AND
PUBLISHED WRITTEN EVIDENCES

WITNESSES & VERBATIM REPORTS

The names of the witnesses representing the Ministry who had appeared before the Public Accounts Committee is available on the parliament website. Copies of the verbatim reports can be viewed from the link provided: <http://www.parliament.gov.fj/committees/standing-committee-on-public-accounts/>

PUBLISHED WRITTEN EVIDENCE

Copies of the written evidences and supplementary responses from the 3 Ministries is accessible on the Parliament website on the link provided: <http://www.parliament.gov.fj/committees/standing-committee-on-public-accounts/>