

2017-2018 ANNUAL REPORT



Ministry of Local Government and Housing



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Fiji FA House

Gladstone Road

Suva

Fiji

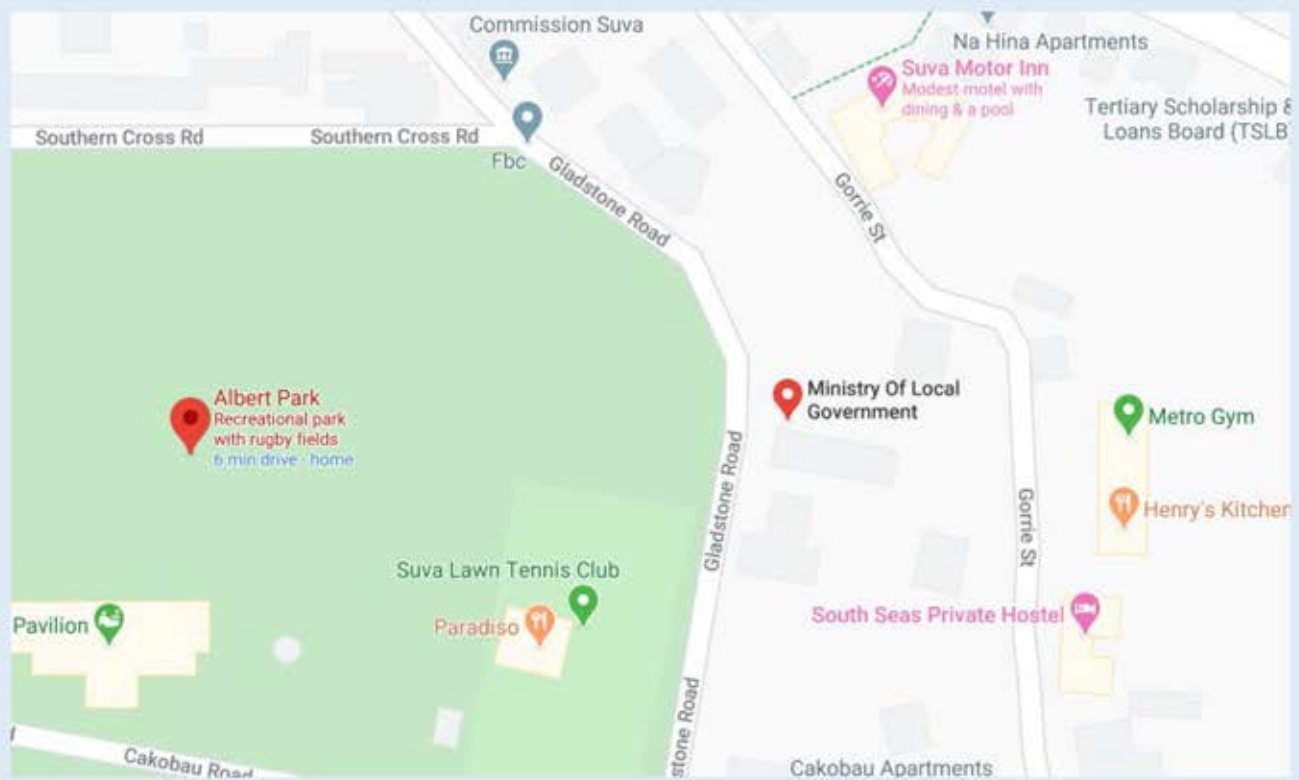
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Excellence in urban and environment management for a Prosperous Fiji



To promote socio-economic growth towards resilient urban communities, good local governance, and decent housing opportunities whilst sustaining ecosystem services



- **Customer Focus Civic Pride**
- **Flexibility Safety & Security**
- **Team Work & Commitment Human Rights & Security**
- **Environment Sustainability Respect & Fairness**
- **Accountability**
- **Transparency**
- **Integrity & Honesty**
- **Innovative Leadership**

Our customers are our greatest asset. We take pride in serving them through the Ministry's Service Charter, which stipulates our commitment to Service Excellence through professional high quality standards & responsiveness beyond expectations. Our customers are:

(i) Internally – Minister, Permanent Secretary and Employees of the Ministry; and

(ii) Externally – Government Ministries and Departments, all other Government fully or partly owned entities, the general public, providers of goods & services, the private sector, non - Government organisations and regional and international organisations.

ABOUT THE REPORT

This report details our performances and commitments in areas of our focus during the 2017-2018 financial years.

It also attempts to provide data and examples that highlight our progress and describe our approach and achievements.

The Report has been prepared in line with the Financial Management Act and Section 14 of the Amended of the Public Service Act 1999.

This report includes the following:

- The Organization Structure in the Office of the Ministry
- Outlines the contribution of the respective Departments outcomes, outputs and Key Performance Indicators, and,
- Highlights the achievements and results in the Ministry of Local Government & Housing.

REFERRAL LETTER FROM PERMANENT SECRETARY

3rd August 2018

Honorable Parveen Bala Kumar
Minister for Local Government and Housing
FFA Building
Gladstone Road
Suva

Dear Sir,

I have the pleasure of submitting the Ministry for Local Government and Housing Annual Report 2017-2018.

It provides the activities of the Ministry and the highlights for the year.

The Annual Report has been prepared in accordance with the provisions of section 14 of the Public Service Act 1999 and the Finance Management Act 2004, the report has been prepared with the requirements for Annual Reports by the Fiji Government.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Joshua Wycliffe', with a stylized, cursive script.

Joshua Wycliffe

Permanent Secretary for Local Government and Housing

THE YEAR IN REVIEW

I would like to extend my heartfelt gratitude for the continued support and patronage to all our stakeholders, partners, and ministerial staff in presenting the annual report for our 2017/2018.

In this fiscal year, the Fijian economy showed gradual recovery from Cyclone Winston. The year has been a fulfilling and successful 12 months for the Ministry. Some of the major accomplishments for the Ministry were the 3 fire stations, 4 parks, rural rezoning, and subdivisions, assisted 37 fire victims, and 430 1st time home buyers.

The Ministry of Local Government and Housing as mandated is continually contributing to Fiji's Socio-Economic growth through resilient urban communities, good local governance, spatial equity, and decent and affordable housing opportunities, whilst sustaining robust ecosystem services for all Fijians and such were few examples of the works carried out.

This annual report outlines the capital projects that were undertaken for 2017/2018 by the Department of Local Government, Town & Country Planning, Housing & Squatter Settlements. The ministry is committed to creating enlivened and successful communities while delivering excellent outcomes for the Fijians.

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PERFORMANCE HIGHLIGHTS

The Ministry of Local Government and Housing as mandated contributes to Fiji's Socio-Economic growth through resilient urban communities, good local governance, spatial equity, and decent and affordable housing opportunities, whilst sustaining robust ecosystem services for all Fijians.

Fire Stations

Three new fire stations commissioned to serve the people of Ta'vuni, Seaqaqa & Savusavu

Parks

Garvey Park, Tavua & Ganilau Park, Savusavu redeveloped with facilities such as convenience, construction of the hall, pavilion, floodlights, etc.

Rural Rezoning

298 Rural Rezoning was approved from the 386 applications received.

Major Developments

73 major developments were approved from the 85 applications received, costing approx. **\$324,433,890.00.**

Including Wanibuku Subdivision, Seashell Resort & Sun Insurance-Commercial Complex.

Sub Divisions

1,423 applications approved for the subdivision of lands.

Fire Victims Assistance

37 recipients' benefitted and \$185,000 was paid.

First Home Buyers

430 applicants received grants, of which 156 applicants received a \$5,000 grant, and 274 applicants received a \$10,000 grant.

Upgrading Projects

*4 Squatter Settlement Upgrading Projects
* 4 Town Wide Upgrading Programmes
* 4 city-wide informal settlement upgrading project

Socio-economic Surveys

11 settlement Socio-Economic surveys

1. ROLES AND RESPONSIBILITIES

The Ministry is responsible for the formulation and implementation of local government and urban planning policies, housing policies through the integrated program and approach to eradicate poverty. The Ministry also has responsibilities for the National Fire Authority. To achieve this, the Ministry defines the core business and responsibilities of each department/unit for 2012 as follows;

1. DEPARTMENT OF LOCAL GOVERNMENT

Monitor the performance of local government and the National Fire Authority by providing advice to the Minister in terms of the Local Government Act Cap. 125 and National Fire Act (1995) and support services through the Permanent Secretary.

2. DEPARTMENT OF TOWN AND COUNTRY PLANNING

Responsible for the overall administration, planning, and regulating of land use in Fiji through the Town Planning Act Cap 139 and Subdivision of Land Act Cap 140.

3. DEPARTMENT OF HOUSING AND SQUATTER SETTLEMENT

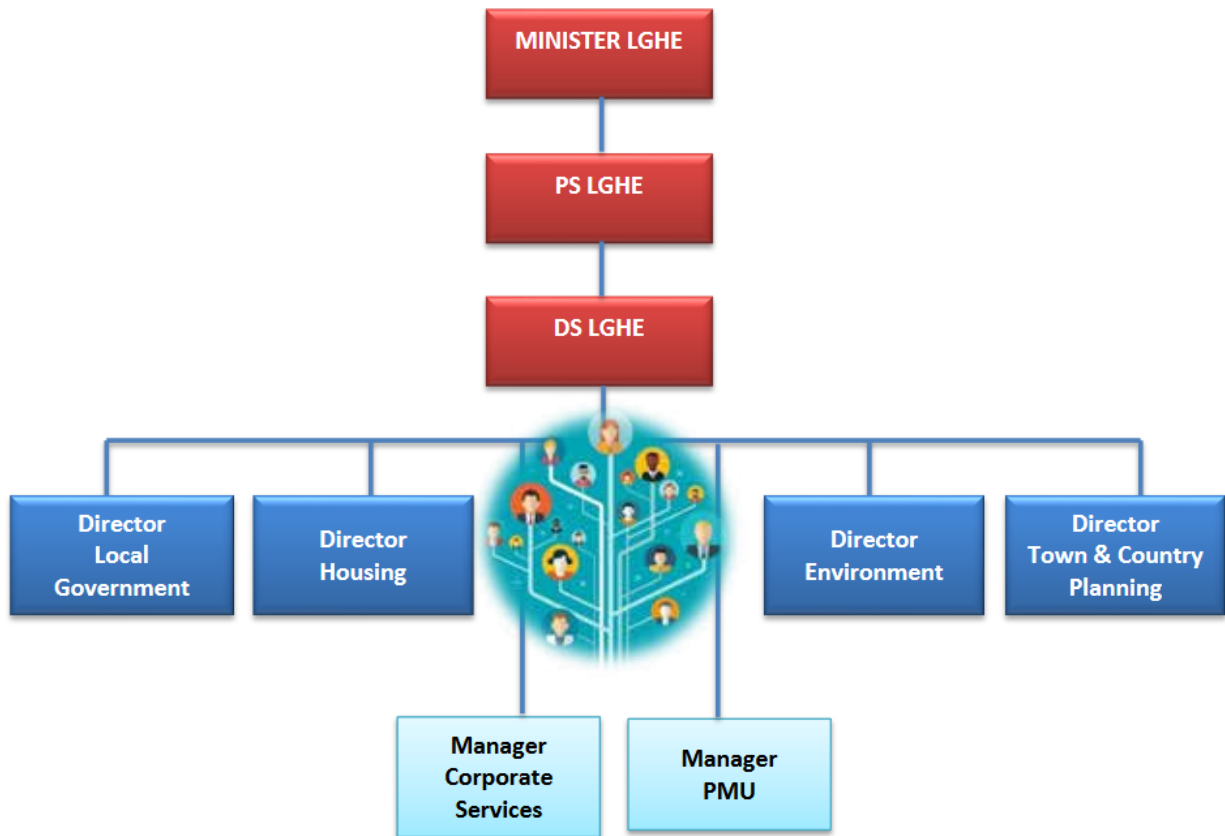
Administer the provision of grants to social housing providers (Housing Authority, Public Rental Board, and HART) and the development of National Housing Policy Programmes.

4. CORPORATE SERVICES DEPARTMENT

Implementation of policy decisions for the overall administration of the Ministry's budgeting, planning, financial, and accounting control, and managing of human resources.



2. ORGANIZATIONAL STRUCTURE



3. DEPARTMENT OF LOCAL GOVERNMENT

The Department of Local Government was established to ensure local governance is impelled through the effective review and implementation of the Local Government Act [Cap. 125] to build municipalities' capacities and services consistent with international standards. This includes the provision of quality support and monitoring of municipalities. Development programmes and projects of local government are adequately financed by Government grants ensuring inclusive equitable services to all Fijians within and outside of cities and town boundaries. The Department also works closely with the National Fire Authority in facilitating state-funded capital projects and the Authority's development capacity.

All actions of the Department are sanctioned by the Office of the Permanent Secretary which are to be in line with the National Fiscal Year 2017/2018.

3.1. OVERVIEW OF ACTIVITIES

The Department of Local Government has achieved the following activities during the financial year:

- ❖ 3 new Fire Stations opened
- ❖ Garvey and Ganilau Park completed
- ❖ Commencement of Laqere, Rakiraki, Namaka Municipal Markets
- ❖ Sigatoka Town Riverbank upgrade commenced
- ❖ Giritmit Remembrance
- ❖ Fiji Pageant Contest
- ❖ Local Government Forum
- ❖ Launch of Solid Waste Management Outside Town Boundary

3.1.1. CAPITAL PROJECTS

Core activities for the department during the year 2017/18 include:

- a. Coordinating Grants and Monitoring progress of Capital Projects undertaken by Municipal Councils and the National Fire Authority.
- b. Carrying out assessments of Municipal Councils operations including Service Delivery Reviews using the approved Green Town Assessment guideline approved by the Ministry in 2013.
- c. Evaluating and recommending to Permanent Secretary for consent on Human Resource and Procurement matters requiring consent before Municipal Councils takes action.
- d. Supporting Municipal Councils in Events Management.
- e. Providing Secretarial Support to the Local Government Committee.
- f. Organizing Municipal Forums.

3.2. DEPARTMENT OF LOCAL GOVERNMENT 2017/2018 ACHIEVEMENTS

During the fiscal year 2017/18, \$25,850,000.00 budget allocation was utilized for the following major capital projects which were completed and officially opened by the Honourable Prime Minister of Fiji:

Table 1: DLG 2017/18 achievements

Activity	Description
Garvey Park – Tavua Town	The \$638,000 Government grant project included the construction of a hall, upgrade of floodlights, stadium upgrade, perimeter fence, and ticket booth.
Ganilau Park – Savusavu Town	The \$450,000 redevelopment works included the construction of a wooden pavilion [1500 seater capacity], associated facilities such as changeroom and convenience, and perimeter fence.
Fire Station – Taveuni	A \$1,073,000.00 new Fire Station was constructed through the Government to serve the people of Taveuni that was commissioned during the fiscal year 2017/18.
Fire Station- Seaqaqa	The \$1,100,000.00 new Fire Station constructed through Government Grant to serve the people of Seaqaqa was opened during the fiscal year 2017/18.
Fire Station- Savusavu	The \$3,700,000.00 new Fire Station constructed through Government Grant to serve the people of Savusavu was opened during the fiscal year 2017/18.

Garvey Park-Tavua



3.3. COMMENCEMENT OF MAJOR PROJECTS

The following projects commenced in the 2017/18 fiscal year and will be carried forward to the upcoming fiscal year.

PROJECT	Description
Laqere Municipal Market	\$1,000,000.00 construction works commenced on the new Laqere Municipal Market at Nasinu. Chief Guest to grace the occasion of foundation ceremony was the Honourable Prime Minister of Fiji.
Rakiraki Municipal Market	\$840,000.00 allocated for the construction works commenced on the new Rakiraki Municipal Market. The project was a Government and UN Women funded. Chief Guest to grace the occasion of foundation ceremony was the Honourable Prime Minister of Fiji.
Lautoka Swimming Pool	Construction works commenced on the Swimming Pool Project – Lautoka worth \$3,000,000.00. The project is a Government-funded project. Chief Guest to grace the occasion of foundation ceremony was the Honourable Minister for Local Government, Housing, Environment, Infrastructure, and Transport.
Namaka Municipal Market	\$2,600,000.00 construction works commenced on the Namaka Municipal Market. The project is a Government-funded project. Chief Guest to grace the occasion of foundation ceremony was the Honourable Minister for Local Government, Housing, Environment, Infrastructure, and Transport.
Govind Park	\$2,260,000 worth of redevelopment works to commenced at the Govind Park Stadium at Ba. The project is a Government funded project. Chief Guest to grace the occasion of foundation ceremony was the Honourable Minister for Local Government, Housing, Environment, Infrastructure and Transport.
Civic Centre Refurbishment – Suva City	\$11,000,000.00 has been allocated for the construction works commenced on the Civic Centre Refurbishment-Suva City. Guandong Province funded the project. Chief Guest to grace the occasion of project commencement was the Honourable Minister for Local Government, Housing, Environment, Infrastructure and Transport and His Excellency Ambassador of China to Fiji.
Sigatoka Riverbank Upgrade- Sigatoka Town	Following design and tender approval, \$845,000.00 construction works to commence under the supervision of Civil/Structural Engineers Hamen Lodhia. Project construction works commenced with a Groundbreaking ceremony and Honourable Minister for Local Government, Housing, Environment, Infrastructure, and Transport was the Chief Guest.

Other major activities undertaken during the fiscal year include:

3.3.1. GIRMIT REMEMBRANCE

On 14th May 2018 Ministry in partnership with Municipal Councils organized Girit Remembrance Day celebration at 3 Town Centres. The main event was organized at Albert Park Suva and Chief Guest was Hon. Attorney General and Minister for Economy.

3.3.2. FIJI PAGEANT CONTEST

The Department continued supporting various Township festival committees. Fiji Pageant Contest 2017 was organized at Suva and it saw 12 Township 2016 winning festival queens vying for the title. The Ministry in partnership with Fiji Pageant Association and Nadi Town Council hosted Miss South Pacific Island Pageant Contest at Prince Charles Park, Nadi. The opening was by His Excellency President of Fiji and Crowning was by the Honourable Minister for Local Government, Housing, Environment, Infrastructure, and Transport.

3.3.3. LOCAL GOVERNMENT COMMITTEE

The Local Government Committee, following endorsement by the Minister for Local Government, Housing and Environment, continued with work on hearing objections for the proposed Nadi Town boundary extension application during the fiscal year. Following the completion of the consultation, a report was presented to the Honourable Minister. Honorable Minister decided to open the recommended areas for an extension for appeal and following the close of the appeal period, Minister went ahead to declare Nadi Town Boundary extended areas.

- a. Terms of Reference for the Review of the Local Government Act was finalized and tabled to the Minister. Minister following consultation endorsed the Terms of Reference and referred to Permanent Secretary for further action at a date as ascertained by the Minister's office.
- b. The Local Government Committee visited Municipal Councils to discuss boundary extensions. Visits were also made to Nabouwalu, Seaqaqa, and Keiyasi.

3.3.4. LOCAL GOVERNMENT FORUM

In August 2017, the Municipal Local Government Forum was organized. During the forum, the Special Administrators and Chief Executive Officers made brief presentations in the areas of Governance, Service Delivery, and Capital Projects. Special Administrators and Chief Executive Officers had an opportunity to highlight challenges to the Honourable Minister during the forum. Honorable Minister's main message during the forum was to establish beautification committees with communities and commence works on beautifying Town Centres.

In February 2018 second Municipal Local Government Forum was organized. During the forum, the Special Administrators and Chief Executive Officers made presentations in the areas of Governance, Service Delivery, and Capital Projects. Special Administrators and Chief Executive Officers had an opportunity to highlight challenges to the Honourable Minister during the forum. On the final day, external stakeholders were invited to speak and discuss. An awards night was organized at the end of the Forum. The Permanent Secretary highlighted on COP23 and the National Development Plan. During the forum, he presented a template to Municipal Councils for future Municipal Council Strategic Development Plan preparation.

3.3.5. SOLID WASTE MANAGEMENT OUTSIDE TOWN BOUNDARY

New Solid Waste Management program for Municipal Councils was launched during the fiscal year. The program saw Municipal Councils commencing collection of solid waste from outside town boundary areas on a need basis based on assessment. The project was officially launched at Tacirua – Suva by the Honourable Minister for Local Government, Housing, Environment, Infrastructure, and Transport.

3.3.6. GOVERNANCE

Special Administrators and Chief Executive Officers leave management continued to be managed by the Permanent Secretary office. All official overseas travel was approved by the Permanent Secretary office.

A two-day workshop for Chief Executive Officers and Finance Heads was organized in partnership with the Office of the Auditor-General, to highlight key areas of financial management and audit.

An assessment of all Municipal Councils, including Green Town Assessment, was carried out by the Department under the supervision of the Principal Administrative Secretary. The assessment included field visitation, meeting the Council, assessing Council reports, and preparing an assessment report for Permanent Secretaries consideration. The assessment included discussion with the Head of the Council the challenges faced by the Council. Two reports following visitations and assessments were generated by the team. During the fiscal year, Special Administrators and Chief Executive Officers were assessed and reports tabled.

3.4. STAFF

The department has a support of 10 staff to accomplish the department's key responsibilities.

Local Government



7 Major Projects

Forum



2 local Government
Forum

Fire Station



3 New Fire Stations

Budget



25.8 million
budget allocation

4. DEPARTMENT OF TOWN & COUNTRY PLANNING

The Ministry, through the Department of Town and Country Planning (DTCP), plays a critical role in urban and rural sustainable development through the effective formulation of urban and rural planning policies instrumental in implementing sound and environmentally compliant investments that accommodate Fiji's economic and demographic growth objectives. The DTCP is responsible for the overall administration, planning, and regulation of land use in Fiji through the Town Planning Act Cap 139 and Subdivision of Land Act Cap 140. The key functions of DTCP are:

- i. Strategic Planning of Urban and Extended Areas.
- ii. Regulation and Compliance to Development Laws

DTCP also offer physical planning and land development advice to the overall decision-making process of government and the private sector as well as promote town planning in Fiji, to increase its understanding and guide Fiji towards a coordinated growth. Within these deliverables, the department facilitates two main pillars (Pillars 5 & 6) of the Road Map and People's Charter for Peace, Change and Pillar 7 being a new inclusion through the preparation of New Town Developments.

TOWN PLANNING ACT CAP 139

The Department of Town and Country Planning is governed by the Town Planning Act Cap 139 and Subdivision of Land Act Cap 140. The Department prepares, revises and amends town planning schemes; prepare local advisory plans of potential growth areas; determine rezoning proposals from rural town planning areas; provide planning advice to town councils, rural local authorities, government authorities, and statutory bodies, stakeholders, private sector, the public; provides strategic physical planning for Fiji's growth in both the urban and rural areas and; Internally provide strategic direction to both Subdivision and Development Control Sections.

4.1. IMPLEMENTATION OF PART OF URBAN POLICY ACTION PLAN (UPAP)

The Ministry through DTCP implemented at least three (3) of the main thematic areas of the Urban Policy Action Plan (2007). These were;

4.1.1. LEGAL AND REGULATORY FRAMEWORK

After the Itaukei Community consultations concluded in late 2017, comments had been received from the Office of the Solicitor General on the need for the Department to come up with a matrix to address the comments received as part of the consultation. From the 2017/18 budget allocation of \$42,000.00, a total of \$41,545.00 was utilized for this.

4.1.2. URBAN POLICY & ACTION PLAN (UPAP)

The Greater Western Urban Growth Management Action Plan (GWUGMAP) consultations with relevant stakeholders in the Western divisions were completed in this financial year and the final report was

prepared. However, it was not officially launched in this financial year as the Government of Fiji through the Ministry of Local Government and the Ministry of Economy had signed on an agreement with the Singapore Enterprises Cooperation to prepare the Strategic Spatial Master Plan for Viti Levu and the Concept Master Plan for Greater Suva, Nadi, and Lautoka. From an allocation of \$260,100 funding under the Seg 7 UPAP vote, a total of \$257,667 was spent.

4.2. SCHEME AMENDMENTS & RURAL REZONING

The planning section of the Department processes applications for rezoning which are referred to as Scheme Amendments within the Town boundaries and Rezoning for areas that fall outside the Town boundaries. For the 2017/2018 reporting period, a total of 386 applications were received, out of which 298 applications were decided. The shortfall in applications not processed at the end of the 2017/2018 financial year would be processed at the beginning of next financial year i.e.2018/2019. *Error! Reference source not found.* illustrates the total number of rezoning applications Received and Decided in 2018

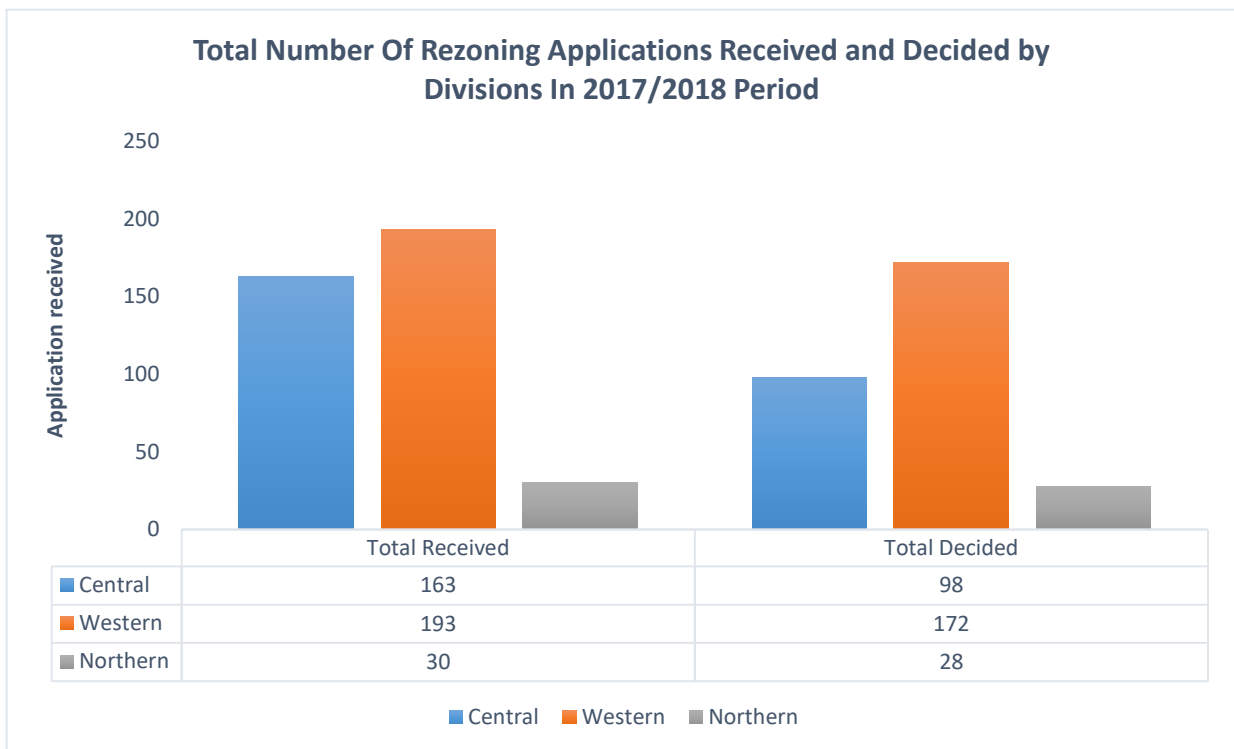


Figure 1: The Rezoning Summary by divisions for the 2017/18 period

4.3. MASTER PLANS

There were no major Master Plans received and considered in the 2017/18 period.

4.4. GOVERNMENT (CAPITAL) PROJECTS AND POLICY ADVICE

DTCP plays a participative role in providing policy advice to a number of major projects undertaken by the government which has a value of \$1,000,000 and above, this includes the following:

- i. Ministry of Health: Colonial War Memorial Hospital Maternity Ward Extension
- ii. National Fire Authority: New Fire Station in Lami.
- iii. Office of the Prime Minister: Office Complex at Tower Street Suva.
- iv. Land Transport Authority: Administration & Technical Building Bulileka, Labasa.

4.5. LAND AND BUILDING DEVELOPMENT

Table 2: Presents the Building Application Summary for 2017/18

DIVISION	RECEIVED	PROCESSED	DECISION		
			Consented to	Refused	Deferred
Central	802	698	512	60	126
Western	987	957	837	7	113
Northern	256	257	185	4	68
Total	2045	1912	1534	71	307
(2016/17)	1993	1923	1480	79	307

As highlighted above, compared to the 2016/17 financial year there were 52 more Building applications received in the 2017/18 period. Notably, more approvals were granted compared to the previous year.

4.6. MAJOR BUILDING DEVELOPMENTS

A total of eighty-five major building developments were received compared to Eighty-Six proposals being received in the 2016/17 period. Major building development is classified as those developments that have a value of \$1 000,000 and above. A summary of the major building developments received by division in 2017/18 period is shown below:

The Western Division maintains its dominance in terms of major investments as 63% of the major building development applications were received in the West, refer to Table 3. A total of fifty applications were processed for approval with a value of \$185,399,000.

Table 3: Major Developments Received and Consented by Divisions in 2017/18 period Source: (DTCP 17/18)

Division	Total Received	Total Processed	Value (\$)
Central	22	14	\$130,634,890
Western	54	50	\$185,399,000
Northern	9	9	\$8,400,000.00
Total	85	73	\$324,433,890

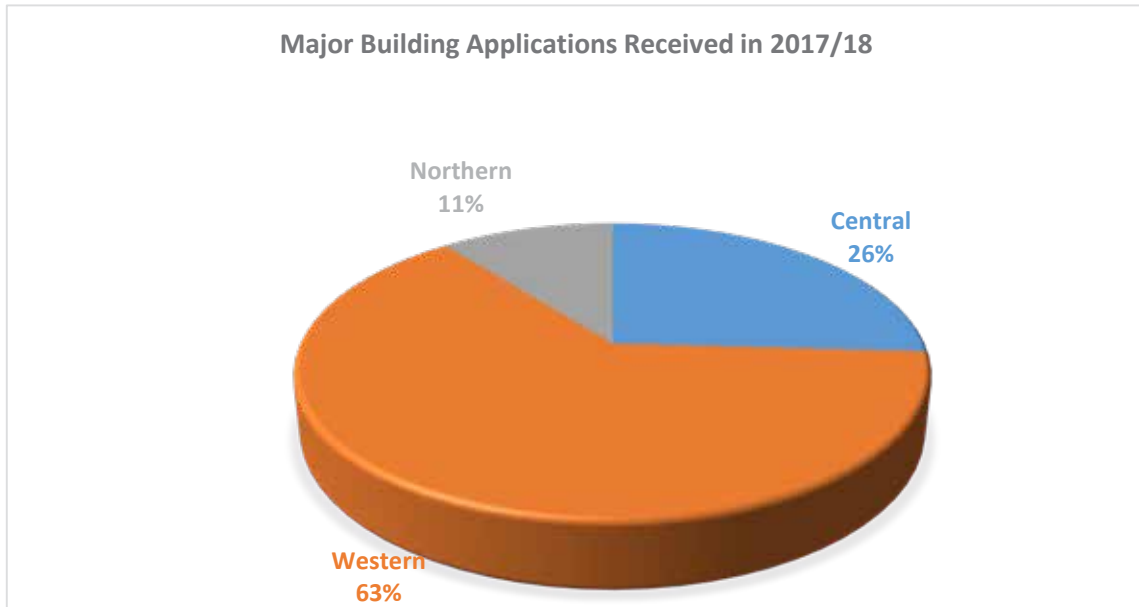


Figure 2: Major building development approved in 2017/18

Notable major building approvals granted included:

- Housing Authority Wainibuku Subdivision Nausori-Outline Building Application worth \$23,000,000.
- Seashell Resort Hotel Development Momi Bay Nadi worth \$25,000,000
- Sun Insurance-Commercial Complex Legalega Nadi-\$6,000,000

4.7. ENVIRONMENT MANAGEMENT UNIT (EMU)

The Unit is responsible for its technical advice on foreshore applications as forwarded by the Director of Lands and makes recommendations to the Director of Environment on any EIA as part of its consultation process. The unit also screens applications for development approvals issued by DTCP and refers them to the Department of Environment with recommendations on the most appropriate environment documents that need to be furnished. This Financial year, the Department was in the process of recruiting the EIA officer hence no data is available on the number of EIA applications processed.

4.8. INFORMATION SYSTEM

The Geographical Information System (GIS) and IT Unit are responsible for the production of plans, maps, records, and information of DTCP in digitized and electronic format. The responsibilities of the unit have been extended to services within the Ministry as part of the IT Strategic Plan 2015-2019. In 2017/18 the unit has continued to provide training to Municipal Councils on the use of the Arc GIS software. Staff at DTCP has also been provided training in plotting application and file details in the GIS database, which will in the long run improve the Department’s filing system.

4.9. SUBDIVISION OF LAND

Table 4: Summary of Subdivision Applications received & considered for 2017/18

SUBDIVISION SUMMARY 2017/18					
Application Type	Applications Received	Decisions			
		Total Considered	Approved	Refused	Deferred
New Application	675	933	795	9	129
Amended Plans	135	89	84	1	4
Reconsideration	10	4	3	0	1
Waiver & Relaxation	82	92	76	16	
Extension Of Approval	261	163	150	13	0
Engineering Plans	30	224	19	0	5
Survey Plans	541	497	296	0	201
Total	1734	1802	1423	39	340

In the 2017/18 period, a total of 1732 subdivision related applications were received, and 1802 applications were approved, including previous applications (2016/2017), 39 were Refused and 340 applications were Deferred. Compared to 2016/17, the number of applications received has increased from 1370 to 1734 in 2017/18.



1,423 Subdivision applications approved



50 major building application approved



1534 building applications approved



298 rezoning application approved

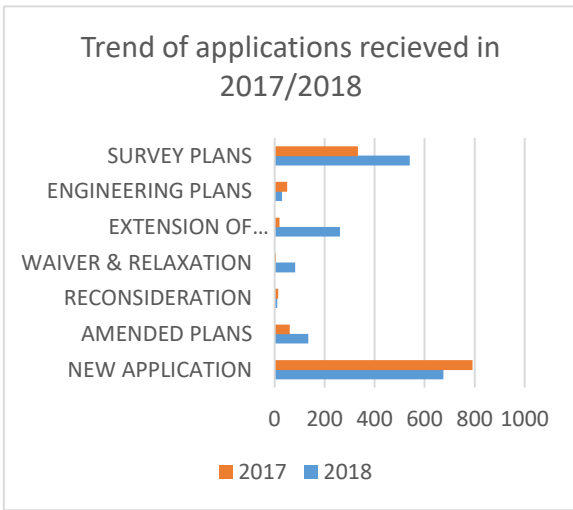


Figure 3: Land Surveyed by Division in 2017/18

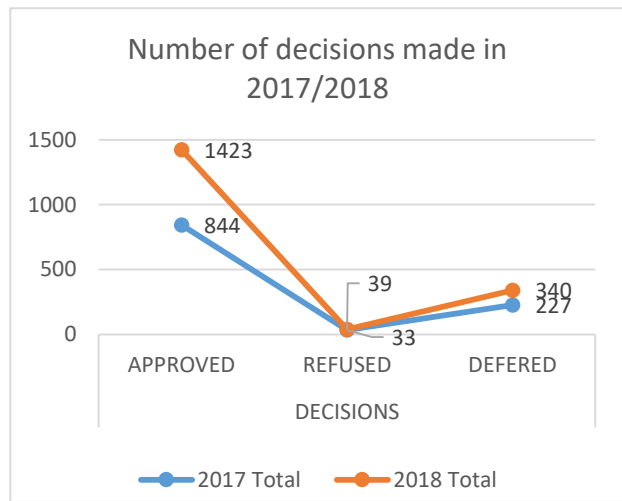


Figure 4: Approved Survey by Use in 2017/18

The illustration above compares the number of applications received between 2017 & 2018. As illustrated in the graph, there has been a significant increase in the number of survey plans and extensions of approvals. In addition, compares the number of decisions made in 2017 & 2018. There is a large increase in decisions made in the 2017/18 period. This is attributed to the clearing of pending files from previous years.

4.10. TOWN PLANNING FEES

The revenue received by the Department is derived from fees charged under the Town Planning Act Cap 139 and the Subdivision of Land Act Cap 140. The total fees received are \$420,636.59, reflecting an increasing number of applications and corresponding investment confidence. A summary is shown in Table 5.

Table 5: Total fees received by section in 2017/18

Activity	Revenue
Forward Planning	\$43,515.58
Subdivision of Land	\$278,564.55
Development Control	\$98,556.46
TOTAL	\$420,636.59

4.11. NEW TOWNS DEVELOPMENT PROGRAMME

The table illustrates the New Town Development Programme Annual Work Programme.

Project Title: **New Town Development**

Implementing Agency: **DTCP**

Head/Programme/Activity/SEG: **37/2/1/10**

Budget for 2017/2018: **\$3,615.660**

Table 6: Annual Work Programme 2017/2018

Expected Outputs	Planned Activities	Annual Work Programme 2017/18		Commitment	Is the activity on track? Yes or No. Explain.
		Timeframe	Expenditure Actual		
Output 1: Facilitation of rural development – Newtown Development	1.1 Preparation of Engineering Drawings, Specifications and Civil Works Contract	01-03-17	15-08-17		
	1.2 Approval of Engineering Plans	15-08-17	15-12-17		No. the submission required more time from the Consultant.
	1.3 Submission and Approval of Geotechnical Investigation Report	01-06-17	15-09-17	\$87,200.00	No. Approval is awaiting since FRA required changes to it
1.NABOUWALU Indicator: 100%					

Annual Work Programme 2017/18							
Expected Outputs	Planned Activities	Timeframe			Expenditure		Is the activity on track? Yes or No. Explain.
					Actual	Commitment	
Baseline: To initiate Civil Works in 2017/18 Target: Project Completed by 2018/19	1.7 Tender and Engagement of Civil Works Contractor	01-08-17	30-08-17		\$40,000.00		Yes, took time for the payments to be given to the consultant due to the time taken to process this
	1.8 Commencement of Civil Works	01-01-17	31/12/18		\$21,800.00		No. preparation of documents required more time from the consultant
	1.9 EIA Bond Processing	01-05-18	31-07-18				No. The Tender had to be re-advertised
					Sub-Total	\$752,451.80	
Output 1: Facilitation of rural development – Newtown Development 2. KEIYASI Indicator: 100% Baseline: To Initiate works on Engineering Design	2.1 Approval of Scheme Plan	15-07-17	15-10-17		\$23,380.50		Yes
	2.2 Tender and subsequent engagement of Consultant Engineer	15-11-17	31-12-17				No
	2.2 Tender and subsequent engagement of Environment Consultant	16-11-17	01-01-18				Yes
	2.3 Preparation of EIA Study and its Report	15-01-18	30-03-18				No, the consultant required more time for submission
					Sub-Total	\$752,451.80	

Annual Work Programme 2017/18						
Expected Outputs	Planned Activities	Timeframe		Expenditure		Is the activity on track? Yes or No. Explain.
				Actual	Commitment	
and Drawings in 2017/18 Target: Project Completed by 2019/20	2.4 Preparation of Engineering Drawings, Specifications and Civil Works Contract	15-01-18	30-04-18			Yes
				Sub-Total 2	\$23,380.50	
Output 1: Facilitation of rural development – Newtown Development	3.1 Finalisation of Lease Agreement	15-07-17	31-12-17			No. there are anomalies present on the lease date. It is to be returned to TLTB for Changes
	3.2 Tender and subsequent engagement of Consultant Engineer	31-01-18	31-03-18			No Tender can be called as the lease has not been finalized
3. Seaqaqa Indicator: 100% Baseline: To Initiate works on Engineering Design and Drawings in 2017/18	3.3 Tender and subsequent engagement of Environment Consultant	31-01-18	31-03-18			No
	3.4 Preparation of EIA Study and its Report	01-04-18	01-07-18			No
Target: Project Completed by 2019/20	3.5 Preparation of Engineering Drawings, Specifications and Civil Works Contract	01-04-18	01-08-18			No
				Sub-Total 3	-	

Annual Work Programme 2017/18						
Expected Outputs	Planned Activities	Timeframe		Expenditure		Is the activity on track? Yes or No. Explain.
		15-07-17	31-12-17	Actual	Commitment	
Output 1: Facilitation of rural development – Newtown Development	3.1 Finalisation of Lease Agreement	15-07-17	31-12-17			No. TLTB has Sent Draft Document
	3.2 Tender and subsequent engagement of Consultant Engineer	31-01-18	31-03-18			No. No Commitment Could be possible without finalization of the lease
	3.3 Tender and subsequent engagement of Environment Consultant	31-01-18	31-03-18			No. No Commitment Could be possible without finalization of the lease
	3.4 Preparation of EIA Study and its Report	01-04-18	01-07-18			No. No Commitment Could be possible without finalization of the lease
	3.5 Preparation of Engineering Drawings, Specifications and Civil Works Contract	01-04-18	01-10-18			No. No Commitment Could be possible without finalization of the lease
4. Korovou Indicator: 100%						
Baseline: To Initiate works on Engineering Design and Drawings in 2017/18						
Target: Project Completed by 2019/20						
				Sub-Total 4	0	
			TOTAL		\$775,832.30	

5. DEPARTMENT OF HOUSING & SQUATTER SETTLEMENT

The Constitution requires the Government to use the available resources to progressively realize the right of every person to accessible and adequate housing. To do this, Government has adopted a holistic approach to housing that is in large part carried out by the Department of Housing, which is responsible for providing access to adequate and affordable accommodation for all citizens, especially the disadvantaged. The Department plays an important role in the Government's efforts to combat poverty through the effective administration of the National Housing Policy, which has a specific emphasis on upgrading and resettlement programs.

The Department is also responsible for administering Government grants to social housing providers such as the Public Rental Board, the Housing Authority, and the Housing Assistance Relief Trust. The Department's program is based on an inclusive and integrated approach between Government and key housing providers. It will focus on strengthening Fiji's various social housing programs; assisting the Public Rental Board, the Housing Assistance Relief Trust and the Housing Authority of Fiji to provide the best possible services to the Fijian people; providing accessible and affordable mortgage financing for both rural and urban communities; enhancing the Ministry's squatter settlement upgrading programs; and enabling more people to graduate from rental accommodation to homeownership.

5.1 ACHIEVEMENTS ON ESTABLISHING AND IMPLEMENTING THE NATIONAL HOUSING POLICY

The Department of Housing continued with the implementation of the National Housing Policy Action Plan [NHPAP]. The Department has completed 21 of the 24 activities, the remaining activities which will continue to be implemented are completing the National Housing Act; merger of the Public Rental Board and Housing Authority; and Institutional strengthening & capacity building for the Squatter Settlement Upgrading Unit.

5.2 ACHIEVEMENTS IN ADMINISTRATION OF GOVERNMENT GRANT FUNDS FOR HOUSING PROGRAMMES

The Department of Housing monitors and administers government grants for the following:

5.2.1 PUBLIC RENTAL BOARD

Government had provided capital grants in 2014 & 2015 of \$2.24 million for the 36 units Kalabu housing project at Nasinu and \$3.87 million for the 48 units Naqere housing project in Savusavu. Both projects were commissioned by the Prime Minister, Hon. Voreqe Bainimarama on 4th and 14th of July 2018 which benefitted 84 families having access to modern rental housing units.

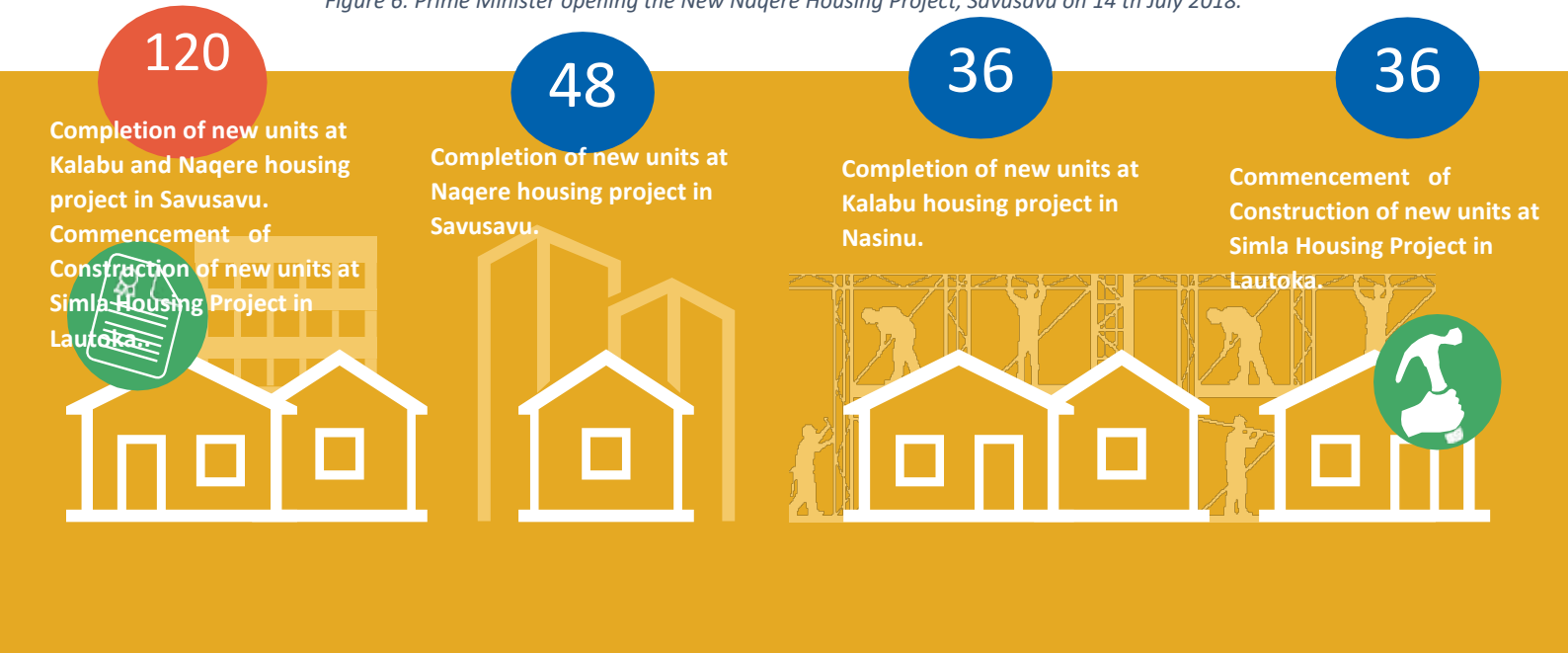


Figure 5: Prime Minister opening the New Kalabu Housing Project, Kalabu on 4 th July 2018.

In addition the Government had provided capital grants of \$2,225,533 for the construction of 36 units Simla Housing Project in Lautoka. The Department of Housing facilitated the release of \$1 million Rental Subsidy to Public Rental Board that assisted 953 financially disadvantaged rental customers on quarterly basis in 2017-2018.



Figure 6: Prime Minister opening the New Naqere Housing Project, Savusavu on 14 th July 2018.



5.2.2 CAPITAL PROJECT FOR HOUSING AUTHORITY

Government had provided Capital Grants for Land Development Subsidy of \$4.389 million for Nepani Housing Development Project which will offer Total Lots of 181(172 residential lots; 3 civic lots; 1 commercial lots and 5 strata lots) & \$3.0m for Davuilevu Development Project to Housing Authority which will offer Total Lots of 574(520 residential lots; 3 civic lots; 4 commercial lots; 3 strata lots and 1 development lot for Public Rental Board).



Figure 7: Nepani & Davuilevu Housing Development Project, Nasinu.

5.2.2 GOVERNMENT GRANT TO HOUSING ASSISTANCE RELIEF TRUST

The Department of Housing facilitated the release of \$500,000 to Housing Assistance Relief Trust for renovation, minor repair of HART homes throughout Fiji which housed a total of 766 destitute families. Major Housing Project Construction and Renovation included:

- In 1st and 2nd Quarter of 2017-18 - Construction of 1 Retaining Wall, Steps with Drainage at HART Newtown Nasinu, Major Upgrading of 21 Villages; General Maintenance and Operational Costs.
- In 3rd and 4th Quarter of 2017-18 - Construction of 1 Double Storey Building of 8 units at HART Sandalwood Lautoka, Major Upgrading of 21 Villages; General Maintenance and Operational Costs.

5.2.3 FIRST HOME BUYERS GRANT

The Government allocated \$10 million Housing Assistance for First Home Buyers and as at 31 July 2018 and \$3,520,000 was utilized under the First Time Home Buyers Grant. A total of 430 applicants received grants, of which 156 applicants received a \$5,000 grant, and 274 applicants received a \$10,000 grant.

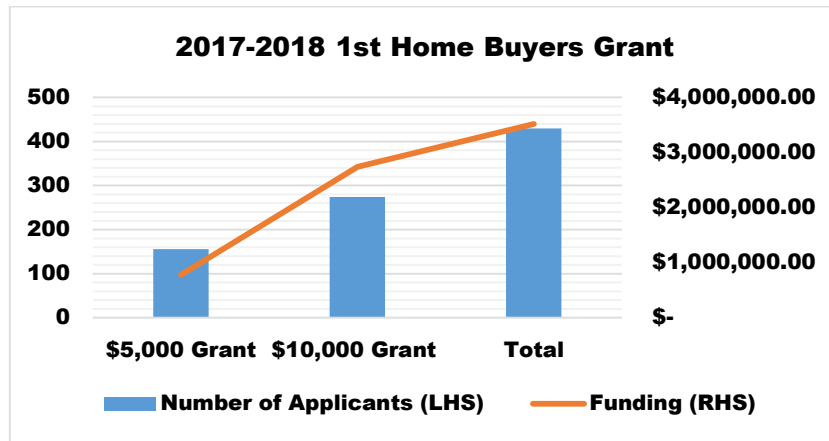


Figure 8: Number of Grants approved for 2017/2018

5.2.4 FIRE VICTIMS ASSISTANCE GRANT

The Government allocated \$500,000 for the Fire Victims Assistance Grant, where 37 recipients' benefitted and the total grant of \$185,000 was paid.



5.2.5 ACHIEVEMENTS IN MANAGEMENT OF SQUATTER SETTLEMENT UPGRADING PROJECTS

The Department of Housing was allocated \$2.7 million in 2017-2018 to facilitate the completion of the Squatter Upgrading and Resettlement Programme to enhance living conditions with a properly developed

physical environment and regularised subdivisions incorporated under the existing local government or statutory authority's jurisdiction.

Work was carried out on four Squatter Settlement Upgrading Projects in 2017-2018 which benefits 731 families, including:

- Omkar, Narere, 87 residential leases issued to eligible residents on 13 September 2017.
- Cuvu, Nadroga, 105 Lots – construction underway on roads, sewer line, water reticulation, fire hydrants and communal septic tanks
- Ledrusasa, Nadi, 76 Lots – construction underway for roads, sewer reticulation, water reticulation, storm-water drainage and fire hydrants; and
- Sasawira, Nakasi, 156 Lots - Engineering plans have been lodged to DTCP, with amendments made to engineering drawings due to complexity of the site conditions.

Re-scheming of Caubati Settlement commenced with close consultation with stakeholders, Lodgement and processing of revised scheme plans at DTCP for approval with preparation of the Engineering Plans; this project will benefit 307 families living in Caubati.

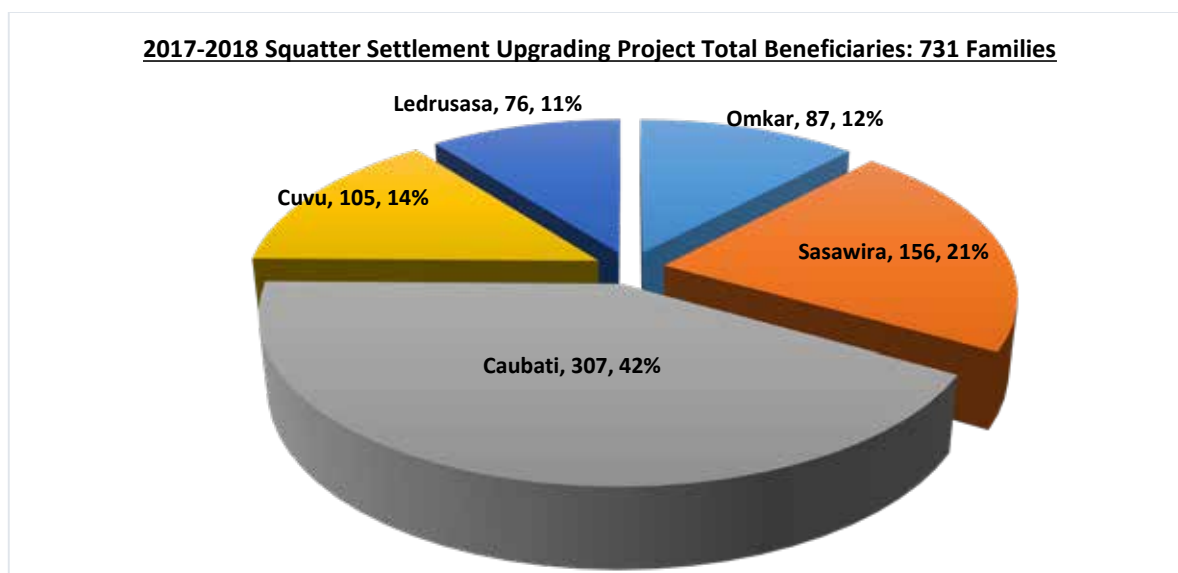


Figure 9: Pie chart showing squatter settlement upgrading project

5.2.6 ACHIEVEMENTS IN MANAGEMENT OF TOWN-WIDE UPGRADING PROGRAMMES

The Department of Housing was allocated \$3 million in 2017-2018 to facilitate the completion of the Town Wide Informal Settlement Upgrading Programme to enhance living conditions with a properly developed physical environment and regularised subdivisions will be incorporated under the existing local government or statutory authority's jurisdiction.

The four Townwide Upgrading Programmes were in progress in 2017-2018 which benefitted 1182 families were:

- Qauia, Lami, 436 Lots - Subdivision Scheme Plan submitted to Ministry. Topographical and Control Plan and Geotechnical Report submitted to Ministry;
- Nadonumai, Lami, 356 Lots - DTCP currently processing the Subdivision Scheme plan. Referral comments to LTC, WAF, FRA, NFA & FEA. Rezoning Application from Residential C to Residential Upgrading Development lodged to Lami Town Council;
- Wakanisila, Kalabu, 120 Lots - Jone Luveniyali Engineering Consultant finalising the Subdivision Scheme Plan; and
- Waidamudamu, Nakasi, 270 Lots - Subdivision Scheme Plan for 270 residential lots submitted to Ministry. Topographical and Control Plan and Geotechnical Report submitted to Ministry.

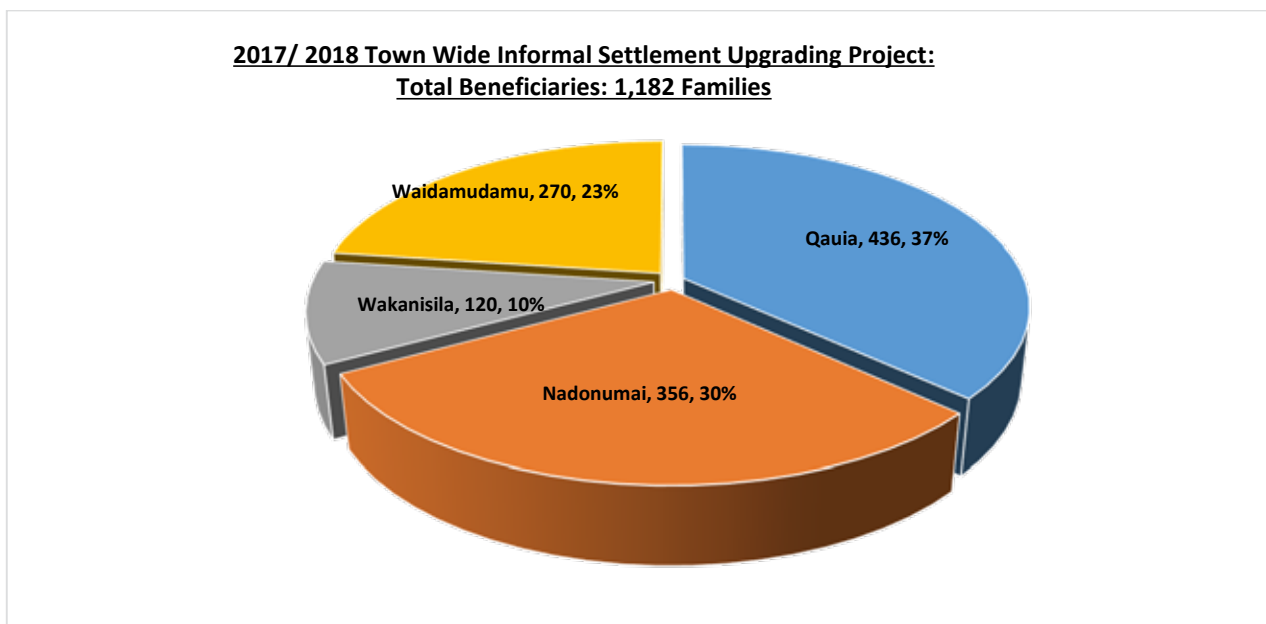


Figure 10: Pie chart Showing Town Wide Informal Upgrading Project

5.2.7 CITY WIDE INFORMAL SETTLEMENT UPGRADING PROJECTS

In 2017-2018, the department administered six City Wide Informal Settlement Upgrading Projects involving incremental upgrading with funding of \$100,000 per project site for construction of roads and construction of drainage upgrading and & laying of v drains.

The four approved city wide informal settlement upgrading project carried out in 2017-2018 which benefitted 400 families were:

- Vuci and Nausori Settlement, Nausori – Construction of Drainage;
- Baba Settlement, Levuka – Construction of Concrete Driveway Access;
- Elevuka Settlement, Ba – Construction of Concrete Driveway Access and Drainage;
- Tavualevu Village, Tavua – Construction of Sanitary Blocks.

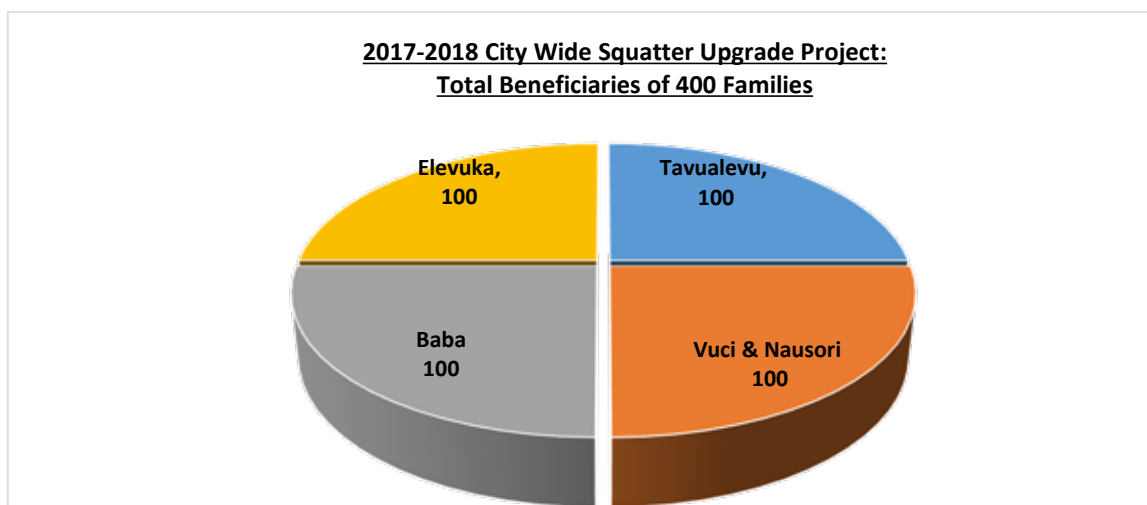


Figure 11: Pie chart Showing City Wide Squatter Upgrade Project

5.3 SOCIO-ECONOMIC SURVEYS

In 2017-2018, the Department of Housing carried out eleven settlement Socio-Economic surveys. The socio-economic survey will assist to tabulate and provide an assessment for the number of households to be assisted in individual settlements. Of the eleven settlements, six were carried out in Western Division, Four were carried out in Northern Division and one was carried out in Central Division.

Table 7: Socio Surveys carried out in 2017/2018

Settlement Name	Division	Number of Houses	Population
Tauvegavega FNU Rd	Western	195	544
Napoidi	Northern	47	184
Vuniika	Northern	101	328
Sakoca	Central	178	890
Vunivau A	Northern	415	928
Vunivau B	Northern	358	847
Lawaki	Western	137	421
Lovu Seaside Part 1	Western	280	1235
Lovu Seaside Part 2	Western	58	171
Field 4	Western	77	261
Tomuka	Western	491	2455
TOTAL		2337	8264

5.4 GOVERNMENT GRANT TO SUSTAINABLE INCOME GENERATION PROJECT

In 2017-2018, the department administered five Sustainable Income Generation Projects with a total budget of \$341,332. The sustainable housing and income generation project contributes to reducing rural-urban migration, and improves community well-being and reduces poverty. Revenue derived from farming activities are kept through saving bank account and dividend /shares with Share Brokers. In the last five years, the Department has completed three village projects - Lomaivuna, Maumi and Nativi and six projects are currently on going.

The benefit of these projects is realized through 163 rural families that have been assisted.

- Vunisinu, Rewa - 39 households, population of 212 - Established Village Trust Fund and achieved continued Community Savings of \$30k; eight chicken poultry sheds operated by the eight mataqali (clan) of Vunisinu and Nalase Villages; and construction of Warehouse.
- Naboutini, Cakaudrove - 40 households, 167 population - Established Village Trust Fund and achieved continued Community Savings of \$15k;
- Nakama Village Macuata - 34 households, 246 population - Established community workable commercial system and Village Trust Fund and achieved community savings with Bu Insurance Policy of \$24,000 in May 2017. Also achieved a Project Community Lease;
- Nakoro Village, Navosa - 47 families and 154 population - Established community workable Commercial system and Project Community Lease on 300 acres of farm;
- Vanuakula, Naitasiri – 3 families established in their own homes with 5 acres of farm land and 3 start-up families commencing the process.

2017- 2018 Sustainable Income Generating Project: Number of Beneficiaries 163

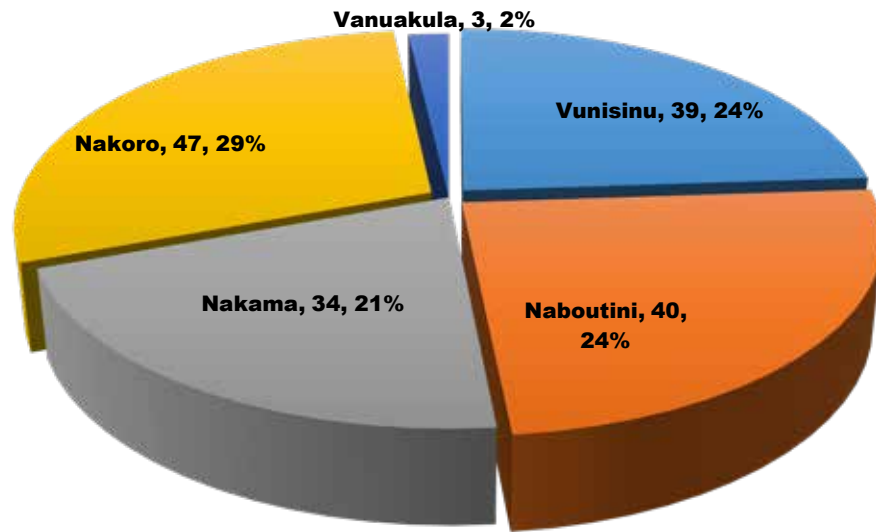


Figure 12: Pie Chart showing Sustainable Income Generating Project



Figure 13: The Vunisinu Sustainable Housing and Income Generating Project Warehouse was officially opened by Minister for Local Government, Housing, Environment, Infrastructure and Transport, Hon. Parveen Bala on October 6, 2017.



Figure 14: The Empowerment Training on Business Sustainability held at Vunisinu Village on 30 April to 4 May 2018.

6. CORPORATE SERVICES

The Ministry's Corporate Service Division comprises of the human resource management, administrative services, and financial services for the proficient and operative performance of the Ministry's daily operational functions.

6.1 ADMINISTRATIVE SECTION

The Ministry's standard policies and processes are aligned to the Civil Service Regulations. These guidelines are developed to ensure the Ministry adheres to the standards processes towards:

- i. Recruitment and selection
- ii. Disciplinary procedures
- iii. Promotion
- iv. Performance Assessment
- v. Training & Development
- vi. Job Evaluation Exercise

The Unit is also responsible for the administration of the:

- i. Registry section
- ii. Asset management (Annual Board of Survey)
- iii. Occupational Health and Safety (OHS)

6.2 HR ROLES AND STAFFING:

The Ministry employs a total of 102 staff, 91 were established Staff while 11 were Government Wage Earners, and 0 Project Officers.

Table 8: Staff Composition

Department/Units	Total	Established	Project	Government Wage Earners
Local Government	102	12	0	1
Town and Country Planning		48	0	2
Housing		13	0	2
CSD		18	0	6

Figure 15: Staff Movement

THE HR also takes care of the following;

Post Processing Unit: continued to identify vacant positions that exist in the Ministry and facilitate requirements to choose suitable candidates to fill those positions in accordance with the new Open Merit Recruitment & Selection Guideline (OMRS) which was introduced across the Civil Service.

Training Section: continued to identify Local & Overseas courses/training available in consultation with the Ministry of Civil Service, according to the training needs of the Ministry and Staff to address skills and knowledge gaps at individual and organization level. In addition, the staff was continuously trained on Open Merit Recruitment & Selection Guideline.

- a. During the reporting period, 12 officers from the four Departments participated in Local Training programs organized by the Civil Service.
- b. Overseas: Total No. of Programs: 2 officers attended programmes abroad which were either partially or fully funded.
- c. Continuing Studies: One [1] staff are currently on overseas scholarship studies.

Job Evaluation Exercise(JEE): through the ongoing civil service reform programmes, the Unit undertook two-phase of job evaluation exercises to define position base pay & remuneration and provide the policy basis for Permanent Secretaries to implement Job evaluation and remuneration setting:

- Trench I: Administrative band
- Trench III: Technical Band

Table 9: Tranche I and III Job Evaluation

Tranche I	
Established	33
GWE	15
Project	0
Redeploy	4
Tranche III	
Established	68
GWE	0
Project	17
Redeploy	37

The enforcement of the evaluation results enabled the payroll and Human resource Department to upgrade the contract details and salary details for all staff members at the same time allowing correct salary to be tagged for the evaluated positions.

Performance Management

Cultivation of good human resource management and career development practices, to maximize human potential led to the annual performance assessment. This required all Ministry employees to adhere continuously to the required level of conduct and job performance. The assessment for the Ministry supports the requirement for employees to understand their responsibilities fully with regard to relevant Ministry codes of conduct, Public Service values, and individual standards of work performance. The Ministry successfully enforced and carried out the annual performance assessment for all Ministry staff.

6.3 VEHICLES

The Ministry administers 14 vehicles;

1. Corporate: 5
2. Town Planning: 2
3. Housing: 2
4. Local Government: 1
5. Northern Division: 2
6. Western Division: 2

6.4 FINANCE DEPARTMENT

The role of the Finance Division is to provide financial support services to other departments as per prevailing Financial Regulations and monitor that goods and services are efficiently delivered on time as per the budgetary provision.

The Unit's objectives include:

- a. Proper management of budget allocation which is fundamental to ensuring value for money in delivering services to the public as well as having cost-effective internal controls within the purchasing and payments system. This plays an important role to ensure that wastage of funds, over expenditure, misuse, and corruption does not happen.
- b. Ensure Internal Control measures are in place, maintained, and identified areas for improvements where appropriate and recommendations designed to assist the Ministry to improve the system and compliance with the Finance regulation.
- c. Effective use of the Financial Management Information System (FMIS).

The Accounts Section carries out its key responsibilities through the following:

1. Management of payments (accounting and financial function) through:
 - i. Payments beneficiaries of 1st Homebuyers
 - ii. Payments of the assistance of Fire Victims
 - iii. Closing of 2015 Accounts
 - iv. Meeting financial requirements of the Ministry in support of its Business Operations

2. Compliance and Monitoring
 - i. Adhering to financial regulation through the provision of Financial Statement to the Ministry of Finance (salary reconciliation, petty cash, and bank reconciliation, IDC and Drawings)
 - ii. Adapting to Ministry of Finance instructions through Finance Circulars
 - iii. Attend to Audit queries.

6.5 2017/2018 FINANCE ACHIEVEMENTS

Comparison – Revised Budget versus Year to Date Expenditure

This is to provide an overview of the Ministry’s total Revised Budget and its Year to Date Expenditure (YTD) at the end of the 2017 - 2018 financial year. The below table and graph displays the utilization for the Ministry’s total revised budget and YTD budget expenditure as at the 2017 – 2018 financial year.

Table10: Budget Comparison

Ministry/Department	Head	2017-2018 Revised Budget (FJD\$)	2017-2018 Actual Expenditure (FJD\$)	2017-2018 Balance (FJD\$)	2017-2018 % utilization
Local Government	37	31,927,785	22,320,054	9,607,730	70%
Housing	23	21,954,498	18,853,826	3,100,672	86%
		53,882,283	41,173,880	12,708,402	76%

The Ministry managed to utilize **76%** of its total budgetary funds and **24%** of the said funds were not utilized.

OFFICE OF THE AUDITOR GENERAL

Excellence in Public Sector Auditing



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Website: <http://www.oag.gov.fj>



File: 625

20 April 2020

The Honorable Premila Kumar
Minister for Local Government, Housing and Community Development
FFA House
4 Gladstone Road
SUVA

Dear Honorable Premila Kumar

**AUDITED AGENCY FINANCIAL STATEMENTS
MINISTRY OF LOCAL GOVERNMENT
FOR THE YEAR ENDED 31 JULY 2018**

Audited financial statements for Ministry of Local Government for the year ended 31 July 2018 together with my audit report on them are enclosed.

Particulars of the errors and omissions arising from the audit have been forwarded to the Management for necessary actions.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

Encl

cc: Ms. Dimity Fifer, Permanent Secretary, Ministry of Local Government

MINISTRY OF LOCAL GOVERNMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

MINISTRY OF LOCAL GOVERNMENT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

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INDEPENDENT AUDITOR'S REPORT

MINISTRY OF LOCAL GOVERNMENT

I have audited the financial statements of the Ministry of Local Government which comprise the Statement of Revenue and Expenditure, Appropriation Statement, Statement of Losses and Trust Account Statement of Receipts and Payments for the year ended 31 July 2018, and the notes to the financial statements including a summary of significant accounting policies.

In my opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Financial Management Act, Finance Instructions 2010 and Finance (Amendment) Instructions 2016.

Basis for Opinion

I have conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are described in the *Auditor's Responsibilities* paragraph of my report. I am independent of the Ministry in accordance with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled my other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Matter

Necessary internal controls including timely reconciliations were not performed for Drawings Account, SLG 84 Account, Operating Trust Fund, Advances and Salaries Account during the year. These are critical areas of the Ministry operation which were also highlighted in my last audit and if not addressed promptly may result in financial losses or financial irregularities in the near future.

Management's Responsibilities for the Financial Statements

The management of the Ministry of Local Government and Housing are responsible for the preparation of the financial statements in accordance with the Financial Management Act 2004, Finance Instructions 2010 and Finance (Amendment) Instructions 2016, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibilities

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- Evaluate the appropriateness of accounting policies used and related disclosures made by the Ministry.

I communicate with the Ministry regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
20 April 2020

MINISTRY OF LOCAL GOVERNMENT
MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 31 JULY 2018

We certify that these financial statements:

- (a) fairly reflect the financial operations and performance of the Ministry of Local Government for the year ended 31 July 2018; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004, Finance Instructions 2010 and Finance (Amendment) Instructions 2016.


Dimity Eifer
Permanent Secretary


Navin Chandra
Manager Finance

Date: 16/4/2020

Date: 16/4/2020

MINISTRY OF LOCAL GOVERNMENT
STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2018

	Notes	2018 (\$)	2017 (\$)
REVENUE			
State Revenue			
Town and Country Planning Fees	3(a)	472,513	256,537
Commission	3 (b)	4,732	3,430
Total State Revenue		<u>477,245</u>	<u>259,967</u>
Agency Revenue			
Miscellaneous	3 (c)	27,443	184,813
TOTAL REVENUE		<u>504,688</u>	<u>444,780</u>
EXPENDITURE			
Operating Expenditure			
Established Staff	3 (d)	2,209,163	2,224,850
Unestablished Wage Earners	3(e)	308,251	226,122
Travel and Communications	3 (f)	292,160	169,241
Maintenance & Operations	3 (g)	353,758	205,267
Purchase of Goods and Services	3 (h)	113,214	85,352
Operating Grants and Transfers	3 (i)	2,360,838	522,477
Special Expenditures	3 (j)	888,098	604,827
Total Operating Expenditure		<u>6,525,482</u>	<u>4,038,136</u>
Capital Expenditure			
Capital Purchases	3(k)	93,092	810,867
Capital Grants and Transfers	3(l)	15,602,640	9,700,886
Total Capital Expenditure		<u>15,695,732</u>	<u>10,511,753</u>
Value Added Tax	3 (m)	98,840	55,509
TOTAL EXPENDITURE		<u>22,320,054</u>	<u>14,605,398</u>

**MINISTRY OF LOCAL GOVERNMENT
APPROPRIATION STATEMENT
FOR THE YEAR ENDED 31 JULY 2018**

SEG	Item	Budget Estimate (\$)	Appropriation Changes (\$)	Revised Estimate (\$) a	Actual Expenditure (\$) b	Lapsed Appropriation (\$) (a-b) Note 4
	Operating Expenditure					
1	Established Staff	2,647,319	(277,400)	2,419,919	2,209,163	210,756
2	Unestablished Wage Earners	134,652	109,200	243,852	308,251	(64,399)
3	Travel & Communication	185,200	166,800	352,000	292,160	59,840
4	Maintenance & Operations	267,200	141,600	408,800	353,758	55,042
5	Purchase of Goods & Services	149,620	2,935	151,980	113,214	38,766
6	Operating Grants & Transfers	2,329,455	51,517	2,380,972	2,360,838	20,134
7	Special Expenditure	919,100	8,457	927,557	888,098	39,459
	Total Operating Costs	6,631,971	253,109	6,885,080	6,525,482	359,598
	Capital Expenditure					
8	Capital Construction	-	-	-	-	-
9	Capital Purchases	774,100	(244,467)	529,633	93,092	436,541
10	Capital Grants & Transfers	26,315,214	(2,000,000)	24,315,214	15,602,640	8,712,574
	Total Capital Expenditure	27,089,314	(2,244,467)	24,844,847	15,695,732	9,149,115
13	Value Added Tax	206,500	(8,643)	197,857	98,840	99,017
	TOTAL EXPENDITURE	33,927,785	(2,000,000)	31,927,785	22,320,054	9,607,730

MINISTRY OF LOCAL GOVERNMENT
 APPROPRIATION STATEMENT
 FOR THE YEAR ENDED 31 JULY 2018

(continued)

Details of Appropriation Changes

The Ministry of Economy approved the following transfer of funds during the year.

From	To	Amount (\$)
SEG 1	SEG 2	50,000
SEG 7	SEG 2	10,000
SEG 10	SEG 10	2,200,000
SEG 1	SEG 1	28,100
SEG 1	SEG 1	30,000
SEG 1	SEG 2	20,000
SEG 9	SEG 7	100,000
SEG 1	SEG 1	43,000
SEG 1	SEG 2	20,500
SEG 9	SEG 6	154,297
SEG 13	SEG 6	13,887
SEG 1	SEG 2	16,950
SEG 7	SEG 1	500
SEG 7	SEG 2	1,850
SEG 1	SEG 1	2,600
SEG 1	SEG 2	1,900
SEG 1	SEG 2	12,000

The Permanent Secretary for Ministry of Local Government approved the following transfer of funds under delegation of power from the Ministry of Economy.

From	To	Amount (\$)
SEG 7	SEG 7	137,715
SEG 7	SEG 3	10,000
SEG 5	SEG 9	4,915
SEG 7	SEG 9	5,358
SEG 7	SEG 13	443
SEG 7	SEG 4	10,500
SEG 6	SEG 7	45,872
SEG 6	SEG 13	4,128
SEG 1	SEG 3/SEG4	12,500
SEG 7	SEG 4	16,000
SEG 1	SEG 3	10,000
SEG 1	SEG 4	11,000
SEG 6	SEG 3	6,000
SEG 6	SEG 4	15,000
SEG 6	SEG 7	7,493
SEG 6	SEG 13	674
SEG 1	SEG 3/SEG 4	36,000
SEG 4	SEG 4/ SEG 5	10,500

MINISTRY OF LOCAL GOVERNMENT
 APPROPRIATION STATEMENT
 FOR THE YEAR ENDED 31 JULY 2018

(continued)

The Permanent Secretary for Ministry of Local Government approved the following transfer of funds under delegation of power from the Ministry of Economy. (continued)

From	To	Amount (\$)
SEG 7	SEG 3	58,000
SEG 6	SEG 3 / SEG 4	37,500
SEG 1	SEG 3/SEG 4	61,050
SEG 4	SEG 4	10,000
SEG 7	SEG 4	18,000
SEG 4	SEG 4/ SEG 5	9,650
SEG 5	SEG3/5	2,850
SEG 7	SEG 3	14,700

The following redeployment were made in accordance with section 22 of the Financial Management Act 2004.

Cabinet on 18/5/18 approved redeployment of \$2,000,000 to fund different programmes under the CARE for Fiji Initiatives.

Redeployment No.	Transfer From	Transfer To	Amount (\$)
REDY03	Head 37	Head 50	\$2,000,000

**MINISTRY OF LOCAL GOVERNMENT
STATEMENT OF LOSSES
FOR THE YEAR ENDED 31 JULY 2018**

Losses of Money

There was no loss of money recorded for the year ended 31 July 2018.

Losses of Revenue

There was no loss of revenue recorded for the year ended 31 July 2018.

Losses (other than Money)

There was no loss of fixed asset recorded for the financial year ended 31 July 2018. However, items worth \$22,480 were written off by the Permanent Secretary of Economy, following the Ministry's Board of survey conducted for the year ended 31 July 2018.

Asset	Amount (\$)
Office Equipment	22,480

**MINISTRY OF LOCAL GOVERNMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

NOTE 1: REPORTING ENTITY

The Ministry of Local Government, Town & Country Planning is responsible for formulating and implementing local government and urban planning policies.

The primary responsibility of the Department of Local Government is to improve local governance through the effective implementation of the Local Government Act 2005 [Cap 125]. It is also responsible for the provision of policy advice and support service to the National Fire Authority to ensure effective delivery of its core services.

The Department of Town and Country Planning is responsible for the overall administration, planning and regulating the land use in Fiji to ensure sustainable development and coordinated growth. Its key functions are strategic planning of urban and rural areas and regulation and compliance with development laws. It also offers physical planning and land development advice to government and promotes town planning in Fiji.

The Ministry also partners with other authorities such as National Fire Services, Municipal Councils nationwide, as well as with international donor agencies that conduct environment and climate change programs.

NOTE 2: STATEMENT OF ACCOUNTING POLICIES

a) Basis of Accounting/Presentation

In accordance with Government accounting policies, the financial statements of the Ministry of Local Government is prepared on cash basis of accounting. All payments related to purchase of fixed assets have been expensed.

The financial statements are presented in accordance with the Financial Management Act and the requirements of Section 71(1) of the Finance Instruction 2010 and the Finance (Amendment) Instructions 2016. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies.

b) Accounting for Value Added Tax (VAT)

All income and expenses are VAT exclusive. The Ministry on a monthly basis takes out VAT output on total money received for expenditure from Ministry of Economy. VAT input on the other hand is claimed on payments made to the suppliers and sub-contractors for expenses incurred.

The VAT payment as per the Statement of Revenue and Expenditure relates to the VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to Fiji Revenue and Customs Services. Actual amount paid to Fiji Revenue and Customs Services during the year represents the difference between VAT Output and VAT Input.

MINISTRY OF LOCAL GOVERNMENT

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018**

NOTE 2: STATEMENT OF ACCOUNTING POLICIES (Continued...)

The VAT payment as per the Statement of Revenue and Expenditure relates to the VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to Fiji Revenue and Customs Services. Actual amount paid to Fiji Revenue and Customs Services during the year represents the difference between VAT Output and VAT Input.

c) Comparative Figures

The comparatives amounts relates to Ministry of Local Government and Town Country Planning which been presented to facilitate comparison and achieve consistency in disclosure with current year amounts.

d) Revenue Recognition

Revenue is recognised when actual cash is received by the Ministry of Local Government.

NOTE 3: SIGNIFICANT VARIATIONS

- (a) The Department of Town and Country Planning Unit collected a total of \$472,513 for the town and country planning fees as at July 2018. The fees increase by \$215,977 or 84% due to increase in fees collected for scheme plan fees, re-zoning fees, sub division fees and plan search fees.
- (b) There has been an increase in Commission Revenue by \$1,302 or 38% as compared to 2017. The government acts on behalf of the financial institutions to pay the monthly deductions of the employees to the financial institutions and in process earns commission revenues from financial institutions.
- (c) The Miscellaneous revenue decreased by \$157,370 or 85% as fees collected for scheme plan fees, re-zoning fees, sub division fees and plan search fees are recorded under town and country planning fees allocations.
- (d) The Established Staff costs decreased by \$15,687 due to controls measures are put in place to reduce overtime cost.
- (e) The Government Wage Earners costs increased by \$82,129 or 36% due to filling of vacant position. The other increase were due to that some cost which were budgeted under SEG 5 (Security Expenses) and SEG 7 (UPAP Expenses - Urban Policy Action Plan) were included in this allocations.
- (f) The Travel and Communications cost increased by \$122,919 or 73% due to increase in Project Staff travelling to inspect capital projects and increase in mobile/telephone usage.

MINISTRY OF LOCAL GOVERNMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (*continued*)
FOR THE YEAR ENDED 31 JULY 2018

NOTE 3: SIGNIFICANT VARIATIONS (*continued*)

- (g) The Maintenance and Operations costs increased by \$148,491 or 72% due to increase in maintenance cost on the existing Ministry's fleet and procurement of building accessories, stationery and printing, fuel and oil, fire and sewerage services and payment for power supply to Energy Fiji Limited.
- (h) The Purchase of Goods and Services costs increased by \$27,862 or 33% due to increase in training expenses for public officers, periodicals and stationaries, payment for security services charges, procurement of occupational and safety equipment, advertisement cost for public outreach programme awareness and quality control enforcement for effective operations.
- (i) The Operating Grants and Transfers increased by \$1,838,361 due to increase in the operating grant funding by \$1,779,500 in 2017-2018 period. The grants are administered by the Ministry to various municipal councils and statutory authority such as Rakiraki, Tavua, Levuka, Savusavu, and National Fire Authority.
- (j) The Special Expenditure amounts increased in by \$283,271 or 47% due to increase in the expenditures for Town Management Support to municipal councils, operational cost for Local Government Committee activities and annual contribution to Commonwealth Local Government Forum.
- (k) The Capital Purchase expenditure decreased by \$717,775 or 89% as funds were not utilised for Information System Equipments for Municipal Councils and Divisional Offices.
- (l) The Capital Grants and Transfers expenditure increased by \$5,901,754 or 61% due to increase in the capital grant funding by \$16,321,100 in 2017-2018 period. New Town Development projects, Lautoka Botanical Garden Pool, Challenge and Investment Funds, Construction of new swimming pool at Nasinu, Preparations Works of New Indoor Sporting at Lautoka, Construction of Roadside Mini-markets.
- (m) VAT expenditure amounts to \$98,840 increased by \$43,331 or 78% due to increase in the expenditures.

MINISTRY OF LOCAL GOVERNMENT
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018

NOTE 4: APPROPRIATION MOVEMENTS

The Ministry recorded the following savings for the financial year end 31 July 2018.

SEG	Item	Revised Estimate (\$)	Actual Expenditure (\$)	Lapsed Appropriation (\$)	%	Remarks
1	Established Staff	2,419,919	2,209,163	210,756	8	Sum of \$210,756 is unutilised amount under the said SEG due to vacant positions not being filled.
2	Unestablished Wage Earners	243,853	308,251	(64,398)	16	The cost was fully utilised due to vacant posts were filled and some cost which were budgeted under SEG 5 (Security Expenses) and SEG 7 (UPAP Expenses – Urban Policy Action Plan) were included in this allocations.
3	Travel & Communication	352,000	292,160	59,840	11	Savings were due to controls measures put in place for travelling expenses, subsistence allowance and Telecommunication bills for landline and Official Vodafone bills to reduce operational cost
4	Maintenance & Operations	408,800	353,758	55,042	13	Savings arises from Fuel & Oil, Spare parts and maintenance, power supply, Office Stationery, Office Supplies, Maintenance and Running Expenses of Ministerial vehicle and Maintenance of Office Equipment as controls measures put in place to reduce operational cost.
5	Purchase of Goods & Services	151,980	113,214	38,766	26	Savings arises from OHS, Training, National Training Productivity Centre Levy, Security Expenses, Local Government Committee of Enquiry and Directory Expenses as controls measures put in place to reduce operational cost.
6	Operating Grants & Transfers	2,380,972	2,360,838	20,134	1	Sum of \$20,134 is unutilised under the said SEG to controls measures were put in place to avoid the wastage of financial resources.
7	Special Expenditure	927,557	888,098	39,459	4	The savings of \$39,459 arises from Town Council Management Support, Annual Contribution to Common Wealth Local Government Forum, Local Government Forum, Special Administrators, Town Planning Advisory and Urban Policy Action as controls measures put in place to reduce operational cost.
9	Capital Purchases	529,633	93,092	436,541	82	The savings of \$436,541 arises as funds were not utilised for procurement of Fire Hydrants – NFA and GIS Equipment.
10	Capital Grants & Transfers	24,315,214	15,602,640	8,712,574	36	The savings of \$8,712,574 arises as funds for the following were not fully utilised; <ul style="list-style-type: none"> 1. New Town Development projects 2. Lautoka Botanical Garden Pool' 3. Challenge and Investment Funds 4. Construction of new swimming pool at Nasinu 5. Prep Works of New Indoor Sporting - LTC 6. Construction of Roadside Mini-market

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File Ref: 625/2

13 August 2020

The Honourable Premila Devi Kumar
Minister for Housing and Community Development
Korobasaga House
Gorrie Street
SUVA

Dear Honourable Kumar

DEPARTMENT OF HOUSING
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

The audited financial statements for the Department of Housing for the year ended 31 July 2018 together with my audit report on them are enclosed.

Particulars of the errors and omission arising from the audit have been forwarded to the management of the Ministry for necessary action.

Yours sincerely

Ajay Nand
AUDITOR-GENERAL

cc: Mr. Sanjeeva Perera, The Permanent Secretary, Ministry of Housing and Community Development

Encl.



DEPARTMENT OF HOUSING

AGENCY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

**DEPARTMENT OF HOUSING
AGENCY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

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INDEPENDENT AUDITOR'S REPORT

DEPARTMENT OF HOUSING

I have audited the financial statements of the Department of Housing which comprise the Statement of Receipts and Expenditure, Appropriation Statement and Statement of Losses for the year ended 31 July 2018, and notes to and forming part of the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Financial Management Act 2004 and Finance Instructions 2010 and Finance (Amendment) Instructions 2016.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISA). My responsibilities under those standards are further described in the *Auditor's Responsibilities* paragraph of my report. I am independent of the Department in accordance with the ethical requirements that are relevant to my audit of the financial statements in Fiji and I have fulfilled other responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter

I draw attention to the Established Staff expenditure reflected in the Statement of Receipts and Expenditure, which records the payroll expenditures for the Department. There is an unreconciled variance of \$47,571 between the Financial Management Information System (FMIS) general ledger and the Department's payroll report for Established Staff. My opinion is not modified in respect of this matter.

Other Matter

Internal controls over payment process and payroll were generally found to be weak and if not addressed promptly may result in material misstatements and possible financial losses in the near future. The weak payment controls resulted in the lump sum payment of grant contrary to the grant agreement. Weak controls around payroll processes resulted in delays in preparation of payroll reconciliations and the variances in the payroll expenditure

Management's Responsibilities for the Financial Statements

The management of the Department is responsible for the preparation of the financial statements in accordance with the Financial Management Act 2004, Finance Instructions 2010 and Finance (Amendment) Instructions 2016, and for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibilities

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud and error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with ISA, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

I communicate with the Department regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Ajay Nand
AUDITOR-GENERAL



Suva, Fiji
13 August 2020

**DEPARTMENT OF HOUSING
MANAGEMENT CERTIFICATE
FOR THE YEAR ENDED 31 JULY 2018**

We certify that these financial statements:

- (a) fairly reflect the financial operations and performance of the Department of Housing for the year ended 31 July 2018; and
- (b) have been prepared in accordance with the requirements of the Financial Management Act 2004, Finance Instructions 2010 and Finance (Amendment) Instructions 2016.



Sanjeeva Perera
Permanent Secretary

Date: 12/07/2020



Navin Chandra
Manager Finance

Date: 09/07/2020

DEPARTMENT OF HOUSING
STATEMENT OF RECEIPTS AND EXPENDITURE
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2018

	Notes	2018 (\$)	2017 (\$)
RECEIPTS			
Agency Revenue			
Miscellaneous	3 (a)	10,000	---
TOTAL REVENUE		<u>10,000</u>	<u>---</u>
EXPENDITURE			
Operating Expenditure			
Established Staff	3 (b)	535,799	336,167
Unestablished Staff	3 (c)	70,019	23,267
Travel & Communication	3 (d)	58,678	52,941
Maintenance & Operations	3 (e)	58,256	36,192
Purchase of Goods & Services	3 (f)	12,514	20,826
Operating Grants and Transfers		999,982	1,000,000
Special Expenditure	3 (g)	27,025	(8,275)
Total Operating Expenditure		<u>1,762,273</u>	<u>1,461,118</u>
Capital Expenditure			
Capital Construction	3 (h)	2,222,806	5,365,174
Capital Purchases	3 (i)	4,916	---
Capital Grants and Transfers	3 (j)	14,594,538	8,355,155
Total Capital Expenditure		<u>16,822,260</u>	<u>13,720,329</u>
Value Added Tax		269,293	361,581
TOTAL EXPENDITURE		<u>18,853,826</u>	<u>15,543,028</u>

DEPARTMENT OF HOUSING
 APPROPRIATION STATEMENT
 FOR THE YEAR ENDED 31 JULY 2018

SEG	Item	Budget Estimate (\$)	Appropriation Changes (\$)	Revised Estimate (\$) (a)	Actual Expenditure (\$) (b)	Carry-Over (\$)	Lapsed Appropriation (\$) (a-b)
Operating Expenditure							
1	Established Staff	402,541	226,766	629,307	535,799	-	93,508
2	Unestablished Staff	37,222	21,600	58,822	70,019	-	(11,197)
3	Travel & Communication	61,130	25,900	87,030	58,678	-	28,352
4	Maintenance & Operations	64,150	15,500	79,650	58,256	-	21,394
5	Purchase of Goods & Services	24,000	(1,800)	22,200	12,514	-	9,686
6	Operating Grants & Transfers	1,000,000	-	1,000,000	999,982	-	18
7	Special Expenditure	174,000	(28,216)	145,784	27,025	-	118,759
	Total Operating Expenditure	1,763,043	259,750	2,022,793	1,762,273	-	260,520
Capital Expenditure							
8	Capital Construction	8,772,587	(5,820,421)	2,952,166	2,222,806	-	729,360
9	Capital Purchase	---	4,916	4,916	4,916	-	---
10	Capital Grants & Transfers	23,282,930	(6,581,350)	16,701,580	14,594,538	-	2,107,042
	Total Capital Expenditure	32,055,517	(12,396,855)	19,658,662	16,822,260	-	2,836,402
13	Value Added Tax	818,600	(545,557)	273,043	269,293	-	3,750
	TOTAL EXPENDITURE	34,637,160	(12,682,662)	21,954,498	18,853,826	-	3,100,672

**DEPARTMENT OF HOUSING
STATEMENT OF LOSSES
FOR THE YEAR ENDED 31 JULY 2018**

Loss of Money

There was no loss of money recorded for the financial period ended 31 July 2018.

Loss of Revenue

There was no loss of revenue recorded for the financial period ended 31 July 2018.

Loss (other than money)

There was no reported loss of assets (other than money) recorded for year ended 31 July 2018.

Following the 2017 – 2018 Board of Survey, items worth \$15,310 were written off as approved by the Permanent Secretary of Economy. The items have been grouped into categories and the totals of the same have been captured.

Assets	Amount (\$)
Office Equipment	13,520
Inventory	500
Furniture & Fittings	1,290
Total	15,310

**DEPARTMENT OF HOUSING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

NOTE 1: REPORTING ENTITY

The Department of Housing is responsible for providing access to adequate, quality and affordable accommodation for all citizens and especially the disadvantaged. The Department plays an important role in the Government's effort to combat poverty through the effective administration of the National Housing Policy, which has a specific emphasis on upgrading and resettlement programs for the less fortunate in Fiji.

The Department is also responsible for administering Government grants to social housing providers such as the Public Rental Board, the Housing Authority and the Housing Assistance Relief Fund.

NOTE 2: STATEMENT OF ACCOUNTING POLICIES

(a) Basis of Accounting / Presentation

In accordance with Government accounting policies, the financial statements of the Department of Housing is prepared on cash basis of accounting. All payments related to purchases of fixed assets have been expensed.

The financial statements are presented in accordance with the Financial Management Act 2004 and the requirements of Section 71(1) of the Finance Instructions 2010. The preparation and presentation of a Statement of Assets and Liabilities is not required under the current Government policies, except for that of the Trade and Manufacturing Accounts.

(b) Accounting for Value Added Tax (VAT)

All income and expenses are VAT exclusive. The Department on a monthly basis takes out VAT output on total money received for expenditure from Ministry of Economy. VAT input on the other hand is claimed on payments made to the suppliers and sub-contractors for expenses incurred.

The VAT payment as per the statement of receipts and expenditure relates to the VAT input claimed on payments made to the suppliers and sub-contractors for expenses incurred and VAT payments to FRCS. Actual amount paid to FRCS during the year represent the difference between VAT Output and VAT Input.

(c) Comparative Figures

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency.

(d) Revenue Recognition

Revenue is recognised when actual cash is received by the Department of Housing.

**DEPARTMENT OF HOUSING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued...)
FOR THE YEAR ENDED 31 JULY 2018**

NOTE 3: SIGNIFICANT VARIATIONS

- (a) The miscellaneous revenue increased by \$10,000 or 100% in 2018 compared to 2017. This was due to refund of two recipients first home buyers grants by the financial institutions.
- (b) Established Staff cost increased by \$199,632 or 59% in 2018 compared to 2017. The increase was due to payment of Project Consultant fees and pending FNPF contribution.
- (c) Government Wage Earners costs increased by \$46,752 or 201% in 2018 compared to 2017. This was due to excessive payments of overtime and meal allowances
- (d) Travel and communications cost increased by \$5,737 or 11% in 2018 compared to 2017. This was due to payment of hotel accommodation and meal allowances for public officers while travelling on official trip to inspect Department's and other stakeholders' projects.
- (e) Maintenance and operations costs increased by \$22,064 or 61% in 2018 compared to 2017. This was due to payment for procurement of office equipment, stationery and printing, fuel and oil, fire and sewerage services, pestkill and hygiene services and payment for power supply to Energy Fiji Ltd.
- (f) Purchase of goods and services costs decreased by \$8,312 or 40% in 2018 compared to 2017. This was due to non-utilisation of budgetary funding for training expenses for public officers, procurement of occupational and safety equipment's and directory expenses.
- (g) Special expenditure costs increased by \$35,300 or 427% in 2018 compared to 2017. This was due to operational expenses relating to National Housing Policy Implementation Plan.
- (h) Capital construction costs decreased by \$3,142,368 or 59% in 2018 compared to 2017. This was due to non-completion of projects namely Ledrusasa Informal settlement upgrading project, Waidamudamu Informal Settlement upgrading project and Cuvu informal settlement upgrading project due to expiry of civil works contract, which required the renewal of Addendum for extension of project. This resulted in non-payment to contractors. In addition, in 2018, there were two allocations with expenditure in comparison to three allocations with expenditure in 2017. Hence a significant reduction in expenditure in 2018.
- (i) Capital purchases costs increased by \$4,916 or 100% in compared to 2017. This was due to payment of cable upgrading for FFA House in the 2018 as compared 2017.

**DEPARTMENT OF HOUSING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued...)
FOR THE YEAR ENDED 31 JULY 2018**

- (j) Capital grants and transfers increased by \$6,239,383 or 75% in 2018 compared to 2017. This was due to increase in expenditure for Public Rental Board Simla Development project. In addition, there were two new expenditure items in 2018 namely Housing Authority Land Development Subsidy of \$7,389,169 and Housing Authority Social Housing Policy.

NOTE 4: APPROPRIATION CHANGES

The Permanent Secretary approved the following virement under delegation from the Minister for Economy.

Virement No.	From	To	Amount (\$)	Approval
DV2301	SEG 7	SEG 3	12,500	Permanent Secretary of Housing
DV2302	SEG 7	SEG 9	4,916	Permanent Secretary of Housing
DV2303	SEG 7	SEG 4	10,800	Permanent Secretary of Housing
	SEG 3	SEG 3	5,000	
	SEG 4	SEG 4	1,200	
	SEG 5	SEG 4	1,800	
V23002	SEG 10	SEG 8	348,962	Permanent Secretary of Economy
	SEG 10	SEG 13	6,222	
V23003	SEG 10	SEG 1	226,166	Minister for Economy
	SEG 8	SEG 1	600	
	SEG 8	SEG 2	21,600	
	SEG 8	SEG 3	13,400	
	SEG 8	SEG 4	2,900	

The following redeployments were made in accordance with section 22 of the Financial Management Act 2004.

Redeployment No.	From	To	Amount (\$)
REDY 03	Head 23	Head 50	12,682,662

Reasons for Significant Savings

Savings in SEG 8 Capital Construction was due to non-completion of required jobs which resulted in non-payment to contractors, civil works not progressing and there was disagreement between landlord and tenant on the land and contractor was not able to complete the land development which led to payment being on hold.

Savings in SEG 10 Capital Grants and Transfer was because residents of the Nabua Muslim League Settlement were not relocated to a site identified at Waidradra, Baulevu, Nausori because facilities such as water, electricity, proper drainage were not available, payment of grant is paid once the full criteria for Housing Assistance for Fire Victims was fully met and savings held after performing projects.

**DEPARTMENT OF HOUSING
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (Continued...)
FOR THE YEAR ENDED 31 JULY 2018**

NOTE 4: TRUST FUND ACCOUNT

The City Wide Informal Settlement Upgrading trust fund account was established in 2013 to facilitate the provision of funds over a 3 year period for the City Wide Informal Settlement Upgrading Programme which is a housing partnership programme between the Ministry of Local Government, Urban Development, Housing and Environment, the People Community network (PCN) and the Asian Coalition Housing Rights (ACHR).

There were no transactions in the account in 2017-2018 and the said account had been closed.

